

Press Release

11 May 2010

Computicket to face exclusionary conduct charges in Tribunal

The Competition Commission has referred a case of exclusionary conduct against Computicket to the Competition Tribunal for adjudication. This case relates to the provision of outsourced ticket distribution services for entertainment events.

This referral follows five complaints that were lodged by Strictly Tickets CC, Soundalite CC (trading as Artslink), KZN Entertainment News and Reviews CC (trading as Going Places), L Square Technologies CC (trading as TicketSpace), and Ezimidlalo Technologies CC. These complaints were lodged during the period 2008/2009, and for purposes of investigation the Commission combined them, as they raised overlapping issues.

With a market share exceeding 95%, the Commission identified that Computicket is dominant in the market for outsourced ticketing services for entertainment events including theatres, festivals and live events.

In its investigation the Commission found that Computicket entered into long term exclusive contracts with theatre owners, theatre producers, promoters' and festival event organizers in the entertainment industry, preventing them from using any other ticketing provider. These contracts are predominantly for a period of three years, and have the effect of excluding Computicket's rivals, with a harmful effect on consumers. This is alleged to have taken place from around 1999 to date.

"Computicket's exclusive contracts prevent rivals from entering the market thereby reducing choice and convenience for consumers. As a result the commission and fees that it charges for its services are higher than they would have been in a competitive market," said Commissioner Shan Ramburuth.

The Commission has asked the tribunal to levy an administrative penalty of 10 percent on Computicket's 2009 turnover and to declare the exclusivity clauses in its contracts with inventory providers as void and of no force or effect.

ENDS

Further info:

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