

Summary

STUDIES ON JAPANESE CONCERT TICKET RESALE AUCTIONS

By: Prani Sastiono

Main Advisor: Professor Alistair Munro

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The way concert tickets for JPOP (Japanese pop) artists are typically sold in the primary market causes concert tickets to be sold without seating quality information for some periods of time in the secondary markets which is dominated by Yahoo! Auction. There are two main aims of this research. First, we investigated how auction outcomes were determined in this particular market. Second, we studied how a proportion of buyers in this market create ‘missed opportunities’ by not placing a bid on the auction with the lowest standing bid for similar and highly substitutable goods. To do this, we generated a unique dataset of online auctions for concert tickets in Japan and used the data to investigate several important features of the secondary market.

In Chapter 3 we examined the determinants of auctions’ outcomes: success and closing price in this unique environment. In particular, we investigated the impact of certainty in seat quality on auctions’ success and closing price. The econometrics estimation results showed that tickets that were auctioned with certain seat quality have higher probability of success; this result was robust to changes in econometrics methods, control variables, and samples. The effect of seat certainty on auctions’ closing price was less clear, it showed positive and significant impact when we estimated the model using Fixed Effect OLS but we found no impact when we

used Truncated Regression. However, we found that for top traded concerts, tickets with certain seat quality tends to generate higher closing price taking all other control variables constant irrespective of econometrics method being used. In addition, we found similar result when we control heterogeneity by adding cluster averages in the regression.

Relaxing the typical assumption in auction theory that one auction is independent of another, in Chapter 4, we examined whether bidders generate ‘missed opportunities’ in their bidding strategy by not bidding on the auction with the lowest standing bid. The data showed that bidders did not always bid on the lowest standing bid in competing auctions for similar and highly substitutable goods. When goods were homogenous and when sellers were identical within Groups of Competing Auctions (GCA), missed opportunities were lower but still substantial.

Although the size of missed opportunities (errors) was not large for the majority of the GCAs, errors were higher than tickets’ face value in 20% to 40% of the GCAs. Some of those errors were very large. Errors were smaller when goods were more homogenous (uncertain tickets) and when sellers were identical within GCA. Nevertheless, in some cases, rate of missed opportunities and size of errors were very high even when goods are similar and sellers are identical e.g. AKB48.