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Cameron M. Weber, Ph.D.
weberc1@stjohns.edu
cameroneconomics.com

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"When is a Monopoly not a Monopolist? A Case-Study on Ticketmaster"

Mainstream monopoly theory and as related to anti-trust measures evaluates the concentration of an industry to determine if a firm has monopoly power within an industry (Cabral 2000). If a firm is dominant within an industry then it is presumed that consumer surplus is being reduced at the expense of producer surplus and that the industry requires competition regulation by the state. Our research presents a critique of this mainstream thought using the classical liberalism of robust (and open) political economy (Pennington 2011). We find, following Vassallo (2017), that analytical measures of industries can be arbitrary – and therefore that anti-trust regulation can be arbitrary, and, following Rogers (2018), that only markets with barriers-to-entry are monopolistic markets. The case of Ticketmaster is a good example; by some conventional measures the firm has a monopoly in venues and ticketing for live events. However, these results are arbitrary in that the aggregation necessary to measure Ticketmaster's market is arbitrary, and by using more robust market competition theory we find that there are no barriers to competition in the hosting of live events. Therefore, Ticketmaster is not a monopolist. One of our conclusions and recommendations is that using scarce resources to police erroneously-conceived monopolists is a mistake and regulatory capture describes how such mistakes limit the creative destruction necessary for economic growth and inclusive prosperity (Tanner 2018, Lindsey and Teles 2017).