



The online home for Atlanta small business owners and entrepreneurs.

- » Starting Up
- » Accounting
- » HR & Staffing
- » Legal
- » Sales & Marketing
- » Money & Banking
- » Office & Operations
- » Leadership

**Upcoming Events**

- **2008 Catalyst Magazine's Top 25 Entrepreneurs and Ones to Watch Awards**

[View All](#)

**Top 25 Entrepreneurs**

**Small Business Solutions**

**MAGGIANO'S**  
LITTLE ITALY

**Buckhead-Maggiano's**  
3368 Peachtree Rd.  
Atlanta, GA 30326

**The Next Big Thing**

**Pain Points**

**The Light Bulb**

**How To...**

**The 25th Hour**

**Podcasts & Video**

**Expert Blog**

**Sponsors & Friends**

**Sites We Like**

**Resource Center**

## Ticket To Ride

*Drew Ermenc*  
September 22, 2008

**M**uch like print media's well-documented struggles, the music industry has felt the reverberation of the Internet on its collective bottom line. With mp3s overshadowing brick-and-mortar's better margins, album sales aren't nearly what they used to be. As a result, touring and concert ticket sales have replaced album revenues as the primary method of earning for many rock bands and artists.

For Ticketmaster, the long-standing market leader for buying tickets to concerts and events, this means competition from all comers. Beginning in 2009, Live Nation, a spin-off of Clear Channel and one of the largest concert promoters in the country, won't be using Ticketmaster, instead launching a service of its own. And smaller companies, like Atlanta-based Ticket Alternative, are quickly moving to undercut higher surcharges and the aging business models of today's market leaders. Iain Bluett, president and co-founder of Ticket Alternative, sat down for a quick chat with Catalyst's Drew Ermenc about growing his business, bootstrapping and where he sees his industry heading in the very near future.



**Ticket Alternative owner Iain Bluett is growing his service to compete with the likes of Ticketmaster.**

**Drew:** Iain, give me your 30-second elevator pitch about Ticket Alternative.

**Iain:** We're based here in Atlanta. We have about 150 venues around the country that we sell tickets for. We essentially provide ticketing and box office solutions for events of all sizes. We offer service promoters, managers and ticket-printing clients. And sell tickets and print tickets for events around the country and in the UK as well.

**How did you come up with the idea?**

I was in the music business. I used to manage bands and be in bands. So I already had a lot of contacts within various venue owners and promoters. And I got into ticketing through kind of being involved in technology and was approached by someone to sell tickets for a New Year's event. It kind of blossomed from there.

**Just out of curiosity, any bands that made it big?**

Well, we didn't - but our singer did. Our singer was Michael Johns. He was one of the top 10 finalists of "American Idol" this year.

**I can admit I'm actually familiar with him. So tell me about the big dog in your space: Ticketmaster.**

Right.

**What is your value proposition that they don't offer?**

We are so much less expensive than they are, it's ridiculous. We don't charge our clients a

Sponsors & Friends:



Digg

submit

 DELICIOUS

 EMAIL A FRIEND



**SIGN UP NOW**

for our  
**WEEKLY NEWSLETTER**



ADVERTISEMENT

huge set-up fee like they do. And then our per-ticket convenience fee is considerably less than theirs. I mean, theirs can sometimes be as much as 40 to 50 percent of the face value of each ticket and ours is more in the region of 15 to 25 percent. So, we're considerably cheaper for both clients looking for a method of selling tickets in advance and for the customers that are buying those tickets. It's much more attractive to purchase ahead of time because service fees are so much lower.

**Interesting. So tell me about what you are doing to compete. Obviously, you have lower ticket costs, but their first-to-market is huge. Are you playing catch up or are you trying to find your niche because of their size?**

Yes, like you said, it's a bit of both. On one hand, it's catch-up, but for every time somebody else's contract comes up with Ticketmaster, you know, there is now an alternative; there is Ticket Alternative. So, we have a similar software platform. We're able to offer exactly the same features that Ticketmaster offer. In terms of ticketing, we're making great strides in the amount of promotion and web presence we have. So, clients feel that their events are getting similar amount of exposure listing with us than they are with Ticketmaster. So, you know, every day contracts come up and clients that were previously with Ticketmaster now have an alternative.



And we also cater to that niche market. You know we have, in Atlanta alone, probably 75 percent of venues in Georgia that were the capacity of 4,000 seats or less. And we service those smaller accounts that Ticketmaster doesn't want to touch. You know, the Smith's Olde Bars and The Lofts of Atlanta are our bread and butter. And there's a Smith's Olde Bar and The Loft in every city in the country. So, there's plenty of niche and there's plenty of new clients whose contracts are coming up, who now have a viable alternative.

**So you're in some ways you're not competing directly against Ticketmaster per se, but in other areas, you're just taking some of the venues that they're not very interested in.**

Right, but we are. We would go head-to-head with them on a brand new venue that put out to bid a ticketing contract. So we would go head-to-head with them on a brand new account.

**Why are your costs much lower? Do you have lower costs in general? How are the margins different?**

Obviously we're a bit smaller so we don't have quite the infrastructure that they have, which means our costs are a lot smaller. Most of our tickets are sold online; 95 percent of tickets are sold online with only 5 percent being sold in various outlets and by various promoters. So, I don't think you should be charging \$800 to \$900 as a set-up fee for an event based on the fact that you're going to be selling the tickets and making money for every ticket that sells. So, we base our business model more on the volume of sales rather than upfront fees.

**So with volume of the sales, are those bigger venues more profitable for you?**

Sure.

**Switching gears a bit; tell me about how you were funded.**

We started our company ourselves. We recently got a small business loan for a couple of hundred thousand dollars. But everything before that has been done just from ourselves and just as a small start-up.

**Tell me about bootstrapping. Do you have any tips for other entrepreneurs and small business owners on how you've survived by bootstrapping?**

We started this company off in one of our bedrooms, you know, where the other guy couldn't move his desk any further back because he'd hit the other person's bed. So, we've just grown considerably, nice and steadily. Each year we've added additional staff; we've added new clients and we've got a really good model that means we can grow accordingly to our market. So it's a nice place to be in.

**What is your biggest challenge with Ticket Alternative right now?**

Biggest challenge right now is just sort of staying up to date with the industry, with some of the biggest changes going away from paper tickets and more into the tickets that are sent via email, and trying to lead with technology as well. We believe the future of ticketing is going to end up having relying heavily on cell phones, where you are able to order tickets with your mobile. And then where the end-ticket is delivered, perhaps via a barcode, to your mobile phone as well. And then that barcode is presented at the event on your phone to gain entrance to the event. So, it's trying to stay ahead of the competition and keep up to date with the technology that's available.

**Sounds very cool. Tell me about your growth in terms of staff; in terms of revenues; in terms of venues.**

Well, we've been in business since 2000 ... and just grown by about 30 percent every year. Each year we pick new venues. We pick up larger clients. We have a US-based call center that's here in Atlanta and we staff that accordingly.

**How many full time employees do you have?**

We have 13 here in the US and two in the UK. We opened an office in London last September. This was a person who originally working out of a residential loft. And in the UK, we just print tickets and we print about 100,000 tickets a month for events all over the UK.

**And how did you strike that partnership by going international?**

Well, I'm originally from the UK so again, I had some ties over there. And you know, we came up with the idea that there's no reason why we couldn't be printing tickets in the UK. It's obviously in the same language. There are no language barriers there, which is always nice. You know, some people can't understand my accent over here (laughs). So, we went over there and found a small office with an office manager. And within about four or five months, it had grown to the point where we have now two full time members of staff and it's continuing to grow nicely. And we're hoping to launch the advance sales side of the business over in the UK for maybe later next year.

**So tell me what's next? You mentioned innovation in terms of mobile phones. What are you doing in terms of re-investing capital? How are you getting to that point?**

Yeah, it's a lot of research and development, sort of following the trend. There's a couple of other ticketing companies out now that are testing this scenario on a couple of different events. So we're keeping close tabs on that. We just completed a major software upgrade ourselves back in May, so in a way, we're playing a little catch-up. And now that we have the full platform and the full set of tools that we wanted, we're able to go after a lot of clients who were previously out of reach. So, by now, it's concentrating on getting even more on the market, landing some larger venues and going head-to-head with Ticketmaster on some of the new ones.

**Tell me about your first sale. The first time that you pulled in a venue where you really felt like this idea and this small business is something that I can really grow.**

Well, we pulled up outside the venue and it was a metered spot. So we rummaged around the car and had enough money for 19 or 20 minutes in the meter. So we put the 20 cents in the meter. We went in and we pitched the client who basically said, 'Why wouldn't I do this? This is absolutely perfect.' There's no cost to them. If they sell tickets, we make money. So if we sell tickets they make money so everybody's happy. We walked out of there and still had one minute left in the meter. So, it was a nice way to start things off.

*Photo credit: © Zimmytws | Dreamstime.com*



Copyright © 2008 Trans World Publishing, Inc. All Rights Reserved.

Starting Up | Accounting | HR & Staffing | Legal | Sales & Marketing | Money & Banking | Office & Operations | Leadership