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Secondary Market Premiums and Impulse Buying in Concert Ticketing: The Role of Scarcity, FOMO and Institutional Regulation

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Abstract. The secondary market premium of concert tickets represents a structurally embedded flaw in live entertainment markets, and it can strongly influence consumers' impulse purchasing. With Jay Chou's "Carnival" tour as a real-world example, this article combines the perspective of scarcity theory and fear of loss (FOMO) to analyze the impact of secondary market premium on consumers' impulsive purchases. Some findings indicate that secondary market premiums enhance ticket allocation efficiency, reinforce fan-community cohesion, and incentivize organizers to expand supply. However, these premiums also generate systemic risks, including irrational overpayment, algorithmic scalping monopolies, and regulatory lag, which collectively undermine market fairness and consumer welfare. To tackle these real-world difficulties, this article uses strategies such as technical counter-control and improvement of the real-name system, price limit, and transparency in the secondary market, enhancement of the regulatory framework, and industry self-discipline. The study also reveals the double-edged effect of secondary market premiums, which helps the performance ticket market to grow sustainably and consistently.

Keywords: Concert Ticketing, Secondary Market Premiums, Impulse Buying, FOMO, Algorithmic Scalping

1. Introduction

1.1. Research background

In recent years, the concert economy has greatly contributed to cultural consumption, leading China's live-performance industry to grow exponentially. Official data record CNY 14 billion in large-scale concert revenue in 2023—a threefold increase—yet also acute scarcity and extreme secondary-market premiums. Jay Chou's 2023 "Carnival" tour, with over two million attendees, saw tickets sell out instantly on Damai.com, where peak requests exceeded six million against a sub-1% success rate. Supply-demand imbalances drove stand tickets on Xianyu and Chuanchuan from CNY 2,000 to over CNY 20,000—a premium above 900%.

The high premium in the secondary market not only stimulates consumers' impulsive purchases, but also causes serious social and ethical problems: scalpers use automated scripts to monopolize

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ticket sources, and ordinary consumers are forced to pay several times premiums; some consumers buy tickets irrationally driven by "fear of missing out" (FOMO), and then encounter problems like unable to return tickets or "fraud tickets" cause financial losses; excessive speculation also leads to a speculative bubble in live-performance market, disturbing the regular operation of cultural consumption. Therefore, an in-depth analysis of the impact mechanism of the secondary market premium of concert tickets on consumers' impulsive purchasing behavior carries substantial commercial and social values for event organizers to optimize the ticket strategy, the regulatory department to standardize the secondary market transaction, and consumers to make rational decisions.

1.2. Literature review

Extant literature has established a robust theoretical foundation linking scarcity, secondary-market pricing, and impulse consumption. Aggarwal et al. divide scarcity into "quantity scarcity" (limited quantity) and "time scarcity" (limited time) [1]. They find that both can increase the willingness to buy, but quantity scarcity has a stronger impact on experiential products. In terms of secondary market pricing, by analyzing Major League Baseball ticket resale data, Lee et al. have found that the social media likes, as a scarce signal, will significantly push up the resale price [2]. Mudjiyanto et al. also point out that fashion trends trigger impulse purchases through FOMO, and the effect is especially noticeable among young people [3]. In addition, Mundel has found that the behavior of social comparison against influencers can heighten anxiety of potential consumers through FOMO, which in turn promotes impulsive purchases [4].

Despite these theoretical advances, critical gaps remain in the literature on secondary ticketing and impulse consumption. Most scholars like Nuranti et al. mainly study the impact of scarcity marketing (such as limited pre-sale) on consumer decision-making in the "official sale stage", while very few scholars systematically explore the direct causal effect of the specific situation of "secondary market premium" on impulse buying [5]. Specifically, existing studies often regard "scarcity" as a single-dimensional concept, ignoring "secondary market premium" as a "man-made signal of scarcity", which is the essential difference between it and the official limit in terms of psychological mechanism - the former stimulates "loss aversion" and "competition anxiety", while the latter focuses on "monopolistic desire". Moreover, Haque et al. identify a critical gap regarding scalping–fan economy dynamics and post-purchase cognitive dissonance in China's inflated concert resale market [6]. At the same time, there is a lack of empirical solutions based on behavioral insights on how to build a responsible secondary ticket supervision framework to alleviate premium anxiety and protect consumer rights. This tendency of emphasizing pre-sales and neglecting after-sales support limits the guiding value of research results to the performance industry.

1.3. Research framework

In order to fill in these gaps, this article takes Jay Chou's "Carnival" tour as a case study, develops the secondary-market premiums that activate psychological mechanisms to drive impulsive purchases and shape post-purchase outcomes. Grounded in scarcity and impulse-consumption literature, it integrates FOMO and psychological reactance theory. Drawing on Damai.com data, Xianyu resale records, and fan forum discourse, the study delineates premium dynamics and their ramifications: irrational spending, algorithmic scalping, and regulatory lag. Finally, it proposes targeted interventions to advance a healthier, more sustainable ticketing ecosystem.

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2. Case description

This study centers on Jay Chou's 2023 "Carnival" tour—a landmark event exemplifying extreme secondary-market premiums in China's concert economy. As Table 1 summarizes, the Haikou stop alone drew 154,600 attendees and generated nearly CNY 1 billion in tourism revenue, while official tickets (CNY 500–2,000) sold out within seconds at a <0.5% success rate. Scalpers exploited automated "ticket-snatching" bots to hoard hundreds of tickets, fabricating artificial scarcity via social-media cues (e.g., "last few tickets") to trigger FOMO-driven impulse purchases. Fans frequently resorted to borrowing to secure overpriced tickets, only to face non-transferability, cancellations, or rights-protection failures. This case provides a robust empirical basis for examining how secondary-market premiums catalyze impulsive buying.

Table 1. Profile of Jay Chou's "Carnival" tour and secondary-market premiums

Category	Key Indicators	Details
Event scale	Attendees (4 shows)	154,600
	Tourism revenue	≈ CNY 1 billion
Official ticketing	Price range	CNY 500–2,000
	Sell-out speed	Within seconds
	Winning rate	< 0.5%
Secondary-market premiums	Stand tickets (original: CNY 2,000)	> CNY 20,000
	Infield front-row tickets	> CNY 100,000
Scalper tactics	Tickets hoarded per scalper	Hundreds
	Methods	Automated bots; false scarcity cues
Consumer impact	Purchase motivation	FOMO-driven impulse buying
	Post-purchase risks	Non-transferability; cancellations; rights disputes

3. Analysis of the dual impact of secondary-market premiums

3.1. Positive externalities of secondary-market premiums

3.1.1. Efficient ticket reallocation and consumer matching

The secondary market premium reflects the underlying supply and demand relationship to a certain extent, helping ticket resources flow from "people who accidentally get tickets" to "loyal fans who are willing to pay a high premium to attend the concert". For the original ticket buyers who are unable to attend the concert for some reason, the secondary market provides a cashing channel; for fans who are willing to pay premiums, the secondary market meets their strong demand for getting the tickets at all costs. According to Xianyu's 2023 report, the resale transaction of concert tickets increased by 300% year-on-year, of which about 70% of the transactions were completed within 24 hours after tickets went on sale [7]. Although this efficient price discovery mechanism pushes up the ticket price, it also achieves the optimal allocation of resources.

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3.1.2. Social identity and fan-community cohesion

The high premium of the secondary market has become the "social currency" in the fan community. When fans share their "out-of-print tickets" at a high price on social media, they will receive envy and admiration from their peers, thus strengthening their "die-hard fans" identity. This kind of social interaction not only enhances the cohesion of the fan community, but Stadium seating is a perfect visual representation of social hierarchy. The closer consumers were to the front row or VIP, the higher their social status was. Taylor Swift's Eras Tour average resale ticket price reached $920, turning concert attendance into a visible marker of social status, but it also brings free publicity and media buzz to the concert [8]. For example, during Jay Chou's concert, the Weibo topic #Jay Chou's ticket grabbing was read more than 500 million times, and many fans said that "even if consumers can't grab it, it's a pleasure to participate in the discussion". This kind of emotion-driven communication effectively prolongs the life cycle of the concert.

3.1.3. Supply-side incentives and market expansion

The high premium of the secondary market has sent a strong demand signal to the market, encouraging the organizers to increase the number of performances and improve the quality. In the face of the situation of "one ticket is hard to get", many organizers choose to add more games outside the original plan, or use a larger capacity stadium. For example, Jay Chou's Haikou Show was originally scheduled to have two shows, but it was later increased to four shows due to high demand. This response from the supply side will help alleviate the scarcity in the long run and give more consumers the opportunity to attend live performances. At the same time, the high profits brought by high ticket prices have also prompted the organizer to increase investment in stage effects, audio equipment, etc., which has improved the overall performance quality.

3.2. Core risks and structural distortions

3.2.1. FOMO-driven impulsive consumption and financial vulnerability

By stimulating "fear of missing out" (FOMO), the secondary market premium causes consumers to make irrational decisions and even fall into financial difficulties. When consumers fail to grab tickets on the official platform, in the face of rhetoric such as "the last one" and "of-print collection" in the secondary market, their rational judgment ability is replaced by anxiety and regret, and they are often willing to pay a premium several times the original price. Industry data show that 55% of consumers paid resale premiums of at least 50%, 15% paid over three times the original price, and extreme cases saw fans pay ten times face value for prime tickets. More seriously, this kind of impulsive consumption is prone to "behavioral addiction" - consumers repeatedly refresh second-hand platforms and constantly participate in high-priced auctions in order to grab tickets for their favorite concerts, which is similar to the variable rewards in the gambling mechanism. Some consumers bear credit card debts or consumer loans because of high-priced tickets, or have no return when they encounter "fake tickets" or "cannot be refunded", resulting in family conflicts and social problems. This practice of building commercial interests on the psychological vulnerability of consumers urgently needs reflection and intervention from all walks of life.

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3.2.2. Algorithmic scalping and erosion of distributional fairness

By using automated scripts (bots) and customized "flash sale" software to monopolize a large number of tickets at the moment of invoicing, scalpers create scarcity and push up the secondary market premium [9]. Once the tickets are released online, those bots, or automated programs, will purchase large volumes of them immediately. They attack ticketing systems, use scripts and multiple accounts to overcome purchase limits, and thus complete transactions far faster than any human [10]. This technological monopoly deprives fans of the opportunity to buy tickets fairly and manipulates market prices through "algorithm black boxes". According to the survey, some scalping teams have hundreds of accounts and customized software, which can complete thousands of orders in seconds with a far higher success rate than manual operation. Although the organizer has adopted several measures, such as a real-name system and face recognition, the scalpers can still circumvent the regulation by using other people's identity information to snap up tickets or collude with internal staff to obtain "internal tickets". This unfair competition has led to the phenomenon that people who really want to attend it can't attend, which seriously undermines the credibility of the performance market. Scalpers further amplify FOMO by disseminating fabricated scarcity signals on social media, thereby completing a self-reinforcing cycle of technological monopoly, fabricated scarcity, emotional manipulation, and inflated resale that erodes market integrity.

3.2.3. Market speculation, regulatory gaps and systemic risk

The secondary market premium has led to a bubble in the performance market and brought many social risks. The high premium attracted a large number of speculators to enter, who regarded tickets as "financial products" rather than "cultural consumer goods", further pushing up prices and forming a speculative bubble. When the bubble bursts (such as the cancellation of performances for some reason and negative news of artists), ticket prices plummet, and many consumers who had taken out loans at high prices faced huge losses, triggering mass rights protection incidents. At the same time, excessive hype has also caused social problems such as conflicts between scalpers and fans and a surge in fraud cases - some consumers fall into the trap of "deposit fraud" and "counterfeiting tickets" because they are in a hurry to buy tickets. However, the supervision of the secondary ticket market in the current regulations is almost nonexistent. Although the Commercial Performance Administration Regulations prohibit ticket scalping, weak enforcement and blurred boundaries between legitimate resale and illicit scalping continue to hinder effective regulatory oversight. This lag in regulation has led to chaos in the market, which not only harms the rights and interests of consumers but also hinders the sustainable development of the live-performance industry.

4. Policy implications and intervention strategies

4.1. Technological governance and identity verification mechanisms

In response to the problems of technology monopoly and lack of fairness, governments should build an all-around anti-fraud system combining both technology and institutional rules. First, ticketing platforms should deploy advanced anti-bot systems integrating dynamic CAPTCHA challenges and behavioral biometrics to detect and block automated scripts accurately. Secondly, consumers should fully implement the "three-in-one" real-name system: consumers need to bind their ID card when buying tickets, face recognition verification when entering, and tickets should not be transferred in principle; if consumers really need to be transferred, they can only be carried out between immediate

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relatives, and eliminate the resale of yellow bulls from the source. Third, a randomized allocation mechanism should replace time-sensitive "first-come, first-served" sales, ensuring that ticket access is determined by chance rather than technological advantage. At the same time, the regulatory authorities should increase the punishment of scalpers, use big data to track abnormal accounts, impose high fines on reselling, and include them in personal credit records, alleviate the scarcity of artificial production from the source, and ensure the fair rights of ordinary consumers to buy tickets.

4.2. Regulated resale channels and transparency enhancement

In response to the problem of consumers' irrational premium payment, it is recommended to standardize the pricing and transaction process of the secondary market and establish a fair and transparent resale mechanism. First of all, the official platform can set up an "official resale channel" to allow ticket buyers to charge a handling fee of no more than 10% on the basis of the original price for resale, which not only meets the reasonable needs of cashing, but also prevents scalpers from speculating. At the same time, the official platform can supervise the resale behavior. Secondly, third-party second-hand platforms (such as Xianyu and Tuanzhuan) should set a "price ceiling" for concert ticket transactions (such as not exceeding 200% of the original price), and force the seller's credit rating, historical transaction records, and ticket source authenticity (such as ticket screenshots, order numbers) to reduce information asymmetry. Thirdly, the "cooling-off period" mechanism is introduced: after consumers buy high-priced tickets on second-hand platforms, they enjoy the right to "cancel without reason" for 24 hours to alleviate impulsive decision-making and reduce irrational consumption caused by FOMO. Finally, consumers should be well educated by popularizing "reseller gimmicks" and "fraud tactics" through social media, campus outreach, and other methods. In that way, fans' rational judgment and risk prevention awareness could be enhanced, so they will buy tickets through regular channels.

4.3. Institutional oversight and industry self-regulation

To resolve the problems of market bubbles and regulatory lag, we recommend building a trinity supervision system containing the government, platform, and event organizer to promote the standardization and sustainability of the ticket market. First of all, revise the Regulations on the Administration of Commercial Performances, clearly include the secondary ticket market in the scope of supervision, clearly define the boundaries between "reasonable resale of individuals" and "illegal operation of scalpers", and stipulate the maximum premium range to provide a legal basis for law enforcement. Secondly, establish a unified national ticket supervision platform, monitor the attendance rate, resale price, and abnormal transactions of each session in real time, use AI algorithms to warn price bubbles and speculation, and take timely intervention measures. Thirdly, the Performance Industry Association should formulate the Ticket Management Self-Discipline Convention, requiring the organizer to disclose box office data, resist the "ticket cover" behavior, and set up a fast channel for consumer rights protection to simplify the complaint and refund process. Finally, the organizer is encouraged to adopt the strategies of "step pricing" and "dynamic pricing" to adjust ticket prices according to market demand flexibly, increase the elasticity of supply, reduce the market distortion caused by scarcity from the root cause, and achieve the long-term healthy development of the performance industry.

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5. Conclusion

5.1. Key findings

This study takes Jay Chou's "Carnival" tour as a case, and deeply explores the mechanism of the impact of the secondary market premium of concert tickets on consumers' impulsive purchasing behavior. The study found that the secondary market premium has brought a positive impact by improving the efficiency of ticket resource reallocation, enhancing the cohesion of the fan community, and driving the expansion of supply capacity. However, some deep-seated problems, such as consumers' irrational purchasing (FOMO-driven behavior), technological monopoly by scalpers, market bubbles, and regulatory lag, pose a serious threat to consumers' well-being. To overcome these challenges, this article puts forward strategies such as the improvement of the real-name system, price caps, and greater transparency of the secondary market, aiming to achieve the sustainable growth of the ticket market through multi-party collaboration.

5.2. Theoretical and practical contributions

This research is of great theoretical and practical significance. At the theoretical level, the combination of the theory of scarcity and the fear of loss (FOMO) reveals the psychological driving mechanism of secondary market premiums for impulse purchases and enriches the research perspective of experiential product consumption behavior. At the practical level, the research provides a decision-making basis for the performance organizers to optimize the ticketing strategy and combat the chaos of scalpers; it points out the direction for the regulatory department to improve ticketing regulations and protect the rights and interests of consumers.

5.3. Limitations and future research directions

This study is mainly based on second-hand data and public cases for qualitative analysis, and lacks first-hand research data for consumers. Future research can quantify different premium ranges through questionnaires or experimental methods, and the degree of influence on the willingness to buy impulsively. In addition, different types of performances can be compared in the future (such as popular concerts vs. the difference in the premium effect in classical music concerts), or explore the new characteristics of virtual concert tickets against the background of the metaverse. At the same time, with the development of AI technology, future research can also focus on how algorithms recommend personalized amplification, premium perception, and the corresponding ethical regulation path.

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