

Ticketmaster Monopolization Case: Lessons from Mexico

By Alejandra Palacios & Laura Alicia Méndez



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Ticketmaster presents itself as the world's largest ticket marketplace and the global leader in live event ticketing products and services.³ The company operates in more than 30 countries, including the U.S. and Mexico. Notably, Ticketmaster has faced antitrust investigations in both countries.

Ticketmaster, owned by Live Nation Entertainment — the world's largest live entertainment company — has been the subject of both U.S. and Mexican antitrust investigations. A key concern for regulators in both countries is that, in addition to vertical integration, practices such as exclusive dealing with venues may be reinforcing Ticketmaster's dominance in the live concert industry. This article outlines the main issues raised by the DOJ's complaint against Ticketmaster and compares them with Mexico's own abuse of dominance enforcement case of 2015, to explore whether there are lessons for the former to be learned from the latter.

I. Live Nation and Ticketmaster Under U.S. Antitrust Scrutiny

Live Nation Entertainment Inc. (Live Nation), owns or controls more than 265 concert venues⁴ across the United States, including over 60 of the top 100 amphitheatres.⁵ It also fully owns Ticketmaster LLC (Ticketmaster), the dominant concert ticketing company in the U.S. Live Nation's operations are segmented into three main areas: (1) Concerts — encompassing promotions, venue management, and music festival production; (2) Ticketing — primarily handled through Ticketmaster; and (3)

Sponsorship & Advertising. In 2023, the company generated global revenues of \$18.8 billion from concerts, \$2.9 billion from ticketing, and \$1.1 billion from sponsorship & advertising.⁶

In May 2024, the U.S. Department of Justice (“DOJ”) filed a lawsuit to break up Live Nation and Ticketmaster, accusing them of monopolizing the live concert industry.⁷ The DOJ claims that Live Nation serves as a “gatekeeper” for the industry, controlling approximately 60 percent of the market for concert promotions, managing over 400 artists, and dominating ticketing services.

The lawsuit outlines several practices that allegedly support Live Nation-Ticketmaster's monopoly, thereby limiting the entry and expansion of competitors:

1. By forming collusive partnerships with competitors who subsequently cede concert promotion space to Live Nation;
2. By threatening venues with the loss of Live Nation-promoted concerts, or by potentially reducing the number of concerts and moving shows to less desirable dates if they opt for another ticketing service;
3. By restricting artists' access to venues owned or controlled by Live Nation unless they agree to use the company's promotional services; and
4. By acquiring independent promoters perceived as potential competitors, despite these acquisitions making little financial sense.

The case also sheds light on how Ticketmaster and Live Nation control the purchasing and

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³ Press release. TikTok & Ticketmaster Expand Partnership Across 20+ Countries to Help Artists Sell Tickets to Fans Directly in the App. <https://business.ticketmaster.com/press-release/tiktok-and-ticketmaster-expand-partnership-across-20-countries-to-help-artists-sell-tickets-to-fans-directly-in-the-app/>.

⁴ “Venue” is the site where an event or concert is held.

⁵ Justice Department Sues Live Nation-Ticketmaster for Monopolizing Markets Across the Live Concert Industry (23 May, 2024) <https://www.justice.gov/opa/pr/justice-department-sues-live-nation-ticketmaster-monopolizing-markets-across-live-concert>.

⁶ DOJ Complaint against Ticketmaster, p.9. <https://www.justice.gov/atr/media/1353101/dl>.

⁷ Justice Department Sues Live Nation-Ticketmaster for Monopolizing Markets Across the Live Concert Industry (23 May, 2024) <https://www.justice.gov/opa/pr/justice-department-sues-live-nation-ticketmaster-monopolizing-markets-across-live-concert>.

pricing of tickets,⁸ noting that Ticketmaster's long-term exclusive ticketing agreements cover more than 75 percent of concert ticket sales at major concert venues.⁹ These agreements are often pre-emptively renewed or extended, thereby effectively limiting the primary ticketing market for competing ticketers.¹⁰

This lawsuit is part of the DOJ's ongoing antitrust concerns in the live entertainment industry since the 2010 merger between Live Nation and Ticketmaster, which was subject to conduct remedies, was authorized.¹¹ This merger was anticipated to potentially create a vertically integrated monopoly, involving a ticketer, promoter, and venue owner. Consequently, the DOJ required Live Nation to divest certain assets and license Ticketmaster's ticketing platform to competitors. The consent decree also prohibited Live Nation from retaliating against venues that opted to work with other ticketing services.¹²

Following repeated transgressions to such decree, DOJ has moved beyond continued monitoring of the imposed conduct rules to declaring its intention to separate Ticketmaster from Live Nation, effectively seeking to undo the 15-year-old merger.

II. Ticketmaster's Antitrust Battles in Mexico

Ticketmaster Mexico, officially "Venta de Boletos por Computadora," operates under a co-investment agreement between Ticketmaster and Corporación Interamericana de Entretenimiento (CIE Group) to sell tickets for public events and entertainment venues in Mexico and throughout Latin America. It is the

leading ticketing company in the country, selling approximately 20 million tickets annually.¹³ Much like Live Nation in the U.S., CIE Group is a major player in Latin America's "out-of-home entertainment industry." It engages in concert promotion, venue management (including 13 premier venues across Mexico), ticket sales, and also manages and commercializes artistic talent. As part of Grupo CIE, the company includes subsidiaries such as OCESA Entretenimiento, which specializes in live show promotion, and Operadora de Centros de Espectáculos, which manages event venues. Beyond Ticketmaster, CIE also owns ETK Boletos, another ticketing company that operates under the brand "E-Ticket," targeting smaller and local events. Together, these companies offer a comprehensive range of services within the live entertainment industry.¹⁴

In 2015, nine years before the U.S. DOJ's complaint against Live Nation-Ticketmaster, COFECE, the Mexican antitrust agency, launched an investigation against Grupo CIE and its subsidiary, Ticketmaster Mexico, for exclusive dealing in the market for "live show production and promotion; the operation and management of live event venues; and the automated distribution and sale of tickets."¹⁵

As in the U.S., venue owners in Mexico can either operate the facility themselves or hire a management company to do so,¹⁶ and promoters play a crucial role in the live show industry by helping artists book the venue, hire the tech crew, sell tickets, and publicize shows.¹⁷

⁸ *Idem.*

⁹ DOJ Complaint against Ticketmaster, p.40.

¹⁰ DOJ Complaint against Ticketmaster, p. 41.

¹¹ DOJ Seeks an Encore Showdown with Live Nation and Ticketmaster (28 May, 2024) <https://www.wsgr.com/en/insights/doj-seeks-an-encore-showdown-with-live-nation-and-ticketmaster.html>.

¹² *Idem.*

¹³ Live Nation Closes Acquisition Of OCESA, The Third Largest Promoter Globally and Leading Live Entertainment Company in Mexico, Further Growing Business In Latin America. <https://www.livenationentertainment.com/2021/12/live-nation-closes-acquisition-of-ocesa-the-third-largest-promoter-globally-and-leading-live-entertainment-company-in-mexico-further-growing-business-in-latin-america/>.

¹⁴ <https://www.ocesa.com.mx/nosotros>.

¹⁵ https://www.cofece.mx/cofece/images/AI/IO-005-2015_Extracto_acuerdo_inicio_13052016.pdf.

¹⁶ DOJ Complaint against Ticketmaster, p.12

¹⁷The Live Music Sector. <https://cmulibrary.com/livemusic/>.

During the investigation, COFECE's prosecutor found evidence of exclusivity agreements between show venues and/or event promoters and Ticketmaster, along with other clauses that could reinforce such dealings, potentially dominating the ticketing market.¹⁸ At that moment, CIE owned or managed many of the country's most important event venues, including Foro Sol, Palacio de los Deportes, Autodromo "Hermanos Rodríguez" and Auditorio Citibanamex (Nuevo León).¹⁹ However, COFECE did not find enough evidence of abusive conducts in the concert promotion market.

To settle the case, in 2018, Grupo CIE agreed to several remedial measures: (a) eliminating all exclusive dealing clauses from contracts with event promoters and venue operators; (b) refraining from including such exclusive dealing clauses for the next 10 years, and (c) not increasing its management portfolio of third-party venues with a capacity over 15,000 people in Mexico City for the next five years. In its resolution, COFECE emphasized the importance of preventing exclusivity agreements from being replaced with mechanisms that could have similar anticompetitive effects. Consequently, it denied CIE's proposal to offer discounts and integral services instead of exclusive agreements. The agency requested that CIE (Ticketmaster) report future incentive schemes to ensure ongoing monitoring of these activities, acknowledging that such practices could affect market competition.

It is important to note that these remedies primarily addressed COFECE's concerns about potential abuse of dominance by Ticketmaster in ticketing services for live shows through exclusive dealing agreements. In that moment, CIE was still competing with Live Nation in the promotion market and their partnership was limited to the ticketing industry. Unlike the U.S. monopolization case, the Mexican antitrust

authority did not assess CIE's potential market power in live show promotion nor introduced measures to curb possible abuse of such power.

One year after the settlement, in 2019, COFECE authorized Live Nation to acquire a 51 percent controlling interest in CIE's assets,²⁰ without imposing remedial measures. Initial concerns that Live Nation could use its influence to channel national events through CIE's promoting arm, OCESA, potentially excluding other promoters, were alleviated by evidence showing that artists often negotiate with various international promoters. At that time, only a small percentage of international artists who had performed in high-capacity amphitheatres in Mexico were associated with Live Nation.

COFECE's latest action against CIE Group, Ticketmaster's Mexico holding company, came in 2021 when the regulator imposed a 54,000 USD fine on it for not fully complying with the 2018 settlement resolution. This fine was due to failure to include non-exclusive dealing provisions in 25 ticketing services agreements.²¹

III. Will Antitrust Cases Drive Greater Competition?

Antitrust enforcement aims to foster competitive markets, ultimately benefiting consumers by lowering prices, enhancing quality, and promoting innovation. The primary concern with anti-competitive behavior is typically the resultant high prices.

A. Is Ticketmaster's Dominance Raising Prices in the Concert Industry?

Ticket prices comprise the face value price and additional fees and taxes.²² The face value refers to the price of the ticket before service fees and taxes are added, and as such covers promotion costs and venue hire. Additional fees

¹⁸ Resolución IO-005-2015. COFECE.

¹⁹ *Idem*.

²⁰ CIE. Declaración de Información sobre Reestructuración Societaria de fecha 6 de septiembre de 2019, https://www.bmv.com.mx/docs-pub/reescorp/reescorp_951114_1.pdf.

²¹ Incidente de cumplimiento y ejecución Expediente COMP-004-2018-1. [5519460.pdf \(cofece.mx\)](https://www.cofece.mx/5519460.pdf).

²² <https://help.ticketmaster.com/hc/en-us/articles/9663528775313-How-are-ticket-prices-and-fees-determined>.

may include a service fee, an order processing fee, and a delivery fee.

According to the DOJ, dismantling the Ticketmaster-Live Nation monopoly could lead to lower prices for consumers. Over recent years, Live Nation has increased the concert promotion fees it imposes on venues, which have been directly passed on to consumers through ticket pricing.²³

The DOJ's lawsuit highlights that artists have had fewer opportunities to perform, with limited viable options for promoting their concerts, selling tickets on their own, or choosing performance venues.²⁴ Given Live Nation's extensive network of venues, which is largely only made accessible to artists that the company promotes, it is difficult for artists to work with other promoters if they want to perform in a Live Nation-owned or controlled venue.²⁵ Additionally, the venues themselves are often hesitant to challenge the *status quo* due to financial risks, facing limited choices for obtaining concerts and ticketing services.²⁶ Given Live Nation's monopoly power in concert bookings and promotional services for major venues in the United States, it can extract supra competitive payments from venues, including onerous, restrictive contractual terms in exchange for providing them with content.²⁷

With Ticketmaster facing no significant competition in the ticketing market for live events, final ticketing prices fully reflect these increased fees, along with other additional service fees. In terms of additional fees, DOJ believes fans have paid more because of a lack of transparency, items that are not negotiable,

and non-existent comparison-shopping because there are simply no other options.²⁸

Conversely, Live Nation argues that even if the lawsuit succeeds, it won't lead to cheaper ticket prices, claiming that the DOJ "ignores the basic economics of live entertainment."²⁹ According to Ticketmaster, "artists, promoters, sports leagues, or teams decide how they want to sell their tickets on Ticketmaster's marketplace. That includes setting the face value prices, determining how many tickets to sell, and when to put them on sale."³⁰ If the face values of tickets are typically set or approved by artists, and Ticketmaster doesn't keep any portion of the face value price of a ticket,³¹ how can it be blamed for high ticket prices?³² Regarding additional fees, Live Nation contends that fees on Ticketmaster are comparable to those on other primary ticketing sites, or even lower,³³ and are determined and shared between the parties involved in making the live event happen.³⁴

In the Mexican antitrust case against Ticketmaster, there has been no *ex post* evaluation of enforcement intervention to determine its effect on ticket prices, though it is safe to assume they did not decrease.

A significant factor in both the Mexican and U.S. cases is vertical integration. In Mexico, Ticketmaster's intra-group relationships with CIE, the largest promoter and venue manager in Latin America, played a pivotal role. However, in the Mexican antitrust case, CIE's market dominance in venue management and event promotion was not thoroughly examined. As mentioned, the remedial measures imposed at the time only dealt with exclusivities between

²³ DOJ Complaint against Ticketmaster, p.18.

²⁴ *Idem*, p.54.

²⁵ *Idem*, p.72.

²⁶ *Idem*, p.54.

²⁷ *Idem*, p. 71.

²⁸ *Idem*, p.54.

²⁹ What the major Ticketmaster lawsuit means for you, (May 23, 2024) <https://edition.cnn.com/2024/05/23/tech/what-the-ticketmaster-lawsuit-means-for-you/index.html>.

³⁰ <https://help.ticketmaster.com/hc/en-us/articles/9663528775313-How-are-ticket-prices-and-fees-determined>.

³¹ <https://help.ticketmaster.com/hc/en-us/articles/9663528775313-How-are-ticket-prices-and-fees-determined>.

³² Update: Breaking Down The DOJ Lawsuit, <https://www.livenationentertainment.com/2024/05/update-breaking-down-the-doj-lawsuit/>.

³³ *Idem*.

³⁴ <https://help.ticketmaster.com/hc/en-us/articles/9663528775313-How-are-ticket-prices-and-fees-determined>.

venues and/or event promoters and Ticketmaster. In contrast, in the DOJ case, the concert promotion business is central as Live Nation leverages its market power in concert promotion over the ticketing market.

According to the DOJ, the exclusive dealing agreements between Ticketmaster and venues are part of a broader pattern of retaliation and other exclusionary practices that sustain Live Nation's revenue cycle, which the company refers to as its "flywheel."³⁵ Given that the lack of competition stems from structural problems (i.e. vertical integration), the DOJ is seeking a structural solution: the breakup of Live Nation and Ticketmaster.

B. Is Ticketmaster's Dominance Stifling Innovation?

Ticketmaster claims that its service fees are allocated to security technology, websites and apps, payment provider costs, staffing, and ticket scanners.³⁶ However, the DOJ argues that Live Nation and Ticketmaster's anti-competitive behaviors have prevented fans from experiencing the benefits of a competitive marketplace, including innovative and fan-friendly ticketing options.³⁷ Either way, Ticketmaster has faced numerous complaints in both the U.S. and Mexico, centered around allegations of unfair commercial practices and data protection issues.

In the U.S., one notable incident involving Ticketmaster happened during the sale of tickets for Taylor Swift's Eras Tour, where the site crashed due to an overwhelming number of customers attempting to purchase tickets. This led to a 2023 U.S. Senate Judiciary Committee hearing to investigate the matter.³⁸ During the hearing, legislators expressed their concerns regarding Ticketmaster's market power and its

effects on consumers, and discussed possible remedies, including the break-up of Live Nation-Ticketmaster.³⁹

Later in July of this year, Ticketmaster reported a significant hacking incident that compromised its North American customer database. The company alerted customers to the potential risk of identity theft and fraud, confirming that hackers had accessed names and basic contact details.⁴⁰ The breach also included encrypted credit card information, though the specifics of the data obtained were not fully disclosed.

In Mexico, Ticketmaster has been involved in controversies concerning unfair commercial practices. A recent case ended in April when Ticketmaster settled a class-action lawsuit initiated by the Federal Consumer Protection Bureau (PROFECO) due to event cancellations between 2020 and 2023. The lawsuit originated from a 2022 Bad Bunny concert at Estadio Azteca, where fans experienced problems in accessing the venue due to duplicated tickets sold through Ticketmaster, as well as multiple complaints received by PROFECO regarding unilateral ticket cancellations, non-compliance with initially offered conditions, and refusals to refund the full ticket cost including service charges.⁴¹

As a result, Ticketmaster refunded over 3.4 million pesos to approximately 500 consumers affected by these cancellations. In response to these challenges, Ticketmaster launched the "Ticketmaster MX" app and the digital ticket SafeTix, to enhance ticket purchase security

³⁵ DOJ Complaint against Ticketmaster, p.27.

³⁶ <https://www.livenationentertainment.com/2024/05/update-breaking-down-the-doj-lawsuit/>.

³⁷ DOJ Complaint against Ticketmaster, p.54.

³⁸ S. Hrg. 118-31 - That's the Ticket: Promoting Competition and Protecting Consumers in Live Entertainment (January 24, 2024). <https://www.judiciary.senate.gov/committee-activity/hearings/thats-the-ticket-promoting-competition-and-protecting-consumers-in-live-entertainment>, <https://www.govinfo.gov/app/details/CHRG-118shrg52250/CHRG-118shrg52250>.

³⁹ Senate Hearing on Ticketmaster Hearing Takeaways: After Taylor Swift Debacle, Some Senators Call Live Nation a 'Monopoly' (January 24, 2024) <https://www.nytimes.com/live/2023/01/24/arts/ticketmaster-taylor-swift>.

⁴⁰ Ticketmaster warns customers to take action after hack (July 9, 2024) <https://www.bbc.com/news/articles/c729e3qr48qo>.

⁴¹ Juez admite demanda colectiva contra Ticketmaster y Ocesa: Profeco (28 April, 2023) <https://aristequinoticias.com/2804/mexico/juez-admite-demanda-colectiva-contra-ticketmaster-y-ocesa-profeco/>.

and to combat forgery, duplication, and unauthorized resale.⁴²

Therefore, it seems that there is room for improvement in customer service and innovation within the ticketing industry. So far, Ticketmaster's efforts seem to focus more on addressing past challenges rather than being disruptive or truly enhancing the fan experience. In our view, a competitive and dynamic live concert industry should prioritize not only strengthening security to prevent ticket counterfeiting but also ensuring robust data protection, fair terms—such as flexible refund policies—and transparent pricing practices. On this last point, it is worth noting that in September of this year, the Competition and Markets Authority (CMA) in the United Kingdom launched an investigation into Ticketmaster over its dynamic pricing of concert tickets.⁴³

IV. Conclusion

The U.S. DOJ's, UK's CMA, and Mexico COFECE's cases against Ticketmaster stem from a series of concerns about competition and unfair practices in the live concert industry.

As mentioned, in Mexico, Ticketmaster has already faced antitrust scrutiny, primarily due to exclusive dealing agreements between Ticketmaster and venues or promoters. This case was settled by ending those exclusive deals and limiting Ticketmaster's parent company, CIE, from operating additional venues

in Mexico City. While no *ex post* competition analysis has been conducted, it is likely that the Mexican ticketing industry has not seen significant changes since the settlement. Recent innovations in ticketing have been driven more by concerns about unfair consumer practices.

Unlike the Mexican case, the DOJ's challenge goes beyond exclusive dealing practices, targeting vertical integration itself. The DOJ argues that Live Nation, owner of Ticketmaster, functions as a "gatekeeper" for the entire live entertainment industry, wielding monopoly power over ticketing, artist promotion, and venue ownership. The DOJ also raises concerns about tying practices between a venue's use and promotion services.

If successful, the DOJ's case should have a more significant impact on the live concert industry than the Mexican settlement. The concern is that Live Nation's vertical integration allows it to leverage its dominance across multiple markets. Therefore, breaking up Live Nation and Ticketmaster could limit the company's ability to exert such control across the industry.

However, the case is still under judicial review, and Live Nation is expected to present evidence of the efficiencies of its business model. What is clear is that this case will continue to attract widespread public interest and remain in the spotlight for the coming months.

⁴² Profeco y Ticketmaster ponen fin a demanda de Acción Colectiva (24 April, 2024) <https://www.gob.mx/profeco/prensa/profeco-y-ticketmaster-ponen-fin-a-demanda-de-accion-colectiva>.

⁴³ Adam Brown, Don't Log Out in Anger: Dynamic Pricing of Oasis Tickets as an Exploitative Abuse?, (September 6, 2024). <https://competitionlawblog.kluwercompetitionlaw.com/2024/09/06/dont-log-out-in-anger-dynamic-pricing-of-oasis-tickets-as-an-exploitative-abuse/>.