**Exploring Olympic & Paralympic Ticket Strategies for the 2012 Games**

Case Study

2012 Ticketing Strategy

 

Demand for tickets to the London 2012 Games has, unsurprisingly, been high, with applications for the 6.6 million available tickets to 645 sports sessions far outweighing the number of tickets available. In order to seek a fair system of selling tickets, LOCOG utilised a balloting system, where individuals were invited to bid for tickets which were then randomly allocated.

The price of tickets to sports events ranged from £20 to £725, with the most expensive ticket priced at £2,012 for the best seats at the Opening Ceremony. Track cycling, swimming, gymnastics, beach volleyball and weightlifting were expected to be oversubscribed quickly due to the smaller size of competition venues – alongside the ubiquitously popular athletes and swimming. Olympic soccer was widely anticipated as an easier ticket to acquire due to the size of the Olympic stadia in which the events would be played (tickets to soccer events totalled a million available tickets).

In addition to the balloting system, applicants have the option of purchasing official Games packages, sold as short-break holidays (including guaranteed seats to events) from three travel agents: Thomas Cook (on sale from £99 to £6,499), Prestige Ticketing (top class hospitality packaged priced between £500 - £4,500 per head, usually to be purchased in blocks of 10), and Jet Set Sports (provider of ultra high-end deals for overseas customers).

There have been many vocal critiques of the way in which the tickets for the London 2012 Games were sold. Ticket sales for the London 2012 Games, sold by LOCOG, effectively consisted of a 2-stage ballot

process, where individuals were invited to bid for tickets. There was no assurance that tickets would be won, and the 2-stage element of the ballot was designed to allow those applicants who were unsuccessful in the first round a preferential opportunity to attempt to secure tickets in the 2nd.

The system was set up so that applicants would only find out which sports they had secured tickets to at the moment that money was taken from their accounts. Applicants could not apply directly for tickets for one chosen sport, but were instead given the opportunity to enter the ballot for ‘groups’ of sports (this might, for example include a number of athletics events, such as the men’s 100m, men’s 200m, men’s 400m, women’s hurdles and other track & field events).

Most notably, critics of the ticketing system are unhappy with the way that LOCOG have extracted money from applicants’ bank accounts before informing them which tickets they had received. British triple Olympic gold medallist Bradley Wiggins referred to the ticketing system for London 2012 as a "shambles". Wiggins voiced his disappointment that, despite growing up in London, many of his friends and family from the area would not be able to see him compete on home turf.

Disappointments were compounded by the experience of many that the Olympic ticketing website crashed repeatedly due to the overwhelming volume of traffic that the site received.

LOCOG also received heavy criticism for the number of tickets reserved for sponsors, corporate hospitality and for the International Olympic Committee, meaning that fewer tickets were made available to the public – including the families and friends of the athletes competing in the Games. This is especially galling given the fact that the British taxpayer has contributed many millions of pounds to the event. It appears that many applicants would have preferred a simple ‘first come, first served’ application process with tickets released earlier to give applicants a longer period to apply for the specific tickets that they wanted.

LOCOG defended the ticketing process as fair, despite the fact that around half of the 1.8m individuals that had applied for Olympic tickets had not received any of the 6.6m tickets that had been made available to the public. One applicant described how she and her husband had applied for tickets with a combined total of £35,000, but secured tickets to only two events. Whilst excited and happy to be able to watch any Olympic events, she conceded that the events for which she had won tickets would not have been her first choice. Nevertheless, there have been many successful applicants who are happy with the way that the ballot turned out for them.

 The failure of many to secure tickets resulted mainly from the fact that some events were heavily over-subscribed. LOCOG further defended the system, and the fact that many individuals had not been able to secure tickets, by stating the development of the 2-round ticket balloting system as a means of allowing those unsuccessful in the 1st round to stand a greater chance of securing tickets in the 2nd round of the ballot.

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**RATIONALE FOR THE BALLOT SYSTEM**

LOCOG aimed to raise £500m via ticket sales, and focused on the realisation of three objectives:

1. to fill the venues,
2. to raise money and
3. to make tickets affordable and accessible.

One can surmise that the fundamental basis of the ticketing ballot system is to ensure that objective 1

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 (above) is achieved (after all, it was likely that the total number of ticket applicants – objective 2 – would be high, as historically this has been the case in recent Games). By requiring that individuals ballot for tickets in ‘groups’ of events, LOCOG maximises the opportunity to fill up spectator seating at less popular events.

This carries specific benefits; one can argue that empty seats in Olympic stadia might affect the morale of athletes; it might also raise interest in sports that have historically enjoyed less visibility, and packed venues with a vocal and enthusiastic crowd clearly provides a better televised spectacle than empty seating. As the Olympics generate significant revenue from the sales of media rights, the importance of the latter cannot be underestimated.

**PREVENTING TICKET TOUTING**

The ticketing process invited further controversy with moves by LOCOG to require that the buyer of the tickets must be present at the event for which the ticket is valid. This decision taken was an attempt to prevent ticket touting (a very real threat to the income generated by the Games). Whilst it is understandable that strict measures are enforced to guard against ticket touting, criticisms of the decision have been made, as it effectively means that individuals cannot buy the tickets as gifts for loved ones.

If, for any reason, the original ticket purchaser cannot attend (for example, reasons of sickness or work), friends and family of the ticket holder might be accused of touting and fined up to £20,000. Complaints about this ruling even reached the House of Commons, with Liberal Democrat Baroness Dee Doocey describing the condition as ‘ridiculous’ during a reading of the Olympic Bill.[[1]](#footnote-1) She stated: “H*ow can LOCOG dictate that a whole family or a group of friends, despite every member having a ticket, will not be admitted to an* ***Olympic*** *event because the lead ticketholder has suddenly fallen ill or has been called away on business, through no fault of their own?*

*They will have to say to their family members not just, ‘I can’t go’, but, ‘I’m terribly sorry, you can’t go either’. It is frankly ridiculous. The provision is incredibly unfair, and I believe that the majority of the public had no idea that this was in place when they bought tickets in good faith.”*

LOCOG responded to the concerns of the Baroness by making it clear that only ‘suspicious’ individuals would be refused entry if the original ticket holder was not present, and that, in practice, most people would be allowed entry. However, this is no guarantee of a waiver of the condition stipulated within the Olympic Bill, and the classification of an individual as ‘suspicious’ seems a worryingly subjective and potentially discriminatory term.

**REPLICATION OF THE LONDON 2012 SYSTEM IN SOCHI**

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Despite criticisms of the London 2012 balloting system, the organisers of Sochi 2014 plan to adopt the system in its entirety. The President of Sochi 2014, Dmitry

Chernyshenko, confirmed their intention to adopt the system.

**GENERATING REVENUE VIA TICKETING**

As previously mentioned, the use of ticketing to generate revenue is a major objective for LOCOG and the IOC. Despite the impressive fees associated with sales of media rights, sports mega-event theory dictates that ticketing remains a central source of income for large scale events such as the Olympic Games.

The General Association of International Sports Fede rations (GAISF) estimates that global ticketing revenues exceed those derived from broadcast rights by $7 billion (for example, Manchester United FC generates approximately 50% of its turnover from gate receipts, despite lucrative media rights and sponsorship deals). Of course, this figure will differ according to the event, but it is still a cogent indicator of the financial strength of well-developed ticketing strategies.

The use of online sales and distribution systems, scientific pricing strategies and targeted marketing all carry the potential of maximising ticket revenue. Whilst LOCOG have developed a system that allows the processing of high volumes of applicants from an international group of consumers, questions have arisen about the capacity of the technology used to cope with such high levels of demand. The organisers of future Games would do well to address the technological errors that caused end-user difficulties for London 2012 applicants.

An efficient ticketing system carries the potential to manage and enhance the customer experience, using customer relationship management (CRM) to enhance

sales associated with ticketing purchases (such as Olympic memorabilia), to increase direct marketing opportunities, to launch and maintain customer loyalty programmes and to enhance the image and brand loyalty of the brand. The technological glitches associated with use of the Olympic ticketing site may have been somewhat unavoidable at times of excessive demand, but nevertheless, such a situation surely would have been anticipated. The issues that end-users faced in applying for tickets may have detrimentally affected the image of the Olympic brand and missed lucrative opportunities for the associated sale of Olympic goods and other marketing opportunities.

However, the benefits associated with LOCOG’s use of an online ticketing system include an expansion of the customer base to a global market, a potential increase in the ease of access to tickets for some applicants (e.g. avoiding lengthy queueing), and reduced overheads due to less need for staff to handle ticket sales. The ticketing system implemented by LOCOG can ultimately be viewed as a success in financial terms, as tickets were sold out well in advance of the Games.

For sports organisations who invest in the use of online ticketing, the benefit of collection of personal data (for marketing purposes) is also useful and potentially lucrative (if sold on to 3rd parties). The acquisition of end-user data allows the organisation to conduct valuable market research into the habits and preferences of consumers, meaning that they are more likely to be able to tailor future offers to best meet the

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needs of their target audience.

Successful marketing strategies for peaking demand for tickets include the stimulation of advance demand via incentives, promotions, and the timing of events.

LOCOG used the latter, implementing a limited time period within which individuals could apply for tickets (first for Olympic applicants, and later in 2011 for Paralympic applicants). Applicants who had not been successful in securing their preferred Olympic tickets were encouraged to apply for Paralympics tickets, which may have helped to increase sales for the latter.

**SUMMARY**

In summary, one might evaluate the success of the London 2012 ticketing strategy using a number of criteria. Financially, the ticketing system can be considered a major success, as target revenues have been achieved, events have sold out, and tickets have been sold well in advance of the event itself.

In terms of marketing strategy, one might consider the effect that failures in the technology and design of the balloting system might have meted on brand loyalty. Some individuals might have become disillusioned with the Games as a result of their negative experiences, which could potentially damage the brand.

In terms of the use of the ticketing system to maximise potential revenue via the associated promotion of Olympics merchandise, and so forth, it is possible that these opportunities could be maximised for future Games. There might also be considerations regarding the appropriateness of using the marketing strategy of applying a limited time frame to the sales of tickets. This strategy may not have been the most appropriate choice for an event such as London 2012, where massive demand was predicted within a very short period of time. The limited time frame exerted a great pressure on the technological system used, and it is debatable whether the limited time frame had an

effect on ticket demand. Were the ticket sales for each event staggered, it is arguable that demand would have remained the same, or similar, but that the ticketing system would not have become overwhelmed.

**DISCUSSION**

* Have you or any of your friends or family used the Olympic and Paralympic ticket system to apply for tickets? Were their experiences positive or negative?
* Do you believe that the ticket strategy used by London 2012 organisers was the most efficient choice of ticketing strategy available?
* Identify both the strengths and perceived weaknesses of the 2012 ticketing strategy.
* Other routes exist for individuals to spectate – even if they did not secure Games tickets. These include free-to-air screens in London and Olympic test events. Research the venues and times associated with these alternative viewing events and consider how popular they will be.

**FURTHER INFORMATION**

**The Official Ticketing Website for the 2012 Olympic and Paralympic Games:**

 http://www.tickets.london2012.com/

Yanni Thamnopoulos, Dimitris Gargalianos, (2002) **"Ticketing of large scale events: the case of Sydney 2000 Olympic Games",** Facilities, Vol. 20 Iss: 1/2, pp.22 - 33

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1. http://www.telegraph.co.uk/sport/olympics/8814252/London-2012-Olympics-House-of-Lords-slams-organisers-over-unfair-tickets-policy.html [↑](#footnote-ref-1)