

London-based seatwave



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Part I

1. Introduction

London-based Seatwave. com was founded in January 2006 by Joe Cohen. He is currently President and CEO whilst Mr. GED Waring is currently VP of Technology and James Hamlin is Director Online Marketing. The site has undergone continuous growth since launch, and currently serves tens of thousands of monthly visitors.

Seatwave. com is a specialized online marketplace where fans can buy and sell tickets for concerts, theatre, sports, and live events and is the largest online ticket marketplace in Europe. Seatwave. com works by allowing Ticket Sellers to post the tickets they have for sale on the Seatwave site, and then letting buyers bid on them. Tickets go to the highest bidder and the site offers guaranteed delivery of tickets to winner and takes a small price off the ticket sold for compensation.

2. Seatwave Information Technology & applications

Seatwave's success is dependent on its use of technology to help drive the supply and value chains of the business and in its three years since its inception, Seatwave has gone from strength to strength winning numerous accolades, including being named ' Best Technology Media Company 2009' by The Guardian.

- Pure 360 emailing Technology
- Seatwave decided to partner with progressive email marketing providers, Pure360, to create and deliver a highly effective, cost

efficient, email marketing campaign by capitalizing on cutting edge email marketing technology.

Seatwave's ongoing email marketing campaign uses Pure360's ' Intelligent Time Sending' tool to analyze when each of its customers is most likely to open their emails, and click-through to the website. This information is used to ensure emails arrive in recipients' inboxes at the time he or she is most receptive - an essential tool as Seatwave's success is dependent on the audience responding quickly and purchasing tickets.

Timing is everything for Seatwave, and it is imperative that it sends out the latest information about events and ticket availability as quickly and efficiently as possible.

Pure360s ' Automatic Message Import' tool makes it possible for Seatwave to send out the latest offers by uploading web content automatically into their email marketing campaign, meaning they use minimal resources.

- Seatwave Mobile Application
- LONDON, ENG (Seatwave) 14 January 2009 - Seatwave, Europe's largest online fan-to-fan ticket exchange, today announced its newest partnership with mobile platform provider, Snaptu. As part of the company's continued expansion into the mobile environment and in a first for fan-to- fan ticket exchanges, the new application will provide a seamless mobile box office experience for fans. It will allow them to navigate through the full range of European concert dates on their mobile phone, and purchase with one call.
- Cookies

- “ When you view our Site we may store information on the hard drive of your computer in the form of a “ cookie” (essentially a small text file). Cookies allow us to tailor the Site to your interests and preferences”. (Seatwave. com 2009)
- IP Addresses
- “ We study visitor trends since we are interested in the successful dissemination of information through the Site. Our server creates log files of information such as the Internet Protocol (IP) address from your network, what pages were explored and the length of your visit. Analysis software is used to generate reports, which helps us to learn more about how we can enhance your experience with the Site. This information is not used to develop a personal profile of you. The log files are regularly deleted” (Seatwave. com 2009).
- Seatwave Ticket finder
- Seatwave has secured a deal with MSN whereby MSN portal users can use Seatwave’s ‘ Ticket Finder’ to search for secondhand tickets. The new objective for the online activity is to increase sales of tickets and encourage more people to sell tickets on the site.
- Secure Online Account
- As a buyer, you can review all your previous orders and track their status within My Account. For sellers, My Account allows you to view or amend your listings, track your sales and send out your tickets
- Seatwave Ticket Cover
- TicketCover is a new kind of insurance and Seatwave will be the first UK Company to ensure that consumers are refunded for the cost of a

seat at sporting, music and other forms of live entertainment, if unforeseen circumstances prevail. Such circumstances include motor breakdown on the way to the venue, illness, injury, jury service and a range of other occurrences that could keep a person away from their chosen event.

The service will be administered by Mondial Insurance and the cost of the cover will be included in the price of all Seatwave tickets.

- Seatwave Ticket Integrity

Seatwave guarantee that their tickets come only from legitimate sources and that they will represent them accurately and honestly. They also guarantee that you will receive the tickets you ordered (or similar ones) and that they will be with you by the day of the event. And if they don't keep this commitment to you, they will take reasonable steps to source replacement tickets, of an equivalent value, to make sure you don't miss out. If suitable replacement tickets (determinable solely at our discretion) cannot be found, we'll refund 100% of the price you paid. No questions.

Additionally Seatwave Ticket Integrity™ guarantee is a two-way street. If you are selling tickets they promise that you will receive prompt payment from Seatwave for all orders that are confirmed and fulfilled.

3. Seatwave E-Business Models

Seatwave have adopted a combination of two E-business models, a Transaction fee revenue model and an E-Auction model. (Schneider. G 2009) explains that in the fee for transactional revenue model, businesses offer

services for which they charge a fee that is based on the number or sized of transactions they process”

And Seatwave has successfully adopted this model whereby they are paid a commission for every ticket sold. Tickets can be sold at any price selected by the seller, including below and above the face value printed on the ticket and Seatwave charges buyers a 15% service charge and sellers a 10% success fee. Seatwave has additionally adopted an E- Auction model or as they put it a fan to fan to online ticket exchange system.

The online auction business model is one in which participants bid for products and services over the internet.

When one thinks of online auctions they typically think of E-Bay, the largest online auction site. Like most auction companies, eBay does not actually sell goods that it owns itself. It merely facilitates the process of listing and displaying goods, bidding on items, and paying for them. It acts as a marketplace for individuals and businesses that use the site to auction off goods and services.

Several types of online auctions are possible. In an English auction the initial price starts low and is bid up by successive bidders. In a Dutch auction the price starts high and is reduced until someone buys the item. EBay also offers fixed price listings.

4. Seatwave Financial Performance

In January 2009 Seatwave was on 35% market share, GetMeIn (a UK startup founded by US guy James Gray and acquired by Ticketmaster is on 25%, and

Viagogo is on 14 The principle industry area to which Seatwave belongs is events ticketing . Unfortunately Seatwave does not publish its financial statement but do provide growth margins which make it easier to measure the success and profitability of the company.

Europe's Leading Ticket exchange increases lead on the field

London: 05 May 2009 – Seatwave, Europe's leading fan-to-fan ticket exchange, today announced explosive growth LONDON: 05 May 2009 – Seatwave, Europe's leading fan-to-fan ticket exchange, today announced explosive growth for Q1, supported by ComScore's latest report confirming that Seatwave is Europe's largest ticket exchange by a factor of more than 2 to 1 versus its nearest competitor. March sales alone grew by 287% year on year, one of the many indicators of the company's increasing success.

Insert Courtesy Of Seatwave. com

Seatwave's success can be attributed to two main factors “ superior customer service and an excellent online customer experience. Couple with a great business model” The Company's site demonstrates how importantly it takes the customer's online experience. Burgess believes that the specific online experience they offer customers is an essential ingredient to the success of the company because the site is streamlined and easy to navigate, and it's smartly designed to maintain its efficiency and functionality. The smart design is evident in the ability to quickly buy or sell tickets and business model is adopted is excellent because there is no time and geographical constraints, hence tickets and be sold and bought at any time, 24 / 7 and Sellers and bidders can participate from anywhere that has

internet access. This makes them more accessible and reduces the cost of “attending” an auction.

5. Seatwave Strategy

Seatwave’s biggest market is the UK and its long term strategy for growth is based on three key parts.

1. Growth by global Expansion
2. Offering Marketing Leading Consumer Protection
3. Partnerships and Affiliations

1. The Seatwave business is growing rapidly and is the market leader in all the markets they operate within.

- Seatwave operates in nine countries outside the UK. Including Germany, the Netherlands, Italy, Spain, France, Austria, Belgium, Switzerland and Ireland
- Over 700, 000 tickets on sale at any one time
- Customer base of over 1. 9 million unique active users.
- 1. 7 Millions tickets for events in over 38 countries
- Europe secondary ticket market worth \$ 6. 8 - 9. 7 billion.
- Bi- model approach e. g. Transactional Revenue model & E-auctioning model
- Seatwave Cooperate sales which is a dedicated service for corporate entertainment needs.

2. Utilizing Technology & Offering Consumer Protection services

- TicketIntegrity™ guarantees that buyers will receive the tickets they ordered in good time for the event, or offers a full refund.

- TicketCover™ which provides a full refund if an event is cancelled. This refund includes the full price of the tickets purchased.
- TicketCover™ premium which covers buyers for a range of other circumstances that may prevent them from attending their performance, such as transport failure or severe illness.
- TickFinder is a search application use on the msn portal to help users find secondhand tickets.

3. Partnerships and Affiliations

- Official Ticket exchange partner of 9 different sport clubs
- Affiliations with 4 separate music groups e. g. MTV. co. uk, MOBO Awards and Live Nation
- In partnership with major media organizations e. g. MSN, Virgin Media and a new partnership with HMV
- Seatwave donates a portion of every sporting ticket sold online to Sparks and is also a member of the Action for Brazils Children Trust.
- Seatwave are in partnership with UPS to help facilitate and ensure a reliable ticket exchange transaction between buyers and sellers.

Part II

6. Suggested Evaluation Criteria

The methodologies used for the evaluation of Seatwave. com is based on Webqual which is an instrument for assessing the usability, information, and service interaction quality of Internet web-sites, particularly those offering e-commerce facilities (Webqual. co. uk homepage 2009).

WebQual (www. webqual. co. uk) is based on quality function deployment (QFD) – a “ structured and Disciplined process that provides a means to

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identify and carry the voice of the customer through each stage of product and or service development and implementation” (Slabey, 1990). In the context of WebQual for traditional Web sites, users are asked to rate target sites against each of a range of qualities using a 7-point scale. The users are also asked to rate each of the qualities for importance (again, using a 7-point scale), which helps gain understanding about which qualities are considered by the user to be most important in any given situation.

In order to build a profile for Seatwave. com, the data was summarized around the questionnaire subcategories, and then the total score for each subcategory was indexed against the maximum score (based on the important rating for questions multiplied by three. The results suggested that the information quality and Usability aspect of the website rated extremely well at 100% respectively. Seatwave has facilitated this by providing tools that help the seller choose an appropriate selling price by comparing the average sale price for tickets being sold for the particular event and having a simple but structured approach to the design of the website and the way it presents information to its customers.

Additionally the service interaction weighted score was slightly lower than the other categories at 92. 8% but still suggested a high sense of community, personalization and security in terms of processing transactions, however the lack of confidence within the website due to the ethical issues within the resale ticketing industry and the slim line of communication to the organization has robbed the site of a maximum score. It must be noted though that WebQual was not particularly useful for evaluating the technical aspects of the site despite providing a valuable profile of users perception of

e-commerce quality, therefore an independent evaluation of its technical viability as an ecommerce site was carried out.

And one problem noticed when evaluating the site from a technical point of view is that it failed W3C markup validation, this means that there is no guarantee that the site will look the same in different browsers or even that it will work correctly. Also this means that non-graphical browsers and html translators such as those used by blind people may not be able to communicate the site to a properly.

The site has an XHTML transitional DOCTYPE header, this standard should be strictly adhered to in order to avoid the problems outlined above, by doing this the company can be sure that they are reaching the widest possible audience as their site would then work with the vast majority of viewing technologies.

Part III

Proposed future strategy for Seatwave

Future Strategy

Seatwave can enhance its future ecommerce business by aligning its current strategy with the primary ticket selling industry which will build up its reputation and strengthen its brand image. According to Katie Allen of the Guardian, Seatwave and rivals such as Viagogo have been accused of encouraging the growth of “ bedroom touts”, who snap up tickets with the sole purpose of making a profit by selling them on, in addition Seatwave, as a secondary market ticket supplier, has no way of verifying if tickets are valid, counterfeit, or genuine. By becoming the leader in the Primary and secondary online ticketing market Seatwave will be able to increase its

image as a reputable brand, penetrate new markets and hence increase its profit margins.

New Business Strategy Key Factors

- New Potential Packages
- As the two entities further combine their operations, they could begin to offer more packages to consumers such as discounted bundles of tickets and recorded music, and could offer corporate sponsors more attractive terms, too. At the same time, a vertically integrated behemoth could have the power to dictate higher prices.
- Power to dictate Price (Due To Economy of Scale)
- Because it would be so vertically integrated, the new company would also be able to muscle out competing concert promoters and have more power to dictate ticket prices to consumers. The new company would have close ties to an array of artists and boast affiliation and new partnerships right across the entertainment spectrum
- Expansions into the America's
- To new business strategy will allow Seatwave to venture out in to the Americas which is tightly regulated against ticket reselling. Because of the new strategy the business can segment its services geographically.
- Alliances with other companies

The new strategy would merge Europe's Largest ticketing exchange facilitator with a dominant ticketing and artist-management company. The resulting firm would be able to manage everything from recorded music to ticket sales and tour sponsorship. It could package artists in new ways, for

example, allowing corporations such as a mobile phone provider to sponsor a concert tour and to sell an exclusive download of a song.

Conclusion

In conclusion Seatwave has dominated the European market and have attracted investment whilst protecting its customer; however the ticketing resale markets remains shrouded with suspicion, unfair practices and dodgy dealings. It and its two main rivals in the UK operate in a controversial area. Ticket touts have a bad reputation and Seatwave and its peers are, according to their critics, merely electronic equivalents of the spivs who hang around the doors of music and sporting venues offering dubiously acquired products.

Mr. Cohen points out that his venture offers those who are genuinely unable to obtain the tickets they want through a risk free channels, however a sales Account Manager for Seatwave, Lee Lake, was caught purchasing tickets for various concerts and gigs using 4 different addresses and 4 different credit cards and selling the same tickets through Seatwave at significantly higher prices than face value and not declaring that he is an employee of Seatwave in the transaction. In response, Chief Executive Joe Cohen allegedly stated the tickets were purchased as “ backstop” tickets in case “ fans” selling on Seatwave let people down. This proves that Seatwave’s strategy is in need of a revamp to attract a better reputation and removed the stigma that has dogged the industry for so long, the integration of its already strong ecommerce offering with an improved business strategy will be the pied piper that draws large audience to the site and puts its critics to rest.

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