



Lionhack

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**Company Description:**

Boleto is the world's first intelligent marketplace for tickets. Through Boleto's website, iOS, and Android applications, sellers can post available tickets for sports, concerts, theater, and other live entertainment events at any price they choose. Buyers may then browse through listed events and select from available tickets. Unlike competitors, Boleto uses machine-learning algorithms to accurately predict prices for each event. These predictions provide transparency, allowing market participants to be confident that they are transacting at fair prices. Furthermore, buyers on Boleto are given the option to "Price Lock" tickets. Price Lock works much like an insurance policy, whereby in exchange for an initial payment, Boleto will pay the buyer if he/she purchases a ticket above a pre-determined price (the fair market value at the time of the Price Lock purchase). Boleto also allows buyers to bid on tickets. If ticket prices drop to a buyer's bid price, the order will get filled and the buyer will receive an email confirmation. Boleto charges a 10% fee to buyers and is completely free for sellers.

**The Opportunity:**

US concert ticket sales reached an all time record high of \$5.5 billion in 2014. Growing consumer demand has fueled primary ticket sales and given rise to a burgeoning online secondary ticketing market. Until now, the secondary market has been dominated by a small number of players, allowing incumbents to charge exorbitantly high fees. Furthermore, the current markets lack transparency and ticket prices are extremely volatile and unpredictable. Boleto is a clear solution.

## **Value Proposition:**

Boleto's value proposition can be summarized in four main points:

1. **Price Predictions:** Using machine-learning algorithms, Boleto accurately predicts ticket prices for live events. These predictions bring transparency to secondary ticket markets, allowing participants to know that they are transacting at fair prices.
2. **Price Lock** – Buyers are given the option to “Price Lock” tickets. Price Lock works much like an insurance policy, whereby in exchange for an initial payment, Boleto will pay the buyer if he purchases a ticket above a pre-defined price. For example, if a buyer is not ready to purchase a ticket that is currently listed for \$100 and Boleto forecasts that the price will rise to \$150 within the next month, the buyer will be offered to Price Lock the \$100 price. Using a proprietary algorithm, Boleto will calculate the associated fee and the buyer may choose whether or not to purchase the Price Lock policy. In this example, Boleto could offer to guarantee the \$100 price for a duration of one month in exchange for a \$15 fee. Additionally, the user could adjust the duration of the Price Lock and Boleto will recalculate the fee accordingly.
3. **Bidding on Tickets:** Boleto allows buyers to bid on tickets. If a user believes that ticket prices will drop, he may place a bid for a price that he is willing to pay. If ticket prices drop to his bid price, his order will get filled and he will receive an email confirmation.
4. **Low Fees** – Boleto charges no fee to sellers and a 10% fee to buyers. This is significantly lower than the industry average of 15% for sellers and 10% for buyers. Because we charge no fee, sellers are highly incentivized to list their tickets on Boleto. As more sellers list tickets on the Boleto platform, buyers will be drawn in as well.

**Competition:**

The US secondary ticket market is dominated by three main players: StubHub, Vivid Seats, and Seat Geek. All three of these websites offer tickets for sports, concerts, theater and other live entertainment events. StubHub is the market leader and is said to process one ticket every second. In 2015 StubHub had over 16 million unique visitors and nearly 10 million live events per month.

**Key Risks:**

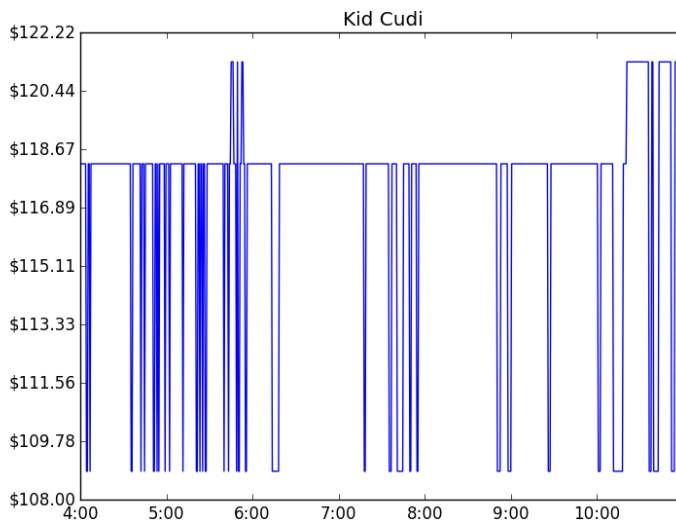
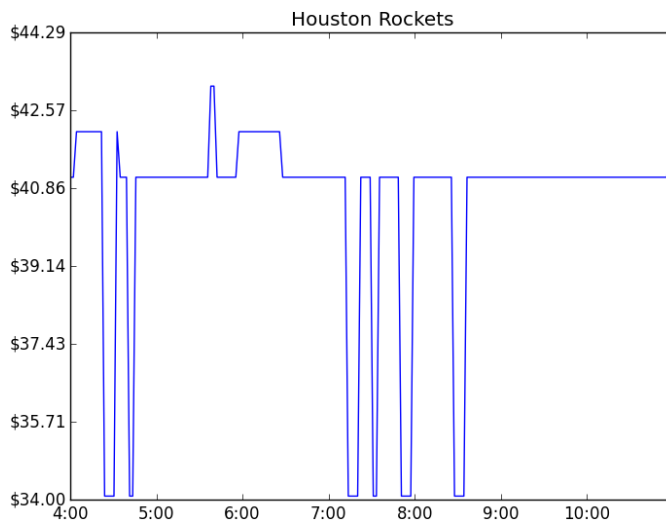
Boleto's main risk is competition from incumbent secondary ticket marketplaces. As Boleto begins to gain market share the competition will likely try to mimic the product features outlined above. However, extensive customer interviews show that customers have no brand loyalty within the secondary ticket market. In fact, society has come to resent the current secondary ticket marketplaces. ABC described StubHub as "the ticket scalper of the digital age, the ultimate middleman to shake up the way people interact to buy and sell tickets to almost any concert, theatre performance or sporting event." At Boleto we are confident that we can win customers' trust through superior product offerings and a customer-centric approach.

## Appendix:

### Technical Discussion

We built a connection to the StubHub API using multithreading to make multiple calls at the same time and scrape ticket listings and event metadata for various events. Each API call was made at 30-second intervals to get a snapshot at each point in time of pricings for available listings. Our data was loaded into a sqlite database for easy retrieval and analysis. The charts below show data for two events over the last 24 hours.

Min Price change over time:



## Boleto - Financial Projections

### COSTS

#### Startup Costs

Promotional Materials	20,000
Total Startup Costs	\$20,000

#### Fixed Costs / Year

Salaries*	320,000
Marketing / CAC (adwords, Facebook, etc.)	50,000
Rent / Utilities (assumes Columbia Startup Lab)	20,000
Server Costs	30,000
Total Fixed Costs / Year	\$420,000

<b>Total Year 1 Costs</b>	<b>\$440,000</b>
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### REVENUE

Avg. Ticket Price (\$)	\$70
Transaction Fee	10.0%
<b>Revenue per Ticket</b>	<b>\$7</b>

### BREAKEVEN ANALYSIS

	Yr 1	Yr 2	Yr 3
Users	12,000	50,000	100,000
Tickets per User	2	2	2
Revenue per Event	\$7	\$7	\$7
Total Revenue	\$168,000	\$700,000	\$1,400,000
<i>Ann. Growth:</i>			
Fixed Costs	420,000	546,000	709,800
Startup Costs	20,000	—	—
Total Costs	440,000	546,000	709,800
Profit	(\$272,000)	\$154,000	\$690,200
<b>Cumulative Profit</b>	<b>(\$272,000)</b>	<b>(\$118,000)</b>	<b>\$572,200</b>

#### Breakeven on unit basis:

Total Startup Costs + 1 Year Fixed Costs	440,000
Net Revenue per Event	\$7
Tickets to breakeven	62,857
Tickets per user	2
<b>Cumulative users to breakeven</b>	<b>31,429</b>

### Salary Appendix (Year 1)\*

	#	Annual	Total
Founders	4	50,000	200,000
Customer Support (Phillipines)	10	6,000	60,000
PR / Marketing	1	60,000	60,000
<b>Total</b>			<b>\$320,000</b>