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At Long Last, a Day of Reckoning for Ticketmaster May Be Upon Us

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The online ticketing giant Ticketmaster has been using its monopoly power for years to abuse artists, fans, and venues alike — but now, thanks to a perfect storm of political and cultural factors, not to mention an army of Taylor Swift fans, it could face a long-overdue government thumping now that the US Department of Justice (DOJ) is reportedly conducting an antitrust investigation into the company.

Ticketmaster operates as a monopoly in the concerts and live events industry, controlling every stage of the business — from ticket sales to event promotions to venue operations — ever since its merger in 2010 with event promoter and venue operator Live Nation, which [the DOJ approved](#).

The new parent company became Live Nation Entertainment, Inc. One of the conditions in the DOJ's consent decree for the newly formed company was a prohibition on retaliating against venues for using other ticketing servicers. Despite this, [venues have alleged](#) for years that's exactly what Live Nation has done. Through this merger, as well as their aggressive tactics, Live Nation Entertainment now controls more than [70 percent](#) of the live event market.

Along with penalizing independent venues and frustrating music fans, Live Nation has also set its sights on the few remaining ways live musicians make money, including demanding cuts of merchandise sales, leaving artists with few options left.

“In typical let-no-tragedy-go-to-waste fashion, Live Nation used the pandemic to scoop up even more clubs who couldn't afford to keep the lights on,” Max Collins, frontman for rock band Eve 6, told the *Lever*. “The artists touring the club circuit are lucky if they break even, and this monolithic corporation is putting its scaly claw in their pocket to grab for more. You have them demanding 20 cents or more of every dollar a band makes from selling their own T-shirts and hoodies. The degree to which this company scales artist and fan exploitation would be funny if it wasn't so fucked up.”

From Ticketer to Sprawling Industry Monopoly

Founded as a ticketing system computer company in 1976, Ticketmaster became the market leader in the ticket industry by buying up competitors like [Ticketron](#) and pushing for laws that [restricted ticket resales](#) to authorized companies like itself.

As the company has become the dominant ticketing operation, concerns have grown over its monopolistic practices — including how it treats consumers. Event-goers have criticized the ticket retailer for years, arguing the fees tacked onto sales were exorbitant and often disproportionate to the ticket's face value. A class-action lawsuit, originally filed in 2003, taking aim at these excessive fees was eventually settled in 2014 for \$400 million, without Ticketmaster or its parent company Live Nation admitting wrongdoing.

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Since then, the company has continued what many believe to be the same predatory practices. Earlier this year, *Last Week Tonight With John Oliver* reported it had found tickets for events on Ticketmaster with fees ranging around 70 percent of the ticket's face value and one with fees totaling more than the ticket itself.

Since 2020, Live Nation has spent more than \$3 million on federal lobbying, according to OpenSecrets, including on efforts to beat back attempts in Congress to better regulate event ticket markets. Forbes Tate Partners, one lobbying firm employed by Live Nation, has also led the health care industry's campaign to defeat reform proposals like Medicare for All and a public health insurance option, as well as efforts to lower the Medicare eligibility age. The firm's work for Live Nation has included lobbying on “issues related to transparency and accountability to ticket sales pricing” and “issues related to antitrust enforcement.”

Live Nation's leadership and investors have deep ties to the Republican establishment and the conservative billionaire class. Its largest shareholder is Liberty Media Corporation, which also controls a 75 percent stake in the satellite radio company Sirius XM.

At the helm of Liberty Media sits John Malone, a multibillionaire media mogul, director emeritus and former board member of the right-wing think tank Cato Institute, and prominent donor to Donald Trump's presidential inauguration as well as various other conservative politicians and causes.

In addition to serving as chairman of Liberty Media, Malone is a major shareholder and sits on the board of directors at Warner Bros. Discovery, now the parent company of CNN. Last year, Malone called for CNN to model itself more like Fox News. In its reporting on Live Nation and Ticketmaster last week, CNN did not disclose this relationship.

As Live Nation has become a major venue operator, it has also worked to rig the venue industry in its favor. Live Nation now owns, operates, or leases at least 165 venues in North America, according to an annual financial report the company filed earlier this year.

As live events were ground to a halt at the onset of the pandemic, independent music venues sought assistance from the government to remain in operation. Congress set aside \$15 billion in aid meant for smaller venues, but Live Nation lobbied aggressively in order to gain access to those funds, despite being on a much more solid financial footing than small, independent venues.

Around \$19 million ended up being allocated to Live Nation subsidiaries as a result of the lobbying effort, according to reporting by the *Washington Post*. Around the same time, Saudi Arabia's Public Investment Fund funneled around \$500 million into Live Nation in exchange for a 5.7 percent stake in the company, making it the company's third-largest shareholder.

“How Is This Not Extortion?”

Caught in all of this consolidation are smaller artists who already struggle to make a living wage, due to the decline in record sales as fans opt for streaming services. Spotify, the largest music streaming platform owning more than a third of the market, only pays artists between \$0.003 and \$0.005 cents per stream, and royalties are split among a much broader group than just the performers.

This arrangement pushes artists to tour more, because it's one of the few remaining ways to be compensated and make a living as a musician. But while on the road, performers are subject to Live Nation's cuts from ticket sales, as well as additional profiteering by venue owners and promoters.

Artists typically must fork over 20 to 30 percent of revenue on all merchandise sales after the show to the venue owner, which is often Live Nation, despite this being one of the last remaining avenues for bands to make money. Few fans even realize they're handing over more money to companies like Live Nation when they're buying a T-shirt after seeing their favorite band — and some may complain when asked to tip.

Artists who try to evade venues taking cuts from merchandise sales could potentially face backlash from promoters and venue owners. With Live Nation's expansive reach throughout the industry, such actions could potentially be a career-killer.

“We have been told by our team many times in the past that we better pay our merch cut and pay it honestly, or we will mess up future opportunities for ourselves. How is this not extortion?” said Jesse Barnett, singer in the hardcore band Stick To Your Guns. “We will show up to a venue and many places will physically count the amount of items we are bringing in and then count us out because they don't trust that we will give them a ‘correct number.’ Why would we? Why do you deserve a piece of our merch? Did you come up with the designs? Did you get it printed? Did you haul it from show to show? No. Bottom line.”

Several musical artists spoke to the *Lever* on the condition of anonymity, out of fear of retaliation from Live Nation. All of them expressed frustration with merchandise cuts, but say they had been told there was nothing they could do to challenge them.

With artists and fans alike being nicked-and-dimed by industry titans, Collins of Eve 6 worries about a future where upcoming artists won't be able to tour.

“We really are moving toward a future — if we aren't already there — where the only artists who can afford to tour are at the Taylor Swift, Harry Styles position on the hierarchy,” he said. “Eve 6 did a month-long tour in May and June of this year, and when we looked at the profits and expenses afterwards we were like, ‘Welp, we won't be doing this again.’”

Swifties on the Attack

But now, finally, Live Nation might have messed with the wrong fan base. Swifties — the moniker for Taylor Swift’s army of strident fans — were roiled last Tuesday when Ticketmaster’s site buckled under the weight of millions of fans trying to snatch up tickets during a limited prerelease for fans chosen at random for her upcoming tour.

The public release was initially scheduled for Friday, but was ultimately postponed due to what Ticketmaster claimed were “extraordinarily high demands” and “insufficient remaining ticket inventory.” This pushed the remaining fans to the secondary, resale market where they were subject to prices upwards of \$28,000.

This debacle comes on the heels of Ticketmaster’s “Dynamic Pricing” controversy, a practice where prices for tickets are fluid and driven by demand, resulting in fans attempting to attend the most popular tours being charged rates much higher than face value. While Dynamic Pricing started in 2011, it drew ire at multiple points this year when fans of Bruce Springsteen and Blink-182 were flabbergasted by the astronomical ticket prices and the site’s infrastructure cratering.

Mark Hoppus, the bassist and co-lead vocalist for Blink-182, acknowledged he tried to buy tickets to two of his shows after hearing what fans were enduring and said his tickets were “yoinked” from his cart and he had “the whole thing crash out.” Conversely, Bruce Springsteen defended the Dynamic Pricing model in an interview with *Rolling Stone* published last Friday.

Thanks to the Swifties’ ire, calls for Ticketmaster, and ultimately Live Nation Entertainment, to be broken up grew on social media last week and were echoed by prominent political figures.

“Daily reminder that Ticketmaster is a monopoly, its merger with Live Nation should never have been approved, and they need to be reigned [sic] in. Break them up,” Representative Alexandria Ocasio-Cortez (D-NY) tweeted last week.

“Fans of Taylor Swift are learning firsthand about the Ticketmaster horror show and it’s not pretty Swifties. Break up Ticketmaster,” Representative Bill Pascrell (D-NJ) said in a tweet. Pascrell introduced a bill in the 116th Congress aimed at regulating live-event ticket sales and ticket resale markets, as well as providing more transparency in pricing and fees. That bill stalled in committee.

Gregory Maffei, chairman of Live Nation’s board, is a prolific Republican donor who has given more than \$900,000 to conservative candidates and causes since the start of the 2016 election cycle. He blamed Taylor Swift’s touring hiatus over the last several years for Ticketmaster’s issues.

“Building capacity for peak demand is something we attempt to do but this exceeded every expectation. And the reality is Taylor Swift hasn’t been on the road for three or four years and that’s caused a huge issue,” said Maffei.

Fans weren’t convinced.

“Obviously it was disappointing to see the way Ticketmaster had chosen to handle things — knowing there were other Swifties who, like me, waited for hours in line and then were unable to get tickets,” said Ellie Schnitt, host of the *Taylor Talk* podcast on Spotify. “There’s no excuse for it, they knew the demand would be insane and said they could handle it and there was literally no other option.”

The outcry comes at a moment of growing demands for consumer rights in the face of predatory corporate behaviors. The Biden administration, along with the Consumer Financial Protection Bureau, have made it a priority to crack down on companies and institutions that engage in unscrupulous pricing practices or levy hefty and unnecessary “junk fees” on purchases. The industries range from the financial sector to airlines to the live event ticketing world.

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Last week, Pascrell and thirty-one other Democratic members of the House released a letter calling on Attorney General Merrick Garland to investigate Live Nation for its business practices and demanding the corporation be broken up.

“There is overwhelming evidence that the merger between the world’s largest concert promoter and the largest ticket provider strangled competition for ticketing in the live entertainment marketplace,” wrote the lawmakers. “While the harm consumers and artists have endured for over a decade cannot be reversed, ticketing and venue competitors, fans, and local music communities would breathe a collective sigh of relief if the merger were undone.”

That same day, the *New York Times* reported that the DOJ has launched an antitrust investigation into Live Nation Entertainment. In a statement published Friday evening, the company issued a statement claiming it “does not engage in behaviors that could justify antitrust litigation, let alone orders that would require it to alter fundamental business practices.”

In its annual financial report earlier this year, the company acknowledged that antitrust investigations may pose substantial risk to its business.

“In the case of antitrust (and similar or related) matters,” the company wrote, “any adverse outcome could limit or prevent us from engaging in the ticketing business generally (or in a particular segment thereof) or subject us to potential damage assessments, all of which could have a material adverse effect on our business, financial condition, and results of operations.”