

From the Presidency of the Competition Authority

**DECISION OF THE
COMPETITION BOARD**

File number: 2019-5-015

(Investigation)

Decision Number: 21-04/53-22

Decision Date: 21.01.2021

A. MEMBERS IN ATTENDANCE

Chairman : Birol KÜLE

Members: Arslan NARİN (Deputy Chairman), Şükran KODALAK,
Hasan Hüseyin ÜNLÜ, Ayşe ERGEZEN,

B. RAPPORTEURS: Cihan BİLAÇLI, Esra KÜÇÜKİKİZ, Merve BİROĞLU,
Tülay ŞİMŞEK SARI, Çiğdem KIR ŞAHİNER, Gizem HEKİM

C. APPLICANTS: - Muhammed ALTIN

Esentepe Mah. Feza Sokak No:1 Daire:1 Şişli İstanbul

- Özgür TÜTÜNCÜ

Bahçeköy Mah. Bekir Sıtkı Evcimen Sok. No:23 D:13 Sarıyer
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- Fırsat Bu Fırsat İnternet Hizmetleri Reklam Turizm
Organizasyon Pazarlama ve Tic. A.Ş.

Representative: Atty. Sakine Sema OSMANOĞLU

Çengelköy Mah. Tahirpaşa Sok. No:5 D:1 Çengelköy
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- Özer KİRAZ

Tulumtaş Mah. Parlement Sitesi 11/F Gölbaşı Ankara

-Confidentiality request

D. UNDER INVESTIGATION: - Biletix Bilet Dağıtım Basım ve Ticaret A.Ş.

Representatives: Atty. Togan TURAN, Atty.

Deniz ÖZKAN, Atty. İlayda GÜNEŞ, Atty.

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(1) **E. SUBJECT OF THE FILE:** The claim that Biletix Bilet Dağıtım Basım ve Ticaret A.Ş. abused its dominant position by means of adding extra and excessive costs such as service fee, transaction fee and shipping fee to the prices of tickets it sells and the exclusive agreements made with organizers.

(2) **F. THE SUMMARY OF THE CLAIMS:** The application made by Muhammed ALTIN, which entered in the Competition Authority's records on 18.02.2019 with the number 1088 and on 08.03.2019 with the number 1697 can be summarized as follows: Biletix Bilet Dağıtım Basım ve Ticaret A.Ş. (BİLETİX) is the only seller of certain event tickets. BİLETİX charges high additional fees such as service fee, transaction fee and shipping fee in addition to the online ticket fees, it charges shipping fees from the customers to deliver the ticket. Customers who do not want to pay the shipping fee must go to retail sales centers located only in six cities in Türkiye and work on certain days at certain hours. The applicant requested that BİLETİX be imposed the necessary sanctions within the scope of the Act no 4054 on the Protection of Competition (the Act no 4054).

Other applications that entered the Authority records on different dates included similar allegations.

- (3) **G. PHASES OF THE FILE:** According to the Competition Board (Board) decision dated 28.03.2019 and numbered 19-13/176-M, it was decided that a preliminary inquiry would be made about BİLETİX pursuant to article 40(1) of the Act no 4054. During the preliminary inquiry process, an on-site inspection was made at the premises of BİLETİX. The Board discussed the Preliminary Inquiry and according to the Competition Board (Board) decision dated 28.03.2019 and numbered 19-22/341-M, it was decided that an investigation about BİLETİX shall be initiated pursuant to article 41 of the Act no 4054. The Board decision dated 22.11.2019 and numbered 19-41/686-M extended the investigation period for six years. Within the scope of the investigation, information and documents were requested from BİLETİX, competitors and organizers operating in the sector.
- (4) The Investigation Report dated 22.06.2020 and numbered 2019-5-015/SR-01 was sent to BİLETİX pursuant to article 45 of the Act no 4054. BİLETİX was asked for its second written plea. BİLETİX received the investigation report on 24.06.2020. BİLETİX requested additional time to submit its second written plea based on article 45 of the Act no 4054. The request was accepted with the Board decision dated 17.07.2020 and numbered 20-34/440-M. BİLETİX's second written plea entered the records of the Authority on 24.08.2020 with the number 9030. BİLETİX received the Additional Opinion Letter dated 08.09.2020 and numbered 12239 prepared in response to the written pleas pursuant to article 45 of the Act no 4054 on 08.09.2020. The party's third written opinion entered the records of the Authority on 16.11.2020 with the number 15947. Upon BİLETİX's request for a hearing and the hearing was held on 13.01.2021.
- (5) The Board has taken this final decision dated 21.01.2021 and numbered 21-04/53-22 according to the Investigation Report prepared, the Additional Opinion, evidence collected and written pleas, the explanations made during the oral hearing and the scope of the file examined in relation to the investigation.
- (6) **H. RAPPORTEUR OPINION:** As a result of the Investigation Report and the Additional Opinion the following conclusions have been made: BİLETİX is dominant in *"the market for intermediary services through a platform for the sale of event tickets (except football matches)"*. The undertaking's activities that are the subject of the complaint do not constitute an abuse within the framework of article 6 of the Act no 4054. An opinion may be sent to the Ministry of Trade of the Republic of Türkiye that measures might be taken within the scope of the Act no 6502 on the Protection of Consumers about drip pricing, which is considered to be causing consumer harm. BİLETİX's agreements with organizers cannot benefit from the exemption provided in the Block Exemption Communiqué no 2002/2 on Vertical Agreements (the Communiqué no 2002/2). The agreements cannot be granted an individual exemption because they do not fulfill the conditions listed in article 5 of the Act no 4054. BİLETİX shall be imposed the following obligations: The contracts signed with the organizers, which are valid when the Board decision is taken, will be amended in a way to abolish exclusivity provisions in a reasonable time period to be determined by the Board. In the contracts and future contracts, there should not be any provisions leading to de facto exclusivity. The documents showing that the necessary amendments have been made shall be submitted to the Authority in a reasonable time period to be determined by the Board.

I.EXAMINATION AND ASSESSMENT

I.1. THE UNDERTAKING PARTY TO THE INVESTIGATION: BİLETİX

- (7) Selling and distributing tickets for entertainment and art organizations since 2000, BİLETİX conducts its activities under the umbrella of Ticketmaster Entertainment Inc. (TICKETMASTER). TICKETMASTER carries out activities in 21 countries, especially in North America, Europe and the Middle East and it has 16 subsidiaries. BİLETİX also provides services such as infrastructure services, software, device and training support to the event organizers as well as promotion activities in the market.

I.2. THE RELEVANT MARKET

I.2.1. Information about the Sector

- (8) BİLETİX provides services for providing customers with tickets for art or entertainment events such as concerts, festivals, live music performances, theater plays, dance shows and operas as well as sports games¹ (organization of sales, distribution and supervision of tickets or ticketing services). The event organizer may provide such services per se or buy from an undertaking that has expertise in this area. Tickets can be sold at sales points or at the main box office at the entrance of the organization venue. These are the sales made via traditional channels. On the other hand, other channels may be used to sell tickets, including call centers, internet and mobile channels. Those channels are still developing but they are being preferred more and more every day. Using traditional channels together with developing channels requires specific software serving this purpose. Therefore, offering tickets through both traditional and developing channels simultaneously may be too costly for organizers to sell the tickets per se, especially with respect to rare or irregular events. At this point, undertakings, which provides provide a complete solution and carry out intermediary activities for ticket sales come in. This solution consists of, bearing the relevant costs, printing tickets, selling tickets via a network composed of a website, call center and retail points that are connected with an electronic software and network system; software infrastructure service for box office sales, entry control services and consultancy. In addition, there are undertakings which do not provide a solution for ticket sales but sell tickets online within the framework of certain quotas by using another ticketing company's system (web-based sales). Promoting the events beforehand via well-known websites, ticketing companies also serve as a platform where customers can follow the events.
- (9) Although BİLETİX'S competitors -BST Taahhüt İnşaat Turizm ve Bilişim Teknolojileri Ltd. Şti. (BİLETWAY), Aktif Yatırım Bankası A.Ş. (AKTİFBANK), Divasoft Yazılım Bilişim Danışmanlık İthalat İhracat San. ve Tic. A.Ş. (BİLETİVA), Taglon Teknoloji Yazılım ve Ürün Geliştirme San. ve Tic. A.Ş. (BİLETİNO), İnterbilet Dağıtım Organizasyon San. ve Tic. A.Ş. (BİLETİNİAL), Mobilet Dijital Hizmetler A.Ş. (MOBİLET), Digital Trade A.Ş. (BİLET.COM) and BUGECE Turizm ve Organizasyon A.Ş. (BUGECE) – carries out activities in the same sector as BİLETİX, they differ in terms of portfolio and areas of activity. BİLET.COM mainly sells tickets for events such as theme parks, aquariums and museums, etc.; AKTİFBANK and MOBİLET sell tickets for cultural and art events, live performances, concerts and performance arts, music festivals, non-league games; BİLETWAY sells only volleyball game tickets; BUGECE

¹ As of April 14, 2014, pursuant to the Act no 6222 on the Prevention of Violence and Disorder in Sports, tickets of organizations such as Spor Toto Super League, Spor Toto First League matches as well as Champions League, UEFA League, Ziraat Türkiye Cup and practice matches, etc. are sold via PASSO Ticketing Platform belonging to AKTİFBANK.

sells only music event tickets; BİLETİVA and BİLETİNİAL generally sell movie and theater tickets.

I.2.2. Ticket Sale Service Stages

- (10) Stages of ticket sale services can be summarized as follows depending on the services for organizers and services for consumers :
- Agreement between the event organizer and the company offering ticket sale services: At this point, either the event organizer or the ticketing company contacts the other and parties agree on the contract terms.
 - Sale of event tickets: The event organizer gives the necessary information (the name and date of the event, ticket fees, venue, etc.) for putting the tickets for sale. The ticketing company makes the preparations such as drawing the venue plan, visuals to be posted on the website and designing tickets and gets the approval of the organizer. Finally, after the approval of the organizer, tickets are sold at all sales channels such as retail sales points, the main box office, website or call center.
 - Delivering tickets to consumers: Tickets are delivered to consumers directly at sales points (retail sales points, the main box office, kiosk etc.), in digital form (PDF, SMS, QR Code) or physically through a courier.
 - Offsetting of the ticket sale revenues between the organizer and the ticketing company: The ticketing company prepares the sales report of the event. After the organizer and the ticketing company agree on that, the revenues from ticket sales are shared in accordance with the invoices drawn up by the parties.
- (11) Ticketing companies may offer ticket sale services entirely by completing all the stages above themselves. In addition, they may support event organizers who want to sell tickets at certain stages of ticket sale process by offering services such as software assistance, entry control, and main box office operation.
- (12) As understood from the stages listed above, BİLETİX and its competitors provide services to two different customer groups. They provide intermediary services and relevant services for ticket sales to event organizers whereas they provide ticket sale services to consumers. Therefore, the relationship between the undertakings offering ticket sales services and both types of customers should be considered while defining the relevant market.

I.2.2.1. Commercial Relationship between the Ticketing Company and the Event Organizer

- (13) The alternatives for event organizers concerning how to sell tickets are as follows:
- The event organizer may sell all the tickets. In this case, the event organizer does not ask for intermediary services for ticket sales but for the necessary technical infrastructure and personnel for selling tickets.
 - The organizer may have the ticketing company do all the ticketing business. In this case, the organizer asks for intermediary services for ticket sales. Intermediary services for ticket sales is provided as a package basically. In the said service package, in addition to the sales via retail sales points, call center and internet, there are services related to sales made via the box offices at the venue entrance (the main box office) Tickets are sold via retail sales points, call center and internet until the event day whereas they are sold

at the main box office generally on the event day or a few days before the event day.

- The organizers may sell a part of the tickets themselves and other part via the ticketing company. In that case, organizers ask for intermediary services as well as the necessary software and personnel for selling tickets themselves.

- (14) The organizer's choice about how to sell tickets is determinant in the relationship between the organizer and the ticketing company. The fees that the event organizer pays to BİLETİX in return for the services fixed in the contract can be listed under the following headings:

(.....TRADE SECRET.....)

- (15) The table below shows the fees that BİLETİX's competitors charge from organizers:

Table 1: The fees that competitors charge from organizers:

Undertaking	Fees ²
BİLET.COM	Service fee
BİLETİNO ³	Service fee
BİLETİVA	Service fee+credit card commission rate
BİLETİNİAL	Ticket printing fees+service fee+software assistance fee
BİLETWAY	Service fee
AKTİFBANK	Service fee+invitation ticket printing fee+ credit card commission rate
BUGECE	Service fee+ ticket printing fees + credit card commission rate + entrance service fee + promotion fee
MOBILET ⁴	-
Source: Information obtained from undertakings	

- (16) The agreements between event organizers and ticketing companies shape their relations. While private companies make an agreement with the ticketing company after bargaining and negotiations

Public institutions work by means of the procurement procedure. The contracts made at the end of the process regulate the scope of the services to be offered to the organizer, the fees to be charged and the term of the contract.

- (17) Certain contracts between an event organizer and a ticketing company may have an exclusive nature. The exclusivity provision in a contract may be limited to one event or cover all events to be organized during the term of the contract. In non-exclusive contracts, the event organizer and the ticketing company decide on the number of event tickets to be sold by the ticketing company.
- (18) Another point to be highlighted concerning the relation between the event organizer and the ticketing companies is the financial support provided by the ticketing company to the organizer in return for working with it. This financial support is called "advance"

² Some of the undertakings call a service fee commission.

³ It is stated that the revenue items cannot be categorized since the undertaking does not have a finance department or a finance expert. Therefore, revenue items collected from organizers apart from service fee are not included.

⁴ Since MOBILET terminated its activities, it is not possible to get information from the undertaking during the investigation. Afterwards, it was learned that EVENT MASTER acquired MOBILET with a brand transfer agreement dated 02.12.2019 and MOBILET started to operate again on 13.01.2020. However, EVENT MASTER stated that they did not have the data related to the period before the acquisition.

in the sector. Advance can be defined as the payment made by the ticketing company to the organizer to finance the expenses related to the event before the event date. BİLETİX's advance system consists of four categories basically:

(.....TRADE SECRET.....)

- (19) BİLETİX states that the advance system is a kind of incentive and vital for the sector, in addition, this system provides important advantages to the event organizer. Organizers with financial capability and/or ability to provide assurance are preferred for giving advances. It is found that among the competitors, only BİLETİNİAL and AKTİFBANK used the advance system in 2019.
- (20) Organizer's choice of a ticketing company directs the consumer to the ticketing company in question and this strengthens the consumer portfolio of the ticketing company. On the other hand, the ticketing company's consumer portfolio may be a determinant factor in the organizer's choice of the ticketing company. In this regard, the organizer's choice and the consumer's choice feed each other. Therefore, the number and variety of events for which tickets are sold strengthen ticketing companies' customer portfolio.
- (21) One of the determinant factors in the organizer's tendency to choose a firm with a strong portfolio is the promotion of the event via the ticketing company. Ticket sales platforms can serve as an advertisement channel and may promote the event to a wide customer group. Ticketing companies may promote the event on their website or via electronic notifications or bulletins sent to their subscribers. Therefore, the company's recognition and ability to reach consumer group are important for organizers' preference for a ticketing company.
- (22) Thus, more customers are added to the portfolio of the ticketing company that sells tickets for more events; increasing the variety of events allows the ticketing company to reach different customer groups. In order to do that a ticketing company has to make contracts with more event organizers operating in different areas. A strong portfolio may be determinant in being chosen by an organizer. Strengthening the customer portfolio may facilitate reaching an agreement with an organizer for the ticketing company. Consequently, organizers' and consumers' choices, which feed each other, determine whether a ticketing company will be used widely. This feature highlights the two-sided nature of the ticket sales market and shows the positive impact of the network effects in those markets on event organizers and customer demand.

1.2.2.2. Commercial Relationship between the Ticketing Company and Consumers

- (23) A ticketing company faces the demand of event organizers on one hand and the demand of consumers who want to buy tickets on the other. Consumers buy the tickets of the event they want to go through those companies. Ticketing companies charge service fees in return for this service they provide to consumers.
- (24) Service fee differs according to the variety of the services to be provided to the organizer, organizer's ticket sale volume, ticket fee or the sales channel on the basis of the contract with the event organizer. Since one of the determinant factors for the service fee is the ticket's nominal value, this value increases with the said fee. It may be fixed at a certain point in terms of tickets with high nominal value.
- (25) Apart from the service fee, consumers may be charged two other fees called the transaction (order) fee and the courier fee. Courier fee is charged for delivering the

ticket to the consumer's address by means of a courier company. This fee is charged from consumers who do not want to get the tickets they buy online or via call center from a retail sales point. In addition, it is possible to get tickets from the main box office on the event day, if possible. Transaction fee is the fee charged per transaction, independent of the number of tickets, for the transactions made online or via the call center. BİLETİX charges the said fee only for the sales via the call center, internet or mobile channels but not for the direct sales from retail sales points or from the main box office on the event day.

- (26) The table below summarizes BİLETİX's sales channels and the fees charged from consumers in those channels. The following table is a hypothetical example showing the fees charged from a consumer for individual or group ticket sales on the basis of each sales channel and delivery method⁵

Table 2: BİLETİX's sales channels and fees

Sales Channels	Delivery Option	Fees
Main Box Office at the Venue	Instant Thermal Ticket	Ticket Fee
Retail points	Instant Thermal Ticket	Ticket Fee + Service Fee
Call Center	Printed Thermal Ticket (retail or delivery at the main box office)	Ticket Fee + Service Fee + Transaction Fee
	Printed Thermal Ticket (delivery by courier)	Ticket Fee + Service Fee + Transaction Fee + Courier Fee
	QR code (mobile ticket) or PDF digital ticket (fast ticket)	Ticket Fee + Service Fee + Transaction Fee
Online Sales	Printed Thermal Ticket (retail or delivery at the main box office)	Ticket Fee + Service Fee + Transaction Fee
	Printed Thermal Ticket (delivery by courier)	Ticket Fee + Service Fee + Transaction Fee + Courier Fee
	QR code (mobile ticket) or PDF digital ticket (fast ticket)	Ticket Fee + Service Fee + Transaction Fee
Mobile Application Sales	Printed Thermal Ticket (retail or delivery at the main box office)	Ticket Fee + Service Fee + Transaction Fee
	Printed Thermal Ticket (delivery by courier)	Ticket Fee + Service Fee + Transaction Fee + Courier Fee
	QR code (mobile ticket) or PDF digital ticket (fast ticket)	Ticket Fee + Service Fee + Transaction Fee

Source: Information obtained from the undertaking

Table 3: Hypothetical Example

Sales Channel	Delivery Method	The Number of Tickets	Ticket Fee	Service fee	Transaction Fee	Courier Fee	Total
BOX OFFICE	Printed Ticket	One Ticket	50	5	-	-	55.0
		Five Tickets	250	25	-	-	275.0
Online, Call Center, Mobile	Digital Ticket (PDF, QR Code, SMS)	One Ticket	50	5	3.5	-	58.5
		Five Tickets	250	25	3.5	-	278.5
	Printed Ticket (Retail)	One Ticket	50	5	7	-	62.0
		Five Tickets	250	25	7	-	282.0
	Printed Ticket (Courier)	One Ticket	50	5	7	12	74.0
		Five Tickets	250	25	7	12	294.0

⁵ BİLETİX's fees applicable in 2019 are taken as a basis for transaction and courier fees. Ticket fee is assumed as 50TL whereas the service fee is assumed as 5TL.

- (27) The table below shows the fees that BİLETİX's competitors charge from consumers.

Table 4: The Fees That BİLETİX'S Competitors Charge From Consumers.

Undertaking	Fees
BİLET.COM	Ticket Fee
BİLETİNO	Ticket Fee + Transaction Fee
BİLETİVA	Ticket Fee + Service Fee
BİLETİNİAL	Ticket Fee + Service Fee ⁶
BİLETWAY	Ticket Fee + Transaction Fee
AKTİFBANK	Ticket Fee + Service Fee ⁷ + Transaction Fee
BUGECE	Ticket Fee ⁸
MOBILET	Ticket Fee + Service Fee + Transaction Fee

Source: Information obtained from undertakings

- (28) The factor that determines consumer preferences is the organizer's choice of ticketing company. Accordingly, the fee that consumers pay does not affect their choice of the ticketing company but the decision about whether they will go to the event and which channel they will use for buying the ticket.
- (29) Service fee is a fee generally charged from consumers out of the ticket price or in addition to the ticket fee for each ticket. Since this fee affects a consumer's decision about whether to go to the event, organizers and ticketing companies agree on a certain fee and sometimes organizers themselves bear that fee. On the other hand, transaction fee and courier fee affect which channel the consumer will choose rather than the firm. Because transaction fee is charged for the sales made online or via the call center. In those sales, if consumers want the ticket to be delivered, they have to pay a courier fee. However, if they buy the ticket from the main box office or directly from the sales point, they do not pay a transaction fee or courier fee.
- (30) There may be other costs that consumers have to bear to get the ticket directly from the sales point or the main box office. The time needed to buy tickets from those channels may be longer than the time spent for buying the ticket online or via call center. Going to a sales point or the main box office may also create an additional cost for the consumer. Moreover, the risk that all the tickets may be sold out is higher at the main box office compared to other channels. In addition, the consumer has to wait to buy the tickets in those channels. In light of the information obtained from undertakings, the data showing the time spent by consumers to complete ticket purchasing process confirm this.

Table 5: Time spent by consumers to complete ticket purchasing process online or via mobile applications

Undertaking	Average time spent to complete the ticket purchasing process	
	Internet	Mobile
BİLETİX ⁹	(.....)	(.....)
BİLET.COM	(.....)	(.....)
BİLETİNO	(.....)	(.....)
BİLETİVA ¹⁰	(.....)	(.....)

⁶ BİLETİNİAL charges a part of the service fee from the organizer and a part of it from the consumers.

⁷ It is stated that some organization companies want the service fee to be taken from the ticket price and indicated as 0 TL whereas others request that the fee be added to the ticket price.

⁸ BUGECE states that they reflect the entire service fee to the organizer.

⁹ BİLETİX stated that they could not provide the data requested for the mobile application because BİLETİX's mobile applications were not integrated to Google Analytics, which is a data analysis service provider.

¹⁰The undertaking stated that they could not provide this data.

BİLETİNİAL	(....)	(....)
BİLETWAY	(....)	(....)
AKTİFBANK	(....)	(....)
BUGECE	(....)	(....)
MOBILET ¹¹	(....)	(....)
Source: Information obtained from undertakings		

- (31) According to the table above, consumers complete ticket purchasing process via websites and mobile applications in nine minutes at the most.
- (32) There are two different decision making processes regarding the method to buy tickets. In the first process, if the consumer chooses a specific event, she/he wants to buy a ticket for only that event in which case the consumer depends on the organizer's choice for the method of ticketing. As stated above, there are three alternatives for the organizer in terms of ticketing.
- In case only the organizer sells the tickets, the consumer will buy the ticket from the organizer.
 - In case only the ticketing company sells the ticket, the consumer will buy the ticket from that ticketing company.
 - If both the organizer and the ticketing company sell the tickets, the consumer may buy the tickets from either the organizer or the ticketing company.
- (33) In the second situation that affects the consumers' decision to buy a ticket, they do not decide about the event beforehand. In which case they need to be informed about and compare different events before the need to buy a ticket. This need underlines ticketing companies' function as a promotion platform. Ticketing company informs consumers about the events in a relevant period and allows them to compare those. In that case consumers may prefer a better known and familiar ticketing company with a wider event range.
- (34) The table below shows information about the number of consumers who directly looked for an event and bought a ticket and the number of consumers who bought a ticket after visiting more than one event page, in other words, being informed about different events, out of the consumers who bought tickets via undertakings' websites or mobile applications in 2019.

Table 6: Data concerning consumers' event choices

Undertaking	The number of consumers who bought a ticket after being informed about different events	The number of consumers who bought a ticket directly	The share of consumers who visited different events in All consumers (%)
BİLETİX ¹²	(....)	(....)	(....)
BİLET.COM	(....)	(....)	(....)
BİLETİNİAL	(....)	(....)	(....)
BUGECE	(....)	(....)	(....)
Total	(....)	(....)	(....)
Source: Information obtained from undertakings			

¹¹ Since MOBILET terminated its activities in 2019, it is not possible to find its data.

¹² The data collected by Google Analytics are user-based and session-based data measured with certain algorithms. They do not include individual user data.

- (35) It is inferred from the table above in light of the data from undertakings apart from BILET.COM that about 70% of the consumers wishing to go to an event bought a ticket after being informed about more than one event. Within this framework, the ticketing company's function as a promotion platform is important. BILET.COM's data indicate the contrary because the number of events for which the undertaking sells tickets is very few. The undertaking in question provided intermediary services for the sale of tickets in only (.....) events.

I.2.3. Relevant Product Market

- (36) Ticketing companies have two different customer groups: Event organizers and consumers. These companies face two different demands, which indicate a two-sided market structure.

I.2.3.1. Two-sided Nature of the Market for Intermediary Services for the Sale of Tickets¹³

- (37) Two-sided markets are those where the value attributed by users on one side of the market to a good or service depends on not only the features of that good or service but also the number of consumers in the other side of the market. Traditional business models operate in a unilateral setup; they directly produce and sell a product. In other words, a producer using traditional methods sees the final consumer vis a vis and addresses the buyer per se. Two-sided platforms do not produce a product but serves as an area where a seller and a buyer meet. Thanks to two-sided platforms, sellers can reach much more consumers than they can reach with traditional business models whereas buyers can reduce transaction costs by reaching more than one seller at the same time.
- (38) Generally, there are three basic features attributed to two-sided markets:
- 1) Two different customer groups at two different sides of the market
 - 2) Indirect network externalities,
 - 3) A tool that internalizes the externalities between the customers on both side of the market (a platform that enables communication on both sides of the market¹⁴)
- (39) Being one of the fundamental components of two-sided platforms, network externalities are categorized into two: Direct network externalities and indirect network externalities. Direct network externalities mean that the increase in the number of users in one side affects the users on the same side. Indirect network externalities exist when the demand and benefit of the people on one side of the market increases depending on the increase of the demand of the people on the other side for the complementary product, not on the number of the people in the same group. Therefore, the increase in the number of users in one side increases the benefit and advantages that the other side will obtain from the platform and affect the platform's attractiveness positively.
- (40) Network externalities determine the increase in the participation of the decision-making units who may want to benefit from commercial interaction opportunities provided by

¹³ "Multi-sided markets", multi-sided platforms" and "two-sided platforms" are used in the same sense.

¹⁴ In two-sided markets, a third party creates an area where customers can interact and gathers parties who cannot directly contact each other. This structure - so called "platform" - enables the transactions that cannot be realized otherwise by reducing the transaction costs.

the platform. This value is in direct proportion with the potential surplus value (decreasing transaction costs) to be obtained from the platform. The platform value and thus platform service provider's power to set prices will increase after more economic decision-making unit groups are included in the platform. This can be explained as follows: Revenues and benefits that the economic units on one side of the market will obtain depend on the number of users on the other side of the market. Positive network externalities exist when one of the mutual parties must be represented by a high number in order for the other to obtain benefits¹⁵. Mutual positive network externalities' features are as follows: They feed and support each other. A positive development in one of the groups on one side of the market affects the group on the other side positively; thus both groups grow. These indirect effects are important in order to show the mutual dependency between the parties. If one of the groups has qualified number of users after growing and developing, this will have incentive and encouraging effect on the growth and development of the other group on the other side.¹⁶

- (41) It is understood from the issues stated above that the platform's ability to increase the number of customers on one side of the market depends on the ability of the other side to gain a sufficient number of customers due to indirect network externalities. Therefore, the sustainability of the undertakings operating in those markets depends on whether they can create a network on the platform and then balance the demand on both sides of the market in line with customers' benefit. Consumers will prefer the platform which provides a high number of alternative sellers in terms of search/comparison and purchase of goods/services whereas undertakings providing goods/services will choose the platform with a wide customer portfolio to reach more customers. In that case, the platform acting as an intermediary is expected to try to develop its portfolio bilaterally.
- (42) Although undertakings offer similar facilities to platforms offering online order services with their own websites, those websites lack network externalities that have a key role in the relevant market. Platforms are beyond a distribution channel by serving as an important marketing tool since they promote the products/services on sale to customers and increase recognition.
- (43) Another notable point about the sector is that consumers pay the ticket fee belonging to the event organizer to the intermediary ticketing company instead of the event organizer, unlike many platforms providing usual intermediary services¹⁷. The ticketing company transfers the said fee to the organizer after the event. Therefore, there should be a trust relation between the organizers and ticketing companies. In addition, consumers deal with the ticketing company instead of the organizer in case the event is canceled or the ticket is returned during the process. Thus, ticketing companies partially bear the risks concerning the other party for both sides of the market.
- (44) According to the explanations given above, the market where BİLETİX and its competitors operate has all the basic features of a two-sided market. The relevant market analysis to be made in the market for intermediary services for the sale of tickets should consider the demands of both customer groups.

¹⁵ CTS *Eventim* Decision dated 04.12.2017 and numbered 6-132/14-2, p. 164.

¹⁶ CTS *Eventim* p.164-165.

¹⁷ For instance Booking, Yemeksepeti.

I.2.3.2. Assessment of Supply and Demand Substitution

- (45) In the sector where BILETIX operates, an organizer's basic demand is to get intermediary service for ticketing whereas consumers' demand is to buy the ticket to the event they wish to go. Providing intermediary services to bring the organizer with the demand for ticketing on one side and the consumer with the demand for buying a ticket on the other side together, ticketing companies make up the supply side of the market.
- (46) While evaluating the market in terms of the supply, the products of the suppliers who can shift their production to other products and can market those in a short term without having to bear significant additional costs and risks in the face of small and non-transitory increases in relative prices are included in the market.
- (47) Ticket sale service covers all of the following services: providing the technology and the infrastructure, putting up tickets for sale on sales channels and deliver tickets to the consumer and entrance to the event venue with tickets. Ticketing companies may offer this service package as a whole to the event owner. However, organizers may sell the event tickets themselves by having the necessary infrastructure and personnel. At this point, whether it is possible for companies who sell their own tickets to start selling other organizers' tickets if there is an increase in the prices of companies offering ticketing services is important. First of all, ticketing market's two-sided structure has impact on this evaluation. Ticketing companies are different from companies selling their own tickets because they provide the abovementioned service package to organizers, they can use network externalities that positively affect the demand on two different sides of the market and they serve as a promotion platform. An organizer aim to reach a lot of consumers by means of the intermediary company while purchasing intermediary services for the sale of tickets. For this reason, an organizer prefers a ticketing company with a strong consumer portfolio because of the opportunity to use it as a promotion tool and its recognition level. Consumers may prefer a ticket sale company which sells tickets of numerous and various events as it offers the opportunity to compare different events. As a result, a ticketing company chosen by more organizers is also preferred by more consumers.
- (48) When organizers sell only their events' tickets, they only face consumer demand, in which there is no two-sided structure in the market. It is not possible to talk about network externalities - one of the basic features of a two-sided market, which affects consumers' and organizers' demand mutually - in those sales. In order for this process, where an organizer's and a customer's demand feed each other due to their expectations, to be realized in terms of the companies selling their own tickets, first of all other organizers' demand for intermediary services for ticket sales should be towards organizers which sell their own tickets. In order to create the said network externalities, the number and diversity of events should increase. For the companies selling their own tickets, the sale of other events requires not only certain investment in terms of infrastructure, technology and human resources but also making agreements with other event organizers some of which are competitors.
- (49) In addition to the aforementioned points, organizers which sell their own tickets use limited sales channels compared to ticketing companies. This point should be taken into account while evaluating supply substitution. All ticketing companies sell tickets via all sales channels. Therefore, especially organizers selling a part of their tickets themselves should make investments for the necessary software, infrastructure and personnel to be able to sell tickets via all sales channels.

- (50) Ticket sale service covers not only the sale of tickets but also enabling entrance to the venue with tickets. Ticketing companies provide this service in return for an additional fee or free of charge. Thus, especially organizers selling a part of their tickets should make investments for the necessary software, infrastructure and personnel for providing this service to be able to sell other organizers' tickets.
- (51) For the reasons stated above, it is understood that it is not possible for organizers selling their own tickets to sell other events' tickets in short term without bearing significant additional costs and risks in the face of a small and non-transitory increase in the relative prices of ticketing companies.
- (52) Moreover, whether ticketing companies' supply differs on the basis of each event should be analyzed. As explained in ticket sale stages above, tickets of different event types are sold in a similar way. In addition, there is not a significant difference in the supply side of the market to be dependent on the type of the event in terms of the infrastructure, technical software or human resources necessary to sell tickets. Variety of events affects organizers' and consumers' choice for a ticketing company, as emphasized before. Accordingly, ticketing companies' technical infrastructure suitable for selling all kinds of tickets creates a supply substitution in terms of events in different areas. In summary, while supply substitution is not possible in terms of ticketing companies and organizers selling their own tickets, there is supply substitution in the sale of the tickets for different event types.
- (53) In terms of demand substitution, in order to be in the same market with another product, the products in question should be identical in the eye of consumers in terms of their characteristics, intended use and prices. As stated before, there are two consumer groups that BİLETİX addresses, so it faces two different demands.
- (54) The following factors affect the demand of the consumer who wants to buy tickets for an event:
- The fees that ticketing company charges from consumers
 - Ticketing company's recognition level
 - The number and variety of events for which the ticketing company sells tickets.
- (55) It is possible to agree with the idea that there is not demand substitution in organizations such as movie, theater and concert in terms of the events consumers are attending. However, whether there is substitution between events is not an issue to be taken into account in terms of consumers' demand for a ticketing company. A consumer's demand for a ticketing company is to buy a ticket. Substitution between events affects the demand about which event to go. This demand is the one concerning organizers. Consumers' changing demand for events does not affect ticketing companies' stages of ticket sale or service fees. Therefore, in a market analysis to be made depending on consumer demand for ticketing activities, alternatives that the customer may choose for buying tickets and switch to in case of an increase in service fees should be taken into account.
- (56) Consumers can buy tickets via different sales channels such as internet, call center, mobile channel, retail sales points and the main box office. Consumers can buy tickets via internet, call center and mobile channels, which provide the opportunity for distance purchase more easily and in a shorter time. However, they have to pay an additional fee such as the transaction fee, in addition to the service fee in return for this convenience due to the fee BİLETİX charges. In order to buy tickets from retail sales channels, the consumer has to go to the sales point physically. In that case, consumers

have to spare a time to buy a ticket and also they may pay a transport fee to go to the relevant point.

- (57) Consumers can only buy tickets at the main box office on the event day. While it is possible to buy a ticket until the event day after tickets are put up for sale via other channels, if the consumer wants to buy a ticket at the box office, there is the risk that the tickets may have been sold out or it may not be possible to buy the desired seat.
- (58) It is possible to categorize the aforementioned sales channels in terms of the costs and risks to be taken by the consumer and the time needed to buy a ticket into three: channels providing distant access (internet, telephone, mobile channel), retail sales channels (music stores, bookstores or other sales points) and the main box office. Each sales channel has advantages or costs/risks compared to the other.
- (59) However, whether those issues differ from consumers' perspective and within the framework of the said factors is not important in terms of the services provided by the ticketing companies on the basis of this file. Because regardless of the channel chosen, the consumer faces a service provided by BÎLETIX. BÎLETIX or other ticketing companies provide software or entry to the venue even if the organizers sell a part of the tickets themselves. Thus, even if consumers have different demands about the sales point to buy the ticket, since they use ticketing company's service at those points, differentiating consumer demands on the basis of sales points is not necessary for the analysis within the scope of the file.
- (60) Organizers can sell the tickets themselves in addition to the service they purchase from the ticketing company. In this case the consumer can buy tickets from the organizer or the ticketing company. However, as emphasized in the evaluations about supply substitution, organizers selling a part of the tickets themselves cannot provide services to the consumer via all channels; they use retail sales points and the main box office. However, sales channels that enable distant access are more advantageous from the perspective of the consumer thanks to the shorter time and less effort needed to buy tickets despite their costs. The costs that may arise to reach retail sales channels may offset the transaction costs in channels providing distant access. Even if the main box office is superior to other channels in terms of costs, it is less preferred due to the risk of sold out tickets. Accordingly, organizers selling a part of tickets themselves are alternative for consumers only in certain sales channels. Moreover, since organizers sell only their own event's tickets, they do not have an event portfolio allowing comparison among different events. Therefore the organizer is an alternative only in one event for the consumer whereas a ticketing company can be an alternative in all different events. Consequently, organizers who are not substitutes in the market in terms of supply as a result of the assessment about the supply substitution, are not substitutes for the services provided by the ticketing companies in terms of consumer demand either.
- (61) Ticketing companies face organizer demand in addition to consumer demand. The following factors affect the organizer's choice that has demanded for intermediary services for the sale of tickets:
 - The fees that ticketing company charges
 - Financial support provided by the ticketing company
 - The opportunity to use the ticketing company as a promotion tool
 - Ticketing company's consumer portfolio

- Ticketing company's recognition level, commercial reputation and reliability
 - The number and variety of events for which the ticketing company sells tickets.
- (62) From the perspective of organizers, in the assessment of demand substitution, alternatives that organizers can choose for intermediary services for ticket sale and switch to in case of an increase in the fees they are charged should be taken into account. As stated before organizers alternatives are as follows: they may sell all the tickets or buy the entire service from the ticketing company, selling a part of the tickets themselves and buy the service for a party of the tickets.
- (63) The organizer basically pays service fee to the ticketing company for the sale of tickets. Apart from the service fee, the organizer pays other fees such as ticket printing fee, main box office operating fee, entrance control fee, promotion and participation fee. Those fees can be considered as the fees that the organizer has to bear if it sells the tickets itself. In this regard, the organizer bears the service fee in return for working with the ticketing company. However, generally the consumer bears the service fee and service fee is not charged from the organizer if charged from the consumer. The organizer who purchases intermediary services for the sale of tickets avoids the investments needed to sell its tickets as well as certain costs. In addition, ticketing companies provide the organizer with the opportunity to reach a certain customer group and promote the event. If the organizer sells its tickets, it is not possible to benefit from that opportunity. Selling other organizers' tickets involves costs such as diversifying sales channels, agreeing with competing organizers, the necessary software, infrastructure and personnel investments. In terms of organizers' demand, there is not a substitution relation between selling their own tickets and purchasing a ticketing service that requires considering those services in the same market.
- (64) In light of the assessments made in terms of demand substitution, the demand for buying tickets does not differ on the basis of event. Substitution in terms of sales channels is not important for this file. Organizers selling their own tickets are not substitutes for the demand for ticketing companies. In terms of organizers, there is not a substitution relation between selling their own tickets and purchasing a ticketing service.
- (65) Looking at the substitution relation between sale of tickets via the traditional channel and the sale of tickets via online channel, generally online channel is considered as a separate market. The activities of the undertakings concerned are basically made through the online channel rather than the traditional channel. This is reflected in undertakings' sales data according to sales channels. The table below shows the share of BİLETİX's and its competitors online sales in total ticket sales.

Table 1: The shares of undertakings' ticket sales via the box office, other channels and the internet (%)

Undertaking	2017		2018		2019	
	Box office and other ¹⁸	Internet	Box office and other	Internet	Box office and other	Internet
BİLETİX	(....)	(....)	(....)	(....)	(....)	(....)
AKTİFBANK ¹⁹	(....)	(....)	(....)	(....)	(....)	(....)
MOBİLET	(....)	(....)	(....)	(....)	(....)	(....)
BİLETWAY	(....)	(....)	(....)	(....)	(....)	(....)
BUGECE	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİNO	(....)	(....)	(....)	(....)	(....)	(....)

¹⁸Sales that undertakings make via an organizer, call center and third parties apart from the internet channel.

¹⁹ Internet sales began in 2019.

BİLETİNİAL ²⁰	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Source: Information obtained from undertakings						

- (66) As seen from the table above, BİLETİX's share of online sales in total ticket sales is respectively (.....) %, (.....) % and (.....) % between 2017 and 2019. Most of the undertakings in the market make sales entirely via internet. This rate is (.....)% and (.....)% in 2017 and 2018 for MOBİLET. BİLETİVA, BİLETİNO, BİLET.COM and BİLETİNİAL do not sell tickets at the box office. Unlike undertakings operating in the market, BİLETWAY's online ticket sale rate is very low. BİLETWAY generally sells tickets at the box office as it sells only tickets for volleyball matches and its portfolio is not as wide as its competitors. In some sales, e-tickets are not sold due to security reasons and in this way the undertaking is different from its competitors. Generally, consumers are preferring online sales more and more over the years.
- (67) With the increasing online sales, undertakings' revenues from the sales made via the internet have been also increasing. Within the scope of the file, the table below shows BİLETİX's and its competitors' share of online sales revenues in total sales revenues in the last three years

Table 2: The share of revenues from ticket sales online, at the box office and other channels in total ticket sales revenues (%)

Undertaking	2017		2018		2019	
	Box office and other	Online	Box office and other	Online	Box office and other	Internet
BİLETİX	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
MOBİLET	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BUGECE	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Source: Information obtained from undertakings						

- (68) BİLETİX's online sales make up (.....)% of its total revenues in 2017, (.....)% in 2018 and (.....)% in 2019. BUGECE, BİLETİVA, BİLETİNO and BİLET.COM obtain all their revenues from online sales. Due to the reasons explained above, BİLETWAY's (.....)% and above revenues are obtained from the sales at the box office. Apart from that, online sales constitute a very significant amount in the revenues of undertakings operating in the market. Therefore, it is concluded that it is not necessary to consider the traditional channel and the online channel in the same market because of the market conditions in the concrete case.
- (69) In accordance with the assessments above, on the basis of this file, the relevant market is defined as *"the market for intermediary services through a platform for the sale of event tickets (except football matches) "*.

²⁰If organizers request for the sale of tickets at their own box offices or ticket sale points, BİLETİNİAL installs the box office software on the computers at the box offices. In this way, both the organizer and the ticketing company can sell tickets online and instantly.

I.2.4. Relevant Geographic Market

- (70) The events in the markets under examination may be organized in different cities throughout Türkiye. BİLETİX and other ticketing companies operate throughout Türkiye. Consequently, the relevant geographical market is defined as Türkiye.

I.3. TICKET DELIVERY METHODS AND TICKET TYPES OF BİLETİX AND ITS COMPETITORS

- (71) BİLETİX delivers tickets it sells to consumers in three different ways.
- Printed Thermal Ticket: If the consumer buys a thermal ticket via the call center, internet or mobile application but wants to get the ticket at the main box office or retail sales point, BİLETİX charges 7 TL transaction fee per transaction regardless of the number of tickets. If consumers buy the ticket from the retail sales point directly, they do not pay any transaction fees. Therefore if a consumer does not want to pay a transaction fee, she/he has to buy the ticket from a retail sales point. In addition, If the consumer buys a thermal ticket via the call center, internet or mobile application but wants the ticket to be delivered to the address by a courier at a certain date, BİLETİX charges 7 TL transaction fee and 12 TL courier fee per transaction regardless of the number of tickets.
 - PDF Digital Ticket (fast ticket): This option is available only on the website and mobile. If consumers buy tickets in PDF format via the internet or mobile, they have to pay 3.5 TL transaction fee regardless of the number of tickets. BİLETİX sends two e-mails to its customer, being PDF ticket and e-archive invoice. BİLETİX stated that it is not possible to calculate the real costs because it has to pay a license fee and an additional fee to the e-archive provider to send an e-mail.
 - QR Code (mobile ticket): BİLETİX charges 3.5 TL transaction fee if the ticket is sold via the website or mobile application regardless of the number of tickets. To deliver a mobile ticket, BİLETİX sends an SMS and an e-mail for e-archive invoice. Even if BİLETİX pays (....) TL per SMS, it is difficult to calculate the cost per e-mail taking into account expenses such as server and software costs. Also, license fee is paid for sending an e-mail and fees are paid per invoice to the e-archive provider.
- (72) The table below shows the distribution of the tickets sold by BİLETİX and its competitors according to the methods for delivery to consumers.

Table 3: Printed and Digital Tickets sold by the Undertakings between 2017 and 2019²¹ (%)

Undertaking	2017		2018		2019	
	Printed Ticket	Digital Ticket	Printed Ticket	Digital Ticket	Printed Ticket	Digital Ticket
BİLETİX	(....)	(....)	(....)	(....)	(....)	(....)
BİLET.COM	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİNİAL	(....)	(....)	(....)	(....)	(....)	(....)
BİLETWAY	(....)	(....)	(....)	(....)	(....)	(....)
MOBİLET ²²	(....)	(....)	(....)	(....)	(....)	(....)
AKTİFBANK	(....)	(....)	(....)	(....)	(....)	(....)
BUGECE	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİNO	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİVA	(....)	(....)	(....)	(....)	(....)	(....)

²¹ The ticket delivered to the consumer in a printed form is referred to as printed ticket whereas the ticket delivered in PDF, QR code and SMS is referred to as digital ticket.

²² Since MOBİLET terminated its activities, it is not possible to find data.

Source: Information obtained from undertakings
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- (73) The table above shows that the share of consumer demand for digital tickets in the total ticket demand for the tickets sold by BİLETİX is (.....)% in 2017, (.....)% in 2018 and (.....)% in 2019. Taking into account BİLETWAY's portfolio and AKTİFBANK's sales via the box office during 2017 and 2018, printed tickets' outnumbering digital tickets is an expected fact. On the other hand, considering all undertakings' data together, it is possible to foresee that the number of digital tickets will increase in the future.

I.4. DOMINANT POSITION ASSESSMENT

I.4.1. BİLETİX's and Its Competitors' Market Position

I.4.1.1. Market Share

- (74) In the Guidelines on the Assessment of Exclusionary Abusive Conduct by Dominant Undertakings (the Guidelines), it is stated that the position of the undertaking examined in the relevant market is primarily indicated by the market share held by the undertaking. According to the established practice of the Board and the Guidelines, undertakings holding less than 40% market share are less likely to be dominant. More detailed examinations are conducted for undertakings with a higher market share.
- (75) Within the scope of the file, the assessment related to BİLETİX's and its competitors market shares is made considering the number of events in their portfolio, the number of tickets they sold and their revenues from ticketing in the last four years.

a) Market Share in terms of the Number of Events

- (76) A wide portfolio of events provides an undertaking with competitive advantage in the relevant market and increases its attractiveness in the eye of consumers. Since the organizer's choice is determinant in the consumer's choice, the number and variety of the events for which tickets are sold strengthen companies' customer portfolio. Therefore the number of events for which undertakings carry out intermediary activities is an important indicator for determining dominant position. Accordingly, the table below indicates the number of events of which the players in the market sold tickets during the past four years and their market shares calculated based on the number of events.

Table 4: Undertakings' market shares on the basis of events (%)

Undertaking	2016		2017		2018		2019	
	The number of events	Market Share	The number of events	Market Share	The number of events	Market Share	The number of events	Market Share
BİLETİX	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
MOBILET	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BUGECE	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Total	(.....)	100	(.....)	100	(.....)	100	(.....)	100

Source: Information obtained from undertakings
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- (77) According to the table above, the number of tickets sold by BİLETİX is as follows: (.....) in 2016, (.....) in 2017, (.....) in 2018 and (.....) in 2019. Its market shares for these

years are respectively (.....) %, (.....)%, (.....) % and (.....) %. Although there was a decrease in BİLETİX's market shares in 2017 and 2018, it increased the number of events in 2019 by (.....) fold and market share by (.....)% compared to the previous year. As of 2019, BİLETİX has (.....) times more market share than its closest competitor, BİLETİVA. Another notable point is that although the market grew by (.....)% in terms of the number of events in 2019, BİLETİX was on an acceleration beyond the market's growth rate with (.....)% growth rate. Consequently, its high market shares and leading position in the market compared to its competitors in the relevant four years are noteworthy. This shows that BİLETİX has a strong event portfolio by selling tickets for much more events than its competitors.

b) Market Share in terms of the Number of Tickets

- (78) Not only the number of events but also the number of tickets sold by undertakings plays an important role in showing their positions in the market. BİLETİX's and its competitors market shares calculated on the basis of the number of tickets within the scope of the file are given below.

Table 5: Market shares between 2016 and 2019 depending on the number of tickets sold (%)

Undertaking	2016		2017		2018		2019	
	Tickets sold	Market Share	Tickets sold	Market Share	Tickets sold	Market Share	Tickets sold	Market Share
BİLETİX	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
MOBİLET ²³	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BUGECE	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Total	(.....)	100	(.....)	100	(.....)	100	(.....)	100

Source: Information obtained from undertakings

- (79) Table-5 shows that BİLETİX's market shares between 2016 and 2019 in terms of the number of tickets sold are respectively (.....) %, (.....) %, (.....) % and (.....) %. Although the number of tickets sold by BİLETİX increased in the relevant years, its market shares in terms of the number of tickets sold decreased because of the increase in the number of tickets sold by BİLETİNİAL. It should be noted that there are movie tickets in BİLETİNİAL's portfolio. Moreover, BİLETİNİAL is also the official ticket sale platform for all events under the umbrella of the Ministry of Culture and Tourism of the Republic of Türkiye as a result of its cooperation with the Ministry for 2019-2020 season. Thus the abovementioned reasons for the increase in the undertaking's market share should be taken into account. At this point, although there is not a distinction in terms of movie tickets in the definition of the relevant market, movies are different from other events. Almost all of the events for which ticketing companies provide intermediary services are live performances unlike movies. Live performances are realized in a relatively limited time period (for instance weekends) and in limited numbers compared to movies, thus, their supply is relatively limited and demand elasticity is relatively low. As movies can be reached more than one time in more than one place in a certain time period, their substitution by consumers is much more easy than live performances. Consumers feel the pressure to find a seat, thus, online channel is less important for

²³ Since the undertaking terminated its activities in 2019, it is not possible to find data for this year.

movies. Because the consumer can find a seat in the next session or another nearby movie theater in a session he/she chooses.

- (80) According to the information given by BİLETİNİAL (.....)% of the tickets it sold in 2019 were movie tickets. Ignoring the number of BİLETİNİAL's movie tickets, BİLETİX's market share in terms of the number of tickets rises to (.....) % while BİLETİNİAL's share decreases to (.....)%. However, since this fact does not change the conclusion made within the scope of the file, a detailed analysis was not made. Movie tickets are included in the assessment.
- (81) In line with the number of events, it is inferred from the calculations made based on the number of tickets sold that BİLETİX had the highest shares during 2016 and 2019 and its market share is well beyond 40%, which is the threshold for dominant position.

c) Market Shares in terms of Ticketing Revenues

- (82) Not only the number of events and tickets but also assessments regarding ticketing revenues are important for the calculation of market shares. As mentioned, BİLETİX and its competitors in the market charge additional fees such as service fee, transaction fee and courier fee. The table below shows undertakings' ticketing revenues including the additional fees and the market shares calculated accordingly for the period between 2016 and 2019.

Table 6: Undertakings' market shares on the basis of ticketing revenues between 2016 and 2019²⁴

Undertaking	2016		2017		2018		2019	
	Revenues	Market Share (%)	Revenues	Market Share	Revenues	Market Share	Revenues	Market Share (%)
BİLETİX	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
MOBİLET ²⁵	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BUGECE	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Total	(.....)	100	(.....)	100	(.....)	100	(.....)	100

Source: Information obtained from undertakings

- (83) When the data in Table 6 are examined, it is observed that BİLETİX's market shares between 2016 and 2019 in terms of ticketing revenues are respectively (.....) %, (.....) %, (.....) % and (.....) %. There was a decrease in 2017 and 2018 in BİLETİX's market share with MOBİLET's entry to the market in 2017 but when MOBİLET left the market, BİLETİX's market share increased in 2019 again. In addition, as of 2019, BİLETİX's closest competitor is BİLETİNİAL. BİLETİX's market share is (.....) fold more than its closest competitor.
- (84) In order to highlight competitors' position in the market, the table below compiles market share data of all players in the market in terms of the three criteria (the number of events, the number of tickets, ticketing revenue), which are shown individually above for the period between 2016 and 2019.

²⁴ (.....)

²⁵ Since MOBİLET terminated its activities in 2019, it is not possible to find data for this year.

Table 7: Undertakings' market shares between 2016 and 2019 in terms of all categories (%)

Undertaking	Market Shares on the basis of the number of events				Market Shares on the basis of the number of tickets sold				Market Shares in terms of ticketing revenues			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
BİLETİX	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
BİLETWAY	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
AKTİFBANK	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİVA	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİNO	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
BİLETİNİAL	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
MOBİLET	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
BİLET.COM	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
BUGECE	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)	(....)
Total	100	100	100	100	100	100	100	100	100	100	100	100

Source: Information obtained from undertakings

- (85) As understood from the table above, the ranking of competitors after BİLETİX may differ on the basis of years and categories (the number of events, the number of tickets and ticketing revenues. While BİLETİX's closest competitor is BİLETİVA during 2016 and 2018 on the basis of the number of events, BİLETİNİAL ranks the second in 2019. In terms of the number of tickets, BİLETİVA in 2016, AKTİFBANK in 2017 and BİLETİNİAL in 2018 and 2019 follow BİLETİX. On the basis of ticketing revenues, BİLETİNİAL ranks the second whereas MOBİLET, which entered the market in 2017, rises to the second place in 2017 and 2018. When MOBİLET leaves the market BİLETİNİAL moves to the second rank again.
- (86) According to the table, it is obvious that BİLETİX's market shares are much higher compared to its competitors on the basis of the three categories and it is the market leader. This huge gap between BİLETİX and its competitors is slightly different in terms of the number of tickets but even in that criterion it is well above 40% threshold. As stated before, the reason why BİLETİNİAL reaches the rate in question in the market share is the movie tickets in its portfolio. On the other hand, although the said undertaking sells significant amount of tickets, it does not have the same strength in terms of ticketing revenues. Because the type of the events and ticket prices directly affect the ticketing revenues. Since the prices of movies and State Theater plays sold by BİLETİNİAL are cheaper than other event types, BİLETİNİAL cannot reach the same level of market shares in terms of ticketing revenues.
- (87) In conclusion, it is understood that BİLETİX has maintained its high level of market share for long years. The market structure has not changed significantly over the years, which shows that competitors cannot create competitive pressure.

I.4.1.2. Barriers to Entry

- (88) Conditions of entry to the market are important for actual and/or potential competitors to be able to create competitive pressure vis a vis the undertaking with market power. This is because the likelihood of expansion by undertakings operating in the market or of entry into market by new undertakings can also exert competitive pressure on the behavior of the undertaking examined. Accordingly, whether there are barriers to entry into the market for new undertakings or whether there are barriers to expansion for undertakings already operating in the market is important. As stated in the Guidelines, barriers to entry or expansion may stem from the characteristics of the relevant market and/or from the characteristics or behavior of the undertaking examined. Barriers

stemming from the characteristics of the relevant market can take the form of legal and

administrative barriers such as state monopolies, authorization and licensing requirements and intellectual property rights, or they can be in the form of economic barriers such as sunk costs, economies of scale and scope, network effects, and switching costs faced by customers. Barriers stemming from the characteristics of the undertaking in question include possession of key inputs, spare capacity, a vertically integrated structure, a strong distribution network and a large product portfolio, high brand recognition, and financial and economic power.²⁶

I.4.1.2.1. Barriers Stemming from the Structure of the Relevant Market

- (89) The market for intermediary services for ticketing services, where BİLETİX and its competitors operate, is not a natural monopoly. There are not legal privileges or intellectual property rights that can be regarded as barriers to entry, either. In another words, there are not legal barriers to entry.
- (90) Another factor stemming from the structure of the relevant market is economic barriers. The most known and widespread barriers of this type are those based on investment costs. This type is also defined as financial barriers to entry. In those cases, high cost investments such as machinery park, building, land, etc. are necessary in order for the undertaking to start business. In this file, no such barriers to entry in the relevant market are found. The costs in the market are mostly operational. Therefore, there are not significant financial barriers to entry. Since 2013, the ticketing companies, BUGECE, AKTİFBANK, MOBİLET, BİLET.COM and BİLETİVA have entered the market.
- (91) Another factor to be considered in terms of entry to the market is network externalities. The sustainability of the undertakings operating in two-sided markets depends on whether they can create a network on the platform at first and then balance the demand on both sides of the market in line with customers' benefit. Otherwise, this may create a barrier to undertaking's sustaining its activities. At this point, the concept of critical mass is important. Critical mass is defined as *"the threshold point where the network feeds itself after expanding"* Network externalities become more obvious after a certain number or rate of subscription is reached and from that point on, network externalities play an important role in the growth of the network. Although platforms in the two-sided markets do not have fixed costs, they have to reach the critical mass at least on one side of the market to benefit from network effects and to remain in the market.
- (92) In this file, indirect network externalities are the most important barriers to entry stemming from the structure of the relevant market. To enter the market and expand, first, a ticketing company should add organizers to its platform network. However, the determinant factor in adding an organizer to a platform is the consumer portfolio and promotion ability. A ticketing company that has entered the market or that is trying to expand should make more advantageous offers than the incumbent companies in order to convince an organizer to work with it because it lacks a wide consumer portfolio. In addition, even if the ticketing company convinces the organizer to work with it, the organizer network should reach the critical mass level where the platform can remain and benefit from network externalities.
- (93) It is possible to see the reflections of barriers to entry and expansion in the sector. BİLETİX entered the market in 2000; its active competitors AKTİFBANK in 2010, BİLETWAY in 2011, BİLETİNİAL and BİLETİNO in 2012, BİLETİVA in 2013, BUGECE

²⁶ The Guidelines, para. 17 and 18

in 2015 and BİLET.COM in 2018. As a result BİLETİX has the first mover advantage. Thanks to this advantage, BİLETİX added many organizers to its portfolio until its competitors entered into the sector, and managed to expand on consumer side of the market. It should be emphasized that although they entered the market, active players have not been able to reach a significant growth vis a vis BİLETİX. There is a significant difference between BİLETİX and its competitors in terms of market shares. This gap is slightly different only in terms of the market share calculated on the basis of the number of tickets. As explained before, this is because BİLETİNİAL has movies and State Theater tickets in its portfolio. Since the prices of event tickets sold by BİLETİNİAL are inexpensive, BİLETİNİAL cannot reach the same level of growth in terms of ticketing revenues

And its market share has not reached even (.....)% MOBİLET entered the market in 2017 but left the market in 2019. MOBİLET stated that the reason why it left the market is that even if it reached a market share of (.....)% to (.....), it could not have a sufficient portfolio. In addition, MyBilet Bilgi İletişim Sistemleri Ltd. Şti. (MYBİLET) and Tickettürk Bilet Dağıtım Basım ve Ticaret A.Ş. (TICKETTÜRK) left the market.

- (94) As explained above, the undertakings active in the market cannot reach a significant size. Some of the undertakings left the market because of insufficient portfolio. These are regarded as reflections of barriers to entry stemming from indirect network externalities.

I.4.1.2.2. BİLETİX's Portfolio Power

- (95) In this file, BİLETİX's portfolio power on both sides is another variable that should be considered in connection with indirect network externalities. BİLETİX has two types of portfolio power. One is the event portfolio, which is important for both organizers and consumers. Organizers wishing to put event tickets up for sale want consumers to hear about those events. Organizers pay attention to which platform includes the events organized by other organizers in order to contact their target audience. Therefore, a ticketing company with a wide event portfolio creates positive externalities for an organizer wishing to promote its event to consumers. This is also the case for consumers. While choosing an event to go, they want to think on the alternatives and choose the most beneficial option. The wider the event portfolio of the platform is, the more possible it is that consumers visit that platform. There is a positive network externality in terms of the consumer.
- (96) The second network externality is the size of consumer portfolio. Organizers' aim is to make sure that they sell event tickets to as many consumers as possible. An organizer can reap the rewards of the promotion activity only if it reaches the appropriate consumer groups. Otherwise, its efforts will be wasted. At this point, the ticketing company's consumer portfolio is crucial for the organizer.
- (97) A ticketing company has to expand its event and consumer portfolio simultaneously in order to continue its activities on an effective scale. Only then can it benefit from network externalities.

BİLETİX's Power in terms of Event Portfolio

- (98) The table below shows the type of organizations for which BİLETİX and its competitors intermediate for the sale of tickets.

Table 8: The type of organizations for which BİLETİX and its competitors intermediate for the sale of tickets

Category	BİLETİX	BİLETİNİAL	BİLETWAY	BİLET.COM	BİLETİVA	AKTİFBANK	BİLETİNO	MOBİLET	BUGECE
Live music	✓	✓				✓	✓	✓	✓
Football						✓			
Volleyball	✓		✓						
Culture and Art	✓	✓		✓	✓	✓	✓	✓	
Sports games apart from football and volleyball	✓	✓					✓		
Other (workshop, museum, training, etc.)	✓	✓		✓	✓	✓	✓	✓	

Source: Information obtained from undertakings

- (99) As seen from the table above, BİLETİX sells tickets for all categories except football matches. Although the players in the market are competent to sell any kind of events, some of the competitors prefer to sell specific types of events only. BİLETİNİAL's and BİLETİVA's portfolio consists of movie and theatre tickets mainly. on the other hand, BİLETWAY sells only volleyball game tickets; BUGECE sells only live music performance tickets; BİLET.COM sells mainly theme park and similar event tickets. Although MOBİLET, AKTİFBANK and BİLETİNO's portfolios seem more assorted, the number of events is very limited for those undertakings. Therefore, when compared with its competitors, BİLETİX's event portfolio is much more powerful than its competitors on the basis of both variety and volume.

BİLETİX's Power in terms of Customer Portfolio:

- (100) Another factor that affects an organizer's choice for the ticketing company is the consumer group that it can reach by means of the organizer. The ticketing company is at the same time a promotion platform; thus, organizers make their choice depending on its capacity to reach large groups. In this way, those platforms serve as an advertisement area. The more consumers they reach, the more they are chosen by organizers. Consequently, they will achieve market power.
- (101) The ticketing company directly contacts the consumers whose information it has and promote events. The table below shows the number of consumers of which BİLETİX and its competitors have information by years.

Table 9: The number of consumers of which BİLETİX and its competitors have information by years

Year s	BİLETİX	BİLET.COM	BİLETİNİAL	BİLETİNO	AKTİFBANK ²⁷	BİLETWAY	BUGECE	BİLETİVA
2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from undertakings

- (102) It is observed from the table that the number of consumers of which BİLETİX has

²⁷ AKTİFBANK stated that it sold tickets only at the box office between 2016 and 2019 and they did not take customer information at those sales.

information is significantly higher compared to its competitors. While BİLETİX reached (.....) consumers in 2019, its closest competitor BİLETİNİAL reached (.....) consumers. BİLETİX's consumer portfolio in 2019 is (.....) times larger than its closest competitor BİLETİNİAL. The difference between the two undertakings is noteworthy. This means that BİLETİX has a very large consumer portfolio and it is preferred by many consumers.

- (103) The ticketing company contacts the customers whose information it has directly and inform them about the event. Moreover, it may promote an event via its website. Ticketing companies' frequency of visits to their websites strengthen their consumer portfolio in the eye of organizers. Thus, the frequency of visits to BİLETİX's and its competitors' websites are examined during the investigation.
- (104) www.alexa.com (Alexa) and www.similarweb.com (Similarweb)²⁸ data, which show the source where customers wishing to buy tickets are coming from, how long they stay on the website and how many times the pages are displayed, indicate the value of undertakings for final consumers. The table below shows the global and national ranking of BİLETİX and its competitors among all websites.

Table 10: Ranking of undertakings' websites according to Alexa and Similarweb Data in 2019²⁹

Undertaking	Alexa		Similarweb	
	Türkiye	Global	Türkiye	Global
BİLETİX	1023	56475	355	15557
BİLETWAY	-	2938327	-	-
AKTİFBANK	1839	101576	3021	140608
BİLETİVA	2985	129976	1331	62740
BİLETİNO	1329	101604	6046	281962
BİLETİNİAL	596	39204	362	16118
MOBİLET	6987	459664	-	-
BİLET.COM	3288	151523	934	44991
BUGECE	82166	578857	-	-

Source: <https://www.similarweb.com/>, <https://www.alexa.com>

- (105) As understood from the table, BİLETİX's website traffic is much higher compared to its competitors. Among BİLETİX's competitors, the number of visits to only BİLETİNİAL's website is closer to BİLETİX in 2019. This is because BİLETİNİAL has movies and State Theater tickets in its portfolio. Those events are realized almost everyday and even more than once a day.
- (106) The customers of a dominant undertaking visit its website/ mobile application hoping that they can find the ticket they are searching. The wider the event portfolio is, it is more likely that the ticketing system meets the expectation of customers. The table above shows that BİLETİX's recognition among consumers is very high compared to its competitors. During the investigation process, one of the organizers working with

²⁸ Founded in 1996, Alexa has a wide database as its studies date back to those years. It shows from which source users are coming, how long they stay on the website, measures traffic according to page display numbers and ranks the websites. Similarweb started traffic measuring in 2013. Like ALEXA, it ranks websites according to criteria such as visitor number and the visiting time. The reason why the rankings in the two measuring sources is different is that Similarweb make measurements on the basis of fewer websites.

²⁹ During the investigation process, COVID-19 pandemic outbroke, therefore undertakings' data peculiar to the period before COVID-19 pandemic are given since the events were canceled throughout the world. Moreover, BUGECE was found to be BİLETİX's competitor during the investigation process. Therefore, BUGECE's data shown in the table date February 2020. Since it is not possible to see retrospective data on the said websites, the data pertaining to February 2020 are used.

BİLETİX (.....) told that they prefer BİLETİX because it can reach a large group, has various sales channels and supports promotion.

- (107) In light of the information above, BİLETİX has a very important place for consumers and organizers with its portfolio feeding from indirect network externalities compared to its competitors.

I.4.1.2.3. BİLETİX's Brand Recognition

- (108) Brand recognition increases customer loyalty and creates customer groups who avoid switching to alternative products despite switching is rational. Thus, an undertaking with brand recognition in the market can be a barrier to entry and expansion in the market.
- (109) Brand recognition in the market is one of the factors that supports BİLETİX's market power. BİLETİX is a subsidiary of a leading global ticketing company, TICKETMASTER, which contributes to its brand recognition. TICKETMASTER is a globally known ticketing company, which gives a unique bargaining power to BİLETİX in the negotiations with foreign organizers and artists wishing to organize or participate in an event in Türkiye. In addition, BİLETİX entered the market before its competitors and has the first mover advantage. The length of time it has operated in the market and its experience in this scope contribute to its brand recognition. In addition, traffic data showing BİLETİX's website popularity are also an indicator of its brand recognition.
- (110) Competing undertakings and organizers also highlight BİLETİX's brand recognition. (.....) states that barriers to entry in the market are high because of reasons such as the market leader BİLETİX's size, brand recognition and sales channel structure. In the face of its media power and brand recognition, other firms' chance of being chosen by customers is low. Similarly, (.....), one of the organizers working with BİLETİX, stated that they prefer working with BİLETİX because of its position in the market, its recognition and reliability.

I.4.1.3. Countervailing Buyer Power

- (111) Another factor to be examined in dominant position analysis beside barriers to entry is whether buyers are able to behave in a way to countervail the market power of the dominant undertaking.
- (112) In the assessment of countervailing buyer power, first, the structure of the market is important. The market is composed of event organizers and can be called event organization market. Some of the organizers operating in Türkiye sells tickets via ticketing companies while some others sell the tickets themselves. Therefore, considering that the number of total organizers may be higher than the number of organizers working with ticketing companies, the ticketing companies in the market are asked about the number of organizers they are working with. The table below includes the number of organizers which ticketing companies are working with.

Table 11: The number of organizers which undertakings are working with between 2016 and 2019

Year	The total number of organizers which the undertakings worked with in the relevant year							
	BİLETİX	BİLETİVA	AKTİFBANK	BİLETİNO	BİLETİCOM	BİLETİNİAL	BİLETİWAY	BUGECE
2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from undertakings

- (113) As seen from the table above, BİLETİX worked with (.....) organizers in 2019. Taking into account that BİLETİX has the widest event portfolio and it is the leader in the market, the number of the organizers BİLETİX is working with reflects the multi-player structure of the event organizing market obviously. In addition, considering the number of organizers with which all undertakings operating in the market have worked, it is seen that the market has expanded very much.
- (114) After showing the scattered structure of the market, data regarding 20 organizers with the highest shares in BİLETİX's annual revenues in order to specify organizers' bargaining power. The shares of the first 20 undertakings in BİLETİX's ticketing revenues are (.....)%, (.....)% and (.....)% respectively between 2017 and 2019. Among those, Kerki Gösteri Hizm. ve Org. Tic. Ltd. Şti. (KERKİ) provided the highest ticketing revenue to BİLETİX in 2019. KERKİ's shares in BİLETİX's total revenues is (.....)% in the said year. The share of KERKİ, which has the largest share in BİLETİX's revenues, in total ticketing revenues in the market as a whole is (.....) %.
- (115) It is seen that event organizing market has a multi-player structure. Moreover, there are well known organizers attracting consumer masses with their events. ZORLU PSM³⁰, BKM and JOLLY JOKER, which work with BİLETİX are examples of such organizers. On the other hand, those organizers are not indispensable for BİLETİX individually. As stated above, KERKİ, which provides the highest revenue in BİLETİX's revenues in 2019, has (.....)% shares in total ticketing revenue. As a result, even if there are well known organizers in the market, these recognition level is not sufficient to conclude that organizers have countervailing buyer power.
- (116) According to the assessments above, the following conclusions are made: BİLETİX has a very high market share in terms of the number of events, the number of tickets and ticketing revenues. It has maintained that market share level for long years. There are barriers to entry stemming from network externalities, brand recognition and BİLETİX's portfolio power. There is no countervailing buyer power against BİLETİX's market power. Within this framework, it is concluded that BİLETİX has market power enabling it to behave independently of its competitors and customers; thus, it is dominant in the market for *"the market for intermediary services through a platform for the sale of event tickets (except football matches)"*

³⁰ ZORLU PSM started to work with AKTİFBANK in 2020.

I.5. THE ASSESSMENT OF BİLETİX'S PRACTICES THAT ARE THE SUBJECT OF THE COMPLAINT

- (117) The complaints argue that BİLETİX charges excessive additional fees under different names in addition to the ticketing service fee. It is stated that BİLETİX accepts considers the delivery service as a different service apart from the sale of tickets and charges fees from the customers. Those who do not want to pay the additional fees have to make a choice between paying transaction costs to reach the limited number of retail sales points throughout the country and paying additional fees to BİLETİX.
- (118) While considering the complaints from competition law perspective, first whether BİLETİX has abused its dominant position by creating a new service under its practices (ticket delivery service) and tying it to the main service is examined. Secondly, whether the fees charged from customers can be regarded within the scope of excessive pricing theory is analyzed. Lastly, whether current practices constitute a violation at a point different than the ordinary exploitative practices is considered.

I.5.1. Assessment Of The Practices That Are The Subject Of The Complaint Within The Scope Of Tying Theory

- (119) Customers wishing to buy a ticket for an event via BİLETİX's website face a price including BİLETİX's service fee per ticket in addition to the event fee. At the next stage of the purchasing process, the consumer chooses how the ticket will be delivered. At this point there are three alternatives: (i) e-mail (PDF format), (ii) delivery at retail points and (iii) delivery by special couriers.³¹ For each of these options, a transaction fee is charged regardless of the number of tickets apart from the service fee taken previously. This fee is 3.5 TL for e-mail, 7 TL for delivery at a retail point and 7 TL for delivery by courier except the fee paid to the shipping company. Within this framework, an analysis is made whether the first stage of buying a ticket, the purchasing service, and the second stage, the delivery service can be regarded as different services and examined according to the tying theory.
- (120) Tying is defined as the situation where the seller requires that the buyer should buy another distinct product to purchase one product. Undertakings may resort to tying for various purposes such as increasing monopoly profits, preventing possible competitors' entry by using their power in the tying market in the tied market and reaching to a larger customer group. According to the Guidelines, tying constitutes an abuse in case the following conditions are present cumulatively:
- The tying product and the tied product should be in distinct markets,
 - The undertaking that is engaged in the tying practice should be dominant in the tying market,
 - The undertaking does not provide the consumers with the option to purchase the tying product independently from the tied product.
 - It should be likely for the tying practice to lead to anti-competitive foreclosure.
- (121) In order to consider BİLETİX's practices under investigation within the scope of the tying theory, first purchasing a ticket and delivering a ticket should be in distinct markets. In case purchasing a ticket and delivery of a ticket are accepted as different products, the condition that the consumer demand should be high enough to sell those services separately should be fulfilled. At this point, it is concluded that ticket delivery service cannot

³¹ Sometimes not all three options are provided to the consumer. For instance, the second option is not available for the consumer in a city where there is no BİLETİX retail point. However, the consumer has at least each of e-mail delivery or delivery at the retail point options.

create its demand and has an economic meaning itself independently of ticket sale services. Delivery of a ticket is a natural part of buying a ticket, services are interlacing. Since the delivery of a ticket is meaningless without selling the ticket, it is not possible that an independent demand will occur for ticket delivery. Accordingly, documenting the purchasing of a ticket or delivering the documents proving that the user has a right to benefit from that service such as ticket, receipt, etc. to the consumer is not a service itself but a stage of ticketing.

- (122) Therefore, for the purposes of the file, there is a single service. The fees charged are prices requested at different stages of a single service. They can be regarded as a single fee aggregately. As a result, the practices that are the subject of the file cannot be handled under tying theory.

I.5.2.Assessment of the Practices that are the Subject of The Complaint in Terms of Unilateral Exploitative Conduct

- (123) With respect to dominant undertakings' unilateral conduct, not only exclusionary conduct but also exploitative conduct can be interfered under the competition law. By using its position in the market through pricing or other practices, the dominant undertaking gains income from consumers at such levels that an undertaking without market power cannot gain and leads to a direct loss in consumer welfare with exploitative practices. The basic form of an exploitative practice is excessive pricing whereas there are many other ways such as unjust contract provisions and inefficiency.

I.5.2.1.Assessment Of The Practices That Are The Subject Of The Complaint Within The Scope Of Excessive Pricing Theory

I.5.2.1.1. Excessive Pricing in Competition Law

- (124) Excessive pricing is the setting of prices significantly above the competition level continuously as a result of using market power. As a result of excessive pricing, a part of the consumer surplus in a competitive market is transferred to the company with market power as a producer surplus while a part of is gained by no economic group and lost.
- (125) Excessive pricing is among exploitative behavior and leads to a direct loss in consumer welfare and distribution inefficiency. It falls under the scope of competition law since competition law enforcement focuses mainly on consumer welfare. Under the assumption that undertakings with monopoly power or dominant position determine the prices and set the prices according to their cost structure, it is not possible to think excessive pricing separately from monopoly power and dominant position conceptually.
- (126) Although it is generally accepted that intervention to excessive pricing should be limited to certain market conditions, these conditions vary depending on to what extent competition authorities and competition law enforcement are interventionist. Principally, it is accepted in competition law that all pricing behavior should be accepted legal and should not be interfered. If intervention is preferred, intervention should be limited to the cases where the following three conditions are met cumulatively:
- The undertaking is a monopoly or close to a monopoly, which is not the result of past investments or innovations and are protected by unsurpassed legal barriers to entry.
 - The undertaking applies prices that exceed average total costs,
 - Those prices are likely to prevent the occurrence of new goods and services in the neighboring market.

I.5.2.1.2. Excessive Price Assessment Regarding Fees BİLETİX Charges From Final Consumers

- (127) Economic Value Test (EVT) is used basically in detecting excessive price . According to this test, first, the economic value of the relevant product is determined by considering costs and reasonable profit margin of the relevant product. Then, the economic value and sales prices of the product are compared. Prices that exceed the sum of the costs and reasonable profit margin (*economic value*) of the product are regarded as excessive. In the second stage of EVT, a comparison is made concerning the prices applied by the dominant undertaking; whether they are unfair is questioned. This approach called price comparison analysis follows a two-way method: comparison by using undertaking's own prices and/or comparison by using its competitors' prices.
- (128) In EVT, the sales price of a product is compared with its economic value. Transaction fee that BİLETİX charges is an inseparable part of the service it provides. Thus, the transaction fee charged from consumers at the end of the purchasing process should be evaluated with the service fee charged at the beginning. Because the fees that are the subject of the complaint is not requested for different services but they are the prices that are charged at different stages of a service. From this point of view, it is not appropriate to assess the fee taken for delivery by e-mail apart from the ticketing service as a whole. Therefore in applying EVT, instead of evaluating whether the fee BİLETİX charges for the delivery of the ticket by PDF/QR Code is individually excessive, whether its revenues per ticket are excessive should be considered. Moreover, since the complaints are partially related to the service fee and mostly the transaction fee for the delivery of the ticket by PDF/QR Code, in the second stage of EVT, price comparison, a comparison is made between the service fee and transaction fee charged by BİLETİX in addition to the ticket price with those of its competitors.
- (129) In the first stage of EVT, in order to specify the economic value of the product or the service, the costs of the relevant product and service should be known. Account-based costing is the most used criterion in detecting the alleged exploitative pricing behavior. Among the account-based costing methods, the most used cost calculation method is fully distributed costs (FDC). In FDC, the cost of the product is found by calculating all of the fixed and variable costs that are directly related and the share, per product, of common and general costs that are not directly related to the product. In the calculations made, first the directly related costs are attributed to the relevant products while common and general costs are distributed according to certain distribution methods.
- (130) During the investigation, BİLETİX was asked about its costs on the basis of intermediary services for the sale of event tickets and its revenues obtained from those activities in order to make EVT analysis. BİLETİX responded that almost all its revenues are coming from intermediary services for the sale of tickets. The following table is prepared in line with the information provided . The table shows the revenue items concerning intermediary services for the sale of event tickets between 2016 and 2019 as well as ancillary revenue items that are not within the scope of but related to its activities.

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Table 12: BİLETİX's revenue items and amounts

Revenue items	Explanation	Revenue amount (VAT excluded, TL)			
		2016	2017	2018	2019
Service fee revenues	Commission revenue within the scope of the intermediary services for the sale of tickets	(.....)	(.....)	(.....)	(.....)
Transaction fee revenues	The fee charged if consumers buy their tickets via the website, call center or mobile channel	(.....)	(.....)	(.....)	(.....)
Courier revenues ³²	The fee charged if consumers want their tickets to be delivered to door.	(.....)	(.....)	(.....)	(.....)
Other ticketing revenues	The fees charged when consumers buy tickets with installments	(.....)	(.....)	(.....)	(.....)
Total ticketing revenues		(.....)	(.....)	(.....)	(.....)
Advertisement and sponsorship revenues	Advertisement revenues obtained from channels such as website, booklet, ticket backside, ticket envelope, etc.	(.....)	(.....)	(.....)	(.....)
Affiliated company revenues	Commission revenues from sales directed to other websites	(.....)	(.....)	(.....)	(.....)
Main box office operation revenues	Revenues obtained from the organizer for operating the main box office if requested	(.....)	(.....)	(.....)	(.....)
Entrance service fee	Revenues obtained from the organizer for controlling entrance at the door if requested	(.....)	(.....)	(.....)	(.....)
Ticket printing fee	Revenues related to the printing of the invitations and tickets to be sold by the organizer without collecting the service fee	(.....)	(.....)	(.....)	(.....)
Promotion fee	The fees paid by organizers for general promotion	(.....)	(.....)	(.....)	(.....)
Revenues related to canceled events	Amounts paid by the organizers such as communication, return, etc. related to the canceled events	(.....)	(.....)	(.....)	(.....)
Gift pack revenues	Fees charged from consumers for gift packs	(.....)	(.....)	(.....)	(.....)
Credit card commission revenues	The credit card commissions reflected on organizers. There are credit card commissions paid to banks and they are included in financing expenses.	(.....)	(.....)	(.....)	(.....)
Event insurance commission revenues	Revenues charged in return for optional canceling insurance for consumers.	(.....)	(.....)	(.....)	(.....)
Card renewal revenues	Fees per card for renewing the season cards	(.....)	(.....)	(.....)	(.....)
Total revenues except ticketing		(.....)	(.....)	(.....)	(.....)
Total revenues		(.....)	(.....)	(.....)	(.....)
The share of ticketing revenues in total revenues		(.....)	(.....)	(.....)	(.....)
Source: Information provided by BİLETİX					

³² During 2016 and 2018, BİLETİX charged courier fee and transaction fee under a single item "courier fee" for the tickets with courier delivery. Therefore, the amount BİLETİX paid for the courier company are taken into account in terms of courier revenues, the remaining amount is added to the transaction fees.

- (131) It is seen in Table 12 that BİLETİX's revenues accrued within the scope of ticketing services between 2016 and 2019 consists respectively (.....). However, credit card commission rates correspond to more than (.....)% of the revenues other than ticketing revenues but this revenue item is not a net revenue item for BİLETİX. BİLETİX stated that it does not hold this amount. These revenues are collected because of the card commissions paid to banks and there are credit card commission expenses that are included under financing expenses in return for those.³³ If the said revenue item is not included, the share of BİLETİX's revenues accrued within the scope of ticketing services in total revenues in years goes up to (.....).
- (132) BİLETİX's revenues other than credit card commission revenues are sub-categories of revenues directly related to intermediary services for the sale of tickets. Because if there is no ticket sale transaction, BİLETİX will be devoid thereof. On the other hand, the said revenues consist only a small part of BİLETİX's total revenues. The costs incurred by BİLETİX for gaining those revenues are included in the ordinary costs such as personnel, stationary, printing and software expenses, incurred within the scope of intermediary services for the sale of tickets. Therefore, it is not necessary to make a distinction in terms of costs, total revenues and total costs are compared for the first stage of EVT. When BİLETİX was asked for information about the costs it bore within the scope of intermediary activities for the sale of tickets, BİLETİX stated that it gained almost all of its revenues from intermediary activities and sent total activity expense items without any categorization. Accordingly, the table below shows the total cost items concerning intermediary services for the sale of tickets and ancillary services, their amounts, the number of tickets sold and cost per ticket between 2016 and 2019. Reward and commission payments to banks, which are told to be financing expenses although they are under operating expenses, expenses that are not legally accepted and taxes and BİLETİX's courier and PTT (Post and Telegraph Corporation) expenses are excluded.³⁴

³³ There are similar amounts under financing expenses items in the undertaking's financial statements of 2016 to 2018.

³⁴ Courier expenses are excluded because they are collected by BİLETİX from the consumer and paid to the courier company. Accordingly, in the following sections, courier revenues are not included in BİLETİX's ticketing revenues.

Table 13: BİLETİX's cost items and amounts between 2016 and 2019

Cost items	Cost amounts (TL)			
	2016	2017	2018	2019
Personnel expenses	(.....)	(.....)	(.....)	(.....)
Administrative Services Expenses ³⁵	(.....)	(.....)	(.....)	(.....)
Sales and Marketing Expenses	(.....)	(.....)	(.....)	(.....)
Software and Licensing Expenses	(.....)	(.....)	(.....)	(.....)
Rent and Dues Expenses	(.....)	(.....)	(.....)	(.....)
Other general administrative expenses ³⁶	(.....)	(.....)	(.....)	(.....)
Call Center Expenses	(.....)	(.....)	(.....)	(.....)
Depreciation Expenses	(.....)	(.....)	(.....)	(.....)
Electricity, water, liquid oil, natural gas and cleaning expenses	(.....)	(.....)	(.....)	(.....)
Repair and maintenance expenses	(.....)	(.....)	(.....)	(.....)
Communication expenses	(.....)	(.....)	(.....)	(.....)
Stationary and printing expenses	(.....)	(.....)	(.....)	(.....)
Commission expenses	(.....)	(.....)	(.....)	(.....)
Organizer Advertisement Expenses	(.....)	(.....)	(.....)	(.....)
Insurance Expenses	(.....)	(.....)	(.....)	(.....)
Travel Expenses	(.....)	(.....)	(.....)	(.....)
SMS Ticket Expenses	(.....)	(.....)	(.....)	(.....)
Total Costs (TL)	(.....)	(.....)	(.....)	(.....)
The number of Tickets sold	(.....)	(.....)	(.....)	(.....)
Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)

Source: Information provided by BİLETİX

- (133) Costs in the ticketing services sector generally consist of operational costs. As seen from the table above, personnel expenses are the largest expenses. Followed by administrative services expenses invoiced by TICKETMASTER to its group companies, sales and marketing expenses together with the expenses for the software used for providing ticketing services. Taking into account BİLETİX's total costs and the number of tickets sold between 2016 and 2019, cost per ticket is respectively (.....) in years.
- (134) In the first stage of EVT, the sum of the costs and reasonable profit margin shows the economic value of the product and prices exceeding the sum of the costs and reasonable profit margin are regarded as excessive. On the other hand, since it is difficult to identify how much profit margin is reasonable, costs and prices are compared and prices that are significantly above the costs are regarded as excessive. In this context, the table below shows BİLETİX's total revenues except its courier revenues and credit card commission revenues as well as its revenues per ticket accordingly. As stated before, credit card commission revenues and courier revenues are not included in total revenues because they do not constitute a net revenue item for BİLETİX. Credit card revenues are shown as financing expenses and courier revenues are directly transferred to the courier company.³⁷

³⁵ BİLETİX stated that this cost item represents the amount invoiced for the services provided to TICKETMASTER's group companies such as IT services, financial supervision services, budget/planning services and reporting services etc.

³⁶ For instance litigation expenses, car rental expenses, supervision expenses, representation expenses and small fixtures.

³⁷ Between 2016 and 2018, courier fee and transaction fee are collected together under "courier fee"; thus the remaining amount after a payment is made to the courier company is added to BİLETİX's transaction fee.

Table 14: BİLETİX's total revenues between 2016 and 2019

Revenue items	Revenue amounts (TL)			
	2016	2017	2018	2019
Service fee revenues	(.....)	(.....)	(.....)	(.....)
Transaction fee revenues	(.....)	(.....)	(.....)	(.....)
Other ticketing revenues	(.....)	(.....)	(.....)	(.....)
Total ticketing revenues except courier revenues	(.....)	(.....)	(.....)	(.....)
Total of other revenues except credit card commission revenues	(.....)	(.....)	(.....)	(.....)
Total revenues (except courier revenues and credit card commissions)	(.....)	(.....)	(.....)	(.....)
The number of Tickets sold	(.....)	(.....)	(.....)	(.....)
Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)

Source: Information provided by BİLETİX

- (135) As seen in Table 14, BİLETİX's most important revenue item is service fee revenues, which is the main revenue item of all ticketing companies. Service fee revenues are followed by transaction fees that BİLETİX collects from the sales via call center, mobile application and internet. The amounts under other ticketing revenues are the late interests charged if the consumer prefers installment selling. Biletix states that it holds this amount. It is seen that BİLETİX's revenues obtained from ancillary services, in other words, from activities apart from ticketing, have a very small share in total revenues. Taking into account BİLETİX's total revenues and the number of tickets sold between 2016 and 2019, the revenue per ticket is respectively (.....) in years. Table 15 shows BİLETİX's revenue per ticket and cost per ticket between 2016 and 2019 as a whole.

Table 15: BİLETİX's revenue per ticket and cost per ticket between 2016 and 2019

Year	2016	2017	2018	2019
Revenue per ticket (TL)	(.....)	(.....)	(.....)	(.....)
Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)

Source: Calculated by the rapporteurs in line with the information provided by the undertaking.

- (136) Comparing cost per ticket and revenue per ticket, it is seen that BİLETİX's revenue per ticket is under its cost per ticket in 2016. In 2017 and 2018, BİLETİX's revenue per ticket is over cost per ticket; however, In 2017 and 2018, its profit margin is very low, being (.....)% and (.....)%. Its highest profit margin is in 2019, when its revenue per ticket is (.....)% higher than its cost per ticket.
- (137) Within the framework of the information and evaluations, according to EVT's first stage, price-cost analysis, BİLETİX's revenue per ticket is under cost per ticket in one out of four years and its profit margin is not excessive during the three years. However, in order to show whether pricing is unfair, at the second stage of EVT, the price under analysis is compared with the undertaking's prices and those of its competitors.
- (138) BİLETİX stated that three main criteria play a role in determining the service fees in contracts with organizers: operating costs (*rent, personnel salary, website operating, etc.*), financing costs (*advance payments, shares given out of the service fee, etc.*) and consumers' price elasticity (*the service fee should not be too high even in expensive events, etc.*). In addition, whether the organizer will take a share from the service fee has an impact thereon. Accordingly, the provisions on service fees in BİLETİX's contracts with organizers were analyzed. The table below shows service fees determined within the framework of the provisions in the said contracts.

Table 16: BİLETİX's service fees in 2019³⁸

Service Fees		Explanation
Definition of the service	Fee/rate	
Service fee revenue	(.....) TL	The total of service fees obtained from total ticket sales and collected from the customer minimum for each event
Ticket price is between 0 TL and 25 TL	(.....) TL	Minimum service fee to be applied to each ticket independent of the ticket price
Ticket price is between 25.01 TL and 100 TL	(.....)%	Calculated on the basis of total ticket sale price ³⁹
Ticket price is between 100.01 TL and 250 TL	(.....)%	Calculated on the basis of total ticket sale price
Ticket price is between 250.01 TL and 500 TL	(.....)%	Calculated on the basis of total ticket sale price
Ticket price is equal to and above 500,01 TL	(.....)%	Calculated on the basis of total ticket sale price
Credit card commission fee	(.....)% + VAT	Calculated on the basis of the total ticket sale price ⁴⁰
Ticket printing fee	(.....) €+ VAT (.....) TL+ VAT (.....) TL VAT included	Valid for the tickets that will be sold on event day
Invitation printing fee	(.....) €+ VAT (.....) TL+ VAT (.....) TL VAT included	Valid for free passes to be given by the customer
Source: Information obtained from the undertaking		

- (139) In addition to the service fees stated above, in some contracts, service fees are fixed in the annex of the contract “*Annex: Event Information*”. It is stated that this fee is (.....)% of the ticket price in some contracts whereas (.....) % of the ticket price in others provided that it is not less than (.....)TL. Moreover, a single service amount/fee is foreseen in cases where the ticket price is 25TL and above; this fee/rate is set as (.....) %, (.....) % and (.....) %. Although it is possible to say that service fees differ on the basis of the contract made with organizers, generally the service fee rate decreases with higher ticket prices. In addition, BİLETİX explained that there are cases where the service fees indicated in contracts may be lower in practice. In an example case given in the response, in the contract signed with the organizer Sirkeci Yatırımları San. Tic. Ltd Şti., the service fee is (.....)% of the tickets priced 500,01 TL and above. However for Fettah Can's concert, the ticket prices varied from 60 TL to 1,750 TL, therefore in terms of high price tickets, a service fee at the rate of (.....)% of the ticket prices is not applicable considering consumers' price sensitivity. Consequently, a lower service fee was applied in terms of high price tickets in practice.⁴¹
- (140) While some of the ticketing companies charge the service fee from the organizer by means of taking it from the ticket price, others charge it from the consumer by adding it to the ticket price and others charge it from the organizer or the consumer depending on the contract made. During the investigation process, undertakings were asked about the criteria for choosing different business models and the business models they

³⁸ Since the service fee differs on the basis of each contract, the table shows values concerning the range in which the service fee differs.

³⁹ VAT included

⁴⁰ VAT excluded

⁴¹ In the said event, service fees between (.....) were applied for the tickets priced 550TL to 1.750 TL.

are using. The explanations of undertakings active in the sector are provided below:

- BİLETİX: There is not a single best practice in the sector. Some ticketing companies charge the service fee from the organizers' ticket prices. Some of them, like BİLETİX, invoice it directly to the consumer while some use both methods. Charging the service fee from the organizer increases its expenses. The organizer will increase the ticket prices to offset that increase. Therefore in all business models, ticketing price will be transferred to the consumer ultimately. BİLETİX provides a breakdown of prices to the consumers for the sake of transparency.
- (.....): The service fee charged from the consumer or the organizer is the basic source of revenue in ticket sales activities. Organizers' requests are decisive in terms of the method of collecting service fee. Some of the organizers want the service fee to be taken from the ticket price and be indicated as 0 TL whereas some request that this fee be added to ticket price. Although there are not any specific criteria, factors such as the relevant shareholders' market position, economic conditions of the parties and the importance of the event for potential buyers play a role. They mostly gain their revenues from organizers.
- (.....): The said business models are marketing strategies to persuade or keep organizers who do not have sufficient awareness about the subject. They take the service fee from organizers.
- (.....): They completely depend on the organizer's request concerning whether to take the service fee from the ticket price or from the consumer by adding it to the ticket price. They can take the service fee from the ticket price or from the consumer as an addition to the ticket price. The service fee price varies from (.....) to (.....) depending on the ticket price. The service fee is generally (.....) TL. As of 2017, the service fees charged from the consumer are higher than the service fee charged from the organizer.
- (.....): The business model in the sector should be based on charging the service fee from the organizer so they charge the service fee from the organizer completely.
- (.....): Generally, service fee taken per ticket is included in the ticket price. An additional fee is not reflected on consumers. However, in the movie sector, the service fee may be charged from the organizer or from the consumer. They prefer charging the service fee from organizer primarily but they cannot insist on this due to the dynamics of the movie sector. As of 2016, more than 50% of the service fee is taken from the consumer.
- (.....): Service fee is fixed as a result of an agreement between the parties in a written contract with the organizer. The organizer applies a service fee ranging from (.....) to (.....) on the ticket fee set by the organizer. This amount is charged from the consumer by adding it to the ticket price per ticket.
- (.....): They address the organizer in pricing the services. They charge from (.....) to (.....) TL from the event organizer. If the ticket prices are above (.....) TL, they charge a service fee of (.....) % to (.....)%.
- (.....): They do not reflect any extra fee/amount to the consumers. Their revenue model is structured on the basis of getting commissions from the

event organizer as much as possible.

- (141) It is understood from the explanations of the undertakings active in the market that ticketing companies take action in accordance with the organizer's request in terms of which party will be charged for the service fee. However, factors such as parties' market positions, economic conditions and the size of the groups that will be affected by the event play a role. It is understood from the explanations of the players in the market that some charge the service fee from the organizer, some charge it mostly from the consumer and some charge it from the consumer or the organizer within the framework of the agreements with the organizer. (....) informed that they have taken more than (....)% of the service fee from the consumer. (....) stated that they have charged a large part of the service fee from the organizer.
- (142) It is understood that the investigation party BİLETİX uses a business model where it generally charge the service fee from the consumer but there are cases where it charges the service fee from the organizer, even a few. Table 17 shows the amounts of service fees taken by BİLETİX from organizers between 2016 and 2019 and the share of those amounts in service fee revenues in the relevant years.

Table 17: Information about service fees taken by BİLETİX from organizers

Year	The amount of service fee taken from organizers (TL, VAT excluded) ⁴²	BİLETİX's service fee revenue in the relevant year (TL, VAT excluded)	the share of service fees taken from organizers in BİLETİX's total service fee revenues (%)
2016	(....)	(....)	(....)
2017	(....)	(....)	(....)
2018	(....)	(....)	(....)
2019	(....)	(....)	(....)
Source: Information provided by BİLETİX			

- (143) As seen from the table above, the rate of service fee amounts that BİLETİX collected from organizers between 2016 and 2019 is (....) in years. Even if the share of service fee revenues increased in 2017 compared to 2016, the service fee revenue collected from organizers have a decreasing tendency in general.
- (144) BİLETİX has a wide event portfolio including music, theater, stand-up, dance, basketball, circus and education events. Its closest competitors in terms of event range are AKTİFBANK, BİLETİNO and MOBİLET but their portfolios are limited compared to BİLETİX.
- (145) In order to make consistent comparisons with competitors' data in excessive price assessments, the products of the same amount, quality and functionality that are subject to the same time period and conditions should be compared. The differences in undertakings' business models and portfolio variety can affect the consistency of comparisons in this file. For instance, BİLETİNİAL sold the tickets of State Theaters and State Opera and Ballet shows in 2019. The prices of those tickets are very low compared to a concert or a private theater, so the revenues obtained are also low. On the other hand, since the tickets are cheaper and the shows take place every day in a certain time period, the number and volume of the tickets sold are very high. However, the case is different for BİLETWAY, BUGECE and AKTİFBANK⁴³, which are engaged

⁴²The amounts collected from organizers for interest invoice and saved under service fee revenues are ignored.

⁴³ AKTİFBANK started to offer a more comprehensive portfolio as of the end of 2019

in events addressing different consumer groups. As a result, the type of the event and the ticket price of the event shape service fee revenues. Hence, even if the service fee rates and the number of tickets sold are the same for undertakings, it is possible to see inconsistent results in terms of service fee revenues. For this reason, this should be taken into account while comparing the data of BİLETİX and its competitors.

- (146) In light of the information obtained from undertakings, the table below shows the source of the service fee they collected and the service fee revenue per ticket they gained between 2016 and 2019.

Table 18: Undertakings' service fee revenues per ticket between 2016 and 2019 (TL, VAT excluded)

The business model used	Undertaking	2016	2017	2018	2019
A large part of the service fee is reflected to the consumer.	BİLETİX	(.....)	(.....)	(.....)	(.....)
	MOBİLET ⁴⁴	(.....)	(.....)	(.....)	(.....)
	BİLETİNİAL	(.....)	(.....)	(.....)	(.....)
	BİLETİVA	(.....)	(.....)	(.....)	(.....)
The service fee is reflected on organizers completely.	BİLETİNO	(.....)	(.....)	(.....)	(.....)
	BUGECE ⁴⁵	(.....)	(.....)	(.....)	(.....)
	BİLET.COM ⁴⁶	(.....)	(.....)	(.....)	(.....)
	BİLETWAY	(.....)	(.....)	(.....)	(.....)
A large part of the service fee is reflected to the organizer and a part of it is reflected to the consumer.	AKTİFBANK	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from undertakings

- (147) It is understood from Table 18 that BİLETİX has the highest service fee revenue per ticket in 2016 and 2017. In 2016, BİLETİX's service revenue per ticket is (.....) higher than its closest competitor BİLETİNİAL and (.....) higher than its closest competitor BİLETİNO in 2017. When compared with MOBİLET, which entered the market in 2017 and uses the same business model as BİLETİX, BİLETİX's service fee revenue per ticket is (.....) higher. On the other hand, after the number of competitors in the market increased in 2018, there were differences in service fee revenues per ticket. In 2018 and 2019, BİLETİX's service fee revenue per ticket is lower than BUGECE and BİLET.COM whereas the difference between BİLETİX and MOBİLET, which uses the same business model, fell to (.....). Within the framework of this information, it is concluded that BİLETİX's service fee revenue per ticket has not been above that of its competitors significantly and continuously; thus, excessive pricing is not applied in terms of service fee.
- (148) Taking into account the differences in undertakings' portfolio structure and business models, it is possible to reach incorrect conditions in terms of service fee revenue per ticket. Since the service fee is set as a percentage of the ticket price or a fixed amount, undertakings' service fee revenues and the total amount of the prices of the tickets sold in the events they provide intermediary services for the sale of tickets are taken into

⁴⁴ Since MOBİLET terminated its activities in 2019, it is not possible to find data. However, during the investigation process, the rapporteurs observed that service fee per ticket for buying a ticket via MOBİLET's website continued in 2020.

⁴⁵ BUGECE cannot provide data pertaining to 2016 and 2017.

⁴⁶ The undertaking stated that it has been operating in event ticketing for nearly one year in its response letter dated 17.05.2019. Therefore, there are not data regarding 2016 and 2017. BİLET.COM calls the fee collected for intermediary services for the sale of tickets as "commission gains". Considering that the undertaking collects this fee from the organizer for intermediary activities for the sale of tickets, the fee called commission revenue is under service fee category due to its definition.

account. The table below shows the information in question.

Table 19: Undertakings' service fee revenues and the total price of the tickets sold (TL)⁴⁷

Undertaking	Year	Total price of the tickets sold (TPTS)(TL)	Service fee revenues obtained (SFR) (TL)	SFR/TPTS (%)
BİLETİX	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
BİLETİNİAL	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
BİLET.COM ⁴⁸	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
BİLETİVA	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
AKTİFBANK	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
BİLETWAY	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
BİLETİNO	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)
BUGECE ⁴⁹	2016	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)

Source: Information obtained from undertakings

(149) It is observed from Table 19 that BİLETWAY's data are much higher than other undertakings, which is notable. The undertaking made the following explanations: Their customers are Türkiye Volleyball Federation and the sports clubs affiliated with it. Organizers set the ticket price as 5 TL and 10 TL in order to popularize volleyball. BİLETWAY provides all technological services to the Federation and affiliated clubs such as gate automation, ticketing automation, ticketing service, etc., in İstanbul, Ankara, İzmir and Bursa. Therefore, the service fee obtained covers those services but service fee/total price of the tickets sold rates are too high because ticket prices are very low. (.....) TL to (.....) TL service fee per person is requested and this price is much lower than alternative companies. As a result, taking BİLETWAY's data as a basis for making a comparison may result in inconsistent results.

(150) When the data of the undertakings except BİLETWAY are used, it is seen that BİLETİX

⁴⁷ Since MOBİLET terminated its activities in 2019, it is not possible to find data.

⁴⁸ The undertaking entered the market in 2018.

⁴⁹ Data related to 2016 and 2017 cannot be provided.

has the highest service fee/total price of the tickets sold rate in none of the years during the period between 2016 and 2019. BİLETİX's service fee/total price of the tickets sold rate is lower than BİLETİNİAL and AKTİFBANK and very close to BİLETİVA in 2016. The said rate is lower than BİLETİNİAL in 2017, lower than BİLETİNİAL, BİLETİVA and BİLET.COM in 2018 and lower than BİLET.COM, BİLETİVA and AKTİFBANK in 2019. As a result of the assessment made by means of comparing the total service fee revenues with the total price of the tickets sold, it is not possible to conclude that BİLETİX has applied excessive pricing in terms of service fee.

- (151) The main issue in the complaints that are the subject of the file is the transaction fee BİLETİX charges from the consumer at the second stage of ticket sale rather than the service fee requested for each ticket. While service fee is taken for each ticket separately, transaction fee is taken per transaction regardless of the number of tickets. In another words, if a consumer buys five tickets at once, he/she pays a single transaction fee. BİLETİX stated that a consumer can buy nine tickets at most at once; however it is possible to buy more than 20 tickets in group ticket sales. In addition, transaction fee is collected only for sales via the internet, mobile application and call center. This fee is used to create personalized tickets and ensure system coherence. To explain it in another words, there is no transaction fee for tickets bought from the main box office on the event day or retail sales point.
- (152) Transaction fee is charged at delivery options stage and varies on the basis of each delivery option. The table below shows the amounts of transaction fees and courier fees taken by BİLETİX according to delivery options between 2016 and 2019.

Table 20: Transaction fees and courier fees taken by BİLETİX according to delivery options

Transaction fees and courier fees according to delivery options (TL) (VAT included)	2016		2017		2018		2019	
	Transaction Fee	Courier Fee	Transaction Fee	Courier Fee	Transaction Fee	Courier Fee	Transaction Fee	Courier Fee
Transactions with delivery at the sales point	6.00	-	6.00	-	6.00	-	7.00	-
Transactions with fast ticket delivery ⁵⁰ (PDF Ticket)	3.50	-	3.50	-	3.50	-	3.50	-
Transactions with mobile ticket delivery ⁵¹ (QR Ticket)	3.50	-	3.50	-	3.50	-	3.50	-
Transactions with courier delivery	-	9.90	-	9.90	-	9.90	7.00 ⁵²	12.00

Source: Information provided by BİLETİX

- (153) The complaints focus on the 3.5 TL transaction fee for the tickets send to the consumer's e-mail address in PDF format or to the mobile phone with QR Code. The transaction fee is 7 TL for printed tickets whereas 12 TL courier fee is added to that fee if delivery by courier is requested. According to the table, while an additional transaction fee was not taken by transactions with courier delivery between 2016 and 2018, BİLETİX started to take 7 TL transaction fee for courier delivery in 2019, which is noteworthy. The undertaking explained that it started to collect that fee on 01.03.2019 and the reason for this change was the losses stemming from the transactions with courier delivery.
- (154) Another issue is the collection of both courier fee and transaction fee under the name of "courier fee" between 2016 and 2018. BİLETİX stated that unlike physical tickets,

⁵⁰ The ticket is sent to e-mail address in PDF format.

⁵¹ The ticket is sent to e-mail address in QR format.

⁵² BİLETİX started to charge transaction fees for delivering tickets to the consumer by courier as of 2019.

digital tickets cannot be controlled by eye. They require entry/exit control systems with technical infrastructure. Thus, they are not preferred much in ticketing sector until 2019. Therefore, they tried to promote physical tickets between 2016 and 2018. On the other hand, courier fees cannot be met as a result of this practice, consequently, BİLETİX had to subsidize courier expenses with transaction fees. In 2019, BİLETİX changed its strategy with the increase in the use of digital tickets. For this reason, they decided to set the transaction fee at 7 TL for transactions with courier delivery. Courier fees were raised to 12 TL VAT included. However they still faced losses due to courier revenues and expenses.⁵³

- (155) As of 2019, the transaction fee is 3.5 TL for PDF ticket and QR code, which are digital tickets, and 7 TL for the delivery of printed tickets at retail points or by courier. The table below shows information about delivery options for ticket sales via internet, call center and mobile channel, where BİLETİX charges transaction fees.

Table 21: The breakdown of tickets according to delivery channels on the basis of sales channels where transaction fee is taken

Year	The number of Tickets sold via the internet, call center and mobile channel ⁵⁴	the breakdown of tickets according to delivery channels			
		The Number of Tickets/preference rate	Digital Ticket	Courier	Delivery at the sales point
2017	(.....)	The Number of Tickets	(.....)	(.....)	(.....)
		Preference rate (%)	(.....)	(.....)	(.....)
2018	(.....)	The Number of Tickets	(.....)	(.....)	(.....)
		Preference rate (%)	(.....)	(.....)	(.....)
2019	(.....)	The Number of Tickets	(.....)	(.....)	(.....)
		Preference rate (%)	(.....)	(.....)	(.....)

Source: Calculations made by the rapporteurs in line with the information provided by BİLETİX

- (156) The table below shows that consumers prefer digital ticket delivery (.....)% in 2017 whereas this rate raises to (.....)% in 2019. Accordingly, the share of delivery at sales point, which is a more expensive option compared to digital ticket in terms of transaction fee, is decreasing.
- (157) During the investigation process, competitors were asked whether they charge transaction fees and their opinions about transaction fees in order to compare BİLETİX's transaction fees with those of its competitors. The answers are given below:
- (.....): They inform the consumers by e-mail and SMS about subscription. They do not collect fees under any name under current conditions for these services. They do not use a business model where fees are collected by sending tickets via e-mail or revenues are obtained in similar ways.
 - (.....): They send QR code or SMS tickets to customers who buy tickets via the website or mobile application for free. They do not charge any fee for sending e-mails. Fees taken for such reasons have a negative effect on consumers.

⁵³ The undertaking gives the following example regarding this case: In 2018, 6 TL VAT included transaction fee should be taken for a printed ticket. The cost of delivering that ticket to the customer by courier is 8.32 TL VAT included. Thus, the consumer should be charged 14.32 TL but they collected 9.90 TL - 4.42 TL less transaction fee.

⁵⁴ Calculated by filtering "call center", "web" and "mobile" areas in channel-based sales data provided by BİLETİX:

- (.....): They do not reflect any extra price/fee to the consumer. E-mail and SMS expenses should be regarded as general expenses or operational costs and should not be reflected on consumers.
- (.....): QR code is sent to the e-mail addresses of consumers who buy tickets. They do not ask for a fee for sending those QR codes. Any fee reflected to consumers are disadvantageous for consumers.
- (.....): In case a ticket is sold online, they charge up to 4-5% of the ticket price, being 2.5 TL minimum. It is not objectionable to demand e-mail fee because of the technological infrastructure expenses.
- (.....): The transaction fee is set by taking into account operational costs and the estimated commission rates in the sector. Whatever method is used for ticketing, transaction fee is taken per ticket.
- (.....): They charge transaction fees in ticket sales. This fee can be taken per ticket or per transaction as the fee for taking the order, delivery preparation at the venue and processing in the system. It is reasonable to charge fees for SMS delivery because system and software development is necessary. They take 2.5 TL additional price if the consumer buys a ticket via the online channel.
- (.....): It is reasonable to charge additional fees for expenses such as printing tickets, personnel and courier in addition to the costs for installing the ticketing infrastructure and to include those expenses in the commission. However, customers should be offered both paid and unpaid options. They take 5 TL per transaction from consumers who choose "I would like to receive my physical ticket enveloped on my name at the box office on the event day" but they do not charge this fee from the consumers requesting digital tickets or any fee for sending e-mails.

(158) Depending on the answers of the undertakings in the sector, it is understood that some undertakings do not request transaction fees because of the fear of affecting consumer perception negatively. Some of the undertakings charge transaction fees in certain cases because of the costs arising for the delivery of the digital/printed tickets to consumers. The table below summarizes undertakings that charge transaction fees and under which conditions they charge those.

Table 22: Undertakings that charge transaction fees and conditions for charging transaction fees

Undertaking	Conditions for charging transaction fees
BİLETİX	Per each transaction in case the ticket is bought online, via mobile application or call center
AKTİFBANK	Per transaction from consumers who buy the ticket on the website and choose " <i>I would like to receive my physical ticket enveloped on my name at the box office on the event day</i> "
BİLETWAY	Per transaction in case the ticket is bought online
BİLETİNO	Per each ticket in any circumstance regardless of the method of buying the ticket
MOBILET	Per transaction in case the ticket is bought online

Source: Information obtained from undertakings

(159) The differences in the business models used by undertakings for collecting transaction fees should be highlighted. As stated, AKTİFBANK charges this fee only if the ticket is bought online but physical delivery is requested. The said undertaking stated that this

fee was taken for (.....) transactions out of (.....) transactions made online in 2019. Similarly, BİLETWAY charges transaction fee only for the sales via the internet channel. The transactions made via the internet channel in 2019 constitute (.....) of the total transactions. On the other hand, the number of transactions made via the channels BİLETİX charges transaction fee correspond to nearly (.....) of the total transaction number in 2019. BİLETİNO's only sales channel is the internet and it takes the transaction fee in any condition. MOBİLET generally applies the same business model as BİLETİX⁵⁵. Therefore, it is possible to say that they are similar to BİLETİX. The table below shows the transaction revenues per transaction and per ticket the undertakings gained between 2016 and 2019. For preparing the table, the number of sales made via the channels where undertakings charge transaction fees and the number of tickets are taken as a basis.

Table 23: Transaction revenues of the undertakings that charge transaction fees per transaction and per ticket

Undertaking	Transaction revenue per transaction				Transaction revenue per ticket ⁵⁶			
	2016	2017	2018	2019	2016	2017	2018	2019
BİLETİX ⁵⁷	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
MOBİLET ⁵⁸	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK ⁵⁹	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from undertakings

- (160) As seen from Table 23, even if BİLETİX has the highest revenues in terms of the transaction revenue per transaction, its situation changed in 2018 and 2019. While BİLETİX's transaction revenue per transaction is (.....) higher than BİLETİNO in 2016, this difference fell to (.....) in 2017. In addition, BİLETİX's transaction revenue per transaction is nearly (.....) above BİLETWAY. In 2018, while BİLETİX's transaction revenue per transaction is below that of BİLETİNO and BİLETWAY, it is nearly (.....) above MOBİLET, which uses the same business model in 2018. In 2019, BİLETİX's transaction revenue per transaction is below BİLETİNO, BİLETWAY and AKTİFBANK. In 2019, BİLETİX has the lowest transaction revenue per transaction among the undertakings that take transaction fees. In terms of transaction fee revenues per ticket, BİLETİX's revenue are higher than BİLETİNO, which has the only comparable data in 2016; however it is lower than BİLETİNO, AKTİFBANK and BİLETWAY between 2017 and 2019. Since the number of tickets that can be purchased in a single transaction is high, the transaction fee revenue per ticket is lower than the revenue per transaction.
- (161) In the period analyzed, BİLETİX's transaction fee revenue is lower than its competitors' except 2016 and 2017. In the periods when it is higher, the difference is not significant

⁵⁵ Since MOBİLET terminated its activities in 2019, the rate of online sales could not be found.

⁵⁶ BİLETİNO stated that transaction fee is taken per each ticket. on the other hand, BİLETİX, BİLETWAY, MOBİLET and AKTİFBANK take transaction fee per each transaction. In order to calculate the value of the transaction fee per ticket, the number of tickets/transaction number rate is used. This rate represents the average number of tickets per transaction.

⁵⁷ BİLETİX stated that in transactions with courier delivery, both courier fee and transaction fee are charged under the name "courier fee" between 2016 and 2018. During this period, the amount paid to the courier company is subtracted from the amount collected from consumers and the remaining amount is added to the transaction fee revenue. The calculations in the table are made accordingly.

⁵⁸ Although it is not possible to find MOBİLET's data in 2019 as it left the market, it is seen that for the purchase of one ticket via the internet, the transaction fee is not taken per transaction but per ticket, which is (.....) TL in 2020.

⁵⁹ AKTİFBANK stated that they started to make sales online as of 2019 and started to take transaction fee since then.

and continuous. Within this framework, it is not possible to conclude that BİLETİX has applied excessive pricing in terms of transaction fee.

- (162) Although the complaints focus on delivery by e-mail, the fees analyzed are only the pricing of a service at different stages and they should be evaluated as a whole. From this point of view, it is not appropriate to assess the fee taken for delivery by e-mail apart from the ticketing service as a whole. A profit margin is calculated by taking the total costs incurred for the product/service rather than determining the price for each stage by calculating the costs in each stage at the pricing process of the product/service and the price of the product/service is determined in light of those data. If these stages are considered independent, in a case where the total amount charged at all stages is not considered excessive, since the cost at some stages is near to zero, it may be possible to reach a conclusion indicating excessive price. However such approach may produce unfair results when evaluating an action in terms of excessive price. In cases where the total revenues of an undertaking from tickets are not considered excessive, the undertaking cannot be attributed a violation if it takes all the revenue from the consumer at once but it can be attributed a violation because the ticket is priced at different stages. However, there is no difference in terms of consumer welfare. In addition, in such gradual pricing process, accepting each stage at the pricing process as a separate price may encourage undertakings to divide their prices and avoid excessive pricing assessment.
- (163) Therefore, in terms of this concrete case, instead of evaluating whether BİLETİX charges for the delivery of the ticket by PDF/QR Code, whether all its revenues per ticket are excessive are considered. Within this framework, table below shows total revenues of BİLETİX and its competitors per ticket.

Table 24: The average of the total amount charged by undertakings per ticket⁶⁰

The business model used	Undertaking	Transaction Fee	2016	2017	2018	2019
A large part of the service fee is reflected to the consumer.	BİLETİX	available	(.....)	(.....)	(.....)	(.....)
	MOBİLET	available	(.....)	(.....)	(.....)	(.....)
	BİLETİNİAL	n/a	(.....)	(.....)	(.....)	(.....)
	BİLETİVA	n/a	(.....)	(.....)	(.....)	(.....)
The service fee is reflected on organizers completely.	BİLETİNO	available	(.....)	(.....)	(.....)	(.....)
	BUGECE	n/a	(.....)	(.....)	(.....)	(.....)
	BİLET.COM	n/a	(.....)	(.....)	(.....)	(.....)
	BİLETWAY	available	(.....)	(.....)	(.....)	(.....)
A large part of the service fee is reflected to the organizer.	AKTİFBANK	available	(.....)	(.....)	(.....)	(.....)
Source: Information obtained from undertakings						

⁶⁰ Prepared by taking into account service fee revenues, transaction fee revenues and other revenues under the scope of the ticketing services. BİLETİX's courier revenues are not included as they are transferred to the courier company directly. BİLETİX stated that it did not hold the amount charged from the consumer for courier revenues; on the contrary, it made a loss of (.....) TL. However, the revenues remaining as transaction fee after they were transferred to the courier company between 2016 and 2018 are included in the calculation. Other revenues title only applies for BİLETİX, AKTİFBANK and BİLETİNİAL. BİLETİX's other revenues are late interest revenues if the consumer chooses installment payment option. AKTİFBANK and BİLETİNİAL's other revenues are invitation printing fee for tickets that are requested by the organizer and physically printed for free.

- (164) It is seen on table 24 that BİLETİX has the highest revenues in terms of the revenues obtained per ticket in 2016 and 2017. However the difference between BİLETİX and its closest competitor BİLETİNO was (.....) in 2016 and it fell to (.....) in 2017. In 2018 BİLETİX gained nearly the same amount of revenues per ticket as BİLETİNO. The difference between BİLETİX and MOBİLET, which uses the same business model as BİLETİX, is respectively (.....) and (.....) in 2017 and 2018. In 2019, BİLETİX's revenue per ticket is below BİLETİNO, BUGECE and BİLET.COM. In light of this information, it is concluded that BİLETİX did not apply excessive pricing.
- (165) This difference between the average amount per ticket charged by undertakings stems from the difference in the types of the events in their portfolio and thus in ticket prices. The biggest revenue item for undertakings active in the sector is service fee revenue, which is determined as a fixed amount or a certain percentage of ticket prices. Therefore, ticket prices changing from event type to event type directly affect undertakings' revenue per ticket. For instance, the total price of tickets sold is (.....) TL and the number of tickets sold is (.....) in 2019 for BİLETİX. Accordingly, it is possible to say that the ticket price for an event organized by BİLETİX is (.....) TL on average. When calculated with the same method, the price of a ticket for which BUGECE intermediates for sale is (.....) TL on average, whereas it is (.....) TL for BİLET.COM. On the other hand, the average ticket price for BİLETİNİAL, whose portfolio is mainly composed of State Theater and movie shows, is (.....) TL and for BİLETİVA it is (.....) TL in 2019. As a result, there are huge differences between the average amount per ticket charged by undertakings. Therefore, making an excessive pricing assessment by taking into account only revenues per ticket will yield misleading results. Other variables should be taken into account.
- (166) BİLETİX stated that the profit margin is calculated in the sector by proportioning the revenues that the ticketing company earns to the sum of the ticket prices written on tickets that belong to organizers and the ticketing revenues obtained by the ticketing company. Hereunder is the formula of how the profit margin rate is calculated.

$$\text{Profit margin} = \frac{\text{Ticketing company's ticketing revenues}}{\text{Ticket fees belonging to the organizer} + \text{ticketing company's ticketing revenues}}$$

- (167) The ticket fees belonging to the organizer represents the amount calculated by subtracting credit card commission and the revenues that the ticketing company gains from the organizer. In accordance with the profit margin calculation method above, the total revenues of BİLETİX and its competitors from ticketing activities in 2016-2019 period, the ticket fees written on the tickets belonging to the organizers and the profit margin of undertakings in the relevant years are shown in the table below.

Table 25: The profit margin of BİLETİX and its competitors in 2016-2019 period⁶¹

Undertaking	Year	Total revenues obtained from ticketing services	Ticket fees on the tickets belonging to the organizer	Total (TL)	Profit margin (%)
BİLETİX	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
BİLETİVA	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
BİLETİNO	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
BUGECE	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
BİLET.COM	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
BİLETWAY	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	2016	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)
Source: Information obtained from undertakings					

- (168) According to the data in Table 25, BİLETİX's profit margin is respectively (.....) % during 2016-2019 period. It is thought that BİLETİX's profit margin calculated for the relevant period is not excessive. It is seen that BİLETİX's profit margin is generally above its competitors BUGECE, BİLET.COM and BİLETİVA and very close to BİLETİNO, which has a similar portfolio. There is a difference of (.....)% to (.....)% between BİLETİX and BİLETİNO's profit margins. In addition, its profit margin is below that of AKTİFBANK in 2019. Therefore, it cannot be concluded that BİLETİX applied excessive prices depending on the calculation of the profit margin.
- (169) In excessive pricing assessment, comparisons between geographical markets are another method used in the second stage of EVT. Geographic markets can be compared by not only looking at the prices of the undertakings concerned but also by

⁶¹ Since MOBİLET terminated its activities in 2019, it is not possible to find data.

looking at the prices of different undertakings in a different geographic market.

- (170) BİLETİX is a subsidiary of a global ticketing company TICKETMASTER. TICKETMASTER carries out activities in 21 countries especially in North America, Europe and the Middle East⁶² During the investigation process, in order to determine whether BİLETİX's prices in Türkiye are excessive by comparing geographic markets, two countries where TICKETMASTER is the leader (*preferentially dominant*) and two countries where it is not the leader are chosen. Revenue items and costs in those countries are requested. The aim is to make a comparison including countries where TICKETMASTER is and is not in a position similar to Türkiye
- (171) BİLETİX sent revenues and costs concerning TICKETMASTER's activities in Denmark, Germany, Belgium and Spain. According to the BİLETİX's statements, Denmark and Spain are chosen because TICKETMASTER is the biggest ticket supplier whereas Germany and Belgium are chosen because TICKETMASTER is not the market leader. The table below shows TICKETMASTER's market share on the basis of the number of tickets sold in the relevant countries in 2017 and 2018⁶³

Table 26: TICKETMASTER's market shares (%)

Year	Countries where TICKETMASTER is the market leader		Countries where TICKETMASTER is not the market leader	
	Denmark	Spain	Germany	Belgium
2017	(.....)	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)	(.....)

Source: Information provided by BİLETİX

- (172) TICKETMASTER has the highest market share in Denmark in 2018. Its closest competitors Billetten and Billetlugen/Eventim have nearly (.....) market share. The Spanish market, where TICKETMASTER is the market leader, has a very scattered structure. According to the information provided, there are 11 companies in the market with market shares varying from 1% to 10% as well as unknown number of other companies representing 32% of the market apart from TICKETMASTER. TICKETMASTER's closest competitors in Spain are Janto and Entradas with nearly (.....) market share. In Germany, CTS/EVENTIM has nearly (.....) % market share. Followed by Adticket/Reservix with (.....) market share. In Belgium market, although TICKETMASTER has a very high market share, its competitor TeleTicketService has nearly (.....) market share.
- (173) BİLETİX stated that TICKETMASTER charges different types of prices in different countries. Those differences are shaped as a result of negotiations with event organizers and venues. Therefore, the comparison in terms of service fee revenues and transaction fee revenues cannot be made on the basis of Türkiye and the countries of which TICKETMASTER sent the data. Because the fees taken differs on the basis of each country. Therefore, profit margins are compared by taking into account TICKETMASTER's total revenues and costs per ticket. in Türkiye, Denmark, Germany, Belgium and Spain. The table below shows the information in question.

⁶² <https://www.biletix.com/about/TURKIYE/tr>, Accessed: 29.05.2020

⁶³ The undertaking stated that there was not a study about the competitors' market share in the said countries in 2016. TICKETMASTER does not have an estimated data for 2019.

Table 27: The comparison of Türkiye and Foreign Geographic Markets⁶⁴

Revenues and Costs in Years		Countries				
Year	Data	Türkiye	Denmark	Spain	Germany	Belgium
2016	Revenue per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Profit margin (%)	(.....)	(.....)	(.....)	(.....)	(.....)
2017	Revenue per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Profit margin (%)	(.....)	(.....)	(.....)	(.....)	(.....)
2018	Revenue per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Profit margin (%)	(.....)	(.....)	(.....)	(.....)	(.....)
2019	Revenue per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Cost per ticket (TL)	(.....)	(.....)	(.....)	(.....)	(.....)
	Profit margin (%)	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information provided by BİLETİX

- (174) According to the data in Table 27, TICKETMASTER's revenue per ticket in Türkiye is higher than Spain and Belgium and lower in Denmark and Germany in 2016. For the whole period between 2017 and 2019, TICKETMASTER's revenue per ticket in Türkiye is higher than Spain and lower than Denmark, Belgium and Germany. Considering TICKETMASTER's profit margin by taking into account its costs in the relevant countries, in 2016, its costs per ticket were lower than its revenues per ticket in Spain and Belgium. The profit margins in Germany and Denmark are (.....) and (.....). During 2017-2019 period, when TICKETMASTER's revenues are above its costs, its profit margin in Türkiye is higher than Spain and Germany but much lower than Denmark and Belgium. The undertaking has the highest profit margin in Denmark during the relevant four years. Within this framework, as a result of the comparison made using TICKETMASTER's foreign data, it is concluded that prices are not excessive in Türkiye.
- (175) In addition, in the results of the report published by Attorney General of New York State⁶⁵ included in United States Government Accountability Office's "Event Ticket Sales - Market Characteristics and Consumer Protection Issues" report⁶⁶ it is found that ticketing companies averagely add 21 USD to a ticket of 100 USD and the cost for the consumer is 121 USD. In the investigation made by the Accountability Office, 31 events of five ticketing companies were analyzed, the total of additional fees correspond to 27% of a ticket's base price. It is also found that service fees correspond to 22% of the base ticket price on average. In 14 of 31 events, a fee from 1 to 8 USD

⁶⁴ The data for Denmark are in Denmark krone and for other countries, the data are provided in Euros; the rapporteurs converted them to Turkish liras depending on CBRT average foreign exchange buying rate. During 2016-2019 period the average foreign exchange buying rate for Denmark Krone is respectively 0.45; 0.55; 0.76 and 0.85 TL (as 1 Denmark Krone =TL) During 2016-2019 period the average foreign exchange buying rate for Euro is respectively 3.34; 4.12; 5.66 and 6.35 TL (as 1 Denmark Krone =TL)

⁶⁵ New York State Office of the Attorney General Report. The report analyzes ticket prices and additional fees regarding events in 150 venues in New York, whose tickets were sold by the leading three ticketing websites. All seat categories of three events that are randomly chosen are considered for choosing the revenue.

is charged from the consumer as a transaction fee for an additional order.

- (176) In foreign studies, it is seen that ticketing revenues are proportioned to all revenues obtained from ticketing. Accordingly, the proportion of BİLETİX's revenues from ticketing services to the total price of the tickets sold are given below.⁶⁷

Table 28: The share of revenues from ticketing services in the total ticket prices

Year	Total prices of the tickets sold (TL)	BİLETİX'S total Revenues from ticketing services (TL)	The share of the revenues in prices (%)
2016	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)

Source: Information provided by BİLETİX

- (177) As seen from table 28, nearly (.....) % of the prices of the tickets sold is additional fees such as service fee, transaction fee, courier fee and other fees. When compared with "Event Ticket Sales- Market Characteristics and Consumer Protection Issues" report, this rate is lower.
- (178) In light of the findings and assessments above, it has been concluded that BİLETİX's practices that are the subject of the file do not include concrete information, document or finding leading to the detection of excessive pricing.

1.5.2.2. Assessment of the Practices that are the Subject of the Complaint in Terms of Other Exploitative Conduct

- (179) A pricing method where an initial/basis price of a product or service is advertised and other fees related to that product or service are disclosed after the consumer starts purchasing process, like BİLETİX does, is called drip pricing. The empirical studies about drip pricing show that it confuses consumers and dissuades them from pricing out, leading to a decrease in consumer welfare. Even if consumers are aware of drip pricing, there will be a decrease in consumer welfare as they cannot make a forward looking analysis and calculate the lowest base price.
- (180) In event ticketing sector, as event venues/organizers prefer to provide exclusive rights to only one ticketing service provider, ticketing company may have a tendency to apply pricing strategies like drip pricing on an event basis because of its dominant position. This method is chosen because the strategy to reach the final price with additional fees after offering low prices at the beginning provides competitive advantage to the platform. If drip pricing is applied generally, the providers who do not prefer that pricing will have difficulty in competing with undertakings applying drip pricing. In addition, it is accepted that the competitors of the dominant undertaking which applies drip pricing will be urged to apply this method to compete with the dominant undertaking.
- (181) BİLETİX's drip pricing method, together with consumers' cognitive tendencies and ignorance, may lead to serious consumer problems. Those problems may affect the functioning of markets negatively. Still, in such cases, intervention by competition authorities to the market by traditional tools is not considered fair and sufficient.⁶⁸ When these exploitative unilateral conduct are directed towards the consumer, competition law and consumer protection law face off in terms of their aims, intervention tools as

⁶⁷ As delivery fees are included in the relevant study, BİLETİX's courier revenues are included.

⁶⁸ OECD (2006), "Roundtable on Demand-Side Economics for Consumer Policy: Summary Report", <http://www.oecd.org/sti/consumer/36581073.pdf>

well as enforcers. Although there is a common aim, there are important differences in dealing with consumer welfare and consumer concepts according to consumer and competition policies. Consumer policy aims “protection of consumers in a social sense” such as ensuring consumer health and security, consumer education and representation. Competition law has a function “to protect consumers indirectly” by means of developments such as low prices, offering products and services of high quality.

- (182) Article 62 of the Act no 6502 on the Protection of Consumers (the Act no 6502) on “Unfair Trade Practices” states the following:

“A trade practice is regarded unfair if it does not comply with the requirements of professional diligence and significantly distorts or is likely to distort the economic behavior pattern related to a good or service of the average consumer it reaches or an average member of the group it aims. Especially, misleading or aggressive practices as well as the practices listed in the annex of the Directive are considered unfair. Unfair trade practices directed at the consumer are forbidden.”

- (183) Although its effects on consumer preferences are clear, the accepted opinion in competition law is that misleading practices do not have an impact on competition or they can be assessed under the scope of de minimis. On the other hand, it is also argued that misleading practices may be a subject of competition policy enforcement under the umbrella of abuse of dominant position. In order to intervene an unfair trade practice by means of competition law tools, it should not only harm consumers but also the competitive environment.
- (184) Drip pricing may be handled under the scope of unfair trade practices. Looking at foreign enforcement concerning drip pricing, the competition laws of the countries, where drip pricing is assessed and sanctioned, cover consumer protection rules too or they deal with drip pricing within the framework of consumer legislation.
- (185) In order to talk about a violation per article 6 of the Act no 4054, a causality link should be established between the undertaking’s dominant position and the reason of its conduct and/or its anticompetitive results. In another words, the undertaking should be able to exercise a certain conduct because it is dominant or the anticompetitive effect as the result of the conduct should not occur without the dominant undertaking in the market. In this case, there is not a direct relation between BİLETİX’s drip pricing and dominant position; it is not possible to argue that BİLETİX applies drip pricing because it is dominant. BİLETİX’s competitors may apply drip pricing or there are no barriers to drip pricing.⁶⁹ Thus, it is not possible to attribute the applicability of the said method to BİLETİX’s dominant position.
- (186) Moreover, the said pricing behavior is far from having an impact on the competitive structure in the market but concerns consumers directly. Certain practices by dominant undertakings towards final consumers may create effects on the competitive structure by excluding some competitors. However, in this case it is not possible to establish a concrete link between BİLETİX’s behavior and the market structure because each undertaking has a different product portfolio, consumers do not have a chance to switch provider on an event basis.
- (187) In line with the explanations above, it is concluded that BİLETİX’s drip pricing should not be assessed under article 6 of the Act no 4054, drip pricing’s possible harms can

⁶⁹BİLETİX’s competitors BİLETİNO and MOBİLET applies drip pricing.

be associated with consumer protection law rather than competition law; as a result, an opinion shall be sent to the Ministry of Trade, which is capable of taking a measure about drip pricing per the Act no 6502.

I.6. EXEMPTION ASSESSMENT CONCERNING THE CONTRACTS BETWEEN BİLETİX AND ORGANIZERS

- (188) The reason why BİLETİX can exercise different practices unlike other undertakings in the market is the market power it has. BİLETİX holds this market power thanks to these exclusive contracts with organizers essentially. As required by exclusivity provisions under current conditions of the sector, consumers can find the tickets of a specific event only in one ticketing website. Since the tickets of an event are not sold by different ticketing companies, consumers have no choice. To be able to compete on service and transaction fees, ticketing companies must be offering the same event to consumers. Otherwise they do not have an incentive to compete on service and transaction fees.
- (189) The exclusivity provision in a contract may be limited to one event or cover all events to be organized during the term of the contract. In non-exclusive contracts, the event organizer and the ticketing company decide on the number of event tickets to be sold by the ticketing company. BİLETİX signs the contracts with exclusionary provisions in accordance with the two year term requirement brought by the Board decision *Biletix-6*⁷⁰ in 2013.
- (190) At this point, the question whether intermediary services for the sale of tickets, which is basically a software service, need exclusivity in today's technological facilities is important. In case there is no exclusivity in contracts, consumers can find the tickets of the same event on different websites and benefit from lower service and transaction fees. In this framework, BİLETİX's exclusive contracts are assessed below.

I.6.1. The assessment of the contracts between BİLETİX and organizers within the scope of the Block Exemption Communiqué on Vertical Agreements

- (191) Article 2 of the Communiqué no 2002/2 on Vertical Agreements with the title "Definitions" covers the regulation *"Provided that they bear the conditions mentioned in this Communiqué, agreements concluded between two or more undertakings operating at different levels of the production or distribution chain, with the aim of purchase, sale or resale of particular goods or services -vertical agreements- are exempted in block from the prohibition in article 4 of the Act, based on article 5 paragraph three of the Act"*
- (192) The contracts between organizers and BİLETİX are vertical agreements because they are related to purchasing, selling and reselling of goods or services. In order for vertical agreements to benefit from block exemption provided by the Communiqué no 2002/2, the supplier's market share should not exceed 40%. As a result of the data obtained and the analysis made within the scope of the file, BİLETİX's market share is over 40% during the whole period investigated. Therefore, the contracts in question cannot benefit from block exemption provided by the Communiqué No 2002/2. Thus, the contracts in question are taken under individual exemption assessment within the scope of article 5 of the Act no 4054.

⁷⁰Board Decision dated 05.11.2019 and numbered 13-61/851-359.

I.6.2. Individual Exemption Assessment

(193) The agreements that fall under the scope of article 4 of the Act no 4054 may be exempted from the application of the provisions of article 4 provided that they fulfill all the requirements of article 5(1) of the Act.

a) Promoting developments and improvements or technical or economic progress for the production and distribution of goods and provision of services

(194) Pursuant to this article, which cases promote economic progress should be considered according to the features of the concrete case. Reducing production and distribution costs, increasing quality, maintaining the supply of the good, facilitating entries and finding new products or economic techniques are among the cases where economic benefits are provided⁷¹.

(195) BİLETİX's arguments to show that the said condition is fulfilled by creating considerable efficiencies are given below:

- Financial support provided by ticketing companies is very important for organizers. Those payments ensure supply continuity and this is beneficial for consumers consequently.
- Thanks to exclusive contracts and investments such as advance payment etc. failure risk is shared by the organizer and BİLETİX, creating an efficiency gain.
- Exclusivity provisions are needed for advance payments and other investments made for consumers and this is compliant with the Board's case law.
- Exclusivity provisions reduce transaction costs concerning the organization of events, negotiations and tenders, operation and collecting tickets. They produce many benefits for organizers.
- Working with more than one ticketing company will deteriorate the service quality. The buyer has bargaining power in long term exclusive agreements therefore exclusive agreements made on an event basis are necessary.
- Organizers can reach financing under better conditions by means of providing the advance payments they can receive thanks to long term exclusivity contracts as a collateral to the banks.
- Long term exclusivity agreements provide a guarantee for BİLETİX's future transaction volume and its incentive to make investments will be protected. The investments will contribute to the growth of online ticketing market and consumer benefits.

(196) As stated in subparagraph (a) of article 5, in order for an agreement restrictive of competition to benefit from the protection of exemption, first of all, it must produce gains by way of ensuring new developments and improvements, or economic or technical development in the production or distribution of goods and in the provision of services to such an extent that its negative effects on competition are removed. It is necessary that the efficiency gains should be objective and not be assessed from subjective point of view of the parties. Moreover, the causality link between the agreement and the alleged efficiencies, the likelihood and volume of each efficiency as well as when they will occur should be enlightened.

(197) BİLETİX explained that the efficiency created by exclusive agreements in the market is the continuity of organizing events (supply continuity). According to BİLETİX,

⁷¹"Guidelines on the General Principles of Exemption, para. 22-41

organizers can receive financing within the framework of those agreements and continue their activities more soundly. Apart from those, BİLETİX could not argue an economic or technical improvement or progress concretely.

- (198) BİLETİX gives four types of advance payments to organizers. Rebate is the share given to the organizer out of the service fee. Signing fee is the payment given to organizers and is not taken back at the end of the organization. Signing fee is calculated on the basis of the expected number of tickets sold. In case fewer tickets are sold than expected, organizer does not repay any fees to BİLETİX. The share given out of the service fee to the organizer is the amount transferred to the organizer gratuitously. Other advance payment types which BİLETİX pays to the organizer before the event ends and gets back afterwards are the contract advance and settlement advance. BİLETİX transfers the earnings obtained from the sale of tickets to organizers generally after the event date. In this way, if the event is canceled, BİLETİX can return the ticket fees to the consumers. However BİLETİX may transfer a part of the earnings obtained from the sale of tickets to the organizer before the event day or before the tickets are sold. Those payments are called contract advance when they are given at the time of signing the contract; they are called settlement advance when they are given during the sale of tickets and before the event date. Those two payment types are advance payments made out of the ticket sales earnings. They are not met out of BİLETİX's revenues.
- (199) The information provided by undertakings are given below in order to see the effects of the advance payments in question in the event market.

Table 29: Information about advance payments given by undertakings to organizers

Undertaking	Year	The number of organizers who are paid advance payments	The total number of organizers which the undertakings worked with in the relevant year	Payments not refunded (TL)	Payments refunded (TL)	Undertaking's own revenues (TL)	Total price of the tickets sold (TL)
BİLETİX	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BUGECE	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)

	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Source: Information obtained from undertakings							

- (200) As seen from the table above, rebates and signing fees given out of the non-refunded advances are significantly lower than the advances refunded. The table below shows the share of the said fees in BİLETİX's total ticketing revenues. As observed in Table 29, the said fees have (.....)% to (.....)% share in BİLETİX's ticketing revenues. Therefore, it is understood that those fees do not play an important role in the functioning of the market.

Table 30: The share of the advances which BİLETİX does not take back from organizers in BİLETİX' s ticketing revenues

Years	Total advances not taken back from organizers (TL)	BİLETİX's total ticketing revenues (TL)	The share of total advances that are not taken back from organizers in BİLETİX' s ticketing revenues
2016	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)
Source: Information obtained from the undertakings			

- (201) Other advance payment types which BİLETİX pays to the organizer before the event ends and gets back are the contract advance and settlement advance. Those fees that are taken back are much higher than those that are not taken back. It is observed that almost only BİLETİX applies the advance method. The number of organizers who uses refunded or non-refunded advances corresponds Nearly (.....) % of all organizers every year.⁷² Organizers can sometimes use the advance as a whole and set off it in future events. For instance, a part of the advance given to organizers by BİLETİX may be set off in an event to be organized in future years. There may be differences between the calendar year when the advance is paid and the year when the advance is refunded or deducted from organizer's ticketing revenue.
- (202) The data related to the fees that BİLETİX set off in the relevant year are shown in the table below. Accordingly, 8% to 20% of the advance paid in a year may be set off in the following calendar years.

⁷² This rate changes from (.....)% to (.....)% among BİLETİX's customers in years.

Table 31: The amounts of advance payments which BİLETİX takes back and sets off (TL)

Year	The total of advances paid	The amount of advances set off in the relevant year	The amount transferred to the organizer
2016	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)
Source: Information obtained from the undertakings			

- (203) Since a part of the advance paid is related to the expected revenues, while making a comparison with the ticketing revenues, comparing the set off amount is more convenient. The values calculated accordingly are given below: As observed, organizers may use advances (.....)% to (.....)% of their ticket prices. They may provide a considerable amount of their financing needs from ticketing companies. However, this share will decrease taking into account revenues other than ticket prices such as sponsorship, etc.

Table 32: The proportion of advances taken back from organizers to total price of the tickets sold

Year	The total of advances taken back from organizers (TL)	Total price of the tickets sold in the market (TL)	The proportion of total advances taken back from organizers to total prices of the tickets sold
2016	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)
Source: Information obtained from undertakings			

Table 33: The number of events pertaining to organizers for whom BİLETİX pays advances and does not pay advances

Year	The number of events organized by the organizers whom BİLETİX pays advances (NEOPA)	Increase rate (compared to previous year %)	The number of events organized by other organizers (NEOO)	Increase rate (compared to previous year %)	The proportion of NEOPA to all events (%)
2016	(.....)	(.....)	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)	(.....)	(.....)
Source: Information obtained from the undertaking					

- (204) As seen from Table 33, between 2016 and 2019, when the market had a relatively horizontal course in terms of the number of events, while the number of events organized by the organizers who were paid advances grew faster, the case is the contrary in 2019. The increasing rate of the organizers who were paid advances fell in terms of both the number of events and the share in total events. (.....)% to (.....)% of the events for which the undertaking intermediates are organized by undertakings that do not use advances. Considering all events in the market, the rates of the events organized by the organizers whom BİLETİX gave advances are (.....) and (.....) respectively. In 2019, the share of undertakings who use advances lowered with the growth of the market. In any circumstance, it is understood that a large part of the

events corresponding to 80%-90% are organized by undertakings who do not use advances. Therefore, it is concluded that the share of the events where one of the four advance payment types is given in the investigated period in all events is not large enough to ensure supply sustainability in the market in terms of the number of events.

- (205) Undertakings that need advances are also analyzed in terms of ticketing revenues. As inferred from the table below, the share of organizers who are paid advances are larger in terms of revenues unlike the number of events. The share of the revenues of the organizers who were given advances in the revenues of all organizers in BİLETİX between 2016 and 2018 was nearly the half however the revenues of the organizers who did not use advances grew and this rate fell to (.....)%. When the revenues obtained by organizers from all events in the market (Table 29), the rate of the revenues pertaining to organizers whom BİLETİX gave advances are (.....) and (.....) respectively.

Table 34: The revenues of organizers whom BİLETİX pays advances and does not pay advances

Year	The revenues provided by the events organized by the organizers who were paid advances (TL) (REOPA)	Increase rate (compared to previous year %)	The revenues provided by the events organized by other organizers (TL) (REOO)	Increase rate (compared to previous year %)	The proportion of REOPA to all events
2016	(.....)	(.....)	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from the undertakings

- (206) In order to understand the importance of advances for the events, the revenues per event of the organizers who use and who do not use advances are analyzed. The table below shows the data in question.

Table 35: The revenues per event of the organizers who use and who do not use advances

Year	The revenues per event of the organizers who are paid advances (TL)	The revenues per event of other organizers (TL)
2016	(.....)	(.....)
2017	(.....)	(.....)
2018	(.....)	(.....)
2019	(.....)	(.....)

Source: Information obtained from the undertakings

- (207) As seen in Table 35, revenues per event pertaining to the organizers who use advances are much higher than those who do not use advances. Since service fees, which are BİLETİX's basic revenues, are a proportion of the ticketing revenues, BİLETİX's revenues from those organizations are higher as expected. For instance BİLETİX obtained (.....) TL revenues from the events organized by the organizers who used advance payments in 2019. This amount corresponds to (.....)% of the annual revenues in the relevant year. Moreover, while BİLETİX's average revenue from the organizations made by undertakings who use advances is (.....) TL per event, it obtained (.....) TL revenues averagely from organizations made by undertakings who do not use advance payments. Therefore, it is possible to say that BİLETİX provides financing support to undertakings from which it expects high revenues.
- (208) In addition, BİLETİX gets guarantee from organizers in return for the advances given.

The rates of guarantee for the advances given in years are respectively (.....)%, (.....)%, (.....) and (.....) %. It is seen that BİLETİX got almost all of the advance given as guarantee in 2016, bearing fewer risks. However, for the other three years, BİLETİX continuously lowered the guarantee amount it got from organizers and preferred to take commercial risks. In addition, it is reported that the undertaking can generally take back the advances, it could not take only (.....) advance from four organizers.

- (209) In light of the information given above, the number of events by the organizers who uses advances corresponds to a small part of the market but such undertakings organize relatively more popular events and revenues per event are expected to be higher. Consequently, it is seen that BİLETİX provides financing support to those undertakings from which it expects higher revenues and thus gains higher revenues. However, it is understood that this practice is not very important for ensuring the continuity of the supply on the overall market. In 2019, undertakings who do not use advances showed a boost in terms of both the number of events and revenues they created. Moreover, the increase in the number of events organized by undertakings who use advances has decelerated significantly.
- (210) Therefore, advance payments by BİLETİX provide a mutual benefit for the parties in the commercial relations but it is not possible to conclude on the basis of the data at hand that this practice is necessary for the market as a whole. In addition, the undertaking failed to show how the exclusivity in the agreements with the undertakings who do not use advances ensures supply continuity in the market. Moreover, undertakings are responsible to bear any obligation to operate in the market effectively; providing financing needs from neighboring market or downstream market does not justify exclusive agreements alone.
- (211) Another point raised by BİLETİX is that organizers can follow the sales and collection of prices more easily as the tickets are sold from a single source and get rid of transaction costs such as procurement, etc. However, those benefits are the natural result of receiving intermediary services from a single source rather than agreements including exclusivity provisions for longer than one year.
- (212) BİLETİX's another argument is that long term exclusivity agreements provide a guarantee for BİLETİX's future transaction volume and the incentive to make investments will be protected. The investments, in turn, contribute to the growth of online ticketing market. However, BİLETİX cannot show what these investments are in a concrete sense. In order to accept undertakings' such improvement and development arguments, the alleged investments should go beyond operational requirements that are a natural part of being in the market. The investments should be specific to the customer or relationship. Since where the undertaking will make investments is not clear, it is not possible to establish a link between the investments to be made and long term exclusive agreements. On the other hand, one of the natural expected results of the competition in the market is that undertakings try to ensure clarity and reliability of their activities by means of providing services at higher quality and lower prices because they do not have a transaction/revenue security based on exclusive agreements.
- (213) In light of the assessments made above, it is concluded that BİLETİX's agreements do not meet the requirement of ensuring new developments or improvements or economic or technical improvement in the production or distribution of goods, and in the provision of services.

b) Consumers benefiting from the results

- (214) The second requirement listed in article 5 of the Act no 4054 is consumers benefiting from the results. BİLETİX put forward the following arguments to show that exclusivity agreements provide benefits to consumers:
- Without exclusivity and advance payments related to exclusivity, most of the events cannot be organized and consumers will be harmed.
 - Consumers benefit from the additional investments made thanks to exclusive agreements, for instance investments can be made to ticketing systems so that consumers are not affected by systemic failures stemming from technical issues or internet connection.
 - The financing provided to organizers will lower organizers' costs, which will be reflected to ticket prices charged from consumers positively.
- (215) As stated above, advance payments related to exclusivity are not vital for supply continuity in the organization of events. In addition, there is no difference between the events to which advances are granted and advances are not granted in terms of service and quality offered by ticketing companies. Technical and systematical improvements are natural part of operation in the market and competition. They are not directly related to exclusivity contracts.
- (216) In addition, the competition level in the market is relevant with respect to passing cost efficiencies to consumers. Under market conditions where undertakings compete on price and there are not capacity constraints, cost efficiencies can be passed to the consumers more rapidly. However the events market where the organizers are operating have a different supply and demand structure compared to traditional markets because of cultural/artistic elements, capacity constraints such as time and venue, the lack of event-based supply continuity. From this perspective, it is difficult to characterize the event market as a market with intense price competition. Therefore, it does not seem likely that the elements decreasing organizers' costs are reflected to ticket prices positively.
- (217) Furthermore, exclusive contracts deprive consumers of the option to buy the tickets of the same event elsewhere. As a result, it is concluded that BİLETİX's exclusive contracts do not fulfill that condition.

c) No elimination of competition in a substantial part of the relevant market

- (218) The third condition of Article 5 is that the agreement will not lead to elimination of competition in a substantial part of the relevant market. The aim of this condition is to ensure the continuity of real and potential competition in markets where a partial restriction of competition is allowed. The analysis to be made should consider both the actual and the potential competition. The condition of actual and potential competition in the market is measured depending on competitors' market power and will, barriers to entry, the maturity of the markets and case-specific facts in addition to market shares. Moreover, since BİLETİX's agreements are exclusive vertical agreements, how much of the market is covered by the contract practices, in other words the foreclosure extension is important.
- (219) BİLETİX put forward the following arguments to show that the said condition is fulfilled:
- Depending on the data in the investigation notification, it is seen that BİLETİX's market shares fell during 2016-2018 period, which shows that two-

year exclusivity provisions do not eliminate competition.

- Since agreements are valid for two years, at least 50% of them are open to negotiation, competitors can reach a large part of the market that is outside BİLETİX' s contracts. AKTİFBANK is an important competitor of BİLETİX.
- If BİLETİX can sign three-year agreements
At least 33% of the agreements will be open to negotiation. In *CTS Eventim* decision, it was decided that dominant undertaking's exclusive agreements for more than two-year period or for an indefinite time are legal in case 20% of the tickets are allocated to other ticketing companies.
- As accepted by the Board in Biletix-6 decision, the market is expanding and growing. The investments in the market are operational rather than sunk. Basically the barrier to entry is a software service but it is not significant. For instance DOĞUŞ GROUP developed MOBİLET themselves. It is necessary to invest in communication and marketing channels to reach customers, for which the costs are low.

(220) As stated in the sections above, BİLETİX's market shares during 2016-2019 period are as follows: (.....) in terms of years; (.....) in terms of the total number of tickets sold in years and (.....) in terms of the total ticketing revenues in years. In addition, barriers to entry because of indirect network externalities and the first mover advantage, a large event and customer portfolio and brand recognition show that BİLETİX is obviously dominant in the market for intermediary services for the sale of tickets through a platform . Accordingly, the following section deals with the effects of the relevant agreements on the market's competitive structure, taking into account market characteristics without mentioning the variables related to BİLETİX's and its competitors' market position again.

(221) During the investigation process, on 11.02.2020, certain information was requested about the contracts that were valid on the date when BİLETİX was asked for information. The table below shows the data prepared in line with the information provided by BİLETİX on the subject.

Table 36: Information concerning BİLETİX's contracts that are valid as of 11.02.2020

The year when the agreement is signed	The number of agreement signed
2018	(.....)
2019	(.....)
2020	(.....)
The total number of agreements	(.....)
Source: Information provided by BİLETİX	

(222) As seen in Table 36, BİLETİX was working with (.....) organizers as of 11.02.2020. (.....) of the agreements signed with organizers were made in 2018, (.....) in 2019 and (.....) in 2020. When it comes to the provisions regarding the term of the agreements, (.....) of them are *shorter than one year*, (.....) are *one-year*, (.....) are *two-year* and (.....) are for *more than two years*⁷³. Within this framework, the contracts BİLETİX made with

⁷³ One of the said contracts was signed with (.....) on 14.01.2019, the other was signed with (.....) on 29.03.2019 The agreements valid for more than two years include the provision " the validity of the provisions of this Agreement regarding full ticket access and exclusivity after two years have passed as of its effective date depends on whether the Competition Board grants negative clearance or individual exemption to the Agreement for five (5) years. *In case the Competition Board grants negative clearance or individual exemption to the Agreement for five (5) years, the provisions of this Agreement regarding full ticket access and exclusivity will end automatically at the end of two years.*

organizers in accordance with Biletix-6 decision were made for maximum two years, even if it made agreements for shorter periods, The agreements of shorter periods constitute approximately (.....)%, which is a negligible share.

- (223) The essential factor in assessing whether competition is eliminated in a significant part of the market is to what extent the market is foreclosed to competitors. Within this framework, the table below shows the number of organizers with which BİLETİX and its competitors were working during 2016-2019 period and how many of those were exclusive.

Table 37: The number of exclusive organizers BİLETİX and its competitors were working with during 2016-2019 period

Undertaking	The number of organizers on an annual basis				The number of organizers whose agreements include exclusivity			
	2016	2017	2018	2019	2016	2017	2018	2019
BİLETİX	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİVA ⁷⁴	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
AKTİFBANK	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNO ⁷⁵	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLET.COM ⁷⁶	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETİNİAL	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BİLETWAY	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
BUGECE ⁷⁷	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
The total number of organizers	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from undertakings

- (224) As seen from the table above, BİLETİX works with almost all organizers exclusively. Apart from BİLETİX, BİLETİVA, AKTİFBANK and BİLETWAY are the competitors who include exclusivity provisions in almost all agreements. BİLETİNO also includes exclusivity provisions in few agreements. It is inferred from the table that respectively (.....)% (.....)% (.....)% and (.....)% of total organizers who chose to work with a ticketing company for the sale of their event tickets between 2016 and 2019 worked with BİLETİX exclusively. Therefore, it is concluded that the number of organizers whom BİLETİX worked by means of exclusive agreements covers a large part of the organizer market.
- (225) The organizer market in Türkiye has a scattered structure. There are both small scale and large scale companies in the sector. In addition there are well known organizers who organize significant events and thus have a potential to attract consumers to their events. It is ticketing companies priority to establish relations with those organizers and sell their events' tickets due to both their consumer portfolio and ticketing revenues. Therefore, whether the organizers with whom BİLETİX made exclusive agreements

⁷⁴ BİLETİVA responded that (.....)% - (.....)% of its agreements contained exclusivity provision, but did not give an exact number due to the outbreak. Since a large part of the agreements were said to contain exclusivity provisions, all agreements were regarded exclusive.

⁷⁵ BİLETİNO stated that the agreements including exclusivity provisions were wet signature and they could not go to the office because of the outbreak; thus, they could not give an exact number. They also stated that the number of agreements with exclusivity provisions was very few and the number for 2016-2018 period would not exceed (.....) As a result, the rapporteurs divided the estimated number to three years equally.

⁷⁶ BİLET.COM entered the market in 2018.

⁷⁷BUGECE cannot provide data pertaining to 2016.

have an important position is also relevant. It is accepted that non-compete agreements with certain buyers may create a strong foreclosure effect.⁷⁸

- (226) BİLETİX signed exclusive agreements with well known organizers such as KERKİ, BKM, ZORLU PSM⁷⁹, JOLLY JOKER, POLL, ATLANTİS and İKSV, which organize large-scale events. BİLETİX gained (.....)% of its revenues from the events organized by those organizers in 2019. Only the said organizers granted (.....) market share to BİLETİX in 2019. Big organizers are BİLETİX's significant customers and it works with those exclusively. Consequently, these factors constitute a barrier to competitors in terms of reaching customers and have an adequate portfolio power and carry out activities efficiently.
- (227) There are both small and large scale organizers and the revenues of companies intermediating for the sale of tickets are shaped depending on the events organized. Thus, the rate of foreclosure is analyzed in terms of the number of events, the number of tickets and total revenues. The table below shows the number of events organized by the organizers whom BİLETİX work exclusively, total number of tickets sold in those events and BİLETİX's ticketing revenues from those events.

Table 38: Foreclosure rate of BİLETİX's exclusive agreements (%)

Information about exclusive organizers	2016	2017	2018	2019
The number of events organized by BİLETİX's exclusive organizers	(.....)	(.....)	(.....)	(.....)
The total number of events in the market	22088	28210	33940	66596
Foreclosure rate	(.....)	(.....)	(.....)	(.....)
The number of tickets sold in the events organized by BİLETİX's exclusive organizers	(.....)	(.....)	(.....)	(.....)
The total number of tickets in the market	2885939	3967666	6581041	8895537
Foreclosure rate	(.....)	(.....)	(.....)	(.....)
BİLETİX's ticketing revenues From exclusive organizers (TL, Courier and VAT excluded)	(.....)	(.....)	(.....)	(.....)
Market size	16518393	22584967	32490417	51434475
Foreclosure rate	(.....)	(.....)	(.....)	(.....)
Source: Information provided by BİLETİX and competitors				

- (228) It is seen from Table 38 that the foreclosure rates are as follows: (.....) and (.....) in terms of the number of events, (.....) and (.....) in terms of the number of tickets and (.....) and (.....) in terms of the ticketing revenues obtained from the events organized by exclusive organizers between 2016 and 2019. The foreclosure rate in terms of the number of tickets is calculated by including BİLETİNİAL's movie tickets. On the other hand, even if they are not excluded from the market definition, movie events are different from other events. Therefore, when BİLETİNİAL's movie tickets in 2019 are excluded, BİLETİX's foreclosure rate in terms of the number of tickets is (.....)%
- (229) Depending on the information given above, it is understood that a considerable amount of the market is foreclosed in terms of all variables that constitute the basis of BİLETİX's market share calculations. However, BİLETİX argued that 50% of the agreements are open to negotiations because they are concluded for maximum two years and competitors can reach the large part of the market.
- (230) BİLETİX does not sign all the agreements with organizers in a certain period,

⁷⁸Vertical Agreements Guidelines, para. 128

⁷⁹ ZORLU PSM signed an agreement with AKTİFBANK for the events to be organized after 2020.

agreements with each organizer have a different beginning and expiry date. An organizer working with BİLETİX is a customer open to negotiation for other ticketing companies after its agreement expires. However this process is not specific to a certain time but spreads over time because each organizer's agreements expire at different dates.

- (231) Consequently, how many of BİLETİX's valid agreements are open to competition until the end of 2020 is calculated. As of 11.02.2020, BİLETİX has agreements with (.....) organizers. (.....) of those will expire until the end of 2020. Approximately (.....)% of the market will be open to competition until the end of 2020. As indicated by BİLETİX, Nearly 50% of the agreements are open to competition every year.
- (232) There is not a standard threshold concerning how long the exclusive agreements should be and how much of the market they should cover so that they lead to competitive concerns. This changes depending on the market and the minimum scale where the undertakings active in the market can survive. The foreclosure rate of the exclusive agreements made by dominant undertakings should be evaluated taking into account specific characteristics of the market. Concerning the terms of the agreements, it is accepted in the literature that provisions that are valid for a short term or that give an opportunity to terminate early normally decrease competitive concerns however the main point is the ability to end an exclusive relation without bearing a significant switching cost.⁸⁰
- (233) BİLETİX entered the market in 2000 and has large customer and organizer portfolios thanks to network externalities created by the first mover advantage. At present, BİLETİX's consumer portfolio is (.....) times larger and organizer portfolio is (.....) times larger than its closest competitor. In line with that, BİLETİX's website traffic is also considerably high compared to competitors.
- (234) One of the factors that directs an organizer in choosing a ticketing company is the consumer group that it can reach via the ticketing company because the ticketing company not only intermediates for the sale of tickets but also serves as a promotion platform. Therefore being in BİLETİX's portfolio increases the chance of an organizer to attract consumers. In their responses to information requests during the investigation process, organizers stated that the most important reasons why they choose BİLETİX are BİLETİX's power to reach consumers, larger network and/or customer portfolio.
- (235) BİLETİX is a partner that can meet the need for reaching a large group - a crucial factor for an organizer - better than its competitors with its promotion activities as well as its consumer portfolio. As a result of this, even organizers' agreements expire, they will choose BİLETİX again with the concern of reaching a large group. Because the organizer has to bear a switching cost in the form of leaving the consumer portfolio, which is a vital factor for reaching a large group, to switch to a different platform when the agreement terminates. Indirect network externalities create a lock-in effect for both customer groups and complicate switching to a competing platform.
- (236) The lock-in effect created by indirect externalities in the market is already a barrier to competitors for reaching adequate customer portfolio. BİLETİX's exclusive agreements reinforce that effect. Foreclosure of the large part of the organizer side of the market in certain times prevents competitors from having a large and diverse event portfolio because they cannot get to organizers. This is also a barrier to reaching consumers at

⁸⁰ O'Donoghue, R. and Padilla, J. (2013), The Law and Economics of Article 102 TFEU, Second Edition, s.443

the other side of the market.

- (237) In order to see the consequences of the abovementioned issue, BİLETİX was asked to provide the number of organizers who were lost, in another words the number of organizers who did not renew the agreements, and the share of those organizers in BİLETİX's shares. The table below shows the information obtained thereabout.

Table 39: The number of customers BİLETİX lost in years and its share in its revenues⁸¹

Year	The number of customers lost	The number of organizers which the undertaking worked with in the relevant year	Rate of loss (%)	The revenues obtained from the customers lost (VAT and courier revenue excluded, TL)	BİLETİX's Ticketing revenues (Courier revenues and VAT excluded TL)	The share of the customers lost in BİLETİX's Revenues (%)
2016	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2017	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2018	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
2019	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)

Source: Information obtained from the undertaking

- (238) As seen from the table above, the number of organizers who stopped working with BİLETİX and preferred working with a competing platform and/or started selling their own tickets is (.....) and (.....) in years. When compared with the number of organizers BİLETİX worked with during the period in question, the rate of loss is (.....) and (.....). Thus, the number of customers lost corresponds to a very small part of the number of organizers it worked with. Looking at the ticketing revenues obtained from the said organizers, the share of the ticketing revenues from BİLETİX's customers who did not renew their agreements in its total ticketing revenues is respectively (.....) and (.....)
- (239) It is seen that the number of organizers lost and the ticketing revenues obtained from those organizers were parallel in 2016 and 2017 whereas the rate of the revenues obtained from the customers lost is pretty lower than the previous years in 2018. The year 2019 is an exception in the period in question. As seen in Table 39, BİLETİX's revenues from the customers it lost increased significantly compared to other years. BİLETİX explained that this is because it lost important organizers with considerable shares in the revenues - ZORLU PSM and DAS DAS - in 2019. ZORLU PSM signed an agreement with AKTİFBANK for 2020. DAS DAS acquired EVENT MASTER and started to sell its own tickets via MOBILET. The abovementioned undertakings brought (.....) TL revenues totally to BİLETİX in 2019, which corresponds to (.....)% of the total revenues from the customers lost in 2019.
- (240) At this point, how ZORLU PSM, a well known organizer in the sector, switched to AKTİFBANK despite the lock-in effect created by indirect network externalities in the

⁸¹ The table is based on organizers who stopped working with BİLETİX and preferred working with a competing platform and organizers who started to sell their own tickets. In addition, BİLETİX stated that there were customers who did not renew their agreements because they would not organize events in the next season. However, such organizers are not included in the table because they are not potential customers for a ticketing company. BİLETİX informed that the number of customers who did not renew agreements, including such organizers, were (.....) and (.....) during 2016-2019 period respectively. BİLETİX stated that they did not keep records about the customers lost. They reviewed that information manually in a limited time and compiled it depending on what the employees remembered.

sector. According to the information given by AKTİFBANK, it paid ZORLU PSM (.....) TL advance payment in 2019. The agreement was made for 32 months. Totally (.....) TL advance payment would be made until the end of the term of the agreement and those payments would not be refunded. This means that AKTİFBANK could persuade a customer only by using its financial power and ZORLU PSM was an individual exception of the lock-in effect. It is possible to conclude that only a few of the customers that were working with BİLETİX did not renew agreements because they switched to a competing platform.

- (241) It is possible to see the reflections of the lock-in effect in the overall market since Biletix-6 decision was taken. When that decision was taken, BİLETİX's competitors were MYBİLET, TİCKETTÜRK, BİLETİNİAL and BİLETWAY. Afterwards, while MYBİLET and TİCKETTÜRK left the market, BİLETİNO, AKTİFBANK, BUGECE, MOBİLET, BİLET.COM and BİLETİVA started their activities in the market. Although a considerable amount of competitors entered the market, they have not been able to gain a significant market power against BİLETİX. BİLETİX has maintained the huge gap between itself and its competitors. There has not been an important change in the market's competitive structure.
- (242) Having entered in the market in 2017, MOBİLET reached (.....) to (.....) market share in terms of the number of events, the number of tickets sold and ticketing revenues. However, it left the market in 2019 because the costs increased as the general software was developed constantly depending on event organizers' requests and it could not reach an adequate portfolio in movie area. In addition, it is stated that BİLETİNİAL entered the sector at the date of Biletix 6 decision. Although BİLETİNİAL reached (.....)% market share in 2019 in terms of the number of tickets thanks to its movie portfolio, its market share cannot exceed (.....)% in terms of the number of events and ticketing value.
- (243) BİLETWAY entered the market at the date when Biletix 6 decision was taken. It could not have more than (.....)% market share in any category. AKTİFBANK, BİLETİVA, BİLETİNO, BİLET.COM and BUGECE, which entered the market after the decision, could not catch a considerable growth rate. On the other hand, although BİLETİX's market shares fell during 2016-2018 period, its growth rates were (.....) and (.....) % for the relevant categories in the market, which expanded (.....)% in terms of the number of events, (.....)% in terms of the number of tickets, (.....)% in terms of ticketing revenues. Therefore, BİLETİX's growth rate in terms of the number of events and ticketing revenues was beyond that of the market. It grew nearly at the same level as the market in terms of the number of tickets.
- (244) Although nearly half of BİLETİX's agreements are open to competition every year, it seems difficult for organizers to act collectively and switch to another platform and expand in consumer pillar of the market.
- (245) In light of all evaluations above, it is concluded that the fact that BİLETİX's agreements are made for two years and nearly half of those are open to competition every year does not yield practical consequences due to market characteristics.
- (246) In order to have a closer look on the effects of BİLETİX's exclusive agreements in the competitive structure of the market, BİLETİX's competitors that were active during the investigation period were asked for their opinion about the exclusivity agreements. Competing undertakings' opinions are given hereunder:

- (.....)'s statements are as follows: It may be necessary to add exclusivity

provisions to sales contracts in case the ticketing company cover all or a part of the ticket sale fees. Exclusivity may sometimes have negative effects but it is not peculiar to (.....); that may be the case for other players in the sector, too. Exclusivity provisions can be regarded appropriate in terms of the dynamics of the sector.

- (.....)'s statements are as follows: Exclusivity is necessary under all circumstances for new entries as well as firms with lower market power. Those firms need to make long term exclusivity contracts for a period longer than one year in order to make future-looking investments and have a competitive structure in the end and even to compete with incumbent firms.
- (.....)'s statements are as follows: Exclusivity contracts give a huge advantage to BÎLETÎX, who has financial power and brand recognition. They cannot compete with it. Exclusivity is absolutely an inappropriate practice unless the ticketing company makes a huge marketing investment for ticket sales or it is directly a partner of the event. The obligation imposed on BÎLETÎX with the Board's Biletix-6 decision has not been able to prevent foreclosure. Therefore, stricter measures should be taken considering the market structure so that consumers can decide which firm provides them with better services. Consequently, the commission and ticket fees reflected on consumers will be reasonable.
- (.....) states that they cannot make agreements with certain organizers because of the exclusivity provisions in BÎLETÎX's contracts, which is unfair.
- (.....) argues that although some organizers want to work with them, it is not possible due to BÎLETÎX's exclusivity contracts. As a result they suffer from loss in turnover.
- (.....)'s statements are as follows: They think that there should not be exclusivity in contracts. Without exclusivity, not only consumers can reach an event through more platforms but also organizers can provide an event to more consumers. This will increase competition among ticketing companies and prevent high service fees. They accept the requests of the organizers whom they work with to sell tickets in another platform. Organizers who have made exclusivity contracts with BÎLETÎX give negative answers because of exclusivity provisions.
- (.....) answers that they include exclusivity provisions in their contracts but they do not apply those rigidly. They do not impose sanctions to organizers to prevent competitors from taking their customers.
- (.....)'s statements are as follows: In sports events, entrance is managed through a central automation system because there is a turnstile system for security purposes. Therefore, selling tickets via different channels will cause disorganization and exclusivity is necessary. However central ticketing automation is not obligatory for the events whose tickets are sold by BÎLETÎX, thus the exclusivity in question is unjust in terms of other undertakings in the sector.

(247) Depending on the explanations above, while (.....) and (.....) think that there are cases where exclusivity is necessary, (.....) and (.....) argue that exclusivity contracts made especially by BÎLETÎX constitute barriers for them to reach customers.

(248) Another factor to be taken into account in the assessment into whether competition is eliminated in a significant part of the market is the barriers to entry. Foreclosure effects not only impair the existing competition in the market but also prevents potential

competition by creating barriers to entry.⁸² There are not any barriers to entry in the market where BİLETİX is operating stemming from legal and administrative barriers such as state monopolies, authorization and licensing requirements and intellectual property rights or barriers stemming from sunk costs. On the other hand, indirect network effects stemming from the nature of two-sided markets are the greatest barriers to entry in the market. Network effects become more obvious after a certain number or rate of subscription is reached and from that point on, network effects play an important role in the growth of the network. Even if platforms in two-sided markets do not have fixed costs, they have to reach the critical mass at least on one side of the market to benefit from network effects and to remain in the market.

- (249) On the other hand, it is seen from the market, during the period in question, BİLETİX made (.....) and (.....) of the total organizers who preferred to work with a ticketing company for the sale of their events' tickets to consumers dependent to itself and prevent those users from multiple access. Even if a new entry persuades a part of the remaining organizers in the part of the market which is open to competition by providing an equal or better service, it is difficult for it to go beyond the critical volume threshold and benefit from the advantages created by indirect network externalities and operate at an efficient scale in the market. Because of the abovementioned facts, BİLETİX's exclusive contracts prevent the emergence of alternative platforms by strengthening the existing barriers to entry.
- (250) Consequently, the exclusivity provisions in the contracts examined do not fulfill the condition that competition in a substantial part of the relevant market should not be eliminated.

d) Competition must not be restricted more than necessary to achieve the objectives listed in (a) and (b)

- (251) In the assessment of whether competition is unduly restricted or not, the expected efficiency gains should be peculiar to the contract that is the subject of the file. In another words, those efficiencies cannot be gained through economically reasonable and less restrictive ways.
- (252) BİLETİX put forward the following arguments to show that the said condition is fulfilled:
- Advance payments are necessary for organizers to finance their events.
BİLETİX's ability to pay advances is dependent on the likelihood of selling sufficient tickets to cover its investments. Exclusivity ensures that the organizer sells its tickets via BİLETİX, which maximizes the possibility to get the rewards of its investment.
 - It would not be sufficient to oblige the organizers to make certain amount of sales via BİLETİX without exclusivity. This increases the risk that BİLETİX may not get the rewards of its investments and affects BİLETİX's incentive to pay advances. In a scenario where the event organizer sells a part of its tickets via another ticketing company, the possibility of recompensing BİLETİX's investments is low.
 - Exclusivity model is preferred to allocation of a minimum ticket number to the ticketing company. If organizers fall down on the job, they have difficulty to allocate the minimum ticket number to the ticketing company. Organizers comply with exclusivity provisions irrespective of a deterioration in their business. Advance payments necessitate exclusivity contracts of at least two

⁸² Vertical guidelines, para.84

years because the amount of advance payments depends on the ticket volume which BİLETİX expects the organizer to sell during the contract period. Exclusivity contracts of shorter time may lower the amount of advance payments that BİLETİX may provide and affect organizers' activities. On the other hand, longer exclusivity can produce better results in terms of investments in the sector, quality and variety.

- (253) As stated in the assessment regarding subparagraphs (a) and (b), BİLETİX's advance payments to organizers are not an essential facility to ensure supply continuity. It is not a common practice in the overall sector, either. Even if it is accepted that it is necessary for BİLETİX to make exclusivity contracts with organizers whom it pays advances, this will not constitute a reason for making all other contracts exclusive. Moreover, contrary to what BİLETİX argues, the benefits provided by advance payments can also be obtained by giving a large part of the right to sell tickets to BİLETİX rather than exclusive contracts. In case this scenario becomes reality, since the organizer has multi-homing ability to promote its event and to sell tickets, the event will be announced to larger groups and have a chance to attract more consumers. If the event reaches more consumers, BİLETİX will be able to get the rewards of its investments. Besides, the market will be more competitive.
- (254) In the literature related to two-sided markets, single-homing means that the user prefers only a platform whereas multi-homing means that users subscribe to and use more than one platform at the same time. Multi-homing is the result of product differentiation. It is regarded important both for balancing against monopolization and boosting competition in two-sided markets. In a market with multi-homing, since there is demand for more than one platform, it is possible for a new entry to create a platform without persuading customers to leave an existing platform.
- (255) In terms of the concrete case, BİLETİX's exclusive agreements oblige single-homing on the organizer side of the market; in other words, restrict organizers' multi-homing ability. Therefore, whether the ability of organizers who work with BİLETİX for multi-homing is eliminated because there are exclusive agreements or multi-homing is not possible due to the functioning of the market is important for the assessment of last exemption condition. In order to enlighten this issue, whether it is operationally and commercially possible to sell event tickets by more than one ticketing company at the same time is asked to BİLETİX, competitors and organizers in the market during the investigation process. The answers are given hereunder:
- BİLETİX stated that it is advantageous for organizers to work with a single firm for the sale of tickets. In this way, organizers do not have to sign more than one contract with more than one ticketing company, besides double delivery costs are prevented.
 - (.....)'s statements are as follows: there are neither financial nor technical barriers to sell tickets via different channels. The most likely problem would be selling the same seat more than once in reserved events and selling tickets more than the capacity in unreserved events. However, those problems can be managed by organizers. Ticketing companies may sell different seats in reserved events.
 - (.....) stated that there is no obstacle in front of selling the tickets of the same event through different channels. There are similar practices abroad and such practices increase both the competition in the market and organizers' promotion

ability.

- (.....) states that it is possible to work with more than one ticketing company by giving the sale of certain rows and seats to different companies.
- (.....)'s statements are as follows: There are no barriers to sell the same tickets of the same event in different channels. To the contrary, this will lead to innovative solutions in the future. Each company can sell the seats allocated to it in reserved events. Ticketing companies can establish a joint structure for the ticket controlling system or provide separate operational services. An organizer can work with more than one ticketing company abroad.
- (.....)'s statements are as follows: They have not sold tickets together with a competitor until now. The possible problems in such case are disorganization in seat selection, problems in entrance due to turnstile system and failures in central reporting.

- (256) Accordingly, while BĪLETĪX and (.....), who are working with exclusively almost with all organizers, pointed out that there may be operational difficulties in selling the same event tickets via different channels, (.....) suggested that there are no barriers, on the contrary, this will create positive effects. One of the organizers working with BĪLETĪX, (.....) said that there is no problem in working with more than one ticketing company. (.....) stated that BĪLETĪX announces the event and creates a demand, so working with more than one ticketing company will be unfair for BĪLETĪX. (.....) highlights that it is important to sell tickets via more than one company to reach more audience for the plays. (.....) argues that selling tickets through more than one channel does not pose problems, on the contrary, each sales channel has its own customer group and BĪLETĪX's exclusivity provisions prevent working with different channels. (.....) highlights that working with more than one company is not a problem but preparing contracts, control and promotion materials with each firm requires intensive efforts.
- (257) Moreover, one of the organizers working with BĪLETĪX (.....) states that selling tickets by means of more than one ticketing company will bring along operational and commercial difficulties. The opinions of the said organizers can be summarized as follows: Consumers may be confused in terms of which channel and ticketing company they can buy tickets from. The same seat can be sold twice in reserved events. There is a risk of selling over capacity in unreserved events. A larger number of staff is needed for operational reasons (entrance, controlling tickets, etc.).
- (258) Consequently, it is understood that while some of the organizers think that it is more efficient to work with a single company due to operational costs, others suggest that they can work with more than one ticketing company because there will be more promotion options since each ticketing company has its own consumer group.
- (259) Beside the opinions of the undertakings and organizers active in the sector, whether it is practically possible to sell the same tickets through different companies is important. Therefore, the actors in the sector were asked whether their competitors also sold tickets in an event where they mediated for the sale of tickets; if so, whether they encountered any problems. The table below shows which two different companies sold tickets for which events and the nature of the events (reserved/unreserved).

Table 40: Events where tickets were sold by more than one company⁸³

Undertaking ⁸⁴	Year	The event where tickets were sold together with a competitor. Number	Name	Competitors who also sold tickets	Explanation on the event (reserved/unreserved)
BİLET.COM	2018	1	(.....)	(.....)	Unreserved
	2019	2	(.....)	(.....)	Unreserved
		1	(.....)	(.....)	Unreserved
AKTİFBANK	2019	1	(.....)	(.....)	Unreserved
		4	(.....)	(.....)	Unreserved
		1	(.....)	(.....)	Unreserved
BİLETİNİAL	2019	4	(.....)	(.....)	Reserved
		2			Unreserved
		2			Reserved/unreserved
BİLETİNO	2017	4	(.....)	(.....)	Unreserved
	2018	3	(.....)	(.....)	Unreserved
		2	(.....)	(.....)	Unreserved
		4	(.....)	(.....)	Unreserved
		2	(.....)	(.....)	Unreserved
	2019	8	(.....)	(.....)	Unreserved
		6	(.....)	(.....)	Unreserved
		1	(.....)	(.....)	Unreserved
		1	(.....)	(.....)	Unreserved
BUGECE	2017	1	(.....)	(.....)	Unreserved
	2018	1	(.....)		
	2019	1	(.....)		

Source: Information obtained from undertakings

(260) It is seen from the information above that different undertakings can currently sell the tickets of the same event although to a limited extent. Nevertheless, BİLETİX's exclusive contracts have a significant effect on this. It is known that BİLETİX's exclusive contracts foreclosed (.....) and (.....) of the market during 2016-2019 period in terms of the number of events. In addition, the events where two different firms sell the tickets are generally unreserved.

(261) With respect to how coordination is made by the competitors who sell the tickets and whether undertakings encounter any problems,

⁸³ BİLETWAY stated that they did not sell tickets together with a competitor because their contracts were exclusive. BİLETİVA could not provide the said information due to the outbreak. Information could not be obtained because MOBİLET exited the market in 2019.

⁸⁴ During the investigation, the undertakings informed that they sold tickets together with BİLETİX; BİLETİX was also requested information. However, BİLETİX told that they did not have such information. And explained that this may be because MİLYON YAPIM started to sell its tickets; some event groups are organized by different organizers who work with different ticketing companies and the events can be sold by competing ticketing company close to the end of the contract period. However, it is seen that the events given in the table do not match the cases indicated by BİLETİX. BİLETİX also stated that they did not know whether organizers who were not exclusive worked with more than one ticketing company.

- (.....)'s answer is as follows: In case the organizer has an online sale infrastructure, ticket sales by all companies can be seen in the system so the organizer can monitor the tickets sold in its system. There is no problem stemming from the tickets sold in this system. If the organizer does not have a sales infrastructure, in case the event is reserved, the organizer allocates the rows among companies. In case the event is unreserved, the organizer allows each company a specific amount to sell. As a result, the organizer tries to coordinate the firms. In this method, it may be difficult to coordinate the companies.
- (.....) and (.....) answered that they did not experience any problems when they sold tickets with a competitor. If the event is reserved, the seats are shared between the companies whereas the capacity is allocated among the companies in unreserved events.
- (.....)'s answer is as follows: The organizer decided the sales amount to be made by each company according to the capacities it determined in the events where they and their competitors sold tickets. Each company's staff checked the tickets at the entry for the sales made over their systems. They have not experienced any problems in the organizations where tickets were sold in this way.
- (.....)'s answer is as follows: When the event tickets are sold by two ticketing companies, the organizer does not coordinate them. Since the system infrastructures are different, ticketing companies are located at different places at the entrance. Consumers enter the venue through the part belonging to the company from which they have bought the tickets. They have experienced visibility problems in the tickets commonly sold in Zorlu PSM. All the physical box offices belong to BİLETİX in Zorlu PSM, therefore they are told that they cannot be located at the entrance. They have not encountered a serious problem except this one.

(262) It is inferred from the explanations above that if the organizer has the necessary infrastructure, competitors can sell the tickets of the same event through the organizer's software easily irrespective of whether the event is reserved or unreserved. It is possible to see the examples of this in practice. For instance, airline tickets can be bought through the website of the relevant airline as well as ticketing platforms that show the flights of different airlines. On the other hand, if the organizer does not have the necessary infrastructure, the organizer should ensure coordination in the sale of tickets by different companies. In this case, capacity should be allocated in unreserved events whereas seats should be shared among ticketing companies in reserved events. These solutions are developed for multi-homing, which is limited at present. When multi-homing prevails in the market, organizers may improve their infrastructures; ticketing companies may establish a joint structure or different firms may enter the market to enable such access.

(263) The only argument BİLETİX made with respect to subpragraph (d) is the advance payments to organizers. BİLETİX gave (.....) customers advance payments whereas it worked with (.....) organizers exclusively between 2016 and 2019. It is possible that a part of those organizers might want to work only with BİLETİX on an event base or during the term of the contract because they did not want to bear operational costs of multi-homing even if there were no exclusive contracts. Some of the opinions given above are in line with this.

- (264) On the other hand, BİLETİX's exclusive contracts prevent organizers, who think that the benefits of multi-homing surpass the costs, from working with competitors for both different events and the same events throughout the year. Consequently, due to exclusivity provisions, organizer side of the market focuses on BİLETİX, increasing customers' dependency to BİLETİX. The opportunity to work with a competitor, which is already limited because of the dominant firm in the market and indirect network externalities, is completely eliminated due to exclusivity contracts. As a result, the exclusivity provisions under investigation do not fulfill the condition that competition is restricted more than necessary to achieve the objectives listed in subparagraph (a) and (b).
- (265) In light of the explanations above, the reasons suggested by BİLETİX regarding the exclusivity provisions in its contracts cannot be grounded concretely and the contracts in question do not fulfill the individual exemption conditions as a whole.
- (266) BİLETİX's current contracts with organizers include two-year exclusive provisions according to Biletix-6 decision taken by the Board in 2013. BİLETİX's exclusivity contracts have been evaluated again under current conditions within the scope of this investigation. It has been concluded that BİLETİX's contracts with organizers cannot benefit from block exemption according to the Communiqué no 2002/2 because of its market shares during the period 2016-2019 and individual exemption due to failure to fulfill the conditions listed in article 5 of the Act no 4054. It has been also found that the contracts have foreclosure effects. It has been considered appropriate to send an opinion to BİLETİX that BİLETİX should avoid making contracts which include exclusivity provisions or provisions that might result in de facto exclusivity as of the notification of the short decision.

I.7. BİLETİX'S PLEA AND ASSESSMENT THEREOF

I.7.1. The Arguments that BİLETİX is not Dominant

I.7.1.1. The Argument that BİLETİX has Low Market Share

- (267) BİLETİX's arguments are as follows: Football game tickets are not included in the calculation of ticket sales because the relevant market is defined as *"the market for intermediary services for the sale of tickets (except football games) through a platform"*, unlike Biletix-6 decision. Thus, BİLETİX's market share is calculated much higher than the said amount without considering the competitive pressure by AKTİFBANK, which is active in selling football game tickets, which causes an artificial inflation in BİLETİX's market share. Football game tickets should be included in the relevant market because there is demand substitution. In light of a such definition, BİLETİX's market share is lower than 40%. This will be a strong indication that BİLETİX is not dominant.
- (268) As of April 14, 2014, pursuant to the Act no 6222 on the Prevention of Violence and Disorder in Sports, tickets of organizations such as Spor Toto Super League, Spor Toto First League matches as well as Champions League, UEFA League and Ziraat Türkiye Cup are sold PASSO Ticketing Platform belonging to AKTİFBANK. Due to that legal regulation, BİLETİX and its competitors do not sell tickets for those events. Thus, *"the market for intermediary services for football games"* is closed to competitors and is not included to the market definition under the scope of the investigation. Moreover, market definition is made taking into account not only market share but also many other criteria such as bilateral nature of the relevant market, barriers to entry due to indirect network externalities, lack of countervailing buyer power and lack of significant changes in the market in the past. Consequently, it is not possible to agree with this argument.

I.7.1.2. The Argument that Other Ticketing Companies Preclude Market Power

- (269) BİLETİX's arguments are as follows: Only eight electronic ticketing companies among the competitors are included. Some other ticketing companies such as Tixbox, Dsmbilet, Milyonbilet, Acikgise.com, Biletantalya.com, Tiyatrolar.com active in Türkiye are not included. The said ticketing companies have competitive pressure on BİLETİX, precluding the said market power finding. AKTİFBANK is de facto a monopoly. With the monopoly profits in this area and (.....) as well as high brand recognition, its pressure is strong, which complicates the alleged high market power finding regarding BİLETİX. Even relatively smaller ticketing companies create strong competitive pressure on BİLETİX individually or together by gaining contracts. This competitive pressure by competing ticketing companies forces BİLETİX to give serious concessions such as paying high advances and signing fees not to lose short term contracts. Within this framework, one of the conditions of dominant position determination "*ability to act independently of competitors*" is not fulfilled in terms of BİLETİX.
- (270) Although there are local undertakings with limited activity area in the market, the impact of those undertakings on the market is too small to affect the market. Biletix-6 decision dated 2013 highlights that the difference between BİLETİX's and its competitors' market powers is very high and this difference is maintained for seven years. It is seen that the significant difference between BİLETİX and its competitors remained between 2016 and 2019 in terms of event number, ticket number and ticketing revenues. As of 2019, BİLETİX's market share with respect to the number of events is (.....) times more than its closest competitor, (.....) times more than its closest competitor in terms of the number of tickets and (.....) times more than its closest competitor in terms of ticketing revenues. Consequently, the facts that the market structure has not changed since 2013 significantly and BİLETİX has maintained its high market power level for long years indicate the lack of competitive pressure from competitors.
- (271) It is understood that only a small group of the customers that were working with BİLETİX switched to a competing platform. The exception is ZORLU PSM's switching to AKTİFBANK in 2019. It is seen in the information obtained during the investigation that AKTİFBANK promised to pay totally (.....) TL advance. Therefore, this is a case peculiar to only one year in the period investigated and it cannot be interpreted that AKTİFBANK makes a serious competitive pressure.

I.7.1.3. The Argument that Low Barriers to Entry Preclude Market Power

- (272) BİLETİX's arguments are as follows: There have been many entries since the Board's *Biletix-6* decision. The Investigation Report considers the two-sided nature of the market, BİLETİX's wide range of events and brand recognition as barriers to entry. This is because organizers want to give their events to a ticketing company with high number of visitors and this fact is not a significant barrier to entry. Therefore, ticketing companies' recognition level is not a barrier to entry. With respect to advertising in Türkiye, channels such as radio, television, newspaper, magazines and billboards, and social media and Google especially, are much more important than ticketing companies' websites, which is verified by BİLETİX's user surveys. Only (.....)% of the users directed towards BİLETİX's website from a search engine like Google makes a search by using "Biletix". This rate is a proof showing that most of the visits are not related to BİLETİX. Taking into account the users who learn that BİLETİX sells tickets via another advertisement channel (television, radio, e-mail, etc.), this rate will be higher than indicated. Thus this cannot be attributed to BİLETİX, either. Most of the

users directed by social media sites to BĪLETĪX come from Youtube, Twitter, Facebook, Instagram and WhatsApp. In addition, it is seen that visitors coming through directing sites are from organizers' websites and specialized websites containing information about future concerts. As a result, advertisements made by organizers in television, social media and similar channels play a role in users' decision to visit BĪLETĪX's website. Therefore, the number of visitors to BĪLETĪX's website only reflects the success of organizers' advertisement campaigns in directing buyers to websites and has no other meaning. Incumbent ticketing companies' recognition level does not constitute a barrier to entry.

- (273) The fact that there are not financially and legally high costs in terms of entry does not mean that there are not any other barriers. New entries have not created effects on BĪLETĪX's market power for a long time if the period investigated in Biletix-6 decision is considered. The reason for this is the other barriers to entry that negatively affect undertakings' activities and create operational costs. The most important barriers to entry, which also constitute BĪLETĪX's market power, are network externalities and brand recognition stemming from product/customer portfolio power. At present, BĪLETĪX's consumer portfolio is nine times larger and organizer portfolio is three times larger than its closest competitor.
- (274) The advertisement channels and their penetration as stated by BĪLETĪX are not ignored. Nevertheless this fact does not understates the importance of ticketing companies as a promotion platform. According to the data provided by the parties, (.....)% of those who accessed to the undertaking's website by entering one word in the search engine used "biletix". This rate seems low however it does not indicate a certain fact because it does not take into account the possibility that consumers may write different word groups such as "event name + biletix" etc. in the search engine although they know BĪLETĪX. In addition, the fact that consumers search an event in the search engine does not mean that BĪLETĪX does not have brand recognition. Because it is always possible that the consumer may be aware of both and choose one. In addition, it is seen in the same data that the most searched word after "biletix" is (.....)% lower. It is possible to say that consumers have searched for "biletix" the most. As stated in the relevant part of the decision, competitors and organizers emphasize BĪLETĪX's brand recognition.

I.7.1.4.The Argument that Sales by Venue Owners and Main Box Office Sales Preclude Market Power

- (275) BĪLETĪX's arguments are as follows: Ticket sales by venue owners create an important additional competitive pressure on BĪLETĪX. If those are added to market share calculation, BĪLETĪX's market share will be below (.....)%. Customers' potential to sell tickets themselves gives them countervailing buyer power and prevents BĪLETĪX from exerting market power on customers, which precludes dominant position by means of competitive pressure. Sales at the main box office are another reason why BĪLETĪX does not have market power. Consumers can buy tickets from different sales channels including main box offices, which correspond to about (.....)% of BĪLETĪX's sales. In a scenario where service fees increase for e-ticket sales, some of the consumers will buy tickets at the main box office and create competitive pressure. Consequently, those should be taken into account in market definition.
- (276) It seems impossible that undertakings selling tickets online for only the events they organize can make significant competitive pressure on BĪLETĪX and other undertakings in the market. One of the main benefits of platforms like BĪLETĪX for

consumers is the ability to have information about more than one event and make comparisons. In another words, platforms have promotional functions. Therefore the organizer is an alternative only in one specific event for the consumer whereas a ticketing company can be an alternative in all different events. Since it is impossible for organizers' websites that sell only their tickets to have a portfolio as wide as BİLETİX and benefit from network externalities, they cannot face a consumer demand similar to BİLETİX's or its competitors'.

- (277) Similarly, it is observed that in terms of organizers' demand, there is not a substitution relation between selling their own tickets and purchasing a ticketing service that requires considering those services in the same market. It is stated in the assessment that ticketing companies provide the organizer with the opportunity to reach a certain consumer group and promote an event. However, if organizers sell their own tickets, they cannot benefit from that opportunity. Selling other organizers' tickets involves costs such as diversifying sales channels, agreeing with competing organizers, the necessary software, infrastructure and personnel investments. It is not possible to agree with BİLETİX's argument that undertakings selling their tickets and sales at the main box office preclude market power.

I.7.1.5. The Argument that Strong Countervailing Buyer Power Precludes Market Power

- (278) BİLETİX's arguments are as follows: BİLETİX provide event organizers advantages such as signing fee, advance payments and the share given to organizers. Organizers who cannot benefit from those can work with competing companies, thus organizers have countervailing buyer power. Event organizers have the power to fix BİLETİX's service fee and set a maximum level for that fee. Such ability contradicts with BİLETİX's alleged market power.
- (279) None of the undertakings in the market alone is large enough to have countervailing buyer power alone and indispensable for BİLETİX. It is stated in the Guidelines on The Assessment Of Exclusionary Conduct By Dominant Undertakings, that *"buyer power may be considered not to form sufficient competitive pressure if it only ensures that a limited segment of customers is shielded from the market power of the dominant undertaking."* Therefore, it is not possible to agree with BİLETİX's argument that organizers have countervailing buyer power taking into account the scattered nature of the organizers' market as well as the share of the organizer who provides the most revenues to BİLETİX in BİLETİX's all revenues.

I.7.1.6. The Argument that BİLETİX's Prices and Profit margin are Competitive

- (280) BİLETİX's arguments are as follows: The investigation report, which analyzes the pricing strategy in detail, concludes that there are not any excessive prices. Its profit margin is similar to or lower than competitors. In some years they suffered from losses. If BİLETİX were dominant it could increase its prices and profit margin to exceed its competitors and would not bear losses. Consequently, BİLETİX cannot be dominant because it applies competitive prices and margins according to the findings in the report.
- (281) A holistic analysis of market dynamics is important in determining a dominant position; an undertaking's pricing behavior alone does not play a role. Dominant position analysis is made considering criteria such as the market position of BİLETİX and its competitors, the structure of the market, barriers to entry, etc. On the other hand, "power to determine prices" in the definition of dominant position in the Act no 4054,

means the ability rather than the conduct itself. Thus, it is not possible to agree with the argument that the undertaking is not dominant depending on its current pricing behavior and profit margin.

I.7.2. The Argument that the Possible Effect of BİLETİX's Contracts on Competition cannot be Analyzed

- (282) BİLETİX argued that an analysis was made on the basis of individual exemption under article 5 depending on the argument that BİLETİX's contracts foreclosed the market without making an evaluation into whether the contracts were anticompetitive according to article 4 of the Act no 4054; therefore an analysis should have been made under article 4 of the Act no 4054.
- (283) Exclusive agreements especially in the sectors where undertakings carry out their fundamental activities are restrictive of competition by nature. Because exclusive agreements lead to several anticompetitive effects such as barriers to entry, foreclosure, etc. However, those agreements can benefit from exemption in case they fulfill the conditions listed in article 5 of the Act no 4054 and in other relevant legislation. Almost all of BİLETİX's contracts with organizers include exclusivity provision. Within the framework of those contracts, organizers cannot work with a ticketing company apart from BİLETİX. Depending on this, it is obvious that BİLETİX's exclusive contracts are under the scope of article 4 of the Act no 4054.

I.7.3. The Argument that BİLETİX's Contracts can Benefit from Block Exemption according to the Communiqué no 2002/2

- (284) BİLETİX argued that if the market is defined in a way to cover football matches, BİLETİX's market share will be lower than 40% for the last four years and can benefit from the Communiqué no 2002/2 that exempt vertical agreements from the prohibition in article 4 of the Act no 4054 in case the provider's market share is lower than 40%.
- (285) The explanation why football matches are not included in the relevant market definition is given above. Accordingly, it is not possible to agree with BİLETİX's argument. In the market for *"intermediary services for the sale of event tickets (except football matches) through a platform,"* BİLETİX's market shares in terms of the number of events, the number of tickets and ticketing revenues exceed 40%. Therefore the contracts in question cannot benefit from block exemption provided by the Communiqué No 2002/2.

I.7.4. The Plea Concerning Individual Exemption

- (286) BİLETİX argued that its exclusive contracts fulfill individual exemption conditions in article 5 of the Act no 4054.

I.7.4.1. The Argument that BİLETİX's Contracts Lead to Important Efficiency Gains

- (287) BİLETİX's arguments are as follows: Thanks to BİLETİX's contracts, customers can have sufficient financing beforehand. Contracts are indispensable for the organization of events that enable ticket sales. Efficiency gains occurring in this context are beneficial for both organizers and consumers thus they completely fulfill the condition under Article 5. The fact that exclusivity can be justified for only a part of the market is not an adequate reason for prohibiting exclusivity throughout the market. Such approach can harm customers who need financing beforehand. It is expected that more organizers will need financing beforehand in the future due to Covid-19 outbreak.

Advance payments are important especially for big customers who organize very costly large concerts for famous singers. Exclusive contracts help organizers to provide more advantageous financing conditions compared to banks. In addition to the guarantee, advance payments enable predictability and cooperation in a way to create also competitive benefits to both parties.

- (288) It is seen that the number of events by the organizers who use advances corresponds to a small part of the market but such undertakings organize relatively more popular events and revenues per event are expected to be higher. Consequently, it is seen that BİLETİX provides financing support to those undertakings and it expects higher revenues and thus gains higher revenues. However, it is understood that the that this practice is not very important for ensuring the continuity of the supply on the overall market. In 2019, undertakings who do not use advances showed a boost in terms of both the number of events and revenues they created. Moreover, the increase in the number of events organized by undertakings who use advances has decelerated significantly. Therefore, although it is seen that advance payments by BİLETİX provide a mutual benefit for the parties in the commercial relations, on the basis of the data at hand, it is not possible to conclude that this practice is necessary for the market as a whole. In addition, the undertaking failed to show how the exclusivity in the agreements with the undertakings who do not use advances ensure supply continuity in the market. Consequently, it is not possible to agree with the argument that BİLETİX's advance payments are very important to ensure supply maintenance in the overall market. Moreover, there is no obstacle in front of BİLETİX to make agreements with organizers on an event basis when exclusivity is terminated.
- (289) Although BİLETİX argued that the investments made to improve the IT infrastructure lead to efficiencies by providing better services to organizers and consumers, as a matter of fact, the said investments should be made in the normal course of commercial life. BİLETİX carries out intermediary services for the sale of tickets through a platform. There is no causality between its technological investments and its exclusive contracts.
- (290) In light of the assessments made above, it is concluded that BİLETİX's agreements do not meet the requirement of ensuring new developments or improvements or economic or technical improvement in the production or distribution of goods, and in the provision of services.

1.7.4.2. The Argument that Consumers Benefit from BİLETİX's Exclusive Contracts

- (291) BİLETİX states that exclusive contracts provide important benefits to customers who wish to finance the events and improve their business, which is important especially for large customers; it is expected that more customers will need financing due to the outbreak.
- (292) The second condition of exemption is that consumers must also benefit from the efficiency gains generated. BİLETİX mentions the benefits of exclusive contracts for organizers but does not make any explanations concerning the benefits for consumers. Even if BİLETİX's argument about supply sustainability is also valid for consumers, it is thought that exclusivity is not necessary for supply sustainability. Exclusive agreements eliminate the opportunity for consumers to buy the tickets of the same event elsewhere and reduce their options. As a result, it is found that BİLETİX's exclusive agreements do not fulfill that condition.

I.7.4.3. BİLETİX's Argument that Its Exclusive Contracts do not eliminate competition

- (293) BİLETİX's arguments are as follows: (.....)% of BİLETİX's contracts are opened to competitors' access in one year and (.....)% of those are opened to competitors' access in two years, thus foreclosure is not possible. When it comes to BİLETİX, considering that there is no vertically integrated structure and the terms of agreements are limited to two years, the contracts are far from foreclosing the market. Competitors cannot make use of the opportunities because they are less attractive than BİLETİX and this fact is not related to BİLETİX's contracts. At this point, the added value and trust relationship with customers are important. The finding that competitors cannot make agreements is not true. BİLETİX has lost customers including big organizers in the last four years, which support this. As a result, market has not been foreclosed.
- (294) The assessment for article 5 of the Act no 4054 is made taking into account not only foreclosure rates but also market characteristics and barriers to entry. Rather than the number of competitors in the market, to what extent those competitors can make pressure on BİLETİX is important.
- (295) The rates of market foreclosure are calculated on the basis of three different criteria: the number of events, the number of tickets and ticketing revenues. BİLETİX's calculation is based on the variable number of tickets where its market share is the lowest and the year 2019. The fall in BİLETİX's market share in terms of the number of tickets is because BİLETİNİAL had movie tickets in its portfolio and made a cooperation with the Ministry of Culture and Tourism for 2019-2020 season becoming the official ticket sale platform for all the events under the Ministry's umbrella. Moreover, BİLETİX's calculation is about only how many tickets competitors can have in the future and does not take into account the actual situation in years. The foreclosure rates in the Investigation Report are calculated taking into account the data concerning the events organized, the total number of tickets sold and ticketing revenues. Even BİLETİX's calculation method is adopted, as a result of a rough calculation, it is found that BİLETİX foreclosed (.....)% of the market in terms of the number of events and the ticketing revenues gained in 2019. The rate is compatible with the finding in the Investigation Report that nearly (.....)% of the market is open to competition every year.
- (296) The indirect externalities in the market is already a barrier to competitors for reaching an adequate customer portfolio and BİLETİX's exclusive agreements reinforce that effect. Foreclosure of the large part of the market in certain times prevents competitors from having a large and diverse event portfolio because they cannot get to organizers. This is also a barrier to reaching consumers at the other side of the market. It is not possible to agree with the argument that BİLETİX's contracts do not eliminate competition in a significant part of the market.

I.7.4.4. The Argument that Contracts do not Restrict Competition More than Necessary for the Efficiency Gains

- (297) BİLETİX's arguments are as follows: The level of advance payments depends on the number of tickets that BİLETİX expects to sell. The risk for BİLETİX increases in line with the uncertainty about whether the advance payments will be returned. Thus in case exclusivity is terminated, the number of tickets BİLETİX will sell will decrease while its risk will grow and BİLETİX will pay lower advances to customers. If BİLETİX cannot request exclusivity, competition will be reduced. BİLETİX's exclusive contracts

create important gains in the market and should benefit from individual exemption according to article 5 of the Act no 4054.

- (298) In the assessment of whether competition is unduly restricted or not, the expected efficiency gains should be peculiar to the contract that is the subject of the file. In another words, those efficiencies cannot be gained through economically in the reasonable and less restrictive ways. The only argument BİLETİX made concerning the fulfillment of subparagraph (d) is the advance payments to organizers. BİLETİX gave (.....) customers advance payments whereas it worked with (.....) organizers exclusively between 2016 and 2019. Even if it is accepted that it is necessary for BİLETİX to make exclusivity contracts with organizers whom it pays advances to this is not a reason for making all other contracts exclusive.
- (299) In addition BİLETİX's exclusive contracts oblige single-homing on the organizer side of the market with its exclusive contracts; in other words, restricts organizers' multi-homing ability. It is thought that in case exclusivity is eliminated, since the organizer has multi-homing ability to promote its event and to sell tickets, the event will be announced to larger groups and have a chance to attract more consumers.
- (300) Moreover, BİLETİX's exclusive contracts prevent organizers, who think that the benefits of multi-homing surpass the costs from working with competitors for both different events and the same events throughout the year. Consequently, exclusivity provisions focus on BİLETİX, increasing customers' dependency to BİLETİX. It is concluded that the opportunity to work with a competing platform, which is already limited because of the existence of a dominant firm in the market and indirect network externalities, is completely eliminated due to exclusivity contracts. It is not possible to agree with the undertaking's argument due to the explanations above.

J. CONCLUSION

- (301) According to the Report prepared and the Additional Opinion regarding the investigation conducted per the Board decision dated 20.06.2019 and numbered 19-22/341-M, evidence collected, written pleas, the explanations made during the oral hearing and the scope of the file examined, it was decided UNANIMOUSLY that
- 1) Biletix Bilet Dağıtım Basım ve Ticaret A.Ş. holds a dominant position in "the market for intermediary services through a platform for the sale of event tickets (except football matches)"
 - 2) However, Biletix Bilet Dağıtım Basım ve Ticaret A.Ş. did not violate article 6 of the Act no 4054 by means of adding extra costs to ticket prices under different names, therefore, it is not necessary to impose administrative fines to the said undertaking,
 - 3) The Presidency shall be assigned to send an opinion to the Ministry of Trade that measures might be taken within the scope of the Act no 6502 on the Protection of Consumers about drip pricing, which is considered disadvantageous for consumers,
 - 4) The agreements made by Biletix Bilet Dağıtım Basım ve Ticaret A.Ş. with organizers do not benefit from block exemption under the scope of the Block Exemption Communiqué no 2002/2 on Vertical Agreements
 - 5) The said agreements cannot be granted individual exemption because the conditions listed in article 5 of the Act no 4054 are not fulfilled,
 - 6) Biletix Bilet Dağıtım Basım ve Ticaret A.Ş. should not make agreements which include exclusivity provisions or provisions that might result in de facto

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exclusivity as of the notification of the short decision

With the decision subject to review before Ankara Administrative Courts within 60 days as of the notification of the reasoned decision.