Written evidence submitted by Skiddle

Call for evidence: Impact of Covid-19 on DCMS sectors

Skiddle is the UK's busiest online ticketing platform and biggest what's on guide. Founded in 2001, Skiddle lists and sells tickets to hundreds of thousands of events (from gigs to clubs, festivals and more), working with over 20,000 promoters across over 10,000 venues. Skiddle employs over 50 staff, both full-time employees and freelancers, and last year had a turnover of £60m.

What has been the immediate impact of Covid-19 on the sector?

The outbreak of Covid-19 has had a major adverse effect on Skiddle's revenue, with an 88% YoY drop between 15th March and 13th June. As a result of the pandemic we have processed 2,093 postponed events and a further 1,965 cancelled events - resulting in millions of pounds of refund payments.

To further compound our losses, a large number of events postponed until next year will result in a drop of revenue in 2021, as customers 'carry over' tickets and do not make new purchases.

The loss in revenue has forced Skiddle to furlough the majority of our workforce, whilst incoming queries have increased by 56%. As the furlough scheme begins to wind down from August, Skiddle will be required to pay staff without a significant increase in the volume of business, which is likely to put jobs at risk.

How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

The government's furlough scheme has helped prevent immediate job cuts, but in terms of communication with DCMS, we've had zero contact.

We have been in contact with our MP (Rt Hon Ben Wallace MP) in order to gain support and guidance, but his initial responses have not amounted to anything.

The government's Coronavirus Business Interruption Loans (Cbils) has the potential to provide some relief, and we are currently in the process of obtaining one.

We feel that in terms of industry support, much has been offered to the hospitality and leisure sector, however, being an online tickets and events company, Skiddle does not fall neatly into these categories (though the majority of our business is provided by hospitality, leisure and cultural venues), so we have fallen through the cracks.

We remain completely in the dark as to when restrictions placed on public events and mass gatherings will be lifted. Until the industry is given some clear and constructive guidelines on

when such events can begin to take place, it is going to remain very difficult for our promoters to organise events and for Skiddle to recover.
It is worth noting that when surveyed by Skiddle, over 95% of our promoters said that they had not received enough information from the government regarding future events.

What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

The sector is fortunate in that consumer demand post-lockdown looks very optimistic. In a recent survey, Skiddle found that over 65% of our customers plan to attend a live music event within one month of lockdown lifting, and 75% said they would be willing to attend a 'socially distanced' live music event.

The issue is that social distancing and reduced capacity will make most events financially unviable, as most of our promoters need to achieve over 50% capacity just to break even.

Because of this many event organisers and promoters are sadly going to fold, as are a large number of venues, which is not only a huge loss for the live sector, but also for Skiddle, as with fewer promoters and venues there will be fewer events to sell tickets for.

Skiddle estimates that revenue will not recover until 2022, and that next year revenue will be around 50% of 2019. This is not taking into account a potential second wave of infections in winter, which could wipe out Christmans and NYE trade.

What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?

We believe lessons need to be learnt from the lack of communication and information provided to the live and cultural sector. We are less than two weeks from July and still hospitality and leisure businesses do not have clear guidelines on how to reopen.

Similarly, event organisers and promoters do not have clear guidelines on when and how to organise events. Until the industry has clear and constructive guidelines regarding issues such as capacities, sanitation, testing and more, it will be unable to recover.

How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?

We are already witnessing an impressive amount of evolution with the likes of live streams, drive-in events, and virtual festivals. Fortunately the live sector is reactive and shrewd, however, these can only account for a small fraction of lost revenues.

Investment in streaming technologies may prove beneficial, but the live music experience is not easily replicated, and is not only a vital part of our cultural fabric, but also has an impact on health. A recent study found that live music improves emotional wellbeing by more than 20%. Unfortunately, the post-pandemic outlook does not look good for the live sector, and completely rebuilding consumer confidence is going to be difficult.