As buyers and sellers are becoming more familiar and comfortable with the industry, the secondary ticket market is continuing to boom. However, legal restrictions on the resale of tickets have been a significant barrier to the growth and acceptance of this industry. Laws restricting the resale of tickets exist at the state and city level and take several forms. Most often, they restrict the percentage or dollar amount above the face value of a ticket that individuals may resell any given ticket. The existing laws, many of which are decades old, often reflect prior government efforts to rid the streets of ticket scalpers who are frequently associated with criminal behavior and price gouging (Drayer, Stotlar, & Irwin, 2008). However, technology has increased the size, sophistication, and legitimacy of this industry to the point where these laws may not be appropriate for the entire industry in its current form. Recognizing the changing shape of this industry as well as the enhanced public perception of the ticket resale industry, many municipal and state governments have altered their anti-scalping laws in recent years (Vascellaro, 2005). Despite the continued presence of these laws, there is currently a lack of research which has empirically examined their effectiveness. This qualitative case study examines the impact of anti-scalping laws on the resale of event tickets for one team in the National Football League (NFL).

Given that ticket resale laws vary from one city and one state to another, a qualitative case study method was chosen for this study. A team in the NFL was chosen because of the high demand for tickets resulting in a vibrant secondary market. Further, the case was purposefully selected because of this particular market’s unique combination of state and local anti-scalping laws. In addition to being a vibrant secondary-ticket market, a portion of the research setting (within city limits) is one in which ticket resale above face value is illegal. However, since ticket resale above face value is not prohibited in the state, it was possible to observe a wide variety of ticket-resale and brokering activities that are illegal in one setting, but perfectly legal in a geographically adjacent one.

Data were collected during the 2007-2008 NFL season. The sources of data included direct observations, documentation, and interviews. Direct observations included visits to ticket broker businesses, scalping of “extra” tickets near NFL stadiums prior to game-time, and scalpers offering to sell tickets to the complete observer; the dynamics of which were also recorded in the researcher’s field notes. Documentation consisted primarily of Internet-based documents on the three most commonly-used secondary ticketing websites (www.stubhub.com, www.ticketsnow.com, and www.razorgator.com) (Fisher, 2005). In addition, since it represents a true open market, www.ebay.com was also inspected. Further, to gain a preliminary understanding of the nature of the primary-ticket market, the chosen NFL team’s primary-ticketing website as well as its official team website was scrutinized. Finally, other relevant publicly-accessible documents, including official published ticketing policies for all ticket distributors, both primary and secondary, and the National Association of Ticket Brokers’ (NATB) official website (www.natb.org) were examined.

Consistent with accepted case-study protocol (Southall, 2008; Yin, 2003), interviews were a primary evidentiary source. Informants included (a) scalpers at the team’s regular season home games, (b) two licensed local ticket brokers (Stephen and John), (c) a high-ranking executive of an online secondary-ticket marketplace (Ron), and (d) three current and former representatives (Derek, Chad, and Glenn) from the team’s ticketing and marketing departments. In addition, since evidence of selective enforcement of anti-scalping laws within the chosen city limits was an emergent concept, informal game-day interviews with police officers and team security personnel nearby the NFL stadium were conducted. In order to verify transcript accuracy (member checking) all formal-interview transcripts were sent back to interviewees for verification.

All data sources were coded using the open and axial coding process (Strauss & Corbin, 1998). Based on this analysis, three dominant themes or categories emerged from the data. These categories include: Compliance with Anti-scalping Laws, Enforcement of Anti-scalping Laws, and Impact of Team Anti-Scalping Policies.

All three segments of the secondary ticket market (street scalpers, brokers, and secondary ticketing websites) make significant effort to appear in compliance with the local ticket ordinance. However, all scalpers and virtually all
brokers frequently violate specific aspects of the local ordinance. Indeed, it appears that the mere appearance of
compliance with anti-scalping laws is sufficient for local law enforcement who frequently stated that enforcement of
these policies was not a top priority. Secondary ticketing websites also make efforts to comply with local laws,
frequently through the use of disclaimers and user agreements. However, they are often protected by the anonymity
of the Internet.

The difficulty of enforcing anti-scalping legislation represents another dominant theme in this analysis. This
challenge is particularly true for scalpers and secondary ticketing websites. Scalpers operate exclusively in the
hours before each game. With over 70,000 fans in attendance at each game and thousands more in the surrounding
area along with an abundance of alcohol, law enforcement officers are instructed to focus on facilitating the flow of
traffic and the safety of all patrons. Enforcing the local ticket-scalping ordinance is a much lower priority. For
secondary ticketing websites, enforcing ticket resale laws is virtually impossible. Any transaction occurring across
jurisdictions is legal, regardless of the anti-scalping legislation in either the buyer’s or seller’s market. Further, even
if an online transaction occurred between two people residing within city limits at a price above face value, tracing
the identity of the seller in an online environment is extremely difficult, if not impossible, given that most secondary
ticketing websites never actually own a ticket (they only facilitate the transaction between buyer and seller) and do
not require sellers to post specific seat information (only the section in which the ticket is located, not row number
or seat number). Ticket brokers protect themselves from enforcement of the local ordinance by locating their
business outside of the city limits.

The team in this case has also implemented specific policies associated with their tickets in order to prevent the
resale of tickets for a profit. Team personnel preferred to get the tickets directly into the hands of potential
consumers in order to ensure that all fans, regardless of socio-economic status had access to tickets at an affordable
price. Efforts to restrict the transferability of tickets were largely unsuccessful and threats to rescind season tickets
from fans profiting from the resale of tickets were largely futile due to lack of enforceability. Ultimately, the
inconsistent enforcement of team ticket policies renders them ineffective.

In the end, efforts to restrict the resale of tickets whether by law enforcement or team personnel were fruitless.
Enforcement of anti-scalping laws on the Internet is virtually impossible and law enforcement has other priorities
when dealing with crowds approaching 100,000 people. Additionally, team ticketing policies are weak and team
personnel lack the financial incentive to pursue enforcement of these policies

An overview of the legal status of ticket resale for each state will be presented as well as a brief history of legal
challenges involving ticket resale. Further evidence supporting the prevalence of the three dominant themes and
suggestions for future research will also be presented.