

TICKETING TECHNOLOGY FORUM

18-19 MARCH 2014

WEMBLEY, LONDON

THE FUTURE OF ENTERTAINMENT TICKETING



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DISCUSSION PAPER #04

Dynamic Pricing as a Tactic - Not a Strategy

Gaby Kaminsky, Founder - [udobu](#), Spain

Gaby joined us at [Ticketing Technology Forum 2014](#), 18-19th March in London. Here's what he thought of our biggest Forum to date.



"dynamic pricing is a buzz-word in the industry. Many venues are considering it"

Ticketing Technology Forum 2014 is over, and going over my notes from the sessions, the one thing that strikes me most is that almost every session in the Forum got us back to the issue of ticket pricing.

Let's try and recap the key pricing-related take aways from the forum, and summarize some of the debates running on twitter using a bit more than 140 characters.

Ronit Glasman of the Israel Football Association has mentioned in the UEFA EURO U21 2013 presentation, a conscious decision to price tickets at about €8 on average to get more bums on seats. She has mentioned that revenue maximization wasn't one of the main targets of the LOC, as the tournament needed to be a success in terms of attendance and stadia atmosphere.

We have seen a similar trend in German football in the last years, with the understanding that a full stadium is a much better product to also sell to broadcasters. However, as mentioned in our [previous post](#), we can see this trend starting to shift a bit in the big German clubs, and the point being made is that even in such a context, putting an emphasis on attendance rather than revenue, one can still improve either revenue or attendance, by accurately pricing to the task.

While discussing the venue-agent relationship in the West End API linkage panel, it has been mentioned that the driver behind such an API has actually been dynamic pricing implementation, to allow the reflection of constant price changes across all channels, including agents. Bear in mind that in order to accurately price, the motivation should not only be pushing prices to channels, but also using this connectivity to measure what is going on in each one of them in real time.

Naturally, the dynamic pricing session was focused on the issue of price. Some great remarks and examples by Thomas Wickell from Malmö Opera on the importance of data ownership to successfully perform complex pricing tasks; by Andrew Collier from Minor Entertainment on price communication by providing search by price functionality; and by Sönke Scobel from Stage Entertainment, proving that just by having an in-house revenue management position, just like any hotel or airline does, a venue or promoter can go a long way. However, a single person or team won't cut it. The entire organization should stand behind the pricing strategy, and must be aligned with it.

Dynamic pricing is a buzz-word in the industry. Many venues are considering it, some are already implementing, while others are sitting on the fence, waiting to see how the others are doing.



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It is important to note that dynamic pricing is not the only method to improve ticket pricing. Venues and promoters can do better even with current fixed-pricing schemes, just by introducing the proper scientific tools and approach to their pricing, and base their pricing decisions on well executed analysis, rather than mostly guesswork and intuition.

It was great seeing more industry players using correct KPIs to measure their own performance as a basis for better pricing decisions. However, there is still much room for improvement. We have written about different KPIs here in the past. Browse through previous posts to check them out.

“ It is important to note that dynamic pricing is not the only method to improve ticket pricing ”

Surprisingly enough, the one thing all panelists agreed on in the lively debate on the secondary ticket market, is that regardless of whether or not you need legislation and technology to limit the secondary market, the one effective tool is to price tickets properly in the first place, to reflect what the market is willing to pay for them. The secondary market exists because of price inefficiencies, and more accurate pricing will take the sting out of the economic sense of running a secondary operation of a large scale.

Since Revenue Management isn't only about pricing, one should take into account the benefits the secondary market may present to venues and promoters, functioning as new channels that can be used to manage inventory in creative ways. Unfortunately, the suggested legislation discussed might prove to be detrimental to such efforts.

It has been an interesting and relevant forum. Looking forward to seeing you next year.

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