

## Chapter 8

# Digital Transformation of Ticketing Services: A Value Chain Analysis of POPTICKET in Hong Kong

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### ABSTRACT

*Online event ticketing is booming, and the competition in the event ticketing industry is keen. This study analyzes the business environment of ticketing services platforms, especially for newcomers, to provide novel digital transformation solutions. This study selects POPTICKET Limited (PT) as a case for a small online business in Hong Kong. The authors apply the value chain analysis to systematically examine PT's operations and marketing strategies based on an interview with its co-founder and the information retrieved from its website. As a small business started three years ago, this study identified problems mainly caused by a lack of resources. Recommended digital transformation strategies include launching AI services, establishing delivery partnerships, and social media marketing based on the AIDA model. Scant literature has investigated the digitalized online ticketing industry, especially in the market of East Asia.*

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## **INTRODUCTION**

The worldwide market for online event ticketing was predicted to be worth US\$49.2 billion in 2020 and will increase to US\$60 billion by 2026 (Global Industry Analysts Inc., 2021). Although some past studies have examined the event ticketing industry or systems, especially newly related to the application of blockchain technology in e-ticketing systems (Nugraha et al., 2021; Regner et al., 2022), scant studies have analyzed the existing business operations of a particular ticketing company for recommending strategies concerning the inevitable trend of digitalization through the application of Porter(1985) value chain framework (Jambal & Jambal, 2022; Kehoe & Mateer, 2015; Razak & Vattikoti, 2018), especially in East Asia.

The ticket industry is booming in Hong Kong with keen competition, such as Hong Kong Ticketing and Cityline (Urbtix) leading the market and the emergence of new ticketing platforms like POPTICKET, KKLIVE, Ticketflap, etc. To better understand the recent digital transformation of ticket services in Hong Kong, this study selected POPTICKET Limited (PT) for analysis. PT is a small-scale online ticketing platform started in early 2019, aiming to provide organizers and audiences with a secure ticketing system different from traditional ones to provide audiences with a better ticketing experience. PT has provided services for over 1,700 events in collaboration and works closely with some large-scale art and cultural organizations like the Hong Kong Arts Development Council, Hong Kong Philharmonic Orchestra, Hong Kong Ballet, and City Contemporary Dance Company (POPTICKET Limited, n.d.).

To fill the research gap, this study aimed to (1) develop an understanding of the industrial ecosystem of the event ticket industry in Hong Kong with PT as the case; (2) identify the issues of PT as a small startup business in the industry; and (3) recommend possible solutions to PT by addressing its issues to achieve its goal of becoming the top three in the online ticketing industry in Hong Kong. This study illustrates the digital transformation strategies, including artificial intelligence (AI) services, delivery partnerships, and social media marketing, based on the AIDA (Attention, Intension, Desire, Action) marketing communication model (Jiang, Chiu, & Chan, 2023). Despite the study context of Hong Kong, the way of employing the value chain framework (Porter, 1985; Cheung et al., 2020) to identify current issues in the case's value chain and recommended digital transformation strategies (Sun et al., 2022; Tse et al., 2022; Wu et al., 2023) could offer some insights regarding how to start up and operate a small business in the ticketing industry with major competitors to the academic researchers, small startup business owners, marketing researchers, and other associated practitioners.

The chapter first discusses and reviews previous literature on the ticketing industry and value chain analysis (Porter, 1985), thus illustrating the research gap to be filled by this study. After that, PT's value-related business operational activities are analyzed by Porter (1985)'s value chain framework in a sequence of inbound logistics, operation, outbound logistics, marketing and sales, and services. Then, some recommendations are suggested according to the issues discovered by our value chain analysis. Finally, the Conclusion summarizes the key issues and recommendations developed, followed by this study's practical contribution, limitations, and suggested future research topics.

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