



Business challenge

The event industry is fraught with excessive ticket fees, scalpers and reduced revenues for venues. How can startup The Ticket Fairy challenge the industry—as David challenged Goliath?

Transformation

A few large sales and distribution companies dominate the event ticketing industry. And their virtual oligarchy comes with big service fees, scalpers and exclusive contracts that many believe exploit venues and artists. The Ticket Fairy sought to change that by using a fully managed database service for hybrid multicloud applications called IBM® Cloudant®.

Results

Increases event revenue

through a ticket referral system that produces 10 – 25% of sales

Virtually eliminates scalping

by offering identity-locked tickets and a waitlist for sold-out events

Improves analytics

so events can collect contact info and track demand before ticket sales start

The Ticket Fairy

A cloud-based database is just the ticket for disrupting the event industry

The Ticket Fairy, headquartered in San Francisco, California, is a next-generation event ticketing, marketing, management and revenue acceleration platform. It provides event promoters and venue managers the tools needed to increase attendance, social media exposure and consumer engagement while enhancing the attendee experience. The Ticket Fairy helps both large and small events optimize their revenue potential in the US, Europe, Australia, New Zealand, India, East Africa and the Far East. The startup was founded in 2011 by British-born serial entrepreneur brothers Ritesh and Jigar Patel.

“The purpose of starting The Ticket Fairy was to reduce the risk of running an event so you can be profitable.”

—Jigar Patel, Co-founder and Chief Operating Officer, The Ticket Fairy

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David takes on the ticketing Goliath

A few large ticket sales and distribution companies have a virtual oligarchy in the event and ticketing industry. Capitalizing on their position, they've gained a reputation for charging exorbitant service fees, pushing exclusive contracts that tend to exploit artists and venues, and fostering an environment ripe for scalpers. In fact, their ubiquity makes it difficult for many event organizers to turn a decent profit, especially because these large companies charge ticket buyers fees as high as 50% of the ticket price.

Venues, fans and artists often don't have an alternative to dealing with these companies. In fact, the US Department of Justice has even reviewed one ticketing company's predatory practices. The government agency is investigating allegations that it pressured venues to sign ticketing contracts.

Events have slim margins, and organizers are reluctant to change their process. It's a challenge to convince them to try new software. And although the record business was redefined by digital streaming, the event ticketing industry has not changed.

But there is some light in the darkness. A new event and ticketing company has entered the fray. It's creating quite a buzz and offers the



Jigar Patel and Ritesh Patel, Co-founders of The Ticket Fairy

potential to disrupt the industry. The startup is called The Ticket Fairy and was co-founded by brothers Ritesh and Jigar Patel.

Chief Executive Officer Ritesh points out the huge challenge facing event promoters. "Running events comes with huge up-front risks," he remarks. "Costs can be massive, in the millions of dollars, and multiple factors affect attendance — even something as simple as rain can result in a 25% drop in on-the-door sales." When you couple these risks with the exorbitant fees and lack of choice in event management and ticketing, it's easy to see how difficult it can be for event organizers to make a sufficient profit.

Co-founder and Chief Operating Officer Jigar Patel adds: "The odds of breaking even are poor for event organizers. Many can't overcome it, but sheer passion keeps them going in the face of financial uncertainty."

The cloud takes center stage in disruption

The Ticket Fairy was created to reduce the risk for event organizers and optimize their profitability. It's also dedicated to simplifying event marketing, eliminating scalpers, reducing ticketing fees and enhancing the overall experience of event attendees.

The Ticket Fairy platform allows organizers to better monetize and manage events within one highly scalable self-service system while providing huge benefits to consumers who attend events.

Ritesh Patel, Co-founder of The Ticket Fairy, is an interesting mix of event promoter and tech wizard. With more than 15 years in event management and marketing, he also has experience as a cloud engineer.

"The purpose of us starting The Ticket Fairy was to reduce the risk of the person running the event so they can be profitable," says Jigar.

"We're a marketing and analytics solution for the events and ticketing industry," Ritesh continues. "We help organizers book more attendees and secure ticket income in advance by offering a referral reward to ticket buyers. This way, everyone becomes a promoter. Our goal is to make sure all of our clients' events sell out."

The Ticket Fairy optimizes attendance through word-of-mouth marketing with a referral system that gives fans a rebate or full-free ticket if they get enough friends to buy tickets. A public leaderboard further encourages referrals — those at the top become eligible for backstage passes, free merchandise and bar tabs. Only buyers, partners and street teamers get the referral code, so spammers are locked out.

Incorporating unique marketing automation and analytics tools, The Ticket Fairy solution is designed to meet the demands of producers of small events as well as large-scale festivals, concerts, sporting events and conventions.

In essence, The Ticket Fairy has two customers: the ticket buyer and the event promoter. The service optimizes the experience for both. The ticket buyer has more

“Using IBM Cloudant, our cloud native ticketing platform has what the event industry needs—a solution that can make a real difference.”

—Ritesh Patel, Co-founder and Chief Executive Officer, The Ticket Fairy

opportunities to buy tickets at a more affordable price than from other ticket sales and distribution companies and can refer friends and potentially get the ticket free. The event promoter also benefits because The Ticket Fairy solution helps it reduce the risk of running the event so it can be profitable and market the event more effectively using analytics.

In addition, The Ticket Fairy includes technology that mitigates resale fraud and scalping. The identity-locked

tickets must be presented with the buyer’s ID at the event, which means customers can’t scalp them. The company also offers a waitlist for sold-out events so buyers can sell their tickets back to it. The Ticket Fairy then redistributes them at face value with a quick response (QR) code to a specific friend or the people at the top of the list. This single closed-loop, primary and face-value-only secondary ticketing system automatically matches late buyers and sellers to avoid direct money transfer between strangers.

To provide even more value to its service and boost ticket sales, The Ticket Fairy’s pre-registration system lets event organizers collect contact information and track demand before ticket sales even start. It can track sales and demographics in real time and relay instant stats about check-in at the door or gate. Integrating email managers and sales pixels simplifies marketing. And the metrics, budgets and expenses are automatically organized into financial reports.

The Ticket Fairy chose Cloudant at its inception. With the mindset of becoming a global ticketing and event management company, Ritesh knew he needed a reliable database with global scalability. And IBM had the solution he was looking for to build his solution on—the Cloudant fully managed IBM Cloud® database service that lets him spend time building his business instead of his data layer.

“One of the many benefits of choosing Cloudant was its global availability,” Ritesh remarks. “Since a large percentage of our current business is global and will only increase from there, it’s great to have a solution that distributes data easily across the world.”

Beyond the scalability, Ritesh had to find a cloud solutions provider that would not add huge costs to his operation or margins. As a startup, it helps that The Ticket Fairy only pays IBM for what its needs are now. This way, it’s not incurring large and extra up-front costs right now for its cloud usage, computing and storage. Cloudant is scalable, so as the company grows, it can add more services as needed and pay accordingly.

Ensuring uptime was also a factor. “Obviously, we need to have continual access to the data,” says Ritesh. “Any downtime can be a disaster for the event. What’s great is Cloudant moves the application data to all the places it needs to be, so you get uninterrupted data access.”

With the Cloudant database, The Ticket Fairy has a powerful API for seamless integration with event-driven applications and the cloud. And because a sizable amount of ticket transactions take place on mobile devices, Cloudant technology helps The Ticket Fairy with its point-of-sale (POS) mobile applications that use analytics to personalize the ticket buyer experience.

“For companies like ours, Cloudant allows us to build out without having a large, complex API layer, so we can talk directly to the database,” says Ritesh. “That’s very powerful.”

He also notes: “The IBM Cloud has this feature where you can replicate parts of your database or the whole database onto a device. That comes in handy when you don’t have a network connection because you’re at a concert with thousands of people.”

Higher revenues, no scalpers and optimized marketing

With the Cloudant solution and the IBM Cloud, The Ticket Fairy can sign up organizers, create an event and publish it in less than 10 minutes.

The platform has sold more than 1,500,000 tickets to the general public, grossing USD 95 million. It also generated a 10 – 25% increase in ticket revenue for event organizers through its referral marketing and rewards system. Further, The Ticket Fairy increased revenue for event organizers by 15 – 25% during its beta trials focused on dance music festivals. And none of the events that it put on experienced scalping when using its identity-locked resale workflow.

As The Ticket Fairy’s competitors’ contracts expire, it hopes to take advantage of the situation by demonstrating its sales-boosting

technology. “We get locked out of certain client deals because people are locked into a contract, not because they don’t want to use our system,” says Ritesh.

Underscoring the need for The Ticket Fairy’s revolutionary approach to improving revenues for events, Jigar Patel says: “The events industry is more important than ever, with artists making the bulk of their income from touring instead of record sales. Demand from fans for live experiences is increasing at a global level. When events go out of business, everybody loses, including artists and fans.”

Solution components

- IBM® Cloud®
- IBM Cloudant®

Take the next step

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