

BRANDON
KIM

SOLVING A SCALPER CRISIS

CASE COMPETITION

Playbook for Huntrix on dealing with scalpers and concert
ticket emergency

HUNTRIX

THE SITUATION

Huntrix Music Festival –

- Summer Festival located in Los Angeles
- Top K-pop artists perform
- 50,000 tickets available

30 days to solve the issue

Scalper Infestation

85% of the tickets were bought by scalpers; tickets are now ~\$1,000

Everyone is Unhappy



- Genuine fans are boycotting and not buying from scalpers
- Artists do not want to perform in an empty stadium
- Sponsors are threatening to pull out fearing a negative public image

RESTRAINTS & BOTTLENECKS



Adding/Cancelling Tickets

The platform being used, Ticketmaster, states sales are final; cancelling and refunding or adding tickets is not an option



Terminating Contract with Ticketmaster

We are locked to only using Ticketmaster as a sales platform. Breaking the contract will result in the loss of the stadium



Do Nothing or Cancel the Concert

Either of these options leads to a net loss due to fixed costs, resulting in bankruptcy

What shall we do?

WHAT'S HAPPENING



WHAT THEY WANT

Fans – Boycotting festival and refusing to buy tickets from scalpers

Artists – Threatens to pull out of the event and not perform

Sponsors – Also threatens to pull out and cancel funding

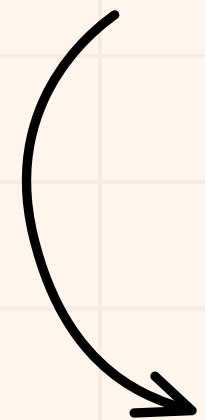
Ticketmaster – Holds a contract that prevents Huntrix from doing certain actions

Huntrix – Boycotting festival and not buying tickets from scalpers

- Fair prices; accountability, mad at the situation more so than the prices
- A stadium full of genuine fans
- Clean public image; positive PR exposure
- Contract being followed; income
- Preserved reputation; avoiding bankruptcy

A BUY BACK PROCESS

We are buying the tickets from the scalpers ourselves



USING THE MEDIA

With support from the boycotting fans and official boycott promotional campaigns, we will lower the prices of the tickets on the market



THE PROJECTED SOLUTION

GIVING THEM OUT

Using specialized ticket drops after we buy the tickets, we will give back to the fans by giving away the tickets prior to the event

TIMELINE OF EVENTS

A preview of all the actions that will take place across a 30-day period until the day of the concert.

- Everything is a mess:
- **scalping** at its peak
 - **boycott** rising
 - **sponsors and artists** threaten to leave

- The **promotional campaign**:
- aims to **support the boycott**
 - TikTok, Instagram, Twitter, etc.
 - encourages fans to continue the boycott
 - further **lowering demand** for tickets

- *Avoiding Overexposure***
- **saturates** the media
 - causes posts to sound **fake**

Day 1

The Boycott Effect

Day 7

Using the boycott:

- prices will begin to **decline** rapidly within this period
- fans are **refusing to buy tickets**
 - removes the vast majority of market demand

Preparing to **buy back**:

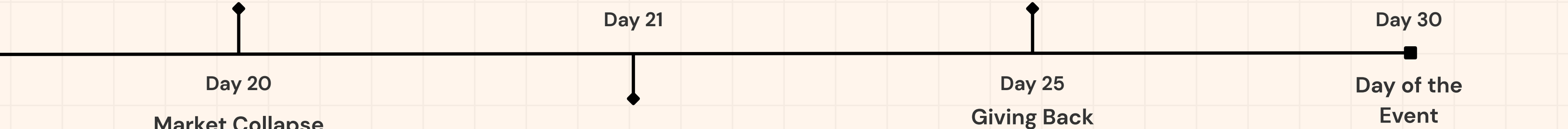
- sellers begin to panic and list tickets **well below average**
- forced to sell
 - **stagnant inventories**
 - **credit bills**
- perfect time to start **buying tickets**
 - SeatGeek, StubHub, etc.

Giving back tickets:

- tickets will be **completely free**
- using a **custom app** by us
 - **drop system**
- does not break Ticketmaster’s contract as we are not making profit

Verifying Buyers

- monitoring **account information**
 - IP addresses, phone numbers, email addresses
- **not giving tickets to verified scalpers**



Keeping buy-back prices **manageable**:

- **Example:**
 - buying 65% of tickets (~27k)
 - 75% retail (\$115)
 - \$3.1 million

Keeping buying phase short

- rapid buying by us can cause **price spikes**
- will not be able to buy back tickets

EVERYONE'S SITUATION



FANS

Win:

- **free tickets** satisfying high price complaint
- **content** with the situation

Loss:

- fans who authentically bought tickets **will not get a refund**



ARTISTS

Win:

- perform in front of **genuine fans**

Loss:

- **empty seats** due to unpurchased tickets



SPONSORS

Win:

- will not deal with **negative image**
- positive PR exposure



TICKETMASTER

Win:

- **contract is clean**
- Ticketmaster **holds funds**
- we did not use another platform to make money

FINANCIAL IMPACT

We **get the money** we use
to buy back tickets by
taking out a **loan**

Ended up with a **\$100k loss**.

- Unfortunately **did not profit**
- This is a state we can
recover from
- *In situations like this, we
focus on breaking even
and surviving instead of
maximizing profit*

Ticket Sales

~ **\$7.5 million**



Merchandise/F&B

~ **\$3.0 million**



Sponsors

~ **\$2.0 million**



Fixed Costs

~ **\$9.5 million**



Buyback Operation

~ **\$3.1 million**



NET GAIN/LOSS

~ **\$100,000**



PREVENTING SCALPERS

Primarily achieve this through verification methods on first-hand platforms such as Ticketmaster

A LONG TERM RESOLUTION

POTENTIAL METHODS:

Ticket Limit: limiting the number of tickets an individual account can buy



Time Limit: forcing pauses between each purchase as bots often buy tickets rapidly



Info: not allowing the same email or phone number have multiple accounts;

