

Selling Theatre Tickets Online

All of the following information relates to on-line selling. If you have a chip and pin machine for telephone/counter sales this is usually contracted differently, although you can use the same companies to look after this aspect of selling tickets.

First of all, a simple explanation of how the money travels from the customer's credit/debit card to the theatre's bank account (steps 1 - 4):

- 1) The theatre is called '**The Merchant**'. The merchant's goods are the tickets.
- 2) '**The Ticket Retailer**' (sometimes called 'The Kiosk') is the company the merchant employs to install the ticket selling software system on the merchant's website (sometimes called 'The Platform').
- 3) '**The Gateway**'; also known as the Payment Service Provider (the PSP). This company checks the validity of the credit/debit card and provides the assurance that the card is genuine and can be used to make the payment.
- 4) The process then reaches '**The Acquirer**' - also known as the Payment Processing Agent (the PPA). This company then acquires the money from the now authorised card and transfers the money to the Merchant's business bank account. (NB not A Merchant Bank - confusingly the Acquirer can also be 'A Merchant Bank').

'The Merchant' (the theatre) now has the money that the customer spent on purchasing the tickets. Stages 1 to 3 usually takes a few seconds, although if there is any problem it can take a few days! Stage 4 will normally happen within 24hours depending on the agreement between the Acquirer and the Merchant.

Breakdown:

- 1) **The Merchant** - that's the theatres - the SIT members
- 2) **The Ticket Retailer** - many to choose from! During our research we found that 'Line-Up' were the most popular followed by 'Ticket Source', then 'Spektrix', then 'TicketSolve' then 'Advanced Ticketing' and then several Ticket Retailers that only registered one SIT user each - (Red 61/N.liven/Patron Base/Dice/Citizen Ticket/Try Booking). Costs/fees varied dramatically - there's details further into this report.
- 3) Most retailers insisted that as part of their contract the merchant must use their recommended **Gateway**. The most popular of these were 'Global' and 'Stripe'.
- 4) Again, confusingly, **the Acquirer** and the Gateway could be one and the same company, often with different trading names but owned by the same parent company. Some of the major High Street banks can offer services as the Acquirer, the most active seemed to be Barclays. Outside of the banks, 'World Pay' are very prominent, some of their services are still branded as 'Streamline' and World Pay are owned by 'FIS', based in Florida.

Cost Differentials

- 1) Ticket prices are up to the individual theatres!!
- 2) **The Ticket Retailer.** These costs vary tremendously.
 - **Line-Up** were offering 3% or 2% of turnover plus a fee of £45 (+VAT) per month. However several theatres said that the monthly fee can be dropped with a little negotiation. And the 2% or 3% was also negotiable.
 - **TicketSolve** have a fee of 3% (+VAT) which reduces to 2% (+VAT) when the annual turnover goes above £400K.
 - **Ticket Source** quoted us 7% (+VAT) Inc. Gateway & Acquirer fees
 - **Spectrix** quoted us £12.5K (+VAT) per annum regardless of turnover.
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- 3) On top of the above figures the **Gateway fee must be added**, examples of these were as follows:
 - **Global:** £25 (+VAT) per month for up to 350 transactions, after that the charge is 12p (+VAT) per transaction.
 - **Stripe:** 20p (+VAT) per transaction
 - **PayPal** 30p (+VAT) per transaction
- 4) In addition to both of the above **is the Acquirer fee**, examples as follows:
 - **World Pay** - the only one that offered a different rate for credit and debit cards which were: 1.4% for credit cards and 0.681% for debit cards. However, The Gatehouse are longstanding customers of World Pay (for our chip and pin system) so I think we get a good deal!
 - **Stripe** – 1.6% (+VAT)
 - **Barclays** – 2.5% (+VAT)
 - **PayPal** – 2.9% (+VAT)

Comparisons and Comments from SIT members

The reason we are changing and hence this study was after eight years of dealing with Advanced Ticketing, they decided last month to switch their preferred Gateway & Acquirer to PayPal. Firstly PayPal are more expensive than most of the other suppliers, secondly PayPal insist on the ticket buyer signing up to a PayPal account which means they are using our website to sell their own services. We had several adverse comments about this from potential customers. Finally when we had a problem recently I called PayPal. My call was answered by an agent in the Philippines who was rude and couldn't answer my questions. Because, I suspect, my questions did not match their 'normal script'.

At The Gatehouse we have now decided to use **TicketSolve**, recommended by Gerald at Waterloo East who said he had received a good service from them and there was a 24/7 help line via their call centre in Dublin. Having seen a demo of their services I liked several of their add-ons and their 'selling phrase' "TicketSolve aim to make the customer-journey easy and simple". Their preferred Gateway is Global and they didn't mind us using an Acquirer of our choice...World Pay. We like World Pay as they offer a good trouble shooting service at the end of a phone. We have also received a training session which showed TicketSolve's system to be user friendly for our box office staff.

Line-Up - although the most popular of the Ticket Retailers there were several comments about lack of quick response to any problems. They only have an email service (no phone) and sometimes would reply within minutes and sometimes within days! Also, Line-Up insist on using Stripe as both Gateway and Acquirer. However it seems they are the quickest to set up a new system, days rather than weeks.

Ticket Source – a tad more expensive and no choice of Gateway or Acquirer. The customer service line only seemed to operate between 9am and 6pm

Spectrix is very expensive and have lots of fancy add-ons which seemed designed for larger organisations.

We had other responses: "don't ever use them" (N'liven) ; "They only deal with large festival venues" (Red61) and "they've gone out of business" (Ticketing-Night)

All in all "it's a ticketing jungle out there". So many companies offering services with varying degrees of competence. One thing is certainthe journey from the customer's credit card to your bank account is a complicated route littered with financial jargon and financial percentages. There are three stages of commission, the Retailer, the Gateway and the Acquirer. Make sure all those percentages and pence per transactions are covered by your ticket price and/or booking fee. Selling a £20 ticket will cost the Merchant between £1 and £1.80 in fees depending on which companies you use to complete the sale. This will add up to a considerable amount over a year. So.....shop around!!!

Big thanks to Annlouise, the theatre manager here at The Gatehouse, for help with the research. If anyone has any questions please give me a call, I know a little more now than I did six weeks ago but I'm not yet ready to take "online ticket buying" as my specialist subject on Mastermind!

Cheers

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