

LCQ7: Ticketing system under Leisure and Cultural Services Department

Following is a question by the Hon Ma Fung-kwok and a written reply by the Secretary for Home Affairs, Mr Caspar Tsui, in the Legislative Council today (November 11):

Question:

The system of the Urban Ticketing System (URBTIX) was developed by a contractor at its own cost, and is owned by it, under a contract awarded through open tender by the Leisure and Cultural Services Department (LCSD). During the contract period, the contractor is responsible for system operation and maintenance as well as provision of related ticketing services. As the contract for the ticketing system and related services will expire next year, LCSD has commenced a tender exercise earlier on to select a new contractor. In this connection, will the Government inform this Council:

- (1) whether it knows the maximum number of users purchasing tickets concurrently that URBTIX can handle at present; whether there were instances of the system being overloaded in the past five years; if so, of the number of such instances;
- (2) whether it knows the measures adopted by the URBTIX system for preventing ticket scalping syndicates from purchasing a large number of tickets through the system for scalping;
- (3) whether LCSD will request the new contractor to provide a ticketing system that, as compared with the current system, has a larger capacity for handling transactions, better data collection and consolidation capabilities and more powerful functions for preventing ticket scalping; if so, of the details;
- (4) given that the Government indicated in 2018 that it would consider if the Places of Public Entertainment Ordinance (Cap. 172) could be amended to curb ticket scalping activities, when the Government will submit the relevant proposed legislative amendments to this Council and how the new ticketing system will complement the effort;
- (5) as some event organisers have relayed that the current procedure for ticket refund is complicated, whether LCSD will require the new ticketing system to offer simple and convenient procedure for ticket refund; if not, of the reasons for that;
- (6) of the total number of companies that have submitted a tender for bidding the contract for the new ticketing system and related services; the criteria adopted for selecting the contractor, the progress of the selection exercise and the expected timing for announcing the selection result;

(7) whether LCSD will, in the course of selecting the contractor, consult stakeholders such as members of the performing arts and culture sectors as well as those of the information technology sector, so as to ensure that the new system will cater for the needs of the sectors concerned and the public; and

(8) whether LCSD will require the new contractor to provide event organisers with profile information of ticket buyers' characteristics such as age group and gender, with a view to helping event organisers understand the composition of their audience and formulate audience-building strategies in future; if so, of the details; if not, the reasons for that?

Reply:

President,

The Urban Ticketing System (URBTIX) is a ticketing system operated under the Leisure and Cultural Services Department (LCSD) to provide ticketing services mainly for hirers or event organisers, and audiences of performance venues under the LCSD. The URBTIX was developed and owned by the contractor at its own cost under a contract awarded through open tender by the LCSD. During the contract period, the contractor is responsible for system operation and maintenance as well as provision of Internet, mobile application and telephone booking services, and other related services.

Our responses to each part of the question are as follows:

(1) Launched in 2014, the existing ticketing system can accommodate no less than 2 000 users in using the Internet and mobile application booking services concurrently. The ticketing system has been effective in meeting the demand for ticketing services since its launch. While the network traffic is usually heavy in the morning on the first day of sale for popular programmes due to the large number of patrons buying tickets online, the ticketing system maintains normal operation and there has not been any server overload caused by the surge of network traffic.

(2) and (4) On combatting ticket scalping, the LCSD has implemented a series of measures to sell tickets orderly and fairly through official channels. The URBTIX will discuss event-specific ticketing arrangements with event organisers prior to the sale of tickets for major and popular events, including setting a maximum number of tickets that each patron can purchase per transaction on the first day of sale, imposing a limit on the number of tickets that can be purchased by the same credit card and enhancing the transparency of ticketing information, etc. The URBTIX will also encourage event organisers to increase the ratio of tickets to be sold through public sale so that more tickets will be available to the public. With the co-operation of event organisers, two additional measures have been introduced to the URBTIX for popular events held at the Hong Kong Coliseum since the fourth quarter of 2018, including (i) suspending counter booking at the URBTIX outlets on the first day or throughout the entire period of public sale and only allowing purchases through the Internet, mobile application and telephone bookings; and (ii) delaying collection of tickets to within 14 days

before and up to the day of the respective performances and requiring patrons to collect their tickets with the credit card used for purchasing the tickets. Besides, to further ensure the smooth operation of the URBTIX system and prevent ticket purchasing activities by automated computer programmes (bots), the LCSD has been discussing with the system contractor from time to time to continue enhancing the system functions, such as upgrading multi-layered setting and programmes to prevent purchases by bots, increasing the number of servers and the bandwidth to strengthen the system processing ability and improve network capacity, etc. When ticket sales for popular programmes commence, the system will implement measures to maintain the order of online ticket sales, including restricting log-in to the website before ticket sale starts, restricting multiple tabs by the same browser for log-in to buy tickets, as well as providing auto-retry access to the system every three seconds and implementing diversion function on website for handling ticket buyers of different programmes to improve user experience.

The Government agrees that ticket scalping has to be tackled with a multi-pronged approach. The Home Affairs Bureau consulted the Panel on Home Affairs of the Legislative Council on tackling ticket scalping by legislation in November 2018 and has maintained communication with stakeholders from the relevant sectors (e.g. performing industry, tourism industry, theme parks, exhibition industry, National Sports Associations, etc.) to understand their views on regulating ticket scalping by legislation. We will consolidate the views collected and work out an appropriate legal framework with the Department of Justice for consultation with the Panel on Home Affairs of the Legislative Council at an appropriate juncture.

(3) and (6) The contract between the LCSD and the incumbent URBTIX contractor will expire at the end of 2021. The LCSD received four tenders in the open tender exercise for the provision of the new ticketing system and operation services for the URBTIX. The LCSD has completed the assessment and approval procedures for the tender exercise and is now following up with the successful tenderer on the award of contract. The tender result will be announced in November 2020.

All the tenders in this tender exercise were evaluated and assessed according to the marking scheme generally adopted by the Government in the procurement of information technology systems and related services. The assessment criteria require the tenders to provide complete information and meet all the essential requirements set out in the project specification, including the use of cloud platforms for enhancement of system capability and the provision of other enhanced functions to facilitate more effective handling of the immense demand on the first day of sale of tickets for popular events, strengthening prevention against ticket scalping and purchases by bots, provision of additional support for customer relationship management and sales data analysis, etc. Besides, the technical score under the marking scheme also took into account the proposed execution plan, technical solution, innovative suggestions, and experience and qualification of the tenderers and their implementation team, etc.

(5) According to the current terms of service of the URBTIX, the event organiser is responsible for ticket refund arrangements. The new system

should support refund services and provide more convenient refund arrangements for event organisers and the public.

(7) When preparing the tender documents for the new URBOTIX ticketing system, the LCSD commissioned a consultancy firm to conduct a feasibility study to gauge the views of and consult various stakeholders (including cultural and arts groups, venue hirers/event organisers, ticket buyers, etc.), as well as gather and draw reference to the latest technology trends and applications of local and international ticketing markets through market research and distribution of the Request For Information documents in formulating the appropriate requirements for the ticketing system.

(8) It is stipulated in the tender document that the new system must fulfill the requirements in terms of customer relationship management, business intelligence and sales data analysis, etc. The LCSD will discuss with the contractor the functions and services concerned and finalise the implementation details in developing the new system, taking into account factors such as marketing and promotional needs of event organisers, actual operation, as well as privacy and level of acceptance of ticket buyers, etc.