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# ONCE UNHEARD OF, CORPORATE TICKETS HIT THE SECONDARY MARKET

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**It's not uncommon for large companies to hold 500,000 corporate tickets per year, an investment worth tens of millions of dollars. Now companies are starting to take unused tickets to the secondary market.**
AP/CHARLES KRUPA

Dell Technologies has a corporate suite at Fenway Park, available for all 81 Red Sox home games. It’s often full of sales reps entertaining clients or sourcing new business.

It’s also often empty. The company says that prior to the pandemic, the suite was closed

15-20% of the time due to lack of demand. Dell has corporate tickets with roughly 20 major pro teams, part of a hospitality portfolio that totals 13,000 experiences each year, and many of those seats also go unused.

It's a complication for corporations across the country: Depending on the day of the week, the opponent, even the weather, it can be hard to find takers for all of your corporate seats. The pandemic has further highlighted the inefficiency, as companies reassess expenses, and many, like Dell, prepare a cautious return to hospitality.

To offset the cost of unused tickets, which can exceed tens of million of dollars, many corporations are doing what might have been unthinkable a decade ago: They're taking them to the secondary market. Dell, **Anheuser-Busch** and Zurich are three of the many that are working with **TicketManager** to better track their tickets, monitor usage and if needed, sell excess to brokers or individual fans.

"At the end of the day, we're in contracts with these teams, so the money is already out the door if we're not getting a refund," said Amy Ernst, an advisor on Dell's global sponsorships team. "So if we are not able to utilize these tickets, anything we can get back helps. That's how we're looking at it—even if it's a few thousand here or there, that's small but that adds up over time."

This shift in corporate tickets comes amid wider changes across the industry. Leagues and teams that spent decades trying to resist the secondary market have now begun to embrace a new, open model, in which primary and secondary sales often occur on the same platform. A short while ago most would have bristled at the idea of partners reselling inventory; now many teams are realizing that their corporate partners, who have marketing teams that are 20 times bigger, can also drive business.

"Venues are starting to understand that with tickets, companies are not customers, they're distribution channels," said Tony Knopp, TicketManager's co-founder and CEO. "The companies are doing a better job at getting Generation Z and Millennials into the building than the teams themselves. So when you sell tickets to Verizon, Verizon isn't always going to the game, but Verizon will get people to the game."

Knopp co-founded TicketManager in 2007. He'd learned in a sales job at StubHub that companies had loads of unused tickets and were struggling to utilize them. One media executive told him that the company could wallpaper offices with unclaimed tickets at the end of an MLB season.

Today TicketManager works with more than 300 companies. Knopp says roughly 30 of them have portfolios that exceed 500,000 annual tickets.

"The average ticket in our system is worth about $161, so you can do the math" Knopp said. "If you have half a million tickets at $161 per ticket, that's your company's investment."

Reselling is just one part of how large corporations are rethinking hospitality investments. Zurich, a commercial insurance company, has season tickets in seven major U.S. cities and estimates roughly 10-15% go unused. The company is working to combine data on ticket usage with its internal metrics on the business performance of its brokers.

"So if we see that Steve is using tickets all the time, but Steve isn't performing well, then hold on a minute, Steve needs to change up his tactics a bit," Zurich senior marketing manager Will Trumbull said in an interview. "And that's really powerful."

The goal is to figure out not just where tickets are being used, but also where they're being used to actually grow the business. Zurich will likely start reselling excess tickets in venues where it sees the hospitality driving business, and might end relationships in places where tickets aren't used and the business benefits are also less clear.

Anheuser-Busch has another plan. In addition to selling seats through TicketManager, the beer giant is also planning to make unused tickets available for consumers in sweepstakes or loyalty programs. It has marketing relationships across roughly 80% of the major U.S. leagues and teams, and almost all of those deals contain hospitality.

“Event tickets continue to be a key enabler of A-B business development, but we’ve certainly noticed a gap in utilization,” said David Leonhard, the company’s director of marketing procurement. “We see leveraging these assets within our consumer loyalty program as the main focus, with public ticket resale as a viable alternative.”

The COVID-19 pandemic will likely forever change the way companies use their tickets. Many have sought refunds or future concessions for lost games, and many will likely end some hospitality arrangements.

That’s the worst-case scenario for teams already facing revenue shortages, which makes them more likely to accept the fact that partners may resell some tickets. On the company side, anything that makes the economics more favorable will also help them weather inevitable periods when teams underperform on the field.

Anheuser-Busch, for example, is a longtime partner of the Kansas City Chiefs. In less than a decade, the lifetime of some corporation suite deals, the Chiefs went from a middling NFL team to one of the league’s hottest tickets.

“The Chiefs have always been a good draw, but now they’re pop culture,” Knopp said. “And Anheuser-Busch made the appropriate investments so that when a team crosses over, they can leverage that and maybe even get some more. Teams do a good job of saying, ‘Hey, you were here when we were bad, we’ve got some inventory opening up—would you like first access?’ The smart companies are seeing that.