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The following is a report by the National Independent Talent Organization (NITO) on secondary market resale tickets in the State of Maryland. This report is to be used by the Office of the Attorney General of Maryland for their study of the event ticket market in Maryland to be submitted to the Senate Finance and House Economic Matters Committees.

### **Terms and Definitions**

For the purpose of this report the following terms will be defined as follows:

**Primary Ticket Market** - the original point of sale for the ticket. The sale occurred in partnership with a primary ticket platform on behalf of the event owner, organizer, promoter or venue.

**Secondary Ticket Market** - the resale of an event ticket, most often through a secondary ticket platform

**Ticketing Platform** - a point of sale system for the selling of event tickets. Ticketmaster, AXS, TicketWeb, Dice are all examples of primary ticketing platforms. StubHub, VividSeats, Ticketnetwork and SeatGeek are examples of secondary ticket platforms.

**Reseller** - A person, professional broker or other, who is reselling an event ticket

**Face Value Ticket** - The ticket price listed on the primary ticket market, prior to additional fees

**Resale Ticket** - The price of the resold ticket, sold through a secondary ticket platform, prior to additional fees

**Spec Ticket** - A ticket sold on a resale site that is not in the possession of the seller at the time of sale

### **Data Collection**

The secondary market ticket sales data used for this report came from the subscription site, [SeatData.io](https://www.seatdata.io). According to their customer service, the data represents 60-65% of the sales made

on StubHub. In order to judge accuracy, we compared prices for the similar events using Lysted, the insights program for Automatiq which uses a SeatGeek API for its data collection. We compared prices sold in similar sections and the prices were comparable between both sources.

According to [an analysis by Automatiq](#) in 2021, StubHub held a 24.5% share in secondary market sales for concert tickets which is to say that the data we collected, in all likelihood, represents only a portion of secondary market sales for these shows and the total number of tickets sold and profit made would be significantly higher. It is possible for the primary ticket provider to view “total transfers” for a given show, which could better represent the total number of tickets resold. NITO does not have access to that data.

As requested by the AG’s office, we only looked at shows in the state of Maryland and primarily at larger capacity venues. The data we collected is from three shows at the CFG Bank Arena and one show at M&T Bank Stadium, both in Baltimore, MD, the three day Oceans Calling Festival in Ocean City, MD and 15 shows at the Merriweather Post Pavilion in Columbia, MD. For the purpose of this report, we have redacted the artists names. All of this data is from concerts held between from 2021-2024.

For face value ticket prices, we either received that information directly from the venue, the artist team or used data from the music industry trade publication, Pollstar. For the most part, face value prices were calculated as an average price for the particular artist or show. All ticket prices are without fees. Average ticket fees in the primary range are approximately 28% of the face value price on top of the ticket. Average ticket fees in the secondary market are approximately 38% of the listed price on top of the ticket.

## **Key Findings**

The data shows average resale tickets are twice as expensive as average face value tickets. This data is consistent with [previous findings by NITO](#) when studying resale on a national level. We estimated the profit by subtracting the cost the consumer paid, by the average face value ticket price of the event. There was an average of 2,413 tickets resold per event with an estimated profit of \$129.44 per ticket sold to resellers. The estimated combined profit for resellers for the 20 events we examined was a whopping \$6,245,711.72. The total gross sales from these events was \$12,098,077.72 meaning the ticketing platform, in this case StubHub, by our estimate made at least \$3,000,000.00 in revenue from the resale of these tickets. StubHub charges a 15% commission to the seller of the ticket while adding up to an additional 40% in fees on top of the price of the ticket which is paid by the consumer.

One of the key arguments for ticket resellers is the ability to save consumers money by offering prices lower than are available on the primary market.. For the data that we had available, we were able to find only 627 tickets out of over 35,000 tickets resold, or 1.7%, that were sold below the lowest face value prices available on the primary market. There is a combination of six shows that had 19,573 tickets resold with one ticket sold below the lowest listed face value price.

The biggest difference between face value and resale was a show at Merriweather Post Pavilion, where the average ticket sold was \$70.00 while the average resale ticket for that show was \$238.19, or 3.5 times as much. For that show, the highest ticket priced on the primary market was \$100.50 while the highest ticket resold was \$779.00. The largest quantity of tickets for one artist was a two night run at the CGF Bank arena where 8943 tickets, or roughly 37% of the total capacity, was resold. We estimated that resale profit at nearly \$2,000,000.00. Unsurprisingly, these concerts also had the highest potential profit per ticket, at \$216.00. There were six events where the estimated resale profit was over \$150.00 per ticket.

### **Resale for Profit**

NITO is not against resale and has always supported resale for face value price and below. We support resale companies like Cash or Trade that provide services to move tickets at face value and below. If a fan can not attend a concert, they should have every right to offload their ticket to someone who would like to attend. The ability however to profit off of resale creates a scenario where the best intentions of artists, providing tickets below market value with the hopes of attracting a wider audience, creates a scenario for resellers to profit more. We know for a fact that when resale above face value is blocked by the artist, like what The Cure did on their most recent tour, resale on mass scale is halted. The Cure used these face value exchange platforms that did not allow for tickets to be resold above face value for their Merriweather Post Pavilion, our data showed only three tickets resold for that show. Meanwhile, we saw resale numbers as high as 5,000 tickets for one show when no restrictions were in place. However, there are difficulties using these resale restrictions for every tour and every artist at this moment. In part because of lack of cooperation by ticketing companies or their inability to implement protections in all states as some states have outlawed any restrictions on resale.

### **Fans Vs Bots**

We know that it is increasingly difficult for everyday fans to compete for tickets for high demand shows. Rampant use of technology to bypass security measures and procure tickets is very real. This puts everyday fans at a serious disadvantage. NITO's [formal complaint to the FTC](#) highlights some of this technology, browser extensions and multi server tools, proxy services to mask IP address and location, data scraping tools, virtual credit cards and integrated large scale resale solutions allowing people to list tickets on multiple sites at once. These tools all give an unfair advantage to individuals who purchase tickets with intent to resell for profit, their use to buy tickets in excess of purchase limits is also against the law.

The resale platforms themselves are spending millions of dollars on search engine optimization which puts their listings on the top of internet searches. Much of this is paid for by higher ticket fees, meaning the consumers are paying for the companies to market higher priced tickets back to them. Resale platforms selling tickets that were procured in violation of the BOTS Act are also violating the BOTS Act, however we found little evidence that any of these companies are actively scrutinizing their sellers.

Lack of enforcement is a serious issue but the ability to double or triple your investment for resellers is a serious incentive to procure tickets even in violation of the law. At this point, we see no solution to this issue without stronger enforcement, harsher penalties, or banning the possibility to profit off resale altogether.

### **Resale Ramifications**

Those that suffer the most from the resale market are the actual labor forces responsible for putting on the show: the artists, the venues and promoters. People paying higher prices on the secondary market inevitably go to less shows and choose those that they do attend selectively. Most people only have so much disposable income, if you spend \$500.00 on one concert, you're less likely to go to more concerts even at a lesser price. Our industry depends on people regularly attending a wide variety of concerts. People need to work this into their social habits the same way they would with going to bars, restaurants, movies or other forms of entertainment. If they believe they can only attend concerts for hundreds of dollars, they'll exclude this from their social habits and we'll inevitably see a decline in attendance. It will also kill the spontaneity potential. If people believe attaining tickets is an expensive headache, they're less likely to attempt to go to a concert without planning ahead.

There are circumstances that can appear beneficial to the artist or venue but can actually be detrimental. For instance, resellers can purchase beyond demand for shows. While this may mean cheaper seats for fans on secondary sites, this can lead to seriously adverse scenarios for the venue and artist. For acts with high demand, it often costs tens of thousands of dollars every day to be on the road. Between travel, salaries, gear, transport, lodging, and numerous other costs incurred while on tour, a multi month tour can easily cost in excess of a million dollars. Research we've done with our members shows that on a sold out show, an artist's profit margins on a \$100 primary market ticket will be around \$8.00 per ticket. If the artist does not sell out, these profits can be less, so if shows under perform, the margins are very small to begin with.

If an artist rapidly sells out a venue and has open space on their tour schedule, they could be incentivized to add a second or third show in that same market to meet demand. However, if resellers had over purchased for that first performance, the additional shows can underperform and the profits can be wiped away. For the venue, the effect is similarly adverse. You will staff a show differently based on how many people are expected to come. This means if a show is sold out on paper, but the resellers over-purchase and only 60% of the tickets purchased get scanned through the door, the venue is bleeding revenue by overstaffing security, bartenders and additional staff to handle a larger crowd. The difference between tickets sold and tickets scanned is called a "drop count". We do not have exact numbers but industry wide reports drop counts are much lower than in previous years, below 90% is common at this point with many shows being as low as 75% despite high ticket sales on the primary market. Fewer people in the room means lower merch sales for the artist and lower concession sales for the venue.

We have also seen instances where resellers will “cart” tickets, as in secure the ticket in their purchase cart, list it on a secondary site and once it sells complete the purchase and the resale almost simultaneously. This means while real fans are waiting to make purchases at face value, someone is actively blocking their ability to do so while listing that ticket at higher prices elsewhere. This process can make potential buyers leave the queue altogether as no tickets appear available for purchase.

### **Concert Tickets vs Sports Tickets**

It is important to explain that concert ticket sales function completely differently than sports. While sports teams only play in the largest venues, only the largest concerts can fill these same rooms. Your average indoor sports arena, or where hockey and basketball is performed, is around 18,000 capacity. Baseball stadiums are often double that size and football stadiums can be four times as large. For instance, Camden Yards has a capacity of over 45,000 seats and M&T Bank Stadium is over 70,000. Additionally, each NFL team will get at least 8 home games, NHL and NBA teams will play at least 41 home games, and MLB teams will play at least 81 home games. Every season the Orioles will have roughly 3.6 million tickets to sell while the Ravens will have over half a million tickets to sell. Comparatively, most touring musicians will only play once in a market on a tour, regardless of how high the demand is. And because of staging set up, typical capacity for an arena concert will be around 12,000 tickets or less. Meaning, the average Orioles fan has 300 times as many chances to see their team play than Billie Eilish fans can see her perform in Baltimore.

Secondly, every one of the major sports leagues has roughly 30 teams, and of those 30 teams, much to the chagrin of their fans, not all teams are not particularly good. In 2023, MLB had 13 teams lose over half their games. The average MLB stadium capacity is 42,000 tickets so those 13 teams had roughly 44 million tickets to sell despite their record. The point being, the supply of sports tickets can far exceed the demand. Because of this, it is not uncommon for the teams to work directly with brokers to move tickets on the secondary market, often at lower prices than set by the team, to ensure fans are in the stadium spending money on concessions. For concerts, this scenario only benefits large corporate entities that operate or own a large number of venues in difficult markets and make much of their revenue of ancillary spending and can sell naming rights to the highest bidder.

Finally, for the most part, concerts and concert series do not have season tickets or season ticket holders. One of the initial reasons for StubHub's initial success was that season ticket holders could only attend so many games and that they would typically end up eating the cost for those games they could not attend. Resale allows these individuals to potentially recoup some of their upfront investment while also providing other fans with a potentially lower priced ticket than they would have had otherwise. Any money back in their hands is better than a complete loss so the system works well both for the seller and the buyer.

### **Conclusion**

Unregulated resale in the concert industry leads to consumers often paying significantly higher prices on the secondary market for the most in demand shows. While brokers and resale sites will argue they save consumers money, you can not purchase something at a fixed price and resell it on average for a lower price, and still be a profitable business. Resellers and ticketing platforms are making significant profits off the backs of everyday consumers. It is essential that artists retain the right to block resale for shows if they so choose. It is their fans that are being harmed by these practices. We also recommend state AGs join the FTC in their efforts to track down BOTS Act violators, both the individuals buying the tickets and the major ticketing platforms that are all guilty in reselling these illegally obtained tickets.

