

**UNIVERSITY NEGOTIATION SELECTION ROUNDS 2024-25**

**The Great Grey Gig Economy**

***General Information***

**INTRODUCTORY FACTS**

In recent years, the live music industry has expanded manifold in the nation of Zindia. Zindia's ever-increasing urban youth demographic – fuelled by internet hype and growing disposable income – presents a promising demand for concerts. Event ticketing apps such as CookMyShow and Slay™ have been riding this wave.

The university town of Snakewell is one of the top concert venues in Zindia. It has a sizeable football stadium, great weather for outdoor events, and legions of students with enough time and money to spend on a concert every other week if given the opportunity. An informal student-run event management group known as the Snakewell Event Management Committee (“**EMC**”) often supports concert organisers with logistics and publicity to ensure that gigs are smooth and successful.

EMC is well-known for having successfully restricted the illegal practice of scalping in Snakewell. Scalping, which involves the unauthorised resale of event tickets for a profit, is a punishable offence under the Zindian Black Markets Act. Scalping is also contractually prohibited under the terms and conditions of ticketing apps such as CookMyShow and Slay™. The EMC solved this problem in Snakewell by creating a massive but strictly monitored WhatsApp group for ticket resales. If a ticket-holder changes their mind or cannot make it to an event, they can solicit buyers by posting: (a) the ticket details; (b) evidence of the original cost price of the ticket; and (c) their desired resale price (which must be equal to or lesser than the original cost price). Anyone who tries to scalp by selling at a higher price is debarred from the group by EMC, and may also end up facing informal prejudice or sanctions within other university activities.

Chromato, Zindia's most-downloaded e-commerce app, offers a wide range of

services from rapid delivery of essentials to hyperlocal e-bike rentals. Chromato is synonymous with Zindia's nascent startup era and is one of the most loved and profitable tech platforms in the country. On 1<sup>st</sup> November 2024, sensing the growing market for live music, Chromato announced its entry into the event ticketing business. Leveraging its brand value, deep pockets, and young urban user base, Chromato saw its 200-million active users as a ready captive market of concert-goers. Chromato likes to make a bold entrance. Within hours of launching its ticketing feature, it announced shows by international pop-rock icons Hotplay in January 2025 in the cities of Zombae and Snakewell. It also teased that it would be bringing down other legendary bands in 2025, and that it will announce the names once plans finalized. For a week, the Zindian internet could discuss nothing else. The hype was immense.

On 7<sup>th</sup> November 2024, Chromato released the tickets for Hotplay's Zombae gig on their app. However, app users were greeted with a pop-up explaining a surprising new feature. The pop-up stated that people who buy tickets would also be permitted to resell the tickets to other users via a new portal on the app ("**Resale Portal**"), at a mutually agreed price up to 8x the purchase price of the tickets. Within seconds, all the tickets (costing INR 1,000 each) were sold out on the primary ticket purchase page. Almost instantly, thousands of tickets began appearing on the Resale Portal, with resellers seeking as much as INR 6,000 to 8,000 apiece. Chromato charges a 5% commission on ticket sales, and a 10% commission on resales.

Prospective concert-goers in Zombae were aghast and took their outrage to the internet. On the evening of 7<sup>th</sup> November 2024 itself, Chromato responded via a press release that read as follows:

*"Dear Zombae,*

*We are thrilled to see your enthusiasm for the Hotplay concert. Over ten lakh of you tried to secure a ticket, and we are sure these numbers will reach all your favourite artists. We hear your demand loud and clear, and we hope that this attracts many more artists from*

*around the world to come to Zindia and enthral us with their epic performances.*

*We also hear your concerns about our Resale Portal. Unauthorised resale of tickets for a profit is prohibited under law, and we condemn any such activities. Our legal advisors have confirmed that ticket resale through official channels that are permitted by the ticketing company itself - such as the Resale Portal - constitutes authorised resale, and is legally permissible. We may take strict action against any scalping or resale activities that breach our terms and conditions.*

*We are also pleased to announce that in the past few hours, a majority of the tickets listed on the Resale Portal have already been resold. We are committed to promote better price discovery in the industry, enabling buyers and sellers to agree at fair market prices within the 8X cap.”*

The press release did not have much of an impact on frustrated users. The EMC could not just sit idly by either. Tickets for the Snakewell show are scheduled to launch on 17<sup>th</sup> November 2024, and they did not want their community to be exploited by resellers, being forced to pay 6-8x as much for the tickets. EMC sent a stern letter to Chromato warning that unless the reselling feature is rolled back, the Snakewell community would boycott the show and EMC would withdraw its customary logistical support for the event. Chromato replied promptly, offering to meet EMC representatives to amicably discuss their concerns.

EMC is represented by its Convenor, who is a final-year event management student, and its Co-Convenor, who is a final-year law student. Chromato is represented by its Chief Executive Officer and its Chief Legal Officer. The Chromato team have flown down to Snakewell, and the parties have decided to meet, rather dramatically, at the centre line of the Snakewell football stadium.