

**2015 specification**  
first exams in 2017

# A Level Edexcel Business Paper 3 Pre-release Resource Pack

## 2025: The Music Industry



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# Teacher's Introduction

## Accessing the digital resource

The topic briefings, case studies and Practice Paper A are accessible online via **eRevision.uk** – ZigZag's digital learning platform. Once set up, students can log in from home and you can set tasks and reading for homework. We recommend you read the 'Teacher guide' and 'Quick set up guide' found on your eRevision account.

**If you have not already done so, please provide us with an email address to set up eRevision access. You can do this by emailing [customerservices@zigzageducation.co.uk](mailto:customerservices@zigzageducation.co.uk) with your name, school, email address and invoice number.**

This resource has been produced to support the research required for the pre-release paper for the A Level Edexcel Business Paper 3 (**Investigating business in a competitive environment**) exam, which students will sit during summer 2025. The context for the 2025 exam is the music recording, distribution, and live performance industries, and the businesses operating in this market.

### Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

This resource is divided into the following sections:

- **Topic briefings** – The briefings offer an overview / background reading to support the six research bullet points specified by Pearson. During their GCE course, students will have already learnt much of the key theory; however, this section links the theoretical points with the specific industrial context for the 2025 exam. The content of this section should also be supported by students' theoretical notes and a good textbook.
- **Activities** – These are interspersed throughout the topic briefings. They support the students' own independent research, and reinforce their learning and understanding related to the specific industrial context. These activities could be used as homework or classwork activities.
- **Case studies** – There are three case studies included in the resource, which include questions to support wider discussion/research, and one exam-style essay question. Indicative content for the essay questions is also provided. These case studies put all of the topics considered into context, and support students to use real-life examples in their work and think analytically.
- **Three practice papers** – Each practice paper has a full mark scheme based on the pre-release case study for the unit. The content has been produced with consideration to the bullet points that Pearson directs students to research and possible question types that may arise.

## Using the practice papers

This resource can be used in a number of ways to help students prepare for their final exam. It can be used independently by students or as a teacher-led exercise. Here are a few suggestions:

- **Homework** – The papers could be completed by students as homework tasks. Students could be given one or two research headings to complete in the run-up to the exam, or the questions could be divided up and given to students as they progress through the pre-release research task.
- **In-class exam** – The practice papers make ideal mock exams to complete under timed exam conditions as they are based on the format of the final exam. There is a mark scheme and suggested answers to accompany each question. The mock exam will then enable teachers to pinpoint the topics that students find challenging, review their exam technique / time management and tailor any intervention activities appropriately. The benefit of using these practice papers as mock exams is that the mark schemes are not in the public domain (unlike past and specimen papers produced by the exam boards, which are posted on their websites), so they give teachers a true picture of how students perform when tackling an unseen paper.
- **In class** – The papers could be 'walked through' in their entirety or divided up into sections to give the students guidance related to the requirements of the pre-release task. Using the mark schemes, teachers can inform learners of how marks are awarded and the difference between the levels on the extended-mark questions.
- **Exam technique** – The papers can be used to help students of all levels to enhance their exam technique. They can become familiar with what is required from diverse question command words so they are aware of the detail expected for each level of response. Students could complete a range of question styles and peer-mark their responses to the practice questions to give them the opportunity to 'think like an examiner'.
- **Revision** – When the learners are approaching their final exams, a whole practice paper could be given to them to complete. This may be particularly appropriate for over a holiday period, e.g. Easter or half-term. When the students return from their holiday, the teacher can mark the entire paper and also share the mark scheme with the students so they can see how their responses compare.

Due to the nature of the research task, this resource aims to merely stimulate discussion and support students' wider research. The resource has been written independently without any sight of the actual exam materials that will be released in the summer of 2025. The resource should be used in conjunction with a good textbook and is intended to put many of the theoretical points detailed in the textbook into the context of the pre-release research task.

Please note that some of the material included in the case studies is based on real-life contexts/information, but other elements are purely fictitious to enable all aspects of the specification and research task to be covered.

The author has consulted a range of third-party studies / statistics to produce this resource. The figures and data are presented in good faith and the author accepts no liability for data that is inaccurate, misleading, etc.

*January 2025*

This resource is intended to supplement your teaching only.

As with all pre-release material it is the teacher's responsibility to decide in what way to assist their students. It is the teacher's responsibility to decide how this resource in particular can be used to fit into that assistance. You may simply wish to read this material to better inform yourself and to help you prepare your lessons and get ideas for your teaching. You may also consider whether it is appropriate to distribute some of the material for reference and to use some of the tasks for classwork and homework. Or you may consider making the whole resource available to be worked through by your students more independently.

The content of this resource is provided as one experienced teacher's interpretation of the A Level **Edexcel Business pre-release material**. The author does not have any special knowledge of what to expect on any particular exam.

## Pre-release information

The context for the 2025 exam is the music recording, distribution, and live performance businesses operating in this market.

To prepare for the 2025 context, Pearson advises students to research the following into seven bullet points:

<b>Current trends in the consumption of recorded music</b>	Trends influencing the market currently such as current tastes and preferences, plus ethical considerations.	This section covers current trends in consumption.
<b>Different businesses in the UK market: independent and multinationals</b>	The UK market is made up of many different forms of business.	This section covers types of independent businesses.
<b>Business growth and objectives in the music retail and distribution sector</b>	Business growth and development is an important consideration.	How music businesses grow the sector.
<b>Global music recording and distribution businesses</b>	Distributing music to customers is an important element. Customers need to access music conveniently, and distribution is influenced by technology.	Different products, trends and distribution in this sector.
<b>The roles and qualities of entrepreneurs setting up music events</b>	Music events start with a novel idea by an entrepreneur or leaders. Their personal roles and qualities support the success of the specific music event.	This section covers the skills of entrepreneurs in the music industry.
<b>Live music events in the UK and the businesses operating in these</b>	Live music events are an important part of the industry. A range of businesses support these events.	This section covers businesses that support live music events.
<b>Managing resources at live music events</b>	Multiple resources have to be coordinated to hold live music events. These resources are physical, financial, human and technological.	This section covers types of resources used in live music events.

Students should note that they are not able to take any of their research or investment conducted as part of the pre-release study into their summer 2025 examination.

All of the topics will be considered holistically as they all overlap. It would be inappropriate to consider the bullet points in a purely linear fashion. This resource should be used holistically.

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# Current trends in the consumption of recorded music

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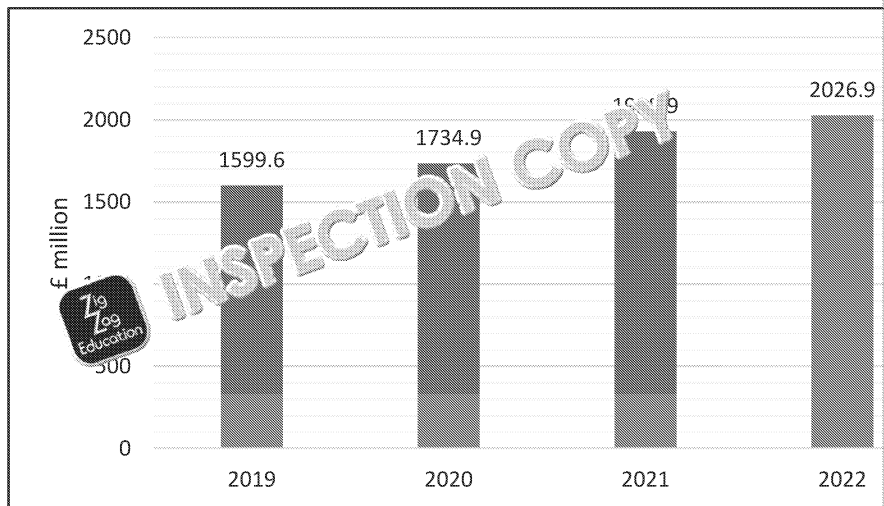
## Specification focus:

1.1.1 The market	1.3.4 Distribution	4.1
1.2.1 Demand	3.1.4 Impact of external influences	busi
1.2.2 Supply	3.4.4 Business ethics	4.4
1.3.1 Product/service design		

Consuming recorded music is an important part of people's lives. The music listened to can shape an individual's identity, provide common interests to socialise with others and support one's mental health. People enjoy music on the daily commute, while exercising, or simply when checking out the newest Taylor Swift album that everybody is talking about. Therefore, it comes as no surprise that the music industry has been steadily growing over the last decade.

The music market was valued at £2,219.9 million in 2022 (<https://www.eraltd.org>) and contributes significantly to the UK economy and source of employment. However, the market is still facing challenges due to digitalisation and streaming services. The size of the market is growing as shown in Figure 1.

Figure 1: Value of the UK music market (2019–2022)



Source: <https://www.eraltd.org>

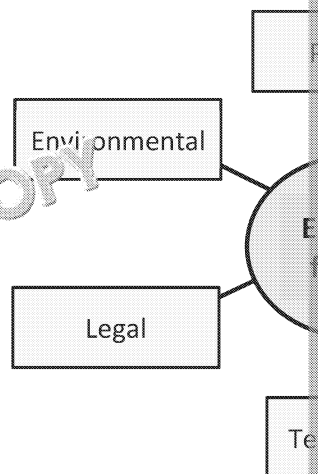
The ways that people consume music has changed radically over time. The trends in the consumption of recorded music can be considered using the PESTLE framework – Political, Economic, Social, Technological, Legal and Environmental.

### Activity 1

Music is an important part of people's lives and can influence social trends. The BRAT phenomenon was a massive trend in the summer of 2024.

With reference to BRAT, evaluate the influence of music on social trends globally.

How might it evolve in 2025?



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## Vinyl

The first recorded music was played on the phonograph, invented by Thomas Edison in 1877. Vinyl records were popular and led to the sale of traditional record players. Before the arrival of vinyl records, the only way to enjoy music was to see it live.

Vinyl records were historically the only way to enjoy recorded music. However, technological advances through the development of cassette tapes and CDs led to the decline of vinyl during the 1980s, which accelerated as these new mediums were considered to offer better quality sound and were more portable, allowing users to listen on the move, including in cars. The lowest vinyl sales since then were in the early 2000s, but vinyl records have enjoyed a resurgence in popularity and sales have grown significantly since then.

Several reasons are thought to contribute to the growth of vinyl, including:

- **Nostalgia:** People enjoy rediscovering styles and trends from the past, including the memories of enjoying music during their younger/teenage years.
- **Collectability:** Some records are considered collectors' items, and worth a lot of money, and are hard to find. This is especially true of products that were made in limited volumes, or signed copies.
- **Authentic listening experience:** Some say the experience of listening to a vinyl record is more authentic than streaming. The crackling sound adds to the experience.
- **Tangibility:** Vinyl records are physical items that can be touched and held and are more tangible than digital music.
- **Aesthetics:** Vinyl records can sound great and have beautiful covers and liner notes that are often considered works of art.
- **Appeal to new audiences:** The perceived quality of vinyl appeals to younger generations who are looking for a more authentic listening experience.
- **Record Store Day and festivals:** These promotions generate demand for vinyl records.
- **DJs and live performance:** Vinyl records are increasingly used in DJing and live performance.
- **Social media and digital marketing:** These strategies enhance the market visibility of vinyl records.
- **Independent record stores and vinyl communities:** The growth of these retailers has helped to increase the availability and popularity of vinyl records.

**Did you know?**  
Vinyl records were popular in the 1950s and 1960s, but declined in popularity by the 1980s. However, vinyl records have seen a resurgence in popularity since the early 2000s.

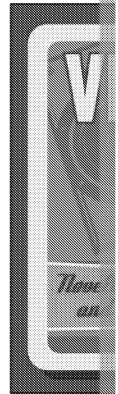
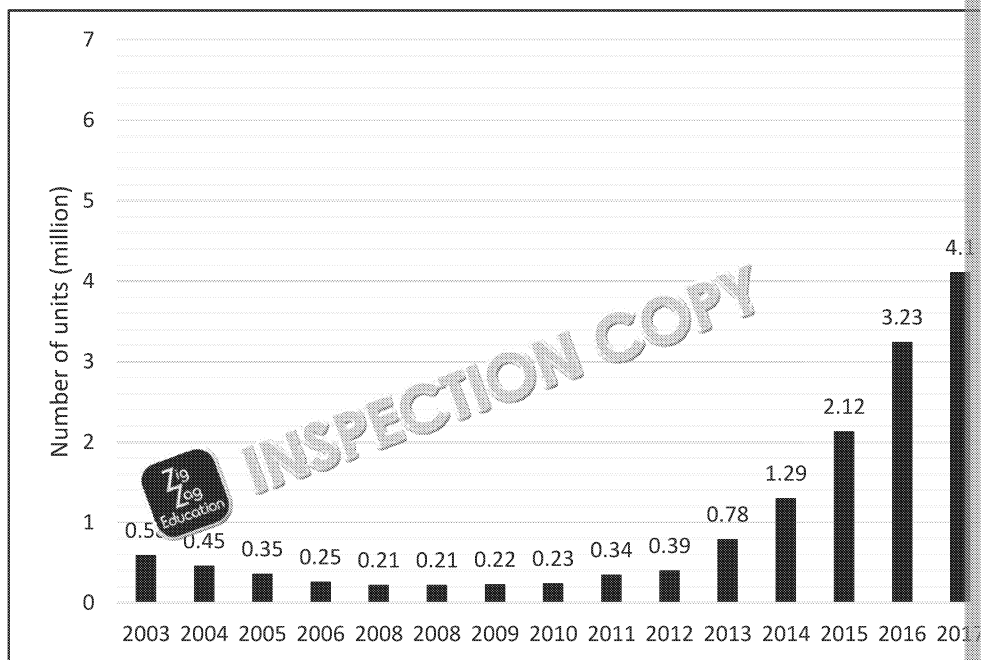


Figure 2: Number of LP/vinyl album sales in the UK (million)



Source: British Phonographic Industry/Statista (<https://www.statista.com>)

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The 'basket of goods' that the Office for National Statistics uses to measure inflation includes the popularity of products. During 2024 vinyl records were re-added to the 'basket' of goods. Vinyl records were previously in the basket of goods in 1992; however, since 1992 CDs and cassettes became more popular. The reintroduction of vinyl illustrates the resurgence of consuming music through this medium. Although vinyl sales are still a small proportion of total music consumption (approximately one-fifth of the size of the streaming), making them an influential factor on the industry as a whole.

The third Saturday of April is Record Store Day, which is celebrated internationally. Launched in 2007 to celebrate the cultural significance of independent record stores, Record Store Day is now widely celebrated with live performances, special vinyl releases, and events taking place in record stores. Vinyl sales are reported to increase by 122% in 2024.

Vinyl records are viewed nostalgically by some who showcase their favourite titles by framing them and putting them on their walls.

**Activity 2**

Research some artists whose popularity is increasing in popularity among a specific group of people.

### Cassette tapes

Cassette tapes were widely used in the 1970s and 1980s. The Sony Walkman enabled people to listen to music on cassette tapes while 'on the move', which was considered revolutionary at the time.

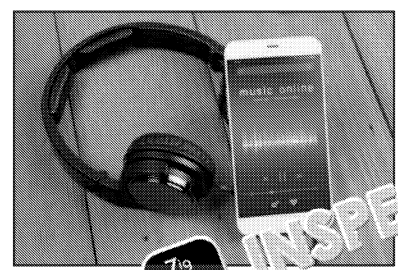
### CDs

CDs became popular in the 1990s, offering higher-quality sound (compared to vinyl) and were easy to transport. Sony developed the Walkman idea by creating a CD version of the Walkman today, with many car music systems still using compact discs.

### Digital/Internet-based music

Digital music, including streaming, took over from physical music in 2015 as the most popular way to consume music. Streaming services have made music more accessible and convenient, but some artists are concerned about their compensation.

According to a 2023 survey, 73% of people use audio streaming services, with 32% of their listening hours coming from streaming. The UK Official Charts Company introduced a streaming chart to reflect download preferences. According to the UK Official Charts Company, streaming increased by 12.1% between 2022 and 2023.



Streaming offers various advantages. The first is that you don't have to store bulky vinyl records, cassettes or CDs. Music stored in the cloud, meaning it doesn't take up valuable storage space, can be accessed anywhere without the need to physically transport it. It is also cost-effective, even the paid-for services offer a vast catalogue of music at a fraction of the price of physical options. Users benefit from instant gratification. Physical options require time and can take time for retailers to acquire specific titles.

Streaming services have provided immediate access to a large range of music which users can access on demand. Spotify, for instance, has access to over 80 million songs.

Social media platforms are credited with bringing new artists/music into the mainstream. The song 'TikTok' by PinkPantheress, produced by Mura Masa, gained attention on TikTok, which led to its commercial success.

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Digital/internet-based music can be enjoyed on a range of devices. In the early days, users would download tracks to an MP3 player. Apple revolutionised the digital download market when it first launched in 2001 (and discontinued in 2022). The iPod was a very popular product that could hold a large quantity of tracks on the device which was similar in size to a modern smartphone. It was relatively easy to use and users could enjoy music on the go.

However, sales of the iPod declined as smartphone ownership and usage increased. A key feature of modern devices such as smartphones, tablets and laptops is their versatility when playing music downloaded to them.

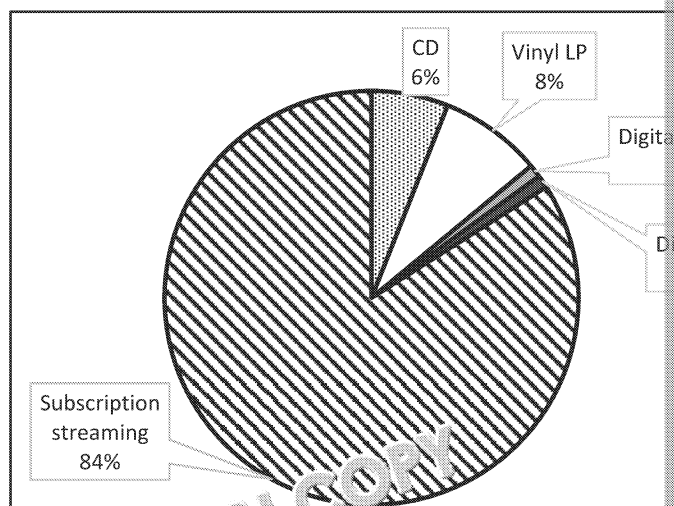
Some music streaming services are free whereas others charge a fee. Many music providers offer a free version to attract new users. People have access to large libraries of music but have to listen to advertisements. Options include YouTube, Spotify Free and Deezer Free. Free services are often preferred by users who use the streaming service so that they can experience it. However, many then upgrade to a paid-for subscription. A Which? surveying found that 75% of people with a paid-for subscription initially used a free service, a relatively high conversion rate.

Which? (2024) reported 'Free versions tend to offer lower bitrates (fewer kilobits per second) so sound quality will never be as good as their paid-for counterparts. Some will have a limited number of times you can skip a tune. You also won't have a seamless experience as you'll see banners or pop-ups proclaiming the benefits of paying for a subscription.'

Paid-for versions typically involve users paying a subscription. Most providers offer different packages so users can choose the best for their budget and situation, e.g. a basic package for an individual, a duo/family package for multiple users. There are various music streaming services available including Apple Music, YouTube Music, Amazon Music and Deezer.

In 2023 around 72% of total streams were by artists and bands signed to one of the major labels: Sony Music, Warner Music and Universal Music. 28% belonged to performers signed to an independent label according to the ERA (the Digital Entertainment and Retail Association).

Figure 3: Share of the music market (2023)



Source: <https://www.eraltd.com>

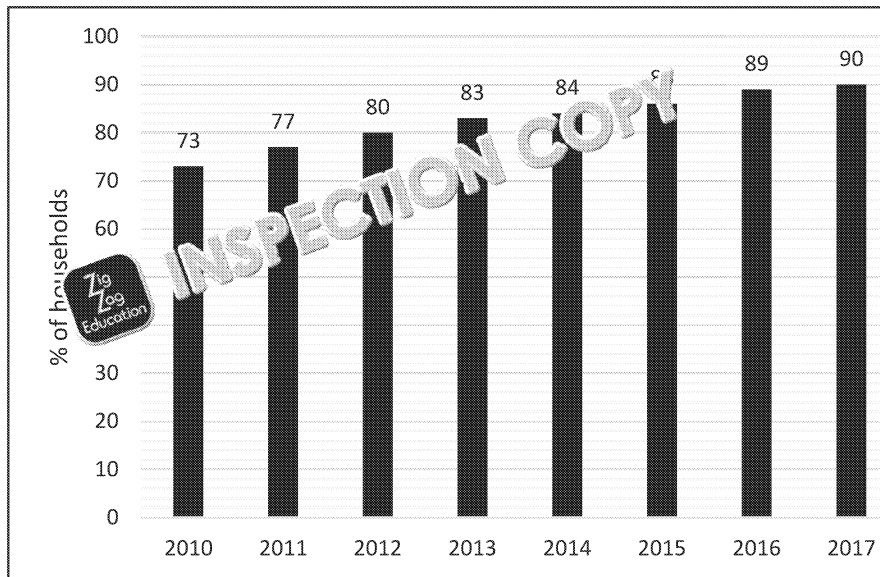
Streaming is a versatile way to consume music. The music can be enjoyed on various devices, provided the device is internet-connected. This has added to the convenience for users. The trend for increased consumption through streaming is facilitated by the growth / increased speed of Wi-Fi in the home and also appropriate devices. However, what is fuelling this development – is consumer demand to stream music driving technological developments to enable this; or are the technological developments leading to increased demand for streaming?

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Over 96% of GB households now have internet access which has supported the growth of digital music. This compares with 73% in 2010 and just 42% in 2002 (the 2002 figure is for the UK).

Figure 4: The proportion of GB households with internet access



Technological determinism suggests that technology influences society and alters the way people conduct their interpersonal relationships, values, and the way they

### Activity 3

Research technological determinism.

Do you think that technology has influenced the changing ways that people consume music (e.g. streaming) or do you think that growing demand to consume music digitally has led to the development of new technologies that have increased streaming?

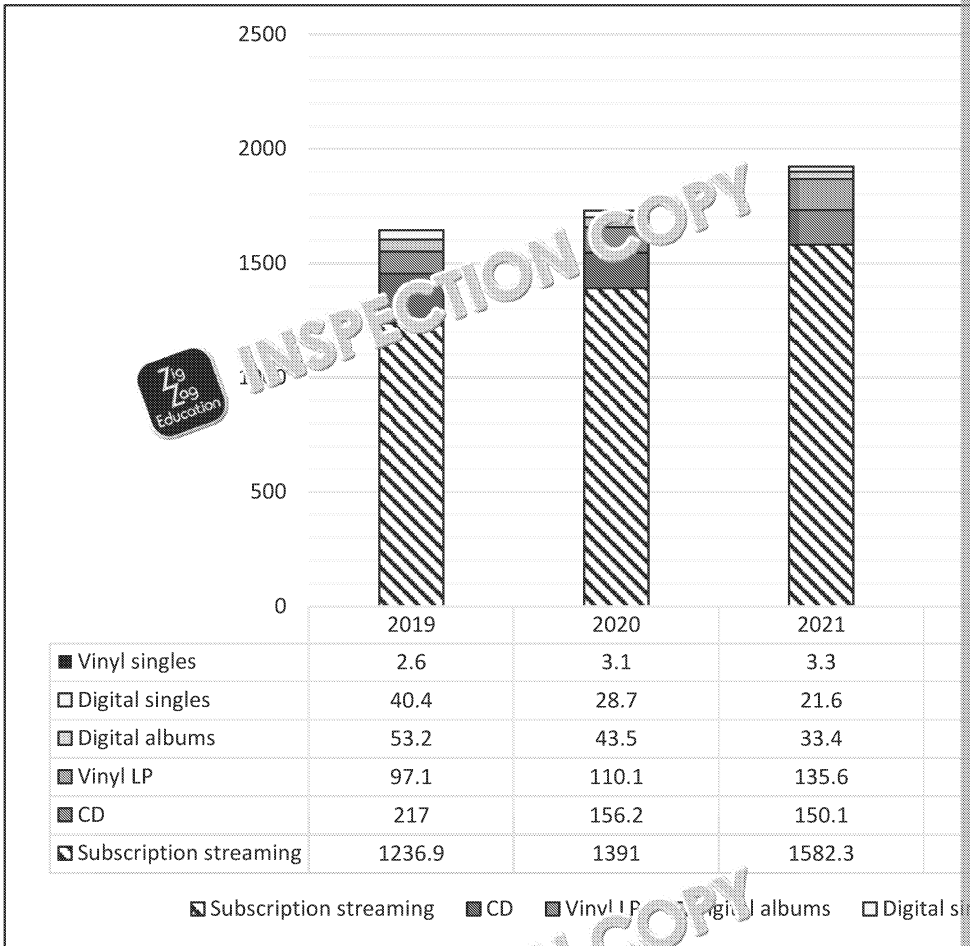
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Figure 5: Music market by segment

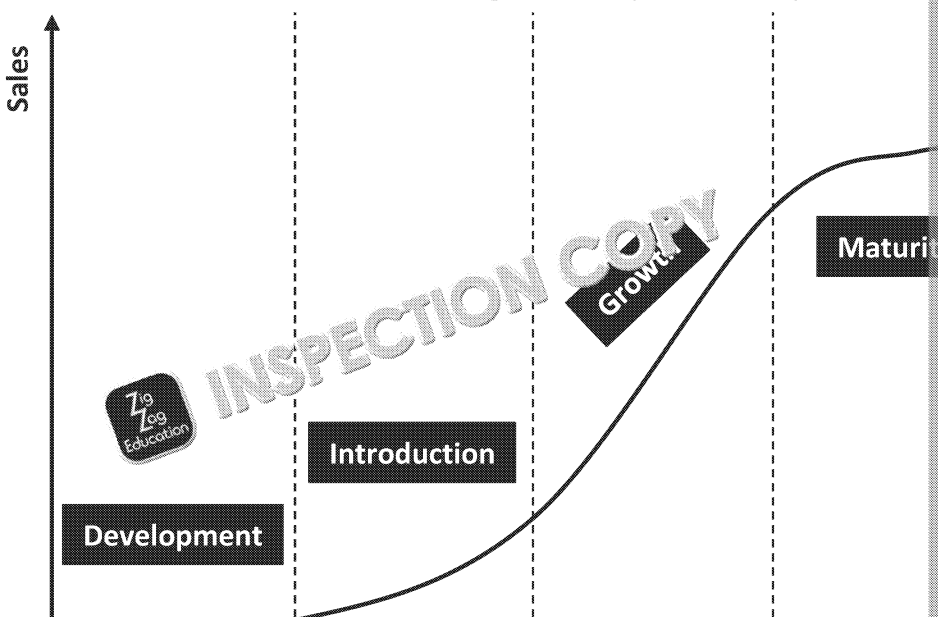


Other ways people listen to music include video streaming (31%), radio (17%), purchased downloads and live music.

## Product life cycle

The evolution and relative popularity of different mediums to consume music can be described using the product life cycle (PLC).

Figure 6: The product life cycle



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Most products have a limited time span over which consumers want to buy them, from product to product. This can be shown by analysing the different mediums of music. For instance, the cassette tape was once a popular way of listening to music but today it has been replaced by cassette tapes.

The product life cycle model illustrates the different stages in a product's lifetime and the sales at each stage. It allows a business in the music industry to decide on which marketing mix decisions to make depending on the product's stage.

### 1. Development

All products need to be developed before they are sold. At this stage, the business will carry out market research before the product is launched, to assess demand and design products to meet customer needs.

- carry out market research before the product is launched, to assess demand and design products to meet customer needs.
- test a prototype of the product to assess its physical attributes and performance.

While the product is being developed the entrepreneur/business is unlikely to attract competitors from stealing the idea and creating a similar or better product as a result in the original business missing the opportunity to be first in the market.

#### Activity 4

Carry out some research online to investigate some of the new ways to consume music and how they fit into the product life cycle.

### 2. Introduction

The product is first launched onto the market during this stage but customers are slow to buy. The business will promote the product to increase awareness and encourage sales. The people most likely to buy the product are those who like to buy a product that is new (early adopters). Sales will rise slowly.

Different businesses may adopt different types of pricing strategy:

- Some businesses may charge a low price to attract customers to try the new product.
- Other businesses may charge a high price to make back the costs of developing the product. Customers who want to be the first to try something are prepared to pay a higher price.

### 3. Growth

Sales of the product increase swiftly as the product becomes well known, customer numbers increase and the product is sold in more locations.

The product often starts making a profit but promotional costs are high because advertising may be implemented.

Competitors become aware of the product and start to bring out similar products.

- differentiate the product's benefits over the competition (i.e. differentiate it)
- develop or strengthen the brand's image
- attract more customers

### 4. Maturity

Sales and profit reach their peak during maturity. Most customers with a need for the product have purchased it. The product may become a mainstream product. Competition is intense and customers have a lot of choice. Promotion should therefore focus on keeping the product price low to keep customers loyal).

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### 5. Decline

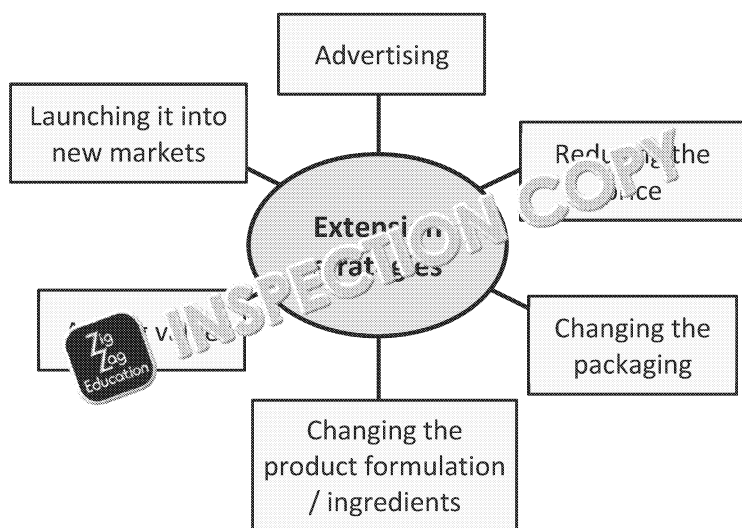
Sales of the product and profits start to fall rapidly. The product is likely to be and/or products may have come to the market. Due to reduced customer demand, the business may withdraw the product from sale. If there is still some demand for the product, the business may continue to produce the product to maximise the income generated from it and cover the money spent on development. If the business decides to withdraw, it will need to develop new products to survive. The price of the product is likely to fall to maintain demand for advanced or appealing products.

#### Activity 5

Categorise each of the following music formats/mediums according to the five stages of the product life cycle. What strategies would you take if you were in charge of the product?

- Vinyl records
- Cassette tapes
- CDs
- Streaming sites

If a product is entering the decline stage of the product life cycle, the business can take extension strategies to prolong the product cycle of the product. An extension strategy is a way of lengthening the product life cycle. If successful, extension strategies can generate increased demand, reversing any trend of going into decline. Vinyl records are a good example of a product that was in decline but then benefited from increased sales.



#### Activity

Think about extension strategies. Make a list of the advantages and disadvantages of each.

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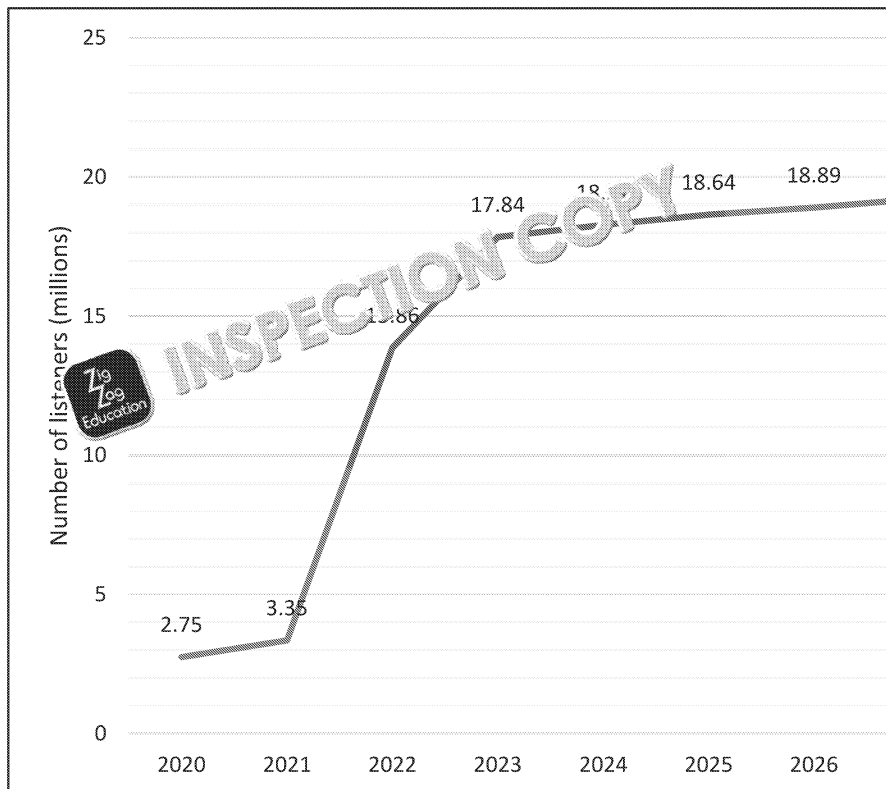
## Live music

Live music is an ever-popular way to consume music, and continues to increase in popularity. Music fans enjoy the 'experience' of seeing their favourite artists live with like-minded fans. Live music can be enjoyed at a range of venues including a local pub, theatre, stadium, festival site, venue with religious significance (e.g. a church), outdoors in the street or in a village hall. The appeal of live music is part of the demand for 'experiences', as attending a live event can reward individuals with lifelong memories.

The growth in demand for live music reflects the general social trend of the growth in experiences over material products. Experiences (as opposed to material products) are more enjoyable because they are more social in nature, less comparable to others. People increasingly seek to create 'memories', and live music events are a source of these experiences.

Figure 7 shows how the number of tickets to live music events has changed over time and includes predictions for future growth. Please note that the figures for 2020 and 2021 were significantly lower due to COVID-19 restrictions.

Figure 7: Number of users of live music ticket sales in the UK



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## Radio

Radio is a traditional way of consuming music, but is currently growing in popularity. Audience Research (RAJAR) 51 million adults – which is 88% of the adult (15+) UK population – listen to radio each week in the third quarter of 2024. The total average number of weekly listening hours in the third quarter three of 2024 (July to September) was 1.045 billion hours. On average, adults listen to 1.5 hours of live radio per week. 74% of weekly listening hours are consumed digitally, 28% are consumed on live radio. Radio is still a key way of consuming music in the UK and can have a major impact on how people initially hear songs on the radio and then purchase the track if they like it. For people listening at work, in the car or at home.

Figure 8 shows the weekly reach of all forms of radio up to the third quarter of 2024.

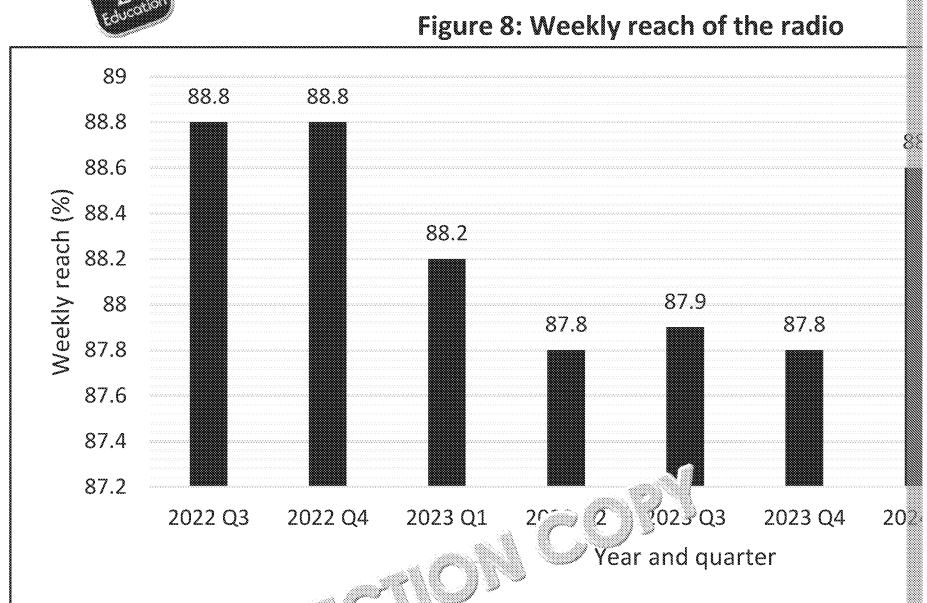
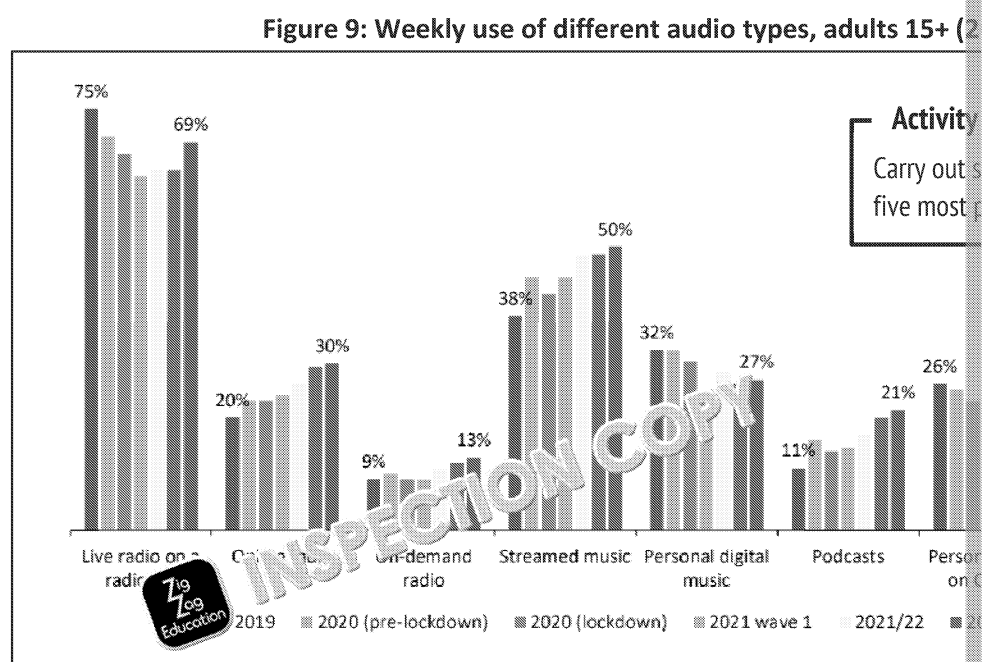


Figure 9 shows the weekly use of different audio types (including radio) broken down by year and quarter.



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<sup>1</sup> Taken from: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/musicians-2024-uk.pdf?v=371192>

## Growth of pre-loved sites for music

There has been a growth in the selling of pre-loved music products such as CDs and vinyl on sites such as Facebook, Amazon Marketplace and eBay. Charity shops also welcome donations of unwanted items to generate funds for their cause.

New businesses have been created to help customers dispose of unwanted products. CeX is a second-hand electronics and entertainment retailer and includes among its product list. Customers can buy, sell and exchange CDs and DVDs that in addition to other electronics such as mobile phones, tablets and other devices, which gives the customer an incentive to sell. CeX has over 600 stores across the UK, India, Italy, Australia, Mexico and Spain. All products are fully serviced and receive a 24-month warranty on all second-hand products sold online and prevented over 300 million tech products going to landfill over the past 30 years.

Vinted, Zapper and We Buy Books are other online marketplaces where customers can sell unwanted products such as vinyl and CDs, through its website or app. Vinted was founded in 2008 and is now available worldwide. Services of this nature can also reduce waste by finding a new owner for the original owner.

Selling unwanted music products helps the customer free up room in their cupboard for new music experiences. Donating or selling unwanted items can greatly reduce waste and increase enjoyment to the new owner.

Trends such as the increased cost of living / high inflation have squeezed households and motivated more people to sell unwanted music products to benefit from the cash they can receive for a fraction of the price of a new one. Increased awareness of the climate crisis has also led to many people wanting to avoid unwanted items going to landfill.

### Activity 7

Make a list of the benefits of selling pre-loved music for the retailer, the person buying the product and the individual selling the product.

## Consumer ability to buy music and go to live music events

The affordability of music (and going to events) varies over time. The cost of living has been historically high. Various issues – including rising utility costs (for services such as electricity, gas, water, taxation and inflation, leading to all products being more expensive, and relatively to more expensive borrowing such as loan/mortgage repayments – have led to households being squeezed. The rising cost of living has meant that people have less money available for entertainment. For a period of time wages grew at a slower rate than inflation, leading to real wages falling. This can reduce demand for music products.

Housing costs are a significant cost for households. Renters have faced rising rents in recent years, and many homeowners have been affected by high interest rates, both of which reduce income available for music and entertainment. Rents grew by 9.1% on average over the last year (and the Bank of England base rate, which many mortgage rates reflect, was held steady at 5.25% at the next meeting planned in February 2025).

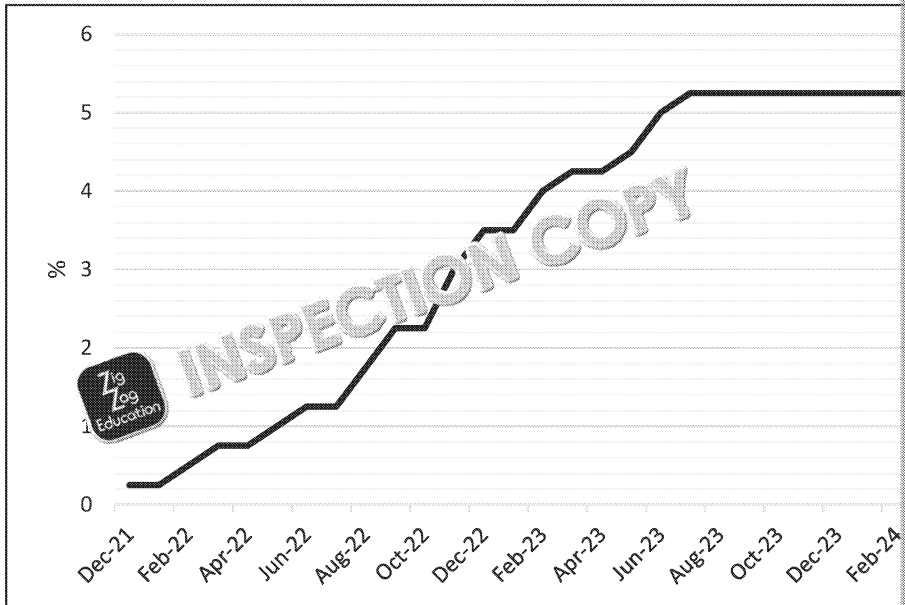
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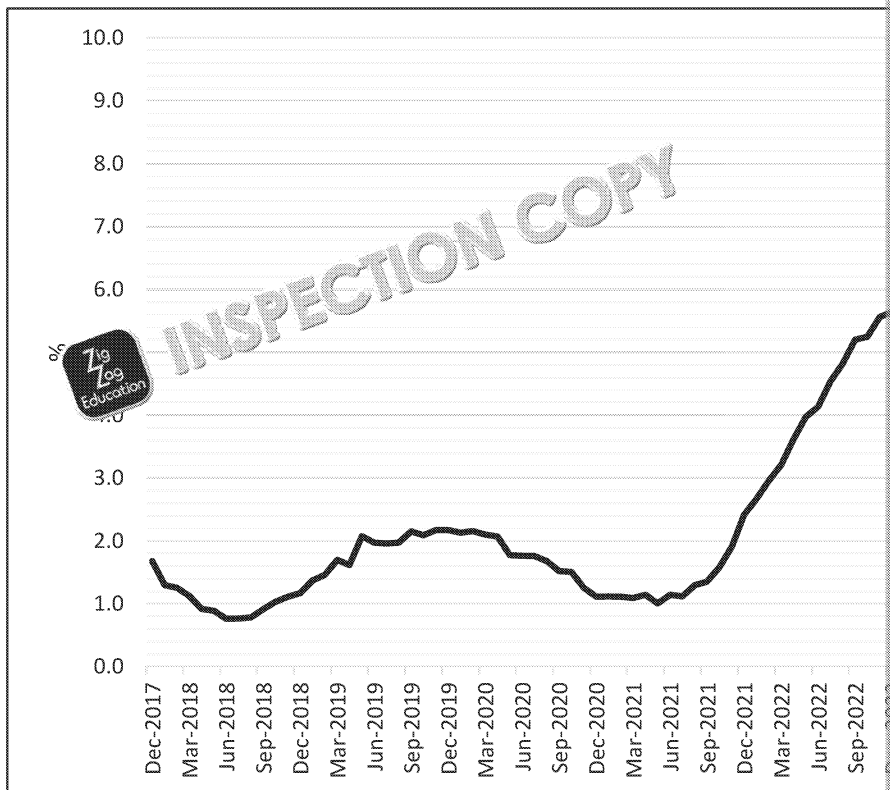


Figure 10: UK base rate (December 2021 – December 2023)



Source: <https://www.bankofengland.co.uk/>

Figure 11: Annual change in rent in the UK (Dec 2017 – Dec 2022)



Source: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/priceindexofprivate>

The Office for National Statistics (ONS) reported that average weekly earnings, including bonuses on a seasonally adjusted basis, increased by 5.5% between January 2022 and January 2024 to £672 (equivalent to £11.10 per month). This was 1.5% higher than the rate of consumer price inflation over the same 12-month period of 4.0%. The further reduction of inflation during 2024, and generous pay rises enjoyed by many workers, has led to increased affordability (in theory), although in practice this hasn't been the case according to many media reports.

### Activity 8

When consumer incomes are squeezed, expenditure on non-essential items such as music events can be good for people affected by challenging economic conditions. You should try to prioritise expenditure on music events, even in times of limited income.

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# Different businesses in the UK market: independents and mult

## Specification focus:

1.5.4 Forms of business

1.3.4 Distribution

1.5.5 Business choices

4.4.1 The importance of MNCs

The UK music retail market consists of a range of different forms of business. Businesses are classified according to the type of ownership, e.g. sole trader, partnership, private or public limited company. A business can be categorized according to the nature of its operations, e.g. independent retailer.

Most businesses in the UK music retail market belong to the private sector. The main aim is to make a profit. Enterprises in the private sector may vary in size from just one own employee to large public limited companies owned by hundreds of shareholders. A shareholder is a person who owns shares in a company by investing money. Shares represent the fraction of ownership that the shareholder has in a company. Shares are a unit of stock, which is the term used to describe all of the shares in a company.

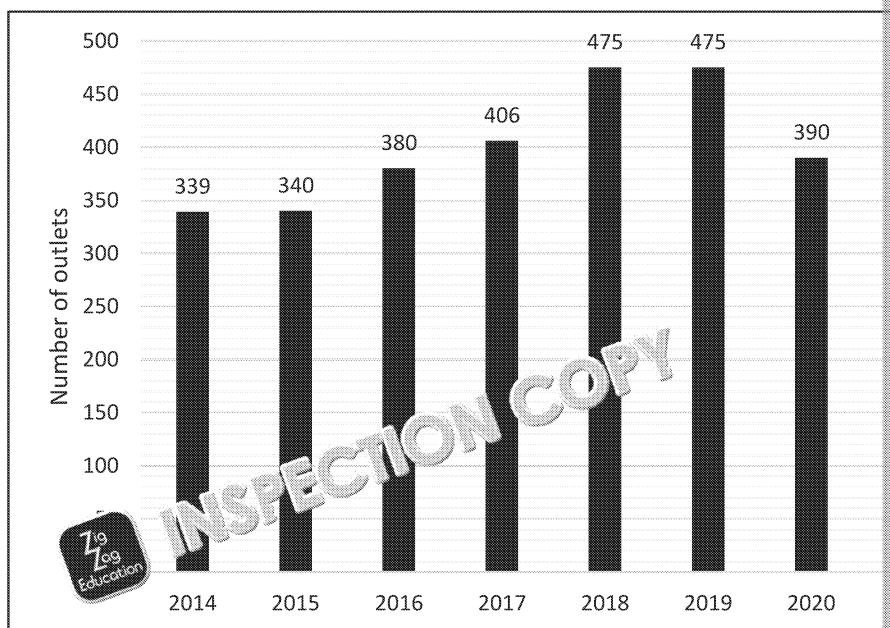
**Did you know?**  
The number of independent music outlets has increased by 15% since 2014.

## Independent retailers

An independent retailer is a retailer that is responsible for their own business. They do not belong to a chain with other branches of the same brand. Independent retailers are often small businesses. They may be run by a family and operate as a sole trader or partnership. They are often popular as consumers seek unique alternatives to the mass market products sold in large chains. Many independent retailers specialise in niche products aimed at a niche market, e.g. vintage vinyl.

In line with the growth in vinyl record sales, the number of independent record shops in the UK has increased by 15% since 2014. The Entertainment and Retail Association (ERA) reported that there were 475 independent record shops in the UK in 2024. Independent outlets now represent 23% of music outlets in the UK.

Figure 12: Number of independent music outlets in the UK (2014-2020)



Source: ERA

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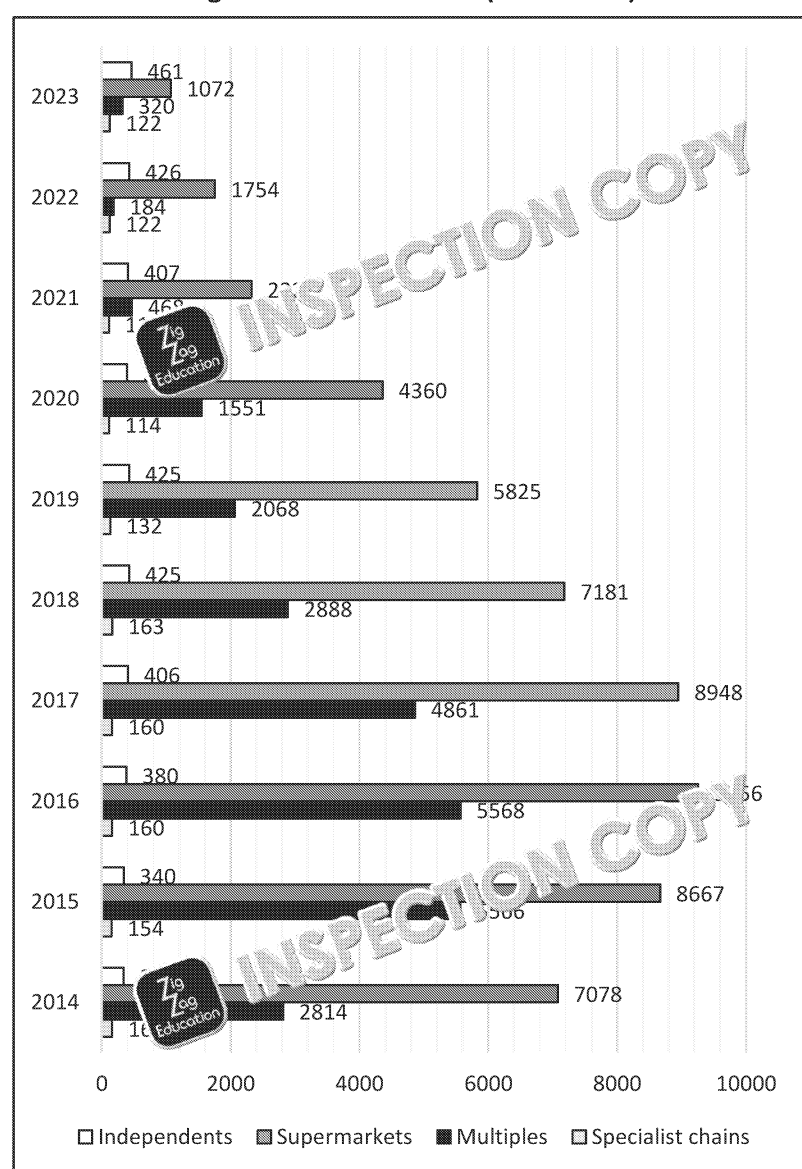
Figure 12 shows that the number of independent music outlets peaked in 2018/2019 before the COVID-19 pandemic. The pandemic hit small businesses hard, and despite support from government and other organisations some independent stores were unable to survive and/or decided to close. The past three to four years has also been particularly challenging for small businesses as business rates, utility costs and inflationary pressures have all affected the financial viability of music outlets.

However, overall, ERA stated that the number of independent music retailers that sell physical music was 4,611 in 2014 – there were 10,391 music retailers in 2024 compared to 1,975 music retailers in 2023. Products such as CDs and cassettes are still purchased in a large range of stores including supermarkets (e.g. Asda, formerly Woolworths) and also national specialist chains such as WH Smith and HMV (formerly Woolworths) and also national specialist chains such as HMV. The impact on the number of outlets selling music is the withdrawal of music from the supermarket shelves. In the years several well-known specialist music retailers have also closed including Our Price, Tower Records, Virgin and Zavvi. HMV is one of the last remaining multinational with branches in the UK and other countries), although it has entered administration in 2013 and again in 2018.

**Activity 9**

Why do you think supermarkets stopped selling CDs and cassettes in stores and online? Would you still like to see music to their product ranges? Why?

**Figure 13: Music outlets (2014–2023)**



Source: <https://www.era.td.org/yearbook>

In the UK, many large street and out-of-town centres have lost footfall in recent years, making the survival of retailers more difficult.

However, there are still opportunities for independent customers growing by moving into town centres instead of out-of-town independent trend is still strong. The number of independent entrepreneurs is still growing, offering opportunities for independent shops along with reasonable prices, affecting the market.

**Activity**

Visit an independent music store or look at their website. Compare different independent music shops along with their competitors. What are their strengths and weaknesses?

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## Multinationals

Multinational companies typically have a head office in one country with operations in other countries. They have investment, i.e. offices or factories making clothing products, outside their home country. They tend to be large public limited companies, often with thousands of employees in many countries.

Key decisions and operations are managed from the head office. This is known as centralised management. Multinationals have to operate in accordance with the laws of the countries in which they operate. They often they are so large that they can influence the government of that country, with multinational companies who compete with the local businesses. This influence is often viewed as a negative. and many multinational companies have received negative coverage as a consequence.

However, the investment made by multinational companies can also be beneficial. It may enable infrastructure improvements to support the operation of their businesses and local residents. They often employ large numbers of local people. They often employ local people from a multinational company, which upskills them (i.e. teaches them additional skills). They often become part of their supply chain, which may help them to expand and boost performance. They often invest in the countries that the businesses that supply the multinational will need to employ more people. They often spend their salaries to buy goods and services from other businesses. These businesses often experience increased sales and expansion. In this way, the multinational company's investment can be beneficial generally. The investment will lead to greater economic prosperity in the country.

Often multinationals adapt their products to meet the local needs of customers in different countries. Local operations in different countries enables multinational companies to adapt to local needs. Products for that specific market can be produced in that country – for instance, a product that suits the specific climate or fashion trends of the country. This benefits the business in each country can run independently to those in other countries if required.

Alternatively, some multinationals organise manufacturing across several countries. They have production of production in each country. For example, raw materials may be supplied in one country, components could be made in other countries, before assembling the final product in another country. The multinational business will make decisions about which country to invest in for each aspect of production, according to:

- the type of raw material (as some materials can only be grown in certain climates)
- the skills of the workforce in each country
- whether the product is bulk gaining or bulk reducing

As the multinational business has operations in the other countries, it can protect itself from risks such as exchange rate fluctuations and trade barriers, which can affect profitability. To protect itself from these risks, the multinational business will make and sell products within the host country to avoid importing and exporting. However, if the multinational organises manufacturing across many countries, it will still be exposed to the risks.

HMV is a well-known multinational music retailer which has faced several challenges. It entered administration twice – in 2013 and again in 2013. HMV opened its first store in the UK in 1962. The retailer sold vinyl records from this time. In the early days, and the culture of the 1950s supported its growth. Elvis Presley, and later The Beatles, changed the way people thought about music, turning it into a passion or part of one's personal identity for many people. Commercially, HMV's sales grew rapidly, with the firm opening stores all over the UK as one of the largest entertainment retailers in the country. HMV became a place where people would spend time and browse music to purchase. Going to HMV provided an experience. Special booths with headphones enabled customers to listen to an album before buying it. As time went on HMV diversified from just vinyl and introduced other mediums such as CDs. It was transformed into an entertainment retailer. However, the internet changed the way consumers moved to new ways of consuming music, such as streaming. HMV failed to adapt to these changes.

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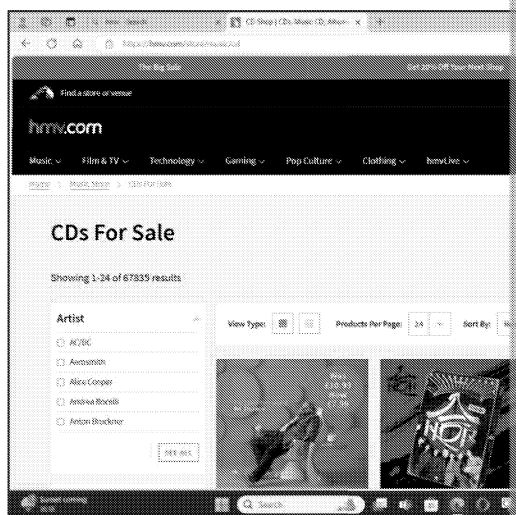


which triggered it going into administration for the first time in 2013. The brand was revived but its ownership did not last long as it was placed into administration again in December 2015. In 2016 JD Sports purchased the HMV brand, and the Canadian retailer Sunrise Records acquired the brand under licence.

Since this purchase HMV has developed. In 2023 the retailer returned to Ireland and the UK market. In 2024 HMV announced that it would re-enter Canada as an in-store company and also has operations in Japan; these have been under the ownership of Japanese company since 2010. Historically HMV traded in other countries such as Australia, Germany and the USA but has withdrawn from them over the years.

HMV has faced many challenges under its current ownership, including the COVID-19 pandemic and changing nature of the high street which has added to the issues that its physical stores face. HMV has an extensive website and sells a diverse range of products online including clothing and games.

As a multinational, HMV is able to spread risk because if the market in one country is down, the market in another may be more buoyant. The scale of operations also supports economies of scale leading to competitive pricing for customers and potentially increased profit margins. However, this can be costly, including its large store network. There were 120 UK stores as of April 2023, which was 85% of the UK portfolio.



Over the past few years, HMV has enjoyed improved performance. Pre-tax profits for Entertainment Retailers Group grew from £2 million to £5.3 million during the year to May 2023, and sales rose to £178 million. It is reported that approximately half of UK vinyl sales are through HMV.

### Activity 11

Research HMV's renewed financial performance. Make a list of the factors that have supported this between 2020 and 2024. Try to find a copy of the company's latest accounts and use ratios to compare performance. What strategies should be introduced to help HMV succeed in the future?

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# Business growth and objectives in the production and distribution sectors

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## Specification focus:

1.1.1 The market	3.1.2 Theories of competitive strategy	3.2.1
1.2.1 Demand	3.1.4 Impact of external influences	3.2.2
1.2.2 Supply	3.2.1 Growth	3.2.3
2.5.3 The competitive environment		

Business growth is a key objective for many businesses, including those within the production and distribution sectors.

There are two main ways that a business can grow:

- Internally (organic)
- Externally

Internal growth (organic growth) is where the business benefits from an increased level of sales of its products. It grows by increasing its own size, i.e. building on what it already does.

The Ansoff matrix helps to understand and assess a business's strategies for growth and which strategy to employ for their product portfolio. Many firms employ different products/services, and the model can be applied to businesses in the music sector. This is one simple way of looking at strategic development options:

	existing products	
existing markets	<b>Market penetration</b>	<b>Product development</b>
new markets	<b>Market development</b>	<b>Diversification</b>

Each of these options holds different opportunities and downsides for different organisations, so what is right for one business won't necessarily be right for another.

- Think about which option offers the best potential for your own business and market.
- Think about the strengths of your business/product and what type of growth you can enable most naturally.
- Diversification, by nature (unknown territory), generally carries the highest risk.

Here are the Ansoff strategies in more detail:

### 1. Market penetration

Developing new sales of existing products to your existing market(s). This is done by increasing market share at the expense of your competitors, or if the market is growing, by increasing growth you need. If you already have large market share you need to consider how much growth in this area would produce diminishing returns from your development. Strong market share suggests there are likely to be better returns from external products/services that you can offer to the market, as in the next option.

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## 2. Product development

Developing or finding new products to take to your existing market(s). This is to have strong market share in a particular market. Such a strategy can be a suit another company or product/service capability provided it is relevant to your route. Developing new products does not mean that you have to do this yourself another business who is willing to work in partnership with you to create a new

## 3. Market development

Developing new markets for your existing products. New markets can also mean a market – it helps to stay relevant to the markets you know and which are completely different to you, even if the product/service fit looks good, hold unknown territories for you, and almost certainly will involve working through established routes and partners. If you have good market share and good product/service associated with your markets or segments is likely to be an attractive strategy.

## 4. Diversification

Taking new products into new markets. This is high risk – not only do you not do you know the new market(s), and again this strategic option is likely to entail distribution channels and routes to market. This sort of activity should generate and supplementary to the core business activity, and should be rolled out carefully and piloting.

External growth is where a business grows externally. Two main ways of doing so are by merger or takeover.

- A merger is where two businesses jointly agree to form one larger business. It is a quick way of expanding.
- A takeover is where one business buys control of the other. It would involve the shares of a limited company so owning the controlling stake. Again this is a quick

### Activity 13

Fill in the blanks using the word bank below. Answers are on page 23.

acquisition	hostile	friendly	50%
lifetime	externally	temporary	unhappy

Companies can grow **(a)** in several ways. A business can take over another business when it

A takeover can be hostile or friendly. A **(c)** takeover is when the directors of the company do the takeover. A **(d)** takeover is where the directors do agree to the takeover.

A merger is where two or more firms agree to join their business operations together to become one. This is a **(e)** arrangement.

A joint venture is where two or more firms link up together to work on a particular product or product or project or for a temporary period.

Apple has grown over time using internal and external methods of growth. New product development is a major strategy along with adapting products for new markets – both geographical and demographic (especially in the early days) and new types of customer. Apple has acquired many companies over the years including British AI Music which focused on AI technology in 2022.

### Activity 14

- Visit [zzed.uk/12594](https://www.zzed.uk/12594) to see examples of **acquisitions** and also **mergers**.
- Evaluate Apple's acquisitions and mergers.
- Have the purchased or merged companies contributed to Apple's growth?

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## Greiner's five (six) stage growth model

This well-known growth model was introduced in the Harvard Business Review in 1985. It states that businesses go through five stages of growth or business development. Greiner later revised it to include a sixth and final phase. The model is best used to explain the stages of growth within large organisations.

Greiner describes growth as a series of changes within an organisation that are caused by various crises.

### 1. Growth through creativity

This considers the entrepreneur, who is the founder of the firm. Initially there is no formal structure and the entrepreneur undertakes most managerial and leadership roles. Every aspect of the business requires their attention. The entrepreneur needs to manage the injection of capital and alter their leadership style.

### 2. Growth through direction

The business grows further – with increasing formality in terms of structures and processes. Eventually, the business becomes too big for the founder to manage alone. A crisis – there is a need for delegation and new management structures.

### 3. Growth through delegation

At this stage the business will have senior and middle managers. The middle managers are responsible for identifying markets and spotting opportunities in the market. Senior managers take on a strategic role. Here there might be a control crisis – where managers do not want to let go of their responsibilities. Effective delegation is key.

### 4. Growth through coordination

At this stage the business often has a head office and there are clear departmental responsibilities. Motivational schemes are established to enhance staff productivity. However, there is a risk of bureaucracy, with the organisation becoming bogged down with excessive regulation, which can slow down the focus of senior leadership. Decision-making at scale could become an issue.

### 5. Growth through collaboration

The stage is characterised by product portfolio being delivered using a matrix structure with cross-departmental teams. Team-based financial benefit schemes may be established.

### 6. Growth through alliances

Typically the business can only grow further by working with partner organisations. This could be through merger or joint venture. Specialist firms may be employed to help devise contracts and manage operations via outsourcing.

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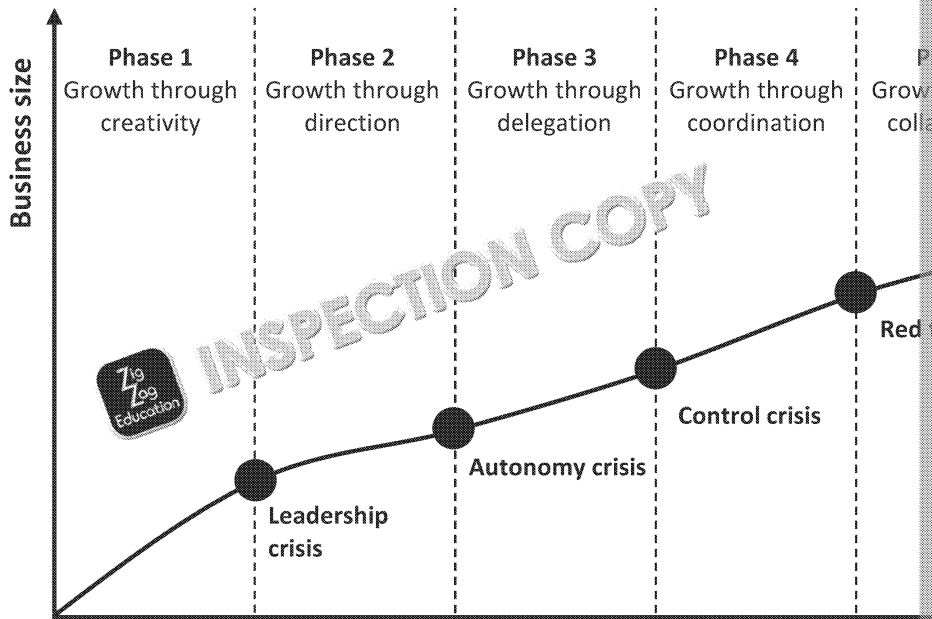


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Figure 14: Greiner's growth model



Growth has been challenging for many music retailers over the past couple of decades. Changing consumer preferences have enforced change from bricks and mortar to bricks and clicks or e-commerce. Retailers which made the change in a timely manner have tended to perform better than those which resisted change. This demonstrates the importance of early entry/adaptation to trends.

Answers to Activity 13

- (a) externally
- (b) 50%
- (c) hostile
- (d) friendly
- (e) mutual
- (f) lifetime

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# Global music recording and distribution businesses

## Specification focus:

- 1.3.1 Product/service design
- 1.3.4 Distribution
- 3.1.4 Impact of external influences
- 4. International trade and marketing

Once an artist has created a track, it must be recorded and distributed to fans. This process is essential to ensure the success of the track.



**Did you know?**  
Music recording is an essential part of the music industry.

## Music recording

Today budding songwriters and artists can create music at home with just a laptop and speakers. However, there comes a time when the music has to be recorded in a professional studio and distributed to fans. With professional technology the artists can then perfect their sound and reach the world.

A music recording is a physical record of a musical performance that may be replicated. The music recording business is a business that produces, records, generates and markets music. The music industry includes various businesses, from large record labels to small independent labels.

The music recording market size has grown during recent years. It reportedly grew to \$59.59 billion in 2024 at a compound annual growth rate (CAGR) of 7.5% (The Business Research Company 2024). The growth in the historic period is due to digital distribution platforms, music industry promotion and marketing, copyright and intellectual property laws, cultural and generational shifts. The market is expected to continue to \$78.94 billion in 2028 at a compound annual growth rate of 8.5%.

Large businesses in the global music recording industry include:

- Abbey Road Studios
- Bertelsmann SE & Co KG
- BMG Rights Management GmbH
- Capitol Studios
- EastWest Studios
- EMI Records Ltd.
- Financière de l'Odéon
- GMM Grammy Public Co., Ltd.
- Hasbro Inc.
- Metropolis Studios
- Quad Studios
- Sony Corp.
- Universal Music Group
- Warner Music

### Activity 15

Select three of the global music recording businesses listed above and carry out some research. How much profit did each business make over the past three years, and what are their plans for the future?



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## Music distribution

Music distribution is about making the song available to all music stores when the streamed by fans. Getting the distribution right is essential to the success of any a company can make the difference between a song never being heard and a song t

Even in the days of the internet artists still rely on distributors to make the song w song widely is essential to success, and newly relea material should be availab platforms, on the day of release. Key platform include Spotify, Apple Music, Goo and Facebook.

Distributors all take a percentage back to the owner. The digital environment has ma some cases consumption and purchase are inseparable in a digital stream need to be shared to communicate the money made. The final role of the distribu placed in a favourable location to maximise the number of clicks.

Distributors make money by charging a fee for uploading/distributing songs to sto on the revenue generated for the artist.

There are lots of well-known global music distribution companies, including:

- CD Baby
- Tune Core
- Symphonic Distribution
- Capitol Latin
- Warner Music
- DistroKid
- Amuse
- BMG
- Universal Music group

### Activity 16

Select three of the global music distribution companies listed above and carry out some research profit did each company make over the past five years, and what are their plans for the future



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# The roles and qualities of entrepreneurs setting up music events

## Specification focus:

1.3.1 Product/service design	1.4.5 Leadership	1.5.1 Role of entrepreneur
1.3.4 Distribution	1.5.1 Role of entrepreneur	1.5.1 Role of entrepreneur

Entrepreneurs are people who start and operate a business to meet customer needs and provide services that customers are willing to pay for which should enable the business to grow. A music event is different to a business.

Entrepreneurs see a gap in the market and start and operate a business to fill it. This can be done by hosting a music festival, or a music concert in a stadium. Entrepreneurs often get a business idea by chance when they are least expecting it.

Entrepreneurs use their personal characteristics/qualities to successfully set up music events.

**Did you know?**  
Successful entrepreneurs have personal characteristics/qualities that help them to set up music events.

All music events are the brainchild of an entrepreneur who has the creative idea to create an event that people will want to pay to attend. The events generally aim to make a profit, or raise funds to support a specific cause. The first music concert back in the 1980s was developed by Bob Geldof, an Irish rock musician and philanthropist, to raise funds to help with the devastation caused by the famine in Ethiopia. The music event was held to raise funds in Ethiopia.

The profits from modern music events are significant. Accounts filed with Companies House show that the Glastonbury Festival made £1.1 million in pre-tax profit for the year ending 2019, up from £2.9 million the previous year. The festival's revenue also rose by 20% to £68.4 million.

Harold Pendleton created the Reading Festival, which was originally called the National Jazz and Blues Festival for the first time in 1961 at Richmond Athletic Ground. The festival moved around London before settling in Reading in 1971. In 1999, a second leg of the festival was added.

Michael Eavis is a dairy farmer and the founder of the Glastonbury Festival. After seeing a headline at an open-air concert in 1970, he was inspired to create his own music festival. Eavis owns a lot of land and decided to open his fields at Worthy Farm in Pilton, Somerset, in 1970 that year. The first festival, which was a pop, blues and folk music festival, took place in 1970. The second festival took place in the summer of 1971.

Andy Copping is the founder of Download Festival, a rock music festival that takes place each year at different locations:

- Donington Park: The festival's original location in Leicestershire, England, where it has been held since 2003
- Paris, France: The festival has been held in Paris since 2016
- Parramatta Park, Sydney: The festival has been held in Sydney since 2019
- Flemington Racecourse in Melbourne: The festival has been held in Melbourne since 2018
- Hockenheimring in Baden-Württemberg, Germany: The festival has been held in Germany since 2022



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Download Festival is known for its community, safe atmosphere, and after-hours events.

British club promoter Cream developed the Creamfields festival series. The festival event in Winchester, and has since grown to a multi-day festival with international acts.

The Isle of Wight Festival was created by brothers Ron, Bill and Ray Foulk under the name of Foulk Creations Limited. The first festival was held in 1968 at Ford Farm, near Godshill, on the Isle of Wight. The festival featured acts such as Jefferson Airplane and T-Rex. It was a small event with around 10,000 attendees.

**Activity 17**

Using the internet, carry out some research into two music event entrepreneurs. Make a list of the characteristics of the two you feel have supported the success of the music event. Has the entrepreneur you researched encountered challenges along the way? How did their personal characteristics help them overcome the challenges?



**The characteristics of successful entrepreneurs**

Lots of people set up new music events every year. Some events are hugely successful, some are flops. The personal characteristics of the entrepreneur can influence the likely success of the event. Successful entrepreneurs generally have several characteristics in common which include:



➔ **Innovation and creativity**

To be successful, entrepreneurs often create a good/service that is different from what is currently available. The entrepreneur may use their creativity to invent a brand-new good/service or a new business idea.

Innovation can help the entrepreneur to create a new or different good/service with a novel feature or improvement which is different from what is currently available. However, it is not always easy to be innovative. Often entrepreneurs (especially when just starting out) have limited resources. They may have to be innovative in how they complete tasks; for instance, there may be limited funds for an expensive advertising campaign so the entrepreneur has to be innovative and use methods that are free or low-cost.

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➔ **Risk-taking**

Entrepreneurs often take risks when setting up a new business, but in return large rewards. There is always the risk that the business will not be successful losing money.

➔ **Communication**

Entrepreneurs must communicate with many people such as the media, to seek feedback from future customers and suppliers. It is important that they communicate that enthuases others so they understand and believe in the potential of the idea.

➔ **Negotiation**

Often entrepreneurs negotiate to progress their concept. Sometimes others will agree but make it a scaled-back version. The entrepreneur may need to 'give and take' on issues that are essential but other issues that it could negotiate on and compromise.

➔ **Confidence**

Effective entrepreneurs are confident. Entrepreneurs have the confidence to turn their business idea into action. The entrepreneur must believe in the business idea and communicate this to others so that they share the confidence.

➔ **Determination**

Not everything will go to plan when setting up a new small business. There are obstacles along the way; for instance, a loan application may be declined if the lender feels the entrepreneur is not successful entrepreneurs have the determination to carry on to set up the new business. Many people plan their new business idea in the evenings or at weekends around their other commitments. The business/event opens or reaches a certain size that they can afford to leave their other commitments but to be successful an entrepreneur must be determined to see this through.

**Activity 18**

Could you be a successful entrepreneur?

Copy and complete the table below by rating the various characteristics for you. 5 indicates that you are confident whereas 1 suggests that this characteristic needs further development and would hinder your success.

Characteristic	1 Personal weakness and needs further development	2	3 Average ability	4	5
Creativity and innovation					
Communication					
Confidence					
Determination					
Negotiation					
Risk-taking					

For any characteristics that you gave a low rating, what actions could you take to develop/improve this?

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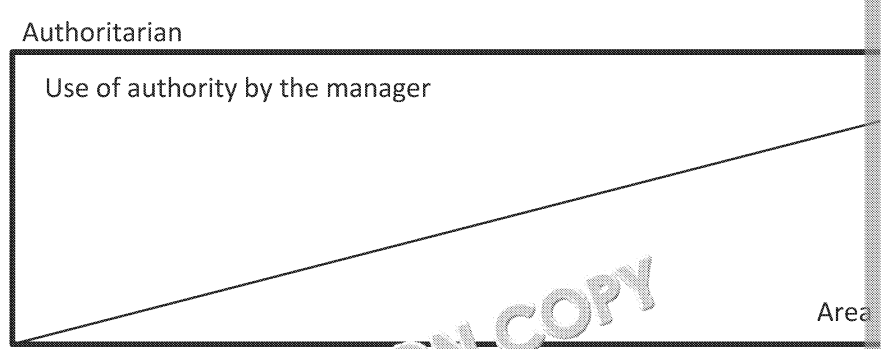
## Leadership

Staging a music event involves the contribution of a range of different people. The leader. The role of the leader is different from that of a manager. A manager is responsible for a policy and performs the task to the required standard (often through others). Leaders set the direction for the business/event, prepare its objectives and then decide what needs to be done and by whom. Leaders need to inspire staff.

Leaders can be categorised into four types:

- *Autocratic* (or authoritarian) – leaders take decisions on their own with no discussion
- *Democratic* – leaders discuss with workers before making decisions
- *Paternalistic* – leaders will listen, explain issues and consult with the workforce but will take the final decision
- *Laissez-faire* – leaders leave their colleagues to get on with their work so they have little direct control

The leadership style continuum was developed by Tannenbaum and Schmidt and involves categorising a leader along a continuum of varying degrees of autocratic/democratic.



This model can be used to analyse the characteristics of leaders in the music event industry. Some of the most successful have been successful.

### Activity 1

ArcTanGent and Damnation organisers, James Scarlett and Gavin McNally, discuss the good, the bad and the ugly of promoting festivals in the 2 Promoters, 1 Pod podcast.

Listen to the 2 Promoters, 1 Pod podcast. Make a list of the different characteristics linked to the different leadership styles.

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# Live music events in the UK and the types of events operating in these

Live music events cover a range of formats and music genres. Fans often prefer the experience of seeing their favourite performers live with friends, family and fellow fans.

## Activity 20

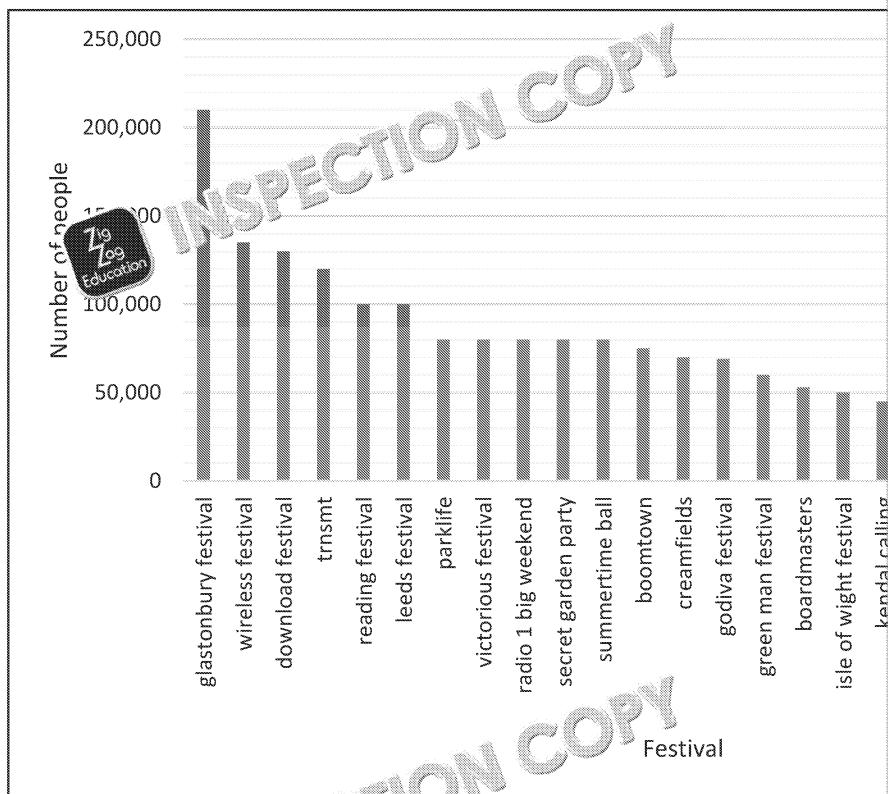
There are a wide range of different types of live music events in the UK. Make a list of as many different types of live music events as you can think of. Answers are on page 42.



## Outdoor music festivals

A large segment of the market for live music events in the UK is outdoor music festivals. A wide range of outdoor events throughout the country. Events include well-known festivals like Glastonbury and Wireless, through to smaller, local events which often cater for a specific music genre. Pilton Festival in Pilton, Somerset, is considered the world's largest festival and attracts over 100,000 people. Coldplay, Dua Lipa and Shania Twain in 2024. Figure 15 shows the 25 largest music festivals in 2022. Reading and Leeds are listed as two separate festivals as they are two separate events with different search volumes and attendance figures are different for each festival.

Figure 15: Number of people attending UK festivals (2022)



Obtaining a ticket for a popular festival is extremely competitive. Tickets are often sold in advance of the event and thousands sell out in under an hour in some cases. Some websites crash under the sheer demand. The price of festival tickets has increased over the years. The price of festival tickets prevents some music fans from attending. For £355 in 2024, festivalgoers can see 100 stages at Glastonbury over three packed days. If this price is divided by the number of acts, the price of a ticket to attend a gig by some of the headline acts, it represents good value for money.



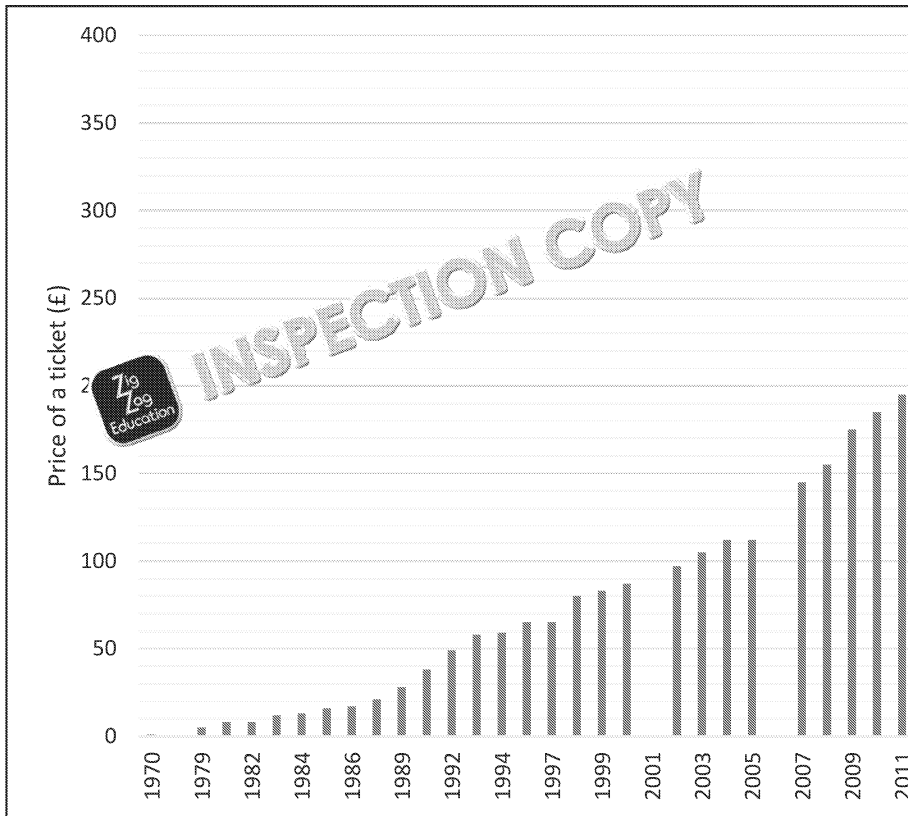
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Figure 16: The price of a Glastonbury Festival ticket over



Source: <https://www.thepopuphotel.com/how-much-is-a-glastonbury-ticket-t>

Note that tickets to the 1971 festival were free. There was no festival in 1972 to 1996, 2001, 2006, 2012, 2018, 2020 and 2021.

The prices shown in Figure 16 are for the basic ticket. In addition to the cost of the ticket there is a booking fee to pay (£5 for tickets purchased via the official website).

**Activity 21**

Do you think that the price of a ticket is good value for money?

In addition to the ticket price, there are other costs to consider:

- Car parking: A car parking pass for Glastonbury Festival costs £55 and is bought in advance.
- Campervan: A campervan ticket costs £200 for a standard pitch or £300 for a premium pitch.
- Food and drink: Some say that food and drink is more expensive to purchase at the festival than in a restaurant. Others say that the organisers pay the stallholders to use their pitch, so in addition to their normal operating costs, the organisers cover this fee. Obviously festivalgoers are a 'captive' audience and stallholders have the opportunity to charge a premium.

The 2023 Glastonbury Festival cost approximately £62 million to put on, with just over 258 companies in Somerset.

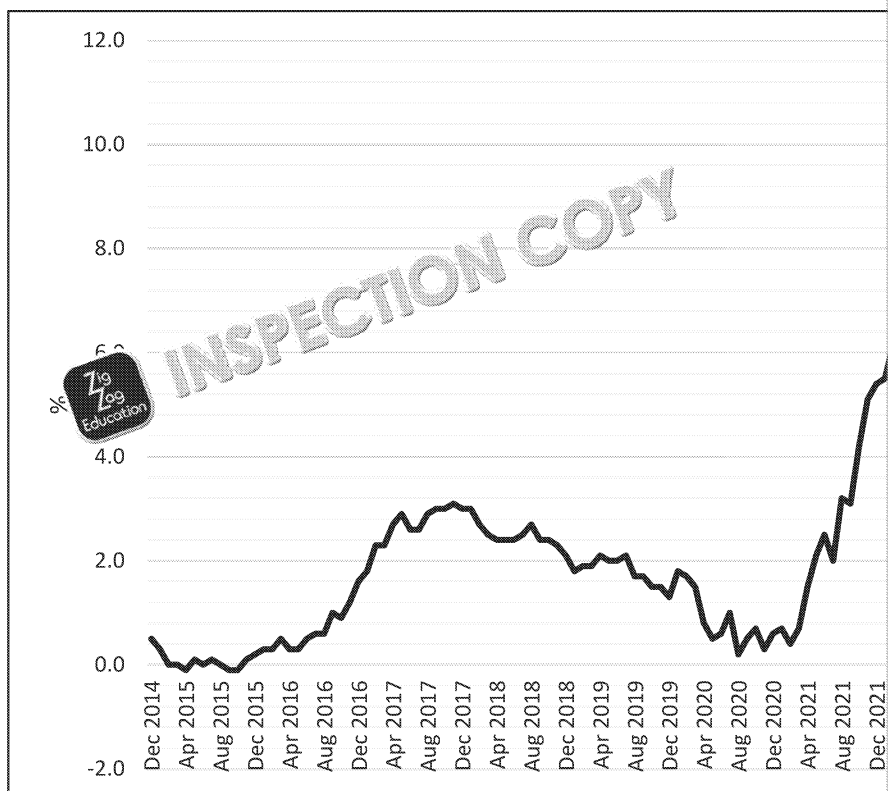
The price of tickets is affected by a range of different factors. Obviously the cost of production must be considered and is influenced by inflation. Inflation measures the rate at which the economy increases over time. The Consumer Price Index (CPI) is the general measure of inflation. There are others. It provides an 'average' of the price changes, although specific prices can rise at different rates. In a period of relatively high inflation, prices have started to increase. However, the recent monthly figures have shown a slight increase in inflation. The target is 2% and it is currently higher than this target.

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Figure 17: UK inflation (CPI) from December 2014 to November 2021



Source: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consum>

Inflation does not just affect the price of tickets and operating the events. It will also affect the cost of things people have to spend on non-essential items such as entertainment, buying music and attending events. This can leave people feeling 'poorer', especially if prices are rising faster than wages. This can lead to people prioritising essential items such as food, heating, clothing and transport over non-essential items like music events.

**Activity 22**

With reference to the CPI figures, explain some of the reasons for the changing rate of inflation. Recommend what event organisers should do in response to the recent increase in inflation.

**Media coverage**

Many festivals now work with media companies to increase the publicity/coverage of the event. For instance, since 1997 the Glastonbury Festival has worked with the BBC, which is the festival's exclusive broadcast partner. Coverage includes special programmes on BBC One and BBC Two, plus BBC iPlayer and BBC Sounds. The Reading and Leeds Festival is also covered by the BBC on iPlayer and Radio 1. Festivals also have their own television channels, such as Tiree Music Festival's TMF TV which includes live footage alongside performance highlights.

**Did you know?**  
The BBC is the exclusive broadcast partner of the Glastonbury Festival.

Media channels also broadcast their own festivals. This is not new as back in 2003 Pop FM organised the event which later became T4 on the Beach. It was a one-day music event featuring acts of the time. The event ended in 2012. Radio 1 historically held the Radio 1 Roadshow in the UK every summer for a special broadcast which was aired on Radio 1. The Roadshow was held from 1973 to 1999. Radio 1 has since moved to its Big Weekend (formerly One Big Weekend) which is held in different UK locations annually. The event has a lot of coverage on BBC platforms.

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Coverage of festivals is often welcomed by festival organisers as a way of generating revenue and allowing fans who were unable to buy a ticket to still enjoy the event from the comfort of their homes.

However, the commercialisation of festivals has been criticised due to the influence of large media companies on the operations of festivals. Rock star Neil Young was due to play at Glastonbury in 2009 but announced at the start of January that he would no longer do so. He cited that the festival's partnership with the Glastonbury Festival and alleged that 'BBC wanted him to be interested in'. He also alleged that the Glastonbury Festival is now under corporate control from the way that he remembered when it was founded in 2009. However, a few days after the announcement, which was widely covered by the media, Neil Young then announced that he would play at Glastonbury Festival in 2009.

### Activity 1



Make a list of the advantages and disadvantages of media company involvement with music festivals. Is there anything positive, or are festivals becoming too commercialised? How do you think this will develop in the future?

Social media also has a large effect on the music industry in terms of marketing and promotion. It has helped to introduce new artists alongside developing communities of users who support them.

## Managing stakeholders

To operate a successful festival, organisers need to work with stakeholders. Over the years, Glastonbury has faced opposition from local stakeholders. Pilton is a small village (the 2021 census shows a population of over 1,100 people); therefore hosting a large music festival attended by thousands of people is a challenge for the local community. In the early days many residents campaigned against the festival due to the road congestion and crime. Individuals used to turn up at the festival grounds with the 'security' fence, marring the festival with violence against security guards. The Channel 4 documentary in 1997 called *Showdown at Glastonbury* covers this period. The programme can be seen via this link: <https://www.bbc.com/programmes/04-12-1997-zz01-12594-glastonbury>

### Activity 2



Watch the Channel 4 documentary *Showdown at Glastonbury* via [zzed.uk/12594-glastonbury](https://www.bbc.com/programmes/04-12-1997-zz01-12594-glastonbury)

Make a list of five different stakeholders and plot them on a stakeholder mapping model. Explain how they are affected by the festival.

## Sustainability

Sustainability is a concern of many organisers and fans of live music events. The scale of a large live music event is massive. Into the future as music fans are even more aware of environmental issues, organisers will need to find new ways to operate.

Sustainability has always been at the heart of the Glastonbury Festival. It is known for its commitment to environmental issues and donates to Greenpeace and WaterAid among other charities with an aim to reduce its carbon footprint. In 1984, the Green Fields was introduced at the Glastonbury Festival to address environmental issues, which was well ahead of its time. Initiatives include:

- **Waste reduction:** The festival reuses or recycles half of its waste, which exceeds the UK average. It also has an on-site recycling facility that hand-separates waste for recycling.
  - Ban on single-use plastic drinks bottles in 2019 and disposable vapes in 2020
  - Introducing compostable crisp packets
  - Upgrading camping tickets to include tents, food, and waste removal
- **Sustainable power:** The festival uses solar panels, biofuel recycling, and temporary power operations. It also uses hybrid battery units to reduce the amount of fossil fuel used.
- **Electric vehicles:** The festival uses electric vehicles to transport artists.
- **Tree planting:** The festival runs a tree planting programme.

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- *Less water:* The festival takes measures to use less water.
- *Fewer events:* The festival has fallow years to give the ground time to recover.
- *Creative upcycling:* The festival constructs stages from reclaimed materials.
- *Mycelium:* The festival has tested mycelium, an organic and compostable material, as a construction material.
- *Hayes Pavilion:* The festival uses the Hayes Pavilion as a platform for artistic research and development on how festivals can be more sustainable.

**Did you know?**  
The Green Festival at Glastonbury is one of the most sustainable festivals in the world.

The Shambala Festival is an annual electronic music festival in Northamptonshire, England. So 2025 will see its 25<sup>th</sup> anniversary. The festival's difference is that sustainability is at the heart of it. It is committed to being sustainable, circular, regenerative, net positive and future focused. The festival includes a variety of music, including rock, pop, folk, jazz, hip-hop, comedy, a fresh organic market, fair trade coffee, workshops, talks and debates, a speakers' corner and site art.

Organisers have reduced the festival's carbon footprint by over 90%, the event is powered by renewable electricity, all food has been meat- and fish-free for almost a decade, single-use plastic is banned, and thousands of festivalgoers travel to the event using eco-travel options, and organisers have planted over 100,000 trees.

### Activity 25

Visit [zzed.uk/12594-shambala](https://zzed.uk/12594-shambala)

Make notes about the actions that the Shambala Festival's organisers have taken to put sustainability at the heart of the festival.

## Concerts

Many performers and bands go on tour periodically and play live to fans at venues in large venues such as arenas, stadiums, conference centres and theatres around the world.

Taylor Swift's Eras Tour was one of the most talked-about tours of 2024. Taylor Swift played 149 shows and produced a concert film entitled *Taylor Swift: The Eras Tour* in December 2024 in Canada. The tour spanned across five continents and was the highest grossing tour of all time, estimated to have made nearly \$2 billion. Taylor's UK dates included Wembley Stadium in June and August which attracted a high-profile audience of the Prime Minister and members of his cabinet, and Prince William with his children.

One of the most anticipated and publicised tours of 2025 is the reunion by 1990s rock band Oasis. In 2024 there was anticipation following cryptic social media posts designed to tease an important announcement. Oasis split in 2009 so fans secretly hoped for a reunion weekend on 27<sup>th</sup> August 2024, two days before the 30-year anniversary of the album *(Definitely, Definitely)*. The Gallagher brothers announced multiple UK/Ireland dates between 4<sup>th</sup> July and 17<sup>th</sup> August, with dates each at Wembley Stadium in London and Heaton Park in Manchester. Fans were able to buy a ticket for this highly anticipated reunion.

However, the widely anticipated tour attracted negative publicity over the tickets being sold at a premium, the dynamic pricing process and also online through Ticketmaster. Dynamic pricing is a system where prices are increased or decreased based on demand. Ticket prices more than doubled while fans waited in a virtual queue. On Ticketmaster, the price of a ticket increased to over £350 compared to £135 when they first went on sale. This attracted criticism as many fans were left out of pocket and some fans were unable to afford to buy the tickets on the queue. With dynamic pricing the prices for a product change to reflect changing demand. The charging of a higher price at a time of greater demand. It is used by many performing artists making more money. The system is based on supply and demand.

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protection laws. Schellion Horn, competition economist at accounting firm Grant Thornton, said at the time:

*'There are people out there for whom this is a once-in-a-lifetime experience and that [much].'*

Ticketmaster said that it was not responsible for the ticket prices, as prices are set by the event organiser based on their market value. The event organiser for the Oasis tickets was SJM, Live Nation, which worked with Ticketmaster, MCD and DF.

Tickets went on sale on Saturday 31<sup>st</sup> August 2024 and were sold out by the end of the day.

Hundreds of disappointed fans made official complaints about the advertising of the tour on mass media attention and the government has promised to investigate the use of dynamic pricing. Ministers have said that dynamic pricing will be part of a consultation into ticket pricing.

On BBC Radio 5 Live, Prime Minister Sir Keir Starmer said:

*'there are a number of things that we can' and 'should do'.*

*'Because otherwise you get to the situation where families simply can't go on holiday because of the fortune on tickets,' he said.*

*He added the government would be consulting on the future of the law, which could include 'price adjustments'.*

*'There are a number of techniques going on here where people are buying a ticket for a huge price,' he said.*

*'And that's just not fair - it's just pricing people out of the market.'*

Quote taken from <https://www.bbc.com/news/health-68111111>

### Activity 26

What do you think about dynamic pricing? Who benefits and who loses?  
Do you think the government is right to get involved? Why?

Oasis is not the only anticipated tour of 2025. Guns N' Roses have a world tour with London. Pop sensations Dua Lipa and Billie Eilish are touring. Iconic artists such as Stereophonics, Sabrina Carpenter and Sam Fender also have concerts planned.

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## Technology at live music events

Technology is also revolutionising live music performances. Modern technology can help lighting and other special effects that can create a truly magical experience for anyone. AI can help organisers to forecast potential event turnout by analysing past attendance and audience behaviour, helping organisers plan effectively. AI can personalise marketing campaigns for attendees with messages that resonate with their music preferences and past concert experiences. AI can also lead to more immersive experiences, such as dynamic lighting, sound, and real-time audience interaction, creating an immersive experience. AI can also lead to more personalised experiences, such as changing the planned set list in real-time based on audience feedback. For example, if the audience's reaction to one performer is disappointing, AI can adjust the line-up to better satisfy the audience. AI-driven chatbots and virtual assistants are also being used to engage with the audience. In this way AI can enable a live music event to be more interactive and personalised.

Another technological development is the use of virtual avatars at live music events. ABBA Voyage concerts feature virtual avatars (known affectionately as ABBAatars) representing the group as their younger selves from back in 1979. The concerts use vocals re-recorded by the group especially for this show within a Swedish studio. The ABBAatars are portrayed via computer-generated imagery. On-stage, an LED display shows the band to scale, as it would appear if the actual performers were there, and on the monitors to the sides of the stage the image is fully computer-generated. As the audience watches from the screens rather than the stage, the band would be too small to make out at a distance, the illusion is maintained. The arena was purpose built in the Queen Elizabeth Olympic Park in London. The concert was performed by Kate Moss, Keira Knightley and Kylie Minogue. ABBA Voyage is quite revolutionary and is being replicated by other groups/singers in the future, especially as performers age and their voices change. It offers exciting performances that fans seek.



During the COVID-19 pandemic, live music events could not take place. Government restrictions limited gatherings of people in close proximity. Some artists turned to online concerts which were accessible to a wider audience. Some fans loved the convenience, whereas others were less enthusiastic as they longed for the live experience. Some bands are now offering virtual environments, such as Gorillaz. Sam Smith gave a virtual performance at the Royal Albert Hall to celebrate the release of his third studio album.

The performance was intimate with monochromatic light and was well received by fans. Chris Martin also did a handful of virtual performances on Instagram which included Coldplay classics such as 'Trouble' and 'Viva la Vida'.

### Activity 27

Have you attended a live music event? Describe the experience.

Although the excitement and experience of a live event cannot be replicated for many fans, technology is supporting the live streaming of gigs. Amazon Music Live streams performances worldwide for a period of time. On Air also offers live concert streams in 4K UHD and HD Stereo. Atmos sound which gives fans an immersive, atmospheric and realistic at-home concert experience.

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## Sustainability

Sustainability is a concern of many organisers and fans of live music events. The carbon footprint of a live music event is massive. Into the future, as music fans are even more aware of the environmental impact of the events, organisers will need to find new ways to operate.

Massive Attack formed in 1988 in Bristol and has been an influential band over the years. In 2022, they were back on the headlines again for its efforts to change the music industry's record on climate change. They held a 'zero carbon' day show in Bristol which was hailed as the greenest concert of its scale. The event was designed to be a template for organisers of live music events to replicate. Here are some of the features of the event:

- All food was vegan
- Food and drink was served using compostable cutlery and serving items. Food waste was minimised and sent to landfill
- All toilets were compostable
- Electric vans (with large batteries) recharged other large batteries around the venue instead of using diesel generators to power stalls and the stage.
- No car park
- The 34,000 attendees were encouraged to use public transport or cycle or walk. Free electric shuttle buses to and from the two rail stations in Bristol were organised to support this process.
- Free electric shuttle buses to and from the two rail stations in Bristol
- Priority tickets for people living in Bristol
- Reduced the equipment involved in the event so that fewer trucks were on the roads

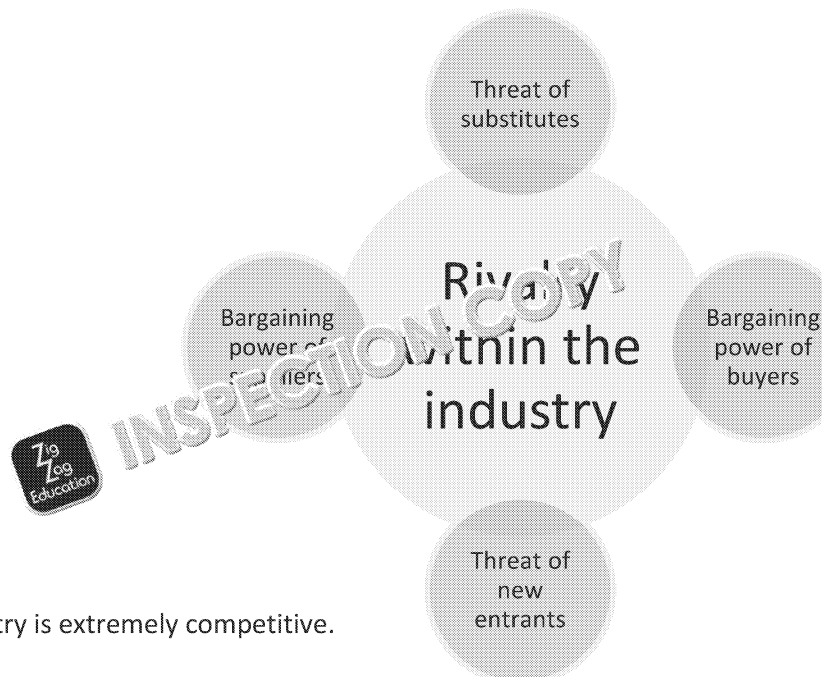
Massive Attack are not alone in trying to reduce the environmental impact of live music events. Other organisers have also planned to reduce carbon emissions of their world tours. The initiatives include a kind of 'green' event where attendees are encouraged to bring their own generating bicycles.

## Competitive environment

Businesses in the live music industry are increasingly operating in a competitive environment. Porter's five forces is a well-regarded model to consider the amount of rivalry in a competitive environment. The forces collectively determine the amount of rivalry by considering the threat of specific issues.

Porter's five forces is a well-regarded model to consider the amount of rivalry in a competitive environment. The forces collectively determine the amount of rivalry by considering the threat of specific issues.

Figure 18: Porter's five forces (developed by Michael Porter)



The industry is extremely competitive.

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**Activity 28**

Complete the following table to analyse the rivalry within one of the following markets:

- Live music events (non-festival)
- Music streaming
- Independent retailers selling vinyl

Here is an example for V festival

Force	Strength of force High or low?	Comments
Threat of substitutes	High	There are a number of options for consumers to consume music other than going to a festival.
Bargaining power of buyers	Low	If you wish to go to the festival you must pay the price requested. Buyers have no bargaining power to attend the festival.
Threat of new entrants	High	There are numerous new festivals that offer an increasing choice for consumers.
Bargaining power of suppliers	Low	If you wish to sell products/services to a festival you must sign a contract and pay what the festival organiser requests.
Degree of rivalry within the industry	High	There are lots of different festivals competing for the same audience.

A range of businesses/organisations support the operation of live music events in the UK:

- Food and drink sellers
- Ticket sellers
- Sound and lighting technicians
- Event stewards
- Sponsors of the event
- Media companies
- Cleaning companies
- Promotional merchandise producers
- Tent and marquee companies
- Carpenters and tradesmen
- The planning and organising team
- Artists who perform
- Security companies
- Public services such as NHS, police and fire

**Activity 29**

Can you add to the list of businesses?

**Business ownership**

The UK music retail market consists of a range of different forms of business. Businesses can be categorised according to the type of ownership, e.g. sole trader, partnership, private or public limited company. A business can also be categorised according to the nature of its operations, e.g. independent or franchised.

Most businesses in the UK music retail market belong to the private sector. The main aim of a business is to make a profit. Enterprises in the private sector may vary in size from just one owner to large public limited companies with hundreds of shareholders. A shareholder owns a share of a company by investing money. Shares represent the fraction of ownership that the shareholder owns in the company. Shares are a unit of stock, which is the term used to describe all of the shares of a company.

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Private sector enterprises often aim to make a profit, alongside other objectives. Here are the key features of the different types of private sector enterprises.

	Who owns the business?	Type of liability	Who is responsible for decision-making?
<b>Sole trader</b>	One owner (i.e. the sole trader)	Unlimited liability (responsible for all business debts)	The sole trader
<b>Partnership</b>	Two or more owners (partners)	Unlimited liability (in an ordinary partnership)	Each partner will have equal responsibility for decisions unless agreed differently in the partnership agreement (a written document that details the contract between the partners)
<b>Private limited company</b>	Shareholders	Limited liability	The board of directors, who are appointed by the shareholders
<b>Public limited company</b>	Shareholders	Limited liability	The board of directors, who are appointed by the shareholders

### Sole trader

A sole trader enterprise owned and run by one person (i.e. the sole trader/partner) is the most common form of ownership for start-up businesses. There are many businesses that operate as a sole trader, such as the owner of a small one-off shop selling vinyl records, or a business that operates e.g. via a marketplace site. Many businesses also start small and grow over time and change their type of ownership at the start.

Sole traders have to complete all the tasks related to their business even if they are not experienced in these tasks. For example, an individual making bespoke knitwear may have many creative ideas but may have less experience of marketing their business or managing the financial accounts. This could affect the quality of decisions taken.

A sole trader can keep all the profits made but they must make all business decisions themselves. They have full responsibility and some sole traders find this aspect stressful.

Sole traders have unlimited liability, which means that they are responsible for all business debts. If the business gets into debt, they may have to use some of their personal possessions to repay the business's debts.

#### Activity

With another student, discuss the advantages and disadvantages of running a music retail business as a sole trader. Create a short presentation to explain the advantages and disadvantages that you identified.

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## Partnership

A partnership is a business owned and run by two or more people who are known as partners. The partners usually draw up a legal contract, a partnership agreement, which states each partner's role and share of profits. Many businesses in the clothing industry operate as a partnership such as market stalls, small shops and online sellers.



The partners jointly share responsibility for decision-making, which can lead to disagreement. Partners want different things or feel the business should develop in different ways. The profits are shared equally between the partners (unless the partnership agreement states differently).

Each partner invests capital into the business and may also bring different skills and experience to the partnership. This allows each partner to specialise in specific tasks or areas of the business. One partner may be responsible for marketing the business whereas another may do the production. This way enables the owners to counteract each other's weaknesses.

Most partnerships have unlimited liability, so the partners are responsible for the business's debts. They may have to sell some of their personal possessions to repay them.

It is important to choose partners carefully as all partners are liable for decisions made. For example, if one partner makes a bad decision that loses a lot of money, all of the partners are responsible, even if they were not consulted about the decision.

## Private limited company

A private limited company is usually a small or medium-sized business that is owned by a few people. Some larger businesses also choose to operate in this way.

Each shareholder invests capital into the business by purchasing a share. In return, the shareholder receives a share of the profits, called a dividend. A board of directors is elected by the shareholders to run the company and make decisions on their behalf.

Shareholders benefit from limited liability. This means that they are not responsible for the business's debts. They only risk losing the amount of money that they invested in the shares. Private limited companies are small, family-run businesses. Shares in a private limited company are not traded on a stock exchange (a place where shares and stocks are bought and sold), and can only be bought or sold with the permission of the other shareholders, which ensures that the shareholders maintain control of the company. For this reason, the shareholders of many private limited companies are friends and family of the individual who set up the business initially. Some financial information must be put in the company's annual report and made available to shareholders; for instance, the profit/loss made and the value of the business's assets and liabilities. This is especially important if competitors access the information.

Private limited companies have their own legal identity and can sue and be sued, and own property. They are separate from the owners.

### Activity 7.1

With another group, discuss the advantages and disadvantages of running a music retail business as a partnership or a private limited company. Create a short presentation to explain the advantages and disadvantages that you identified.

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## Public limited company

A public limited company is usually a larger business that is owned by shareholders. It is sold into the business by purchasing a share, similar to a private limited company. However, the shares are sold on the stock exchange and the permission of other shareholders is not needed to buy shares. This means that the owners have no control over who can buy shares and there is a risk of takeover if one shareholder buys 51% or more of the shares. This would mean that the majority shareholder has control of all decisions, as they have more voting power than the other shareholders.

Shareholders receive a share of the profits, called a dividend, in return for their investment. Shareholders are protected from limited liability and have a separate legal identity. They employ a board of directors to run the company and make decisions on their behalf.

The table below outlines the advantages and disadvantages of the different private

Type of private sector enterprise	Advantages	Disadvantages
<b>Sole trader</b>	<ul style="list-style-type: none"> <li>The sole trader can make all decisions without having to discuss with anyone.</li> <li>They can keep all profit made.</li> <li>They are relatively cheap and easy to set up (i.e. no complex paperwork).</li> <li>The sole trader can usually choose their own working hours and holidays, etc. This provides flexibility.</li> </ul>	<ul style="list-style-type: none"> <li>They have unlimited liability.</li> <li>They may have to work long hours of business.</li> <li>The sole trader may have to work long hours. This may affect their work-life balance.</li> <li>They are more vulnerable to takeover.</li> <li>The owner has to be responsible for the sole trader's debts.</li> <li>It may be difficult to raise finance.</li> <li>Business failure can affect the owner's personal life.</li> </ul>
<b>Partnership</b>	<ul style="list-style-type: none"> <li>They are relatively cheap and easy to set up (i.e. no complex paperwork).</li> <li>There is greater capital.</li> <li>Partners can offer different skills and experience.</li> <li>Decision-making and work can be shared according to experience and strengths.</li> <li>There is shared responsibility for business risk.</li> </ul>	<ul style="list-style-type: none"> <li>They have unlimited liability.</li> <li>There may be conflicts between partners.</li> <li>It may be difficult to raise finance.</li> <li>Profits may be shared between the partners.</li> </ul>
<b>Private limited company</b>	<ul style="list-style-type: none"> <li>Additional capital can be raised by selling shares.</li> <li>There is limited liability.</li> <li>Shares can only be bought and sold with the permission of the other shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>They are more expensive to set up than sole traders.</li> <li>Certain financial decisions can be made without the permission of the shareholders.</li> <li>There can be conflicts between shareholders.</li> </ul>
<b>Public limited company</b>	<ul style="list-style-type: none"> <li>Additional capital can be raised by selling shares.</li> <li>There is limited liability.</li> </ul>	<ul style="list-style-type: none"> <li>They are more expensive to set up than private limited companies.</li> <li>Certain financial decisions can be made without the permission of the shareholders.</li> <li>There can be conflicts between shareholders.</li> <li>There can be a loss of control.</li> </ul>

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Type of liability	Definition	Advantages	
Limited liability	The owner of the business can only lose the amount that they originally invested in the business if the business fails / goes into debt. They cannot be forced to sell their personal possessions to pay for the business debts.	<ul style="list-style-type: none"> <li>The amount that the owner can potentially lose is limited, so they cannot lose any more money than they originally invested.</li> <li>The owner cannot be forced to sell any of their personal possessions, such as their house or car, to repay business debts</li> </ul>	•
Unlimited liability	The owner of the business is liable for the total debts of the business. If the business fails / goes into debt, they may be forced to sell their personal possessions to repay the business's debts.	<ul style="list-style-type: none"> <li>There is less paperwork to complete when setting up the business.</li> </ul>	•

- Suggested answers for Activity 20**
- Live music events
- Concerts
  - Gigs in a pub, club or other venue
  - Outdoor festival
  - Theatre/musical
  - Classical performances
  - Street performances
  - School productions

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# Managing resources at live music

## Specification focus:

2.4.1 Production, productivity and efficiency	2.4.3 Stock control
2.4.2 Capacity utilisation	2.4.4 Quality management

Live music events rely on the deployment of a range of resources. The resources are grouped into the following headings:

- Financial
- Physical
- Human
- Technological



## Financial resources

Most businesses supporting live music events need significant financial resources. A live music event is expensive with costly logistics and coordination by skilled employees who are often temporary. The working capital needed to operate is significant. The physical and technological resources for a quality event (music quality, lighting and general experience) and many businesses are very costly.

### Activity 32

Financial resources are essential for any live music event. List five sources of finance that an event organiser might use for a new festival.

Make a list of the advantages and disadvantages of each of the sources of finance.

## Physical resources

Different physical resources will be needed according to the nature of the live music event. For example, an outdoor music festival. Sufficient land is required to accommodate festivalgoers who may camp on site. Land is very expensive and can be a significant resource for any business in the industry. Some festival organisers rent some/all of the land from landowners. 1,500 acres of land is needed to accommodate over 200,000 festivalgoers at the Glastonbury Festival. The site is approximately 1.5 miles in length at its widest point. The 'superfence' – an eight kilometre long perimeter fence. There are more than 100,000 toilets, including more than 2,000 long drops, over 1,300 communal showers and 700 metres of urinals. All of these facilities form part of the physical resources for the festival.

Other music events may take place in a large venue. This venue may be owned by the business for a specific period of time. The venue is obviously a significant physical resource.

Music event organisers need to think about the logistics of people travelling to the event. Public transport, but often people will drive, meaning organisers must consider the number of people. The parking may be on site. Organisers must ensure parking is sustainable and reduce inconvenience to local residents in the area.

Other resources include the stage, lighting and sound equipment needed to produce a live music event. These are very expensive and often hired from specialist companies.



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## Technological resources

All businesses within the live music event industry rely on technological resources which are very expensive, require regular maintenance and updating, and can quickly become obsolete.

Technology has revolutionised live music performances. Modern technology can support lighting and other special effects that can create a truly magical experience for anyone enjoying a live music event. Data analysis allows organisers to forecast potential event turnout by analysing past attendance at similar events, helping organisers plan effectively. AI can now generate marketing campaigns, targeted advertising and messages that resonate with their target audience based on their preferences and past concert attendance. AI can also help by providing dynamic lighting and stage optimisation, and real-time audience analysis to enhance the live music experience. AI can also help organisers changing the planned set list in real life based on audience, e.g. if the audience reaction to one performer is disappointing, AI will prompt a change to the set list to better satisfy the audience. AI-driven chatbots and virtual assistants are deployed in live concerts to engage with the audience. In this way AI can enable a live music event to be more interactive with the audience.

### Activity 33

Research how AI may influence the writing of song lyrics in the future.

Create a short presentation to explain the advantages and disadvantages that you identified.

Another technological development is the use of virtual avatars at live music events. ABBA Voyage concerts feature virtual avatars (known affectionately as ABBAatars) representing the group as their younger selves from back in 1979. The concerts use a virtual stage for the group especially for this show within a Swedish studio.

During the COVID-19 pandemic live music events could not take place. Government restrictions on gatherings of people in close proximity forced artists to turn to online concerts which allowed fans to watch live music events from the comfort of their homes.

Technology has also affected the promotion of live music events. Most events are now promoted through dedicated event websites, social media accounts and third-party promoters.

Tickets are increasingly sold online and technological resources are used to manage the process of physically selling the ticket (managing virtual queues, payment, etc.) through to the event. This can support increased convenience for fans who no longer have to physically visit ticket offices in the pouring rain / cold and/or wait to get through to a telephone queue. Ticketing software/apps give organisers overall control over ticket production and distribution, and manage the number of tickets, prices, discounts, special permissions, and access to the event. Ticket fraud is a serious problem. Millions of people are duped into buying counterfeit tickets for existing events every year. Technology is fighting back against this issue. QR codes and facial recognition, supports increased security.

Tickets are scanned upon entry and anyone with a counterfeit ticket and fake credentials will be denied entry. Once legitimate tickets are scanned, the software automatically updates its database and management and security the actual number of people attending in real time.

Many festivals ask fans to register with their personal details online before tickets are sold. This allows them to print their name, address and photo of each ticket holder on their ticket to prevent fraud, but the original ticket is still required. Many events have an exclusive arrangement with one promoter for fans to buy tickets, whether they are buying a ticket from the legitimate organiser, or through a promoter.

Security devices and systems such as cameras, communication equipment and CCTV are used to ensure organisers provide a safe experience for fans. Security personnel, will be deployed at events for the monitoring and prevention of crime.

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## Human resources

An important resource for businesses involved with live music events is the employees. Businesses involved with live music events in a range of roles. These roles may be indirectly affected by the live music event, including:

- Administration, e.g. marketing, supporting operations, booking performers
- Box office staff
- Cleaning
- Hospitality, e.g. catering, hotels and other accommodation providers such as
- Security
- Stewards
- Event management
- Technical support – lighting technicians and sound engineers
- Stage manager
- Stage crew (roadies)
- Make-up and costume advisors
- Merchandise producers and retailers
- Sign producers and graphic designers/printers
- Medical

The manager of a small music event will generally carry out all human resources and operational activities themselves or supported by just a small team. This can limit the human resources within the business.

Those managing larger music events generally have the support of a human resources specialist (e.g. a specialist human resources department). The specialist managers/officers will be responsible for human resource management and ensure that managers operate in line with a

## Temporary nature of employment

The live music industry is characterised by casual employment opportunities with short hours contracts (e.g. for events, due to the fluctuating nature of demand/seasonal or annual events) with a temporary need for employees. This type of employment encourages individuals to look for employment to fit around other commitments. Festivals tend to take place during the summer which coincides with the summer vacation for students, making it particularly attractive.

There has been much speculation and debate about the future of zero-hours contracts. However, they are commonly used throughout the UK where it is agreed that the individual will work any hours of work per week. Employers can ask the individual to work when required as demand is temporarily outweighing supply, which is particularly common in the event industry. In the future, though, the government may restrict their use, e.g. preventing an employer from offering a zero-hours contract and prevent them from working elsewhere. Restricting their use is also valid to protect the employer's 'trade secrets' or prevent a potential conflict of interest.

Employment agencies are often used to help recruit people to work at the event. The agency within the agency will match the skills/experience of potential staff against the requirements of the event organiser. Often the agency will be responsible for the recruitment over a short period of time. The agency just supplies the labour, and will be responsible for the event organiser will pay the agency for its services. Often agencies add a percentage fee to the individual to cover the administration involved with providing the recruitment service.

### Activity 34

What are the advantages and disadvantages of using a recruitment agency for the organiser of

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## Recruitment and selection

Many jobs are advertised online, on social media, in local newspapers or through journals/magazines. Lower-level jobs tend to be advertised using low-cost medium mediums are reserved for senior roles such as managers.

The steps to apply for a job role can vary, e.g. some small businesses may still ask whereas many larger businesses have online application forms which applicants complete electronically via the website. Some businesses ask candidates to complete an interview prior to an interview (which may be face-to-face or increasingly virtual via a meeting).

Interviews for lower-level jobs tend to be traditional interviews with a manager. Some included to assess the applicant's skills, such as a role play to demonstrate interaction aptitude test to assess their car repair skills/knowledge, or a basic skills test (numerical).

The selection process for senior roles tends to be more complex, e.g. an assessment for a managerial role. Shortlisted candidates may undergo a day of interviews with different exercises such as a team activity, psychometric testing or a skills test.

### Activity 35

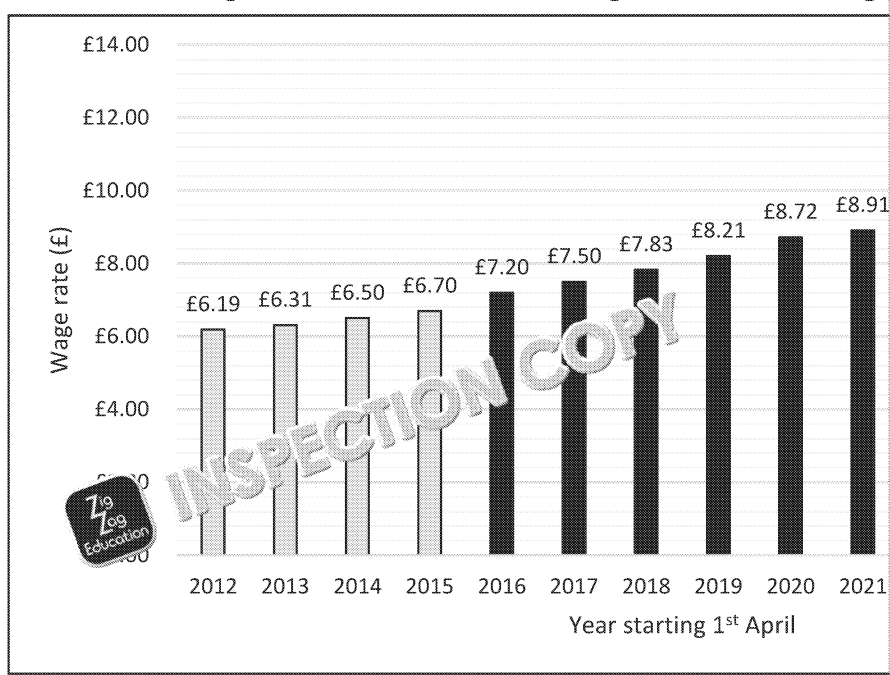
Go online and find a job vacancy at a business of your choice that is involved in the live music industry. Read the description and person specification. Explain the tasks involved for the role and how applicants should be selected.

## Costs of employing people

Some employees who work at live music events, such as bar staff and some administrative staff, are low-paid, with many receiving the statutory minimum wage. The National Minimum Wage was complemented by the National Living Wage in April 2016. The chart below shows the change in the National Minimum Wage over time – the figures for 2012 to 2015 relate to employees aged 21 and above, whereas the figures between April 2016 and April 2025 relate to employees aged 25 and above.

**Did you know?**  
The National Living Wage in April 2016 was £7.20 per hour for employees aged 25 and over.

**Figure 19: National Minimum Wage and National Living Wage**



Source: gov.uk, 2024: [www.gov.uk/](http://www.gov.uk/)

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The increases in National Minimum Wage rates is positive for the employees as they will receive higher wages. However, the businesses employing them will experience increased operating costs due to them having to pass on the increase to customers in the form of higher prices. Some businesses may also reduce the number of people employed due to the increased costs. Some businesses may also reduce the number of people employed due to the increased costs, which can put more pressure on the employees that remain.

**Activity 36**

Sarah runs a fast-food restaurant which is situated near a live music venue. Demand at the restaurant is high when there are any acts performing at the music venue. Sarah is looking to recruit employees on a zero minimum wage. How can Sarah ensure that the employees are well motivated? Justify your recommendations with theories.



It is not only the increase to the National Minimum Wage this year that has affected the music industry. The Chancellor announced an increase to employer National Insurance (NI) contributions. There will be an increase to the rate of employer Class 1 National Insurance contributions to 15.0%. The government also reduced the per-employee threshold at which employer National Insurance (the Secondary Threshold) from 6<sup>th</sup> April 2025 from £9,100 to £5,000. This will increase the costs of employing people for all businesses, making human resources more expensive for live music events.

**Motivation in the workplace**

Given the high cost of employing people to work at live music events it is important to motivate them so that they are the most productive and offer fans outstanding customer service.

Motivation is important to all businesses, including those involved with live music events. It is the person do something. It is:

- ➔ The desire to do something or achieve a result.
- ➔ The will to work hard and use the best of one's ability.



It is important for event organisers to motivate their workforce. In the short run a lack of motivation leads to reduced effort and lack of commitment. In the long term a lack of motivation may lead to high staff turnover, absenteeism, and industrial disputes. All of these issues could lead to falling productivity and profits.

Therefore it is argued that well-motivated staff will be productive, which should lead to higher profits for a business.

There are several theories of motivation including:

- Taylor's scientific management
- Maslow's hierarchy of needs
- McGregor's Theory X and Theory Y
- Mayo and the Hawthorne effect
- Herzberg's two-factor theory

**Taylor's scientific management**

Taylor felt only one thing motivated workers – money. He felt that workers should be given a fair day's work, and pay should be linked to output through piece rates. A worker who produces more work should receive lower pay, and a worker who produces less work should receive higher pay.



Taylor identified the 'best way' to do each job and found incentives to motivate staff. He worked out the most efficient activities with a stopwatch. He could then work out the most efficient way to do each job and then made sure each worker did it that way.

Taylor introduced the concept of division of labour – whereby employees are trained to do a task in the most efficient way – this task is then repeated over and over again – the worker who is most efficient is given the highest pay. Taylor also said that supervisors are needed to monitor efficiency and ensure workers are working in the most efficient way.

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### Mayo and the Hawthorne studies

By the 1920–30s it was clear that there were additional factors to money that motivated workers. The Hawthorne studies (coordinated by Elton Mayo) are a number of experiments that took place at the Hawthorne Plant of the Western Electric Company in Chicago. Over the period, changes in work schemes, rest periods, hours of work, lighting and heating, and the effect on work output were studied.

One example was a group of six women assembling telephone relays. It was found that productivity increased when a rest period was made, including a return to the original condition, but then rose. This came to be known as the Hawthorne effect.

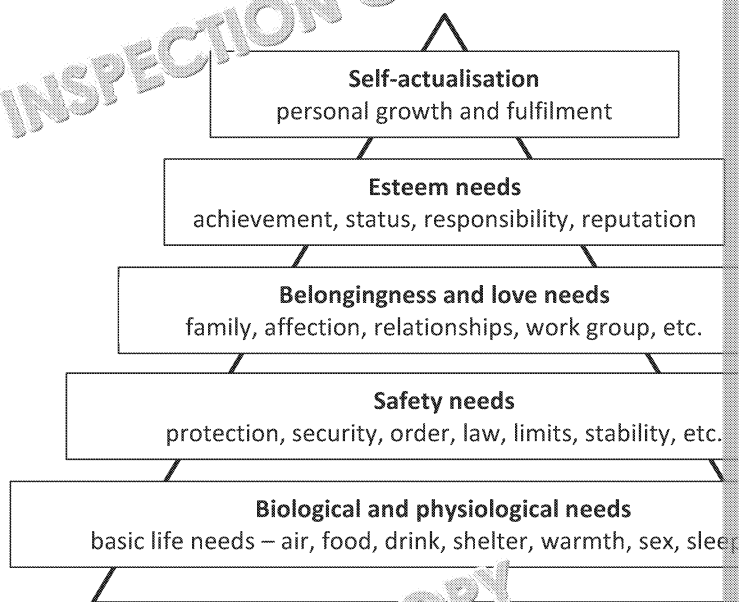
The study concluded that changes in conditions and financial rewards had little effect. Increases in output were mainly due to the greater cohesion and communication that developed as the workers were interested and were motivated to work together. Workers were shown in the studies to be influenced by the researchers.

A business aiming to maximise productivity must make sure that the personal satisfaction of its workers is taken into account. Workers need to be motivated. Management must also work and communicate with employees so that their goals fit in with the goals of the business. One way to do this is to allow employees to have a say in decision-making. Workers are more likely to be committed if they have had some influence over their work.

### Maslow's hierarchy of needs

Maslow considered individual motivation, and developed his well-known hierarchy of needs. He suggested people are 'wanting beings', and always want more. What they want, they do not already have. Maslow proposed human needs are arranged in a series of five levels, ranging from physiological needs up to self-actualisation – usually presented as a pyramid. Satisfaction on the level they are on and strive to progress higher. Lower-level needs are more likely to motivate while satisfied.

Figure 20 Maslow's hierarchy of needs



Maslow said that needs at the bottom of the hierarchy are basic needs. They must be satisfied before a person can move to the next level, and people are likely to be more concerned with basic needs than anything else. At work, a person who has not had their basic needs met is unlikely to be concerned about making friends or achieving their goals. Once each level is satisfied, the needs at this level become less motivating.

The exception is the top level of self-actualisation. This is the need to fulfil your potential. Although everyone is capable of this, in practice very few reach this level.

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Each level of needs is dependent on the level(s) below. Say an employee has been given an opportunity to take responsibility, but then loses their job. The whole system collapses and family becomes the most important need.

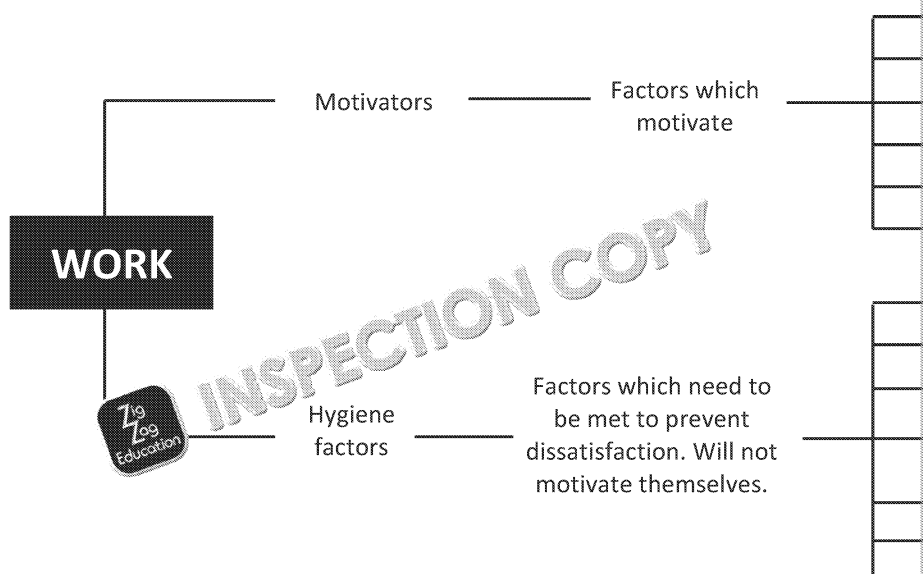
Business managers need to find out which level each employee is at and decide upon appropriate motivators/rewards.

### Herzberg's two-factor theory

Herzberg's two-factor theory (1966) suggests that people's needs at work can be divided into two categories:

- **Motivators** such as achievement, interest, recognition for achievement, which can lead to job satisfaction (a passion for the job). It could be argued that motivators make a business more successful as its workforce for achieving a target is likely to be more motivated.
- **Hygiene factors** such as pay, status and working conditions, which are quickly accepted as satisfactory but resented bitterly when unsatisfactory. Improving hygiene factors can reduce dissatisfaction, e.g. better canteen facilities may make workers less dissatisfied. However, an improvement in hygiene factors alone is not likely to motivate a worker. If hygiene factors are not met, there could be a fall in productivity.

**Figure 21: Herzberg's two-factor theory**



Maslow and Herzberg's work are linked – Herzberg argued that only the higher level factors motivate workers.

Herzberg's ideas are often linked with job enrichment. This is where workers have more control over the production process. This allows the workers to be more motivated and have a greater sense of achievement.

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## McGregor's Theory X and Theory Y

In 1960 McGregor gave different reasons why people work.

Theory X	
<ul style="list-style-type: none"> <li>Workers are motivated by money</li> <li>Workers are lazy and dislike work</li> <li>Workers are selfish, ignore the needs of businesses, avoid responsibility and lack motivation</li> <li>Workers need to be controlled and directed by managers</li> </ul>	<ul style="list-style-type: none"> <li>Workers have many reasons to motivate them</li> <li>Workers can enjoy their work</li> <li>If motivated, workers will be self-directed and take responsibility</li> <li>Managers should create an environment where workers can show their job knowledge</li> </ul>

Theory X assumes people are lazy. If this is accepted, the only way to get people to work is to control them. Workers may be made to do tasks by threats or punishment if they refuse; alternatively, promises/rewards if the task is completed – the carrot or the stick approach!

Theory Y assumes that most people are motivated by those things at the top of Maslow's hierarchy of needs. They are responsible, committed and enjoy having control over work. In this case, managers should create an environment to allow workers to show creativity and contribute to decisions at work. They should give them the opportunity to prove they can rise to the challenge.

The personal belief of the manager will often influence how they choose to motivate their staff. Managers will depend upon the type of staff, e.g. managers may be more likely to use Theory X when managing a junior marketing manager than if managing a senior marketing manager.

### Activity 37

Carry out further research into the different theories of motivation. Recommend three actions for each of the following:

- a person cleaning toilets at a live music event
- a sound engineer
- a marketing administrator responsible for social media

## Teamwork

To support the planning, operations and clearing away of live music events it is important that staff works as a team. This can be challenging due to the temporary nature of many events. Staff must perform and depart within hours/days in many cases.

### Activity 38

Tuckman proposed a well-known theory of the stages of team formation. Apply this to the following scenarios. Suggest methods that event organisers could use to support the workforce to work together as a team.

- A one-day outdoor music festival expected to attract 10,000 fans
- A musical in a theatre running for five months

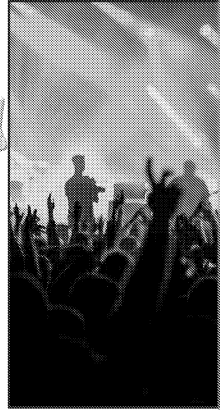
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# Case Study 1: Enterprising

Michael Eavis is a dairy farmer and the founder of the Glastonbury Festival. The Glastonbury Festival is an annual five-day festival in rural Somerset with a global reputation. It is reported to be the world's biggest music festival. However, the first festival was a small gathering and the event has gradually developed year-on-year into the festival that is known today.



The Glastonbury Festival takes place on Worthy Farm in the Somerset village of Pilton, which is about seven miles from the nearby town of Glastonbury, from which the festival takes its name. The festival is held at the end of June with gates opening to the site at 8am on the Wednesday. The festival main line-up starts on the Thursday and concludes the event late on the Sunday. Many festivalgoers are keen to enjoy the full festival on Tuesday – organisers often let them into the car park on the Tuesday evening, in part to avoid local roads if hundreds/thousands of cars were forced to queue.

The line-up for each festival is widely anticipated. Tickets first go on sale during the week before the festival and people buy their tickets without full details of the acts. Tickets for the 2025 event cost £18.50. This is an increase of £18.50 from the 2024 festival. The line-up is being gradually revealed. The 2025 line-up will play the Sunday afternoon legend slot in 2025. Other performers are to be confirmed. Confirmed performers include Harry Styles, Sam Fender, Matty Healy of The 1975, Stevie Wonder, Rihanna, and Taylor Swift.

The festival now has over 100 stages so festivalgoers have a lot of choice depending on their preferences. Stages include:

- Pyramid Stage: The iconic main stage
- Other Stage: The second stage, which debuted a new name in 1997
- Park Stage: Introduced in 2022 by Emily Eavis
- West Holwell Stage: A major Glastonbury venue
- John Peel Stage: Previously known as the New Bands Tent, renamed in 2004 to honour the DJ
- Marquee Stage: Founded in 1983 as the second stage after the Pyramid
- Acoustic Stage: One of the longest-running stages
- Avalon Stage: Launched in 1994

The official Glastonbury Festival website includes full details of the line-up/timings to help festivalgoers plan their visit.

Music is only part of the Glastonbury Festival offerings, though. There are lots of stalls, including the Circus tent, children's entertainment and a range of items for sale. Festivalgoers can also enjoy a variety of food and drink options from the traders, and there is also a temporary 'festival' Co-op shop selling toilet roll to soft drinks.

The modern festival has sustainability at its heart. It is known as one of the most sustainable festivals in the world. The Green Fields was introduced to raise awareness of environmental issues which were highlighted in the 2019 festival. Initiatives include:

- **Waste reduction:** The festival reuses half of its waste, which exceeds the UK average. It has an on-site recycling centre that hand-separates waste for recycling. Other initiatives include:
  - Banning single-use plastic drinks bottles in 2019 and disposable vapes in 2022
  - Introducing compostable crisp packets
  - Updating camping tickets to include tents, food, and waste removal
- **Sustainable power:** The festival uses solar panels, biofuel recycling, and temporary power stations for its operations. It also uses hybrid battery units to reduce the amount of time generators are used.
- **Electric vehicles:** The festival uses electric vehicles to transport artists.
- **Tree planting:** The festival runs a tree planting programme.

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- **Less water:** The festival takes measures to use less water.
- **Fewer events:** The festival has fallow years to give the ground time to recover from the heavy use.
- **Creative upcycling:** The festival constructs stages from reclaimed materials.
- **Mycelium:** The festival has tested mycelium, an organic and compostable material.
- **Hayes Pavilion:** The festival uses the Hayes Pavilion as a platform for artistic residencies.



The festival has also hosted many MPs and Michael Eavis campaigns for peace, and to the Campaign for Nuclear Disarmament, which lasted until the early nineties. Former Labour MP appeared on the Pyramid Stage in 2017 and acknowledged the victims of the Grenfell tower fire that took place just two days earlier. Performers have shared their political views with fans during the festival.

The inspiration and development of the festival over the years is down to Michael Eavis. After seeing a headline at a nearby open-air concert in 1969, he started his own music festival. As a farmer, Michael Eavis

decided to open his fields at Worthy Farm in Pilton, Somerset, to 1,500 people later that year. They attended and were given free milk from the farm and free camping.

The first festival, which was a pop, blues and folk music festival, took place in September 1970 and was held in the summer of 1971.

Although the early festivals were well attended, the organisers suffered huge financial losses. Michael Eavis used his entrepreneurial qualities to turn the festival into the hugely profitable Glastonbury Festival, which is enjoyed by people worldwide.

Festivalgoers have always been diverse. The early festivals were attended by the so-called 'hippies' and 'hippies'.

As the festival has grown, Michael Eavis has had to work with other local landowners to bring them into the festival.

The festival does not run every year. Traditionally, Glastonbury runs for four or five years off in what is known as a fallow year. The festival site of 900 acres is a working dairy farm and the buildings are moved off-site when the festival is taking place. During the weekend of the festival, the ground is trampled and churned up, so the fallow years allow the land time to recover. Furthermore, organising a festival is a significant task, so the organisers and everyone else involved in making it happen. Fallow years were in 2012 and 2018, and 2026 is rumoured to be another fallow year.

The festival had to be cancelled in both 2020 and 2021 due to the COVID pandemic. The organisers were forced to cancel the festival at relatively short notice and plans for the future were uncertain at the time of the cancellation. Organisers reported that the cancellation resulted in a significant financial loss.

### Challenges over the years

Over the years, Michael Eavis has faced opposition from local stakeholders. Pilton is a small village with a population of just over 1,100 people; therefore hosting a large music festival can be disruptive to the local community. In the early days many residents complained about the noise, litter, road congestion and crime. Individuals used to turn up at the festival and break through the 'security' fence, marring the festival with violence against security forces in the early 1990s. A Channel 4 documentary in 1992 called *Showdown at Glastonbury*. The programme can be seen via this link: [zzed.uk/12594-Showdown](https://www.bbc.com/iplayer/programmes/zzed-uk/12594-Showdown)

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Since 1983 a Public Entertainment Licence to hold the event had to be applied for the Council. The licence imposed limits on the number of tickets and regulated logistics supply, and hygiene. Obtaining the licence was challenging due to the problems encountered over the years.

Michael Eavis has had to work with stakeholders to stage the festival and overcome the challenges over the years.

In 1992 Michael Eavis hosted an expanded festival which was successful. He installed barriers to prevent the issues with people entering without tickets. In 1994 Glastonbury was broadcast on Channel 4 with coverage focusing on the two main music stages. This coverage enabled the festival from the comfort of their homes. It also increased media awareness of the festival, encouraging more people to attend in the future.

Over the years there have been many challenges, such as the famous Pyramid Stage being rebuilt, the Covid-19 pandemic, organising the festival alongside personal challenges such as the death of his partner Jean, in 1999, and battling the famous British weather – some years festivalgoers have experienced extremely hot conditions and other years never-ending rain leading to the infamous Glastonbury mud.

**Working with stakeholders**

Over the years stakeholder views about the festival have become more positive. They have grown over the years and newcomers are aware of the annual festival when they choose to live in the area. This can help people make informed decisions regarding the proximity to the annual event and the potential to reduce potential resistance compared to the early days of the festival when local residents were not used to the traffic to the area, changing the environment that they previously chose to live within.

Michael Eavis works closely with the police and security, making the event safer than other large-scale events. He works with Pilton residents to try to minimise the impact on their lives, e.g. coordinating the closure of roads of the village. Ticket technology prevents people 'jumping the fence' to gain free entry. There are also regular patrols (drafted in from forces outside of Somerset) with festival organisers to ensure safety.

The reaction of local businesses to the festival is mixed. Some businesses dislike the disruption it creates in the area each year. Some businesses can be challenging due to the additional traffic and the inability to travel to/from customers and employees attending work. However, some businesses benefit from the event, such as the landlord of the Crown Inn in Pilton which benefits from increased bookings. Many hotels are also booked during the weeks surrounding the festival as people working on the festival need accommodation connected to the festival book accommodation.

Depending on their operations some local businesses trade at the festival, e.g. food suppliers. Many local businesses volunteer as stewards and raise money for their cause at the event. The 2023 event generated £168 million for UK businesses, according to an independent economic impact report.

Many local schools/colleges choose to allocate an inset day on the Friday of the festival. This allows them to attend the festival, and overcomes the difficulties faced by students and teachers travelling to school. This also reduces traffic on the rural roads.

The festival offers local residents special tickets to acknowledge the impact that the festival has on the area. Local residents are offered either free tickets or the chance to buy priority tickets, depending on their location. Priority tickets are deducted from the general ticket sales each year, maximising the opportunity for local residents. The local area is divided into three tiers, or zones, depending on the closeness of the location to the festival.

People living in the village of Pilton (dark purple on the map, overleaf) are entitled to the first tier (dark purple on the map). People living in the second tier (light purple on the map) in the villages/towns of Croscombe, Doultong, East Croscombe, East Wootton, Pylle, Shepton Mallet, West Bradley and West Pennard are given the first priority. People living in the third tier (medium purple on the map) in the villages of Alford, Ansford, Ashcott, Ashwick, Baltonsborough, Barton St David, Binegar and Bowerhampton are given the second priority.

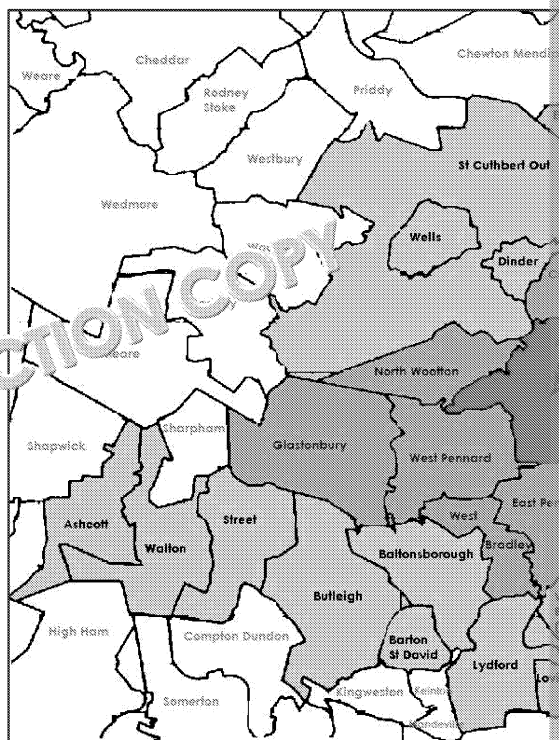
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Cranmore, Dinder, Ditcheat, Emborough, Evercreech, Holcombe, Leigh-upon-Mendip, Lovington, Lydford, Oakhill, Stoke St Michael, Street, Walton, Wells, plus residents of the inner zone are then able to buy priority tickets as part of the third tier.

Sunday passes are also available to residents of the former Mendip District Council area in central Somerset. Special buses operate for those with Sunday tickets with morning pick-ups from a number of locations.

The event organisers work with public services to stage the event, including the NHS, police, fire services, utility providers to supply electricity and water services to the site, and also charities such as St John Ambulance. There is a medical centre at the site with trained staff to treat anyone who is unwell and escalate as necessary to the local Somerset hospitals for acute care.



Source: <https://www.glastonburyfestivals.co.uk/info>

At the start of September Michael Eavis holds an annual 'thank you' fundraising gig for the local community – known as the Pilton Party. This one-night gig has been supported by leading acts including The Libertines, The Streets, Supergrass and Wolf Alice. The gig coincides with the annual Pilton Festival.

The closest train station to the festival is Castle Cary, and special buses operate to the station to the festival throughout the weekend.

### Media coverage



For a number of years the festival organisers have allowed the BBC onto the site for live coverage. Throughout the weekend there are special Glastonbury programmes broadcast so the festival can be enjoyed from the comfort of your sofa. This coverage has raised the profile of the festival and it receives a lot of media coverage, including news bulletins, radio coverage and on social media.

The BBC's coverage of Glastonbury Festival is funded by a licence fee. In 2023, the BBC's coverage was reportedly viewed by 21.6 million people – to put this into context, it represented 10% of the total population of the UK.

### Local celebrity

Michael Eavis is now approaching 90 years of age but has been the sole figurehead of the festival for many years, working on handing over the reins to his daughter, Emily Eavis, who has jointly organised the festival for several years. Michael has reportedly officially transferred his financial share of the long-planned handover. The pair maintain a high profile at the event and personally greet festivalgoers each year at 8am on the Wednesday. Michael is known to get out and meet festivalgoers during the festival, driving round the festival site in 2023 in a Land Rover waving and talking to people.

Emily has a very busy schedule, but maybe one day they will choose to become involved with the festival in a different way.

Michael Eavis has treated festivalgoers to informal performances over the years. At Glastonbury he has performed on the Park Stage. The 88-year-old sang Frank Sinatra hits like 'Love's Been Good to Me' and 'My Way', as well as Elvis Presley's 'Suspicious Minds'. Emily Eavis said his voice sounded like a young man and his performance attracted media interest.

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Over the years Michael Eavis has become a local celebrity in Somerset and has readily accepted such as opening children's centres, fetes and other projects. He also donated land to build homes, in the village of Pilton, in a bid to tackle the housing crisis. In 2023 Maggie's Farm was built for Michael and Gary Lineker. The development started a few years earlier, and David Beckham's homes are a mixture of houses, flats and bungalows. The project means a lot to Michael as it is all of his life and aims to enable local people to remain in the area in which they grew up. However, it often forces local people to move away to cheaper areas. The homes are managed by a local charity.

Today, several charities benefit from the festival, including the NHS Somerset Charity, Greenpeace, as well as War Child and others. Over £5 million was reportedly donated to charity from the festival. Many local charities benefit financially from the festival each year as Michael Eavis is a local hero. The festival is a big part of the local community and is a big part of the local economy. These local charities include primary schools and a local charity that is passionate about giving back to the village of Pilton and gave financial support to the Barn which benefits the people who live there.

In the 2007 Queen's Birthday Honours, Michael Eavis was appointed Commander of the Order of the British Empire (CBE) for services to music. He was then appointed Knight Bachelor in the 2024 New Year Honours for services to music and charity.

Accounts filed with Companies House show Glastonbury Festival made £5.9 million in profit for the year ending March 2024, up from £2.9 million the previous year. Over £5 million was donated to charity. Revenue also rose by 20% to £68.4 million. In a statement, organisers said:

*'Following record losses caused by Covid – when Glastonbury's 2020 and 2021 were cancelled – we were pleased to enjoy successful, dry weather in 2022 and 2024. This has enabled us to continue to rebuild the event's vital financial base and to continue to support good causes and charities.'*

In the early days, very few people would have imagined that Michael Eavis's idea would be the most successful in the world 50 years later.

## Discussion Questions

The following questions aim to develop your understanding of some of the key aspects of the research topic. You are recommended to carry out research to support your further understanding of the points and make notes that can be referred to when preparing for the exam.

1. Explain two benefits of sustainability for the Glastonbury Festival.
2. Explain the interests of two external stakeholders of the Glastonbury Festival.
3. Analyse two strategies that Michael Eavis has used to work with stakeholders and use a stakeholder mapping tool as part of your answer.
4. Evaluate the impact of external factors on the continued success of the Glastonbury Festival.
5. Assess the impact of the Glastonbury Festival on the wider economy of Somerset.
6. Discuss how the Glastonbury Festival manages growth and its future development.

## Essay

*Michael Eavis is now 70 years of age but is still the figurehead having come up with the festival idea 50 years ago. Today he has handed over much of the responsibility to his daughter, Emily Eavis, who has jointly organised the Glastonbury Festival for many years. The pair maintain a high profile at the event.*

With reference to your own research discuss how Michael Eavis's personal qualities and the development of the Glastonbury Festival and the importance of the Eavis family's involvement to the continued success of the Glastonbury Festival over the next 10 years.

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## Case Study 2: Spotify

Music streaming services have transformed the way people consume modern music, and the popularity of streaming continues to grow. Looking at the most recent developments in the music industry, music fans will continue to stream music, especially as streaming services add new features to enhance the listening experience.

Spotify is a digital music, podcast, and video service which allows users access to millions of tracks and other global content. The basic service is free, but users can opt to upgrade to Spotify Premium if they so wish. Spotify is available across a range of devices, including computers, smartphones, and smart TVs, and car audio systems, to meet the needs of a range of users. Users may transition from the free service to Premium without a break in music. Users can generally access podcasts and audiobooks, and can export content to other platforms beyond the app. A strength of Spotify's services is the ability to customise playlists and rankings based on the user's past usage. Music is also grouped into defined areas such as Pop, Hip-Hop, and Latin. Spotify offers sharing options using social media platforms such as Facebook and Instagram, and can be embedded code to integrate into a website.



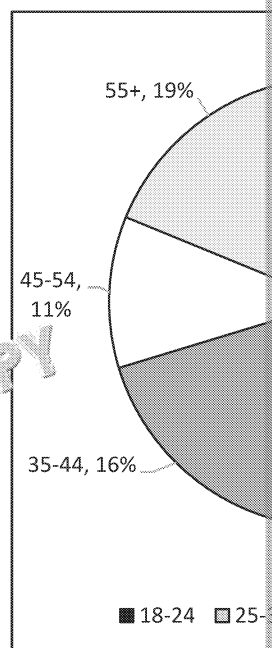
Spotify Technology SA was founded in Sweden in April 2008. The streaming platform was launched in October 2008. The service offers protected music, videos and podcasts from record labels and artists. It is currently the world's largest music streaming platform with over 300 million subscribers/users. It is a freemium service which is generally free with advertisements or automatic skips, but offers premium features, such as offline listening and commercial-free music, through paid subscriptions. Plans offered include: Premium, Premium Family, Premium Student, and Premium Duo.

Spotify reported 600 million monthly active users and 240 million premium subscribers in November 2024. Spotify accounts for more than 30% of the market share, keeping its closest competitors such as Apple Music and Amazon Music, largely at bay.

Despite baby boomers only slowly picking up their streaming consumption, streaming is the dominant medium among millennials and Gen Z.

Spotify does not take its success for granted and continually invests in ways to improve its services. AI is a key element of service enhancement. AI-supported features help Spotify keep listeners on its platform. A variety of playlists with AI-created recommendations or well-known features such as the annual musical retrospective 'Spotify Wrapped' support users in the (re-)discovery of their new and old favourite music.

Figure 1: Spotify



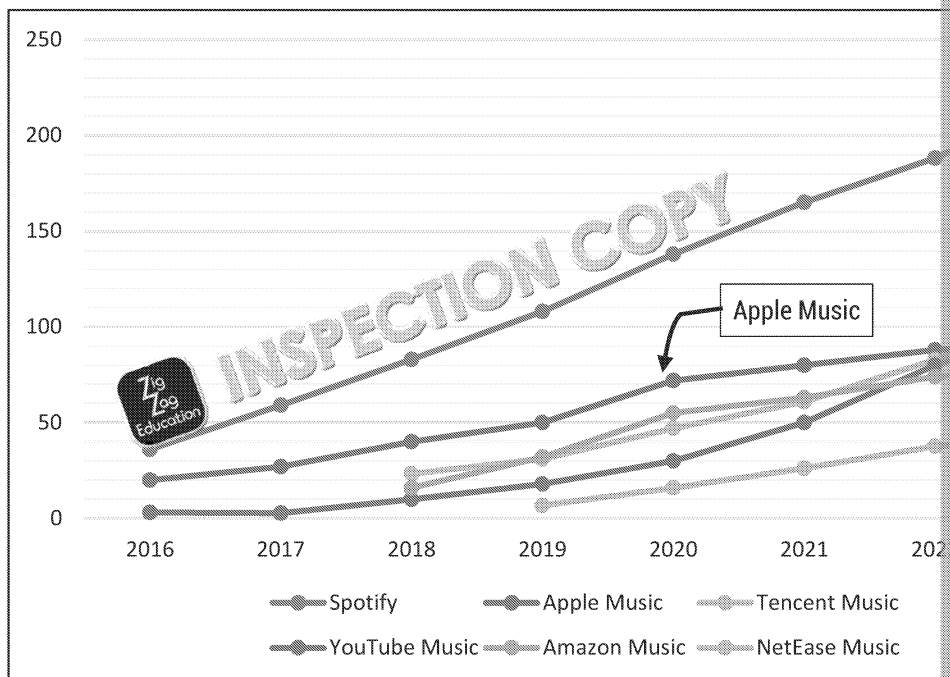
Source: <https://www.businessinsider.com>

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Figure 2: Music streaming subscribers by app 2016–2023 (mm)



Source: <https://www.businessofapps.com/>

The revenue earned by Spotify has increased year-on-year. However, Spotify continues to face challenges in the market.

Figure 3: Spotify revenue (2016–2023)

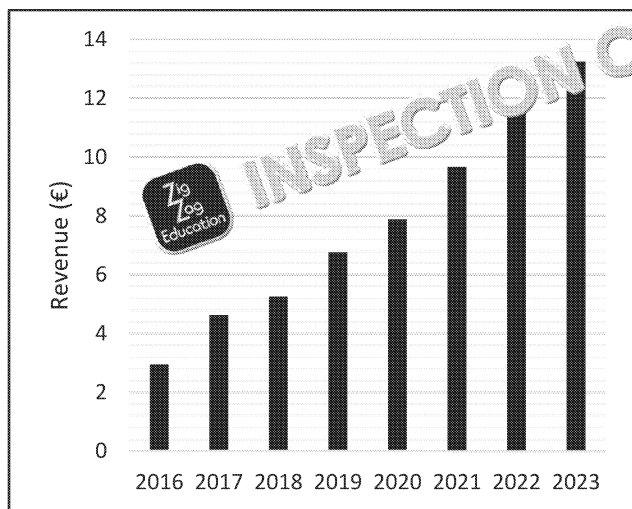
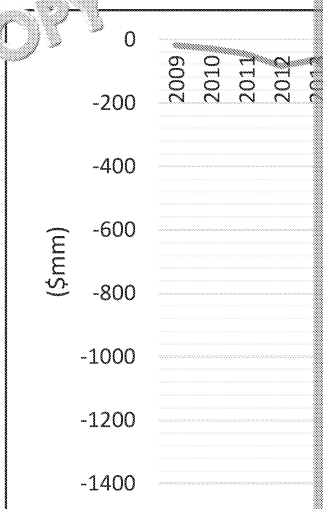


Figure 4: Spotify net income (\$mm)



Source (for both graphs): <https://www.businessofapps.com/>

Spotify's revenue comes from advertisers and subscription fees. The numbers of Spotify users have increased at a similar pace over the past few years, and there are regional differences in the number of users vs subscribers per region.

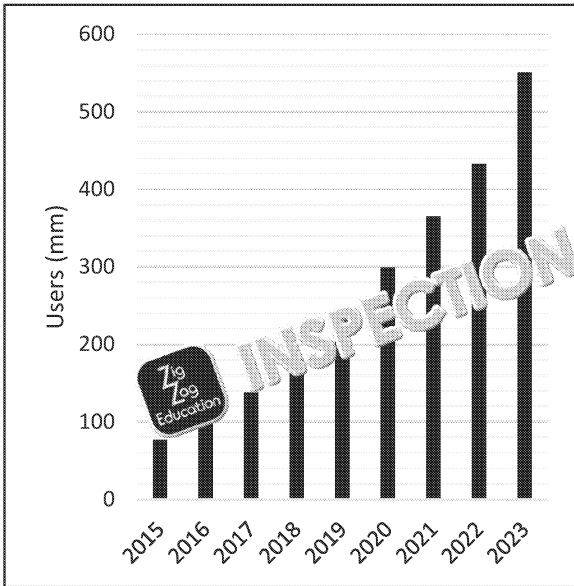
Music streaming has been growing more quickly in European countries and America. The Asian market generates 14% of total world digital music revenues, but is growing rapidly. Providers of music streaming services in Asia often include music streaming services within their price packages, and consumers are often reluctant to pay high prices for streaming music.

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**Figure 5: Spotify users (2015–2023)**

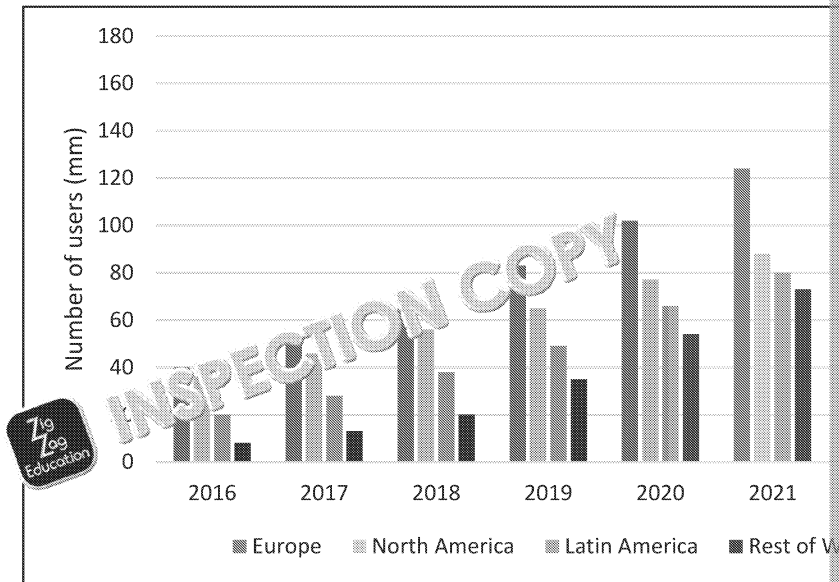


Unfortunately, revenue per user is shown in Figure 7, below. The nature of the industry or economic conditions affect the funds that users have.

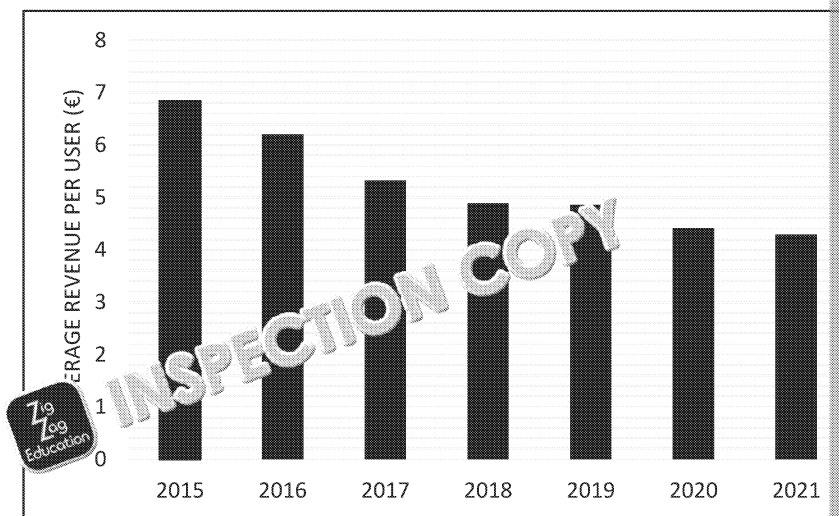
The company has links with other companies, such as Vodafone, which offers a bundle sold with new phones that includes Spotify installed on new devices.

Spotify is always looking to integrate with the live music industry, which suggests concerts around a user's music interest.

**Figure 6: Spotify users by region (2016–2023)**



**Figure 7: Spotify average revenue per user (2015–2021)**



Please note that the number of users is the number as of quarter end.

Source for Figures 5–7: <https://www.businessofapps.com/>

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### Key Spotify Statistics

- Spotify generated €13.24 billion revenue in 2023, a 12.9% increase year-on-year
- Spotify has never published a net profit. In 2022, it posted a €532 million loss.
- 551 million people use Spotify once a month, 220 million are subscribers
- 100 million songs are available on Spotify and five million podcasts

Source: <https://www.businessinsider.com/spotify-revenue-2023>

Spotify has a unique way of managing its 2,000 employees as reported in a Harvard Business Review article by Mankins and Garton (2017):

*'2,000 employees are organized into agile teams, called squads, which are self-organizing and colocated. Spotify has largely succeeded in maintaining an agile mindset and a focus on customer value, without sacrificing profitability. It enables innovation while keeping the benefits of regulatory compliance without excessive control.'*

*Leadership within the squad is self-determined, while the chapter leader is a formal role focused on coaching and mentoring. Spotify believes in the player-coach model: Chapter leaders are coaches, not managers. Squad members can switch squads and retain the same formal leader. Spotify has also introduced a third organizational element, known as a guild. Guilds are lightweight, cross-functional groups whose primary purpose is to share knowledge in areas that cut across chapters. Examples include leadership, continuous delivery, and web delivery.' (Mankins and Garton, 2017)*

The entrepreneurial culture is one of the factors that sets Spotify apart from its competitors. This is one of the key reasons for its success. This type of organisational culture has worked for Spotify because of its technically astute workforce.

### Discussion questions

The following questions aim to develop your understanding of some of the key areas of the research topic. You are recommended to carry out research to support your further points and make notes that can be referred to when preparing for the exam.

1. Assess the external factors in Spotify's operating environment supported its success.
2. What are the risks of the leadership style adopted at Spotify?
3. Explain how Spotify has changed the way that music is consumed.
4. Explain two threats that Spotify faces.
5. Analyse the factors that contribute to the competitive nature of the market for music. Refer to Porter's five forces.
6. How should Spotify develop in the future? Justify two strategies that senior management should support its future development.

### Essay

*Spotify has not made a profit since launch.*

With reference to your own research, evaluate Spotify's decision to operate at a loss and whether it should continue into the future?

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## Case Study 3: Live music events

BBC Radio 1 has organised its own exclusive live music events over the years, alongside festivals such as Reading and Leeds.

Radio 1 historically held the Radio 1 Roadshow which would tour the UK every summer for a special broadcast, aired on Radio 1. The Roadshow format was hosted from 1970 to 1999. The events start quite 'basic' with a stage and a drop-down stage; however, over the years it has developed to support larger crowds and quite a few performances.

**B B  
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The Roadshow was very popular and the station's DJs would visit towns/cities across the coast, to play a live half-day set. The Roadshow format usually ran from July to August and the station broadcasted live from the event between 11am and 12.30pm each weekday. A full timetable of locations was published in advance. The events were free to attend and reportedly at Sutton Park, Birmingham, on 30<sup>th</sup> August 1992, to celebrate the 25<sup>th</sup> anniversary, performances from artists such as Status Quo and The Farm. Around 100,000 fans reported to attend.

Crowds were 'warmed up' between 10am and 11am to prepare them for the live broadcast.

The event enabled the DJs and music artists to meet local people, offer the opportunity to give away 'goodie bags' of Radio 1 merchandise. Special Radio 1 merchandise was also available and events were supported by the popular artists of the time.

The DJs were supported by a crew which were led by 'Smiley Miles' (Tony Miles) for many years. He became an icon for the Roadshow and led segments on the event such as 'Smiley Miles'.

By the early 1990s the radio station decided to modernise the Roadshow and the format was changed. The Roadshow was held in 1993, hosted by DJ Chris Moyles in Brighton. The event was in One Big Sunday which was a one-day pop concert.

Radio 1 has since moved to its Big Weekend (formerly One Big Weekend). The event is held on Saturday and Sunday) and held in different UK locations annually. The event has a lot of support from other BBC platforms. The 2024 event was held in May in Luton, but received a lot of support from ticket giveaways on the station and the artists performing being revealed over the weekend to develop interest. Performances are aired on the station during the weekend, and also on YouTube.

This festival is a tent-free event. Each day ends at 10pm and festivalgoers have to either travel home or not live locally.

All of the station's DJs attend the event and interact with festivalgoers. Tickets to the event cost £29.50 plus a £4.50 booking fee to cover administration. They are obtained through the station and one pair per person to enable as many people as possible to attend. Local residents are given priority and 50% of tickets were reserved for anyone living in the postcodes LU1 to LU4, and 30% of tickets were reserved for anyone living in the postcodes LU5 to LU7, Hemel Hempstead, Milton Keynes, Stevenage and St Albans for free, but must be accompanied by a person with a ticket. A large proportion of tickets are sold through the station's relationship with the local stakeholders to reduce the potential disruption owing to traffic, noise and parking. The Big Weekend is tent-free and festivalgoers have to leave the site at the end of every day. As the event is held in the local area, only a proportion of tickets can go to people outside the local area.

The acts each year change, but the 2024 line-up included Chase and Status, Becky Hill, Ed Sheeran, Coldplay, and Olly Alexander.

Over the years the Big Weekend has expanded with multiple stages in 2024 to enable festivalgoers to enjoy a variety of music. The stages include *Main Stage; Radio 1 New Music Stage; Radio 1 Dance Stage; BBC Music Introducing Stage*.

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The stages specialise in different types of music, e.g. dance performances on the Radio 1 stage. The festivalgoers target specific areas depending on their preferences.

The table below shows the locations of the event over the years.

2024	Luton	2018	Swansea
2023	Dundee	2017	Hull
2022	Coventry	2016	Exeter
2021	no event	2015	Norwich
2020	Dundee (cancelled and held online due to Covid-19)	2014	Glasgow
2019	Middlesborough	2013	Derry, London

Radio 1 also has the Live Lounge, which is a slot in the middle of each weekday with performances of songs – one of the songs is their own track whereas the other is a cover of another artist. The artist often puts their own twist on the well-known track. The Live Lounge has been running for over 20 years, having started on the Simon Mayo show. Live Lounge is also featured in other shows by Trevor Nelson and DJ Ace.

The Live Lounge segment is sometimes recorded in a dedicated room in the Radio 1 studios at the BBC Maida Vale Studios.

## Discussion questions

The following questions aim to develop your understanding of some of the key areas of your research topic. You are recommended to carry out research to support your findings and make notes that can be referred to when preparing for the exam.

1. Explain two resources that must be managed at Radio 1's live music events.
2. Explain the role of the production processes in supporting Radio 1's live music events.
3. Analyse how Radio 1 makes its live music events accessible to a diverse range of audiences.
4. Evaluate the impact of trends in the consumption of music on Radio 1's live music events.
5. Assess the impact of entrepreneurial roles and qualities on the success of Radio 1's live music events.
6. Discuss the importance of live music events on BBC Radio 1's continued success.

## Essay

With reference to your own research assess the success of Radio 1's live music events and recommend a future strategy for the radio station.

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# Indicative content: Case study essays

For the following, only brief indicative content is provided; essays could be awarded marks for full exam-style answers are included in the practice papers.

## Case Study 1: Enterprising Eavis

Impact of Michael Eavis's personal qualities on the development of the Glastonbury Festival

- Eavis is an entrepreneur and thought of the festival as a unique idea for the festival. Without his personal involvement, the festival would not have started. He took the risk and used his own money to start it.
- Eavis was ambitious and wanted to do more than just run the family farm. He had the vision to create something that would be a success.
- Eavis has excellent organisational and coordination skills; over the years he has had to coordinate working with many different organisations, including planning and logistics carefully to enable the festival to take place successfully. This has been particularly true in the early days of the festival when he was supported by fewer people/organisations.
- Eavis has experienced many challenges over the years but has remained determined and resilient. He has been open to feedback and listening to the view of diverse stakeholders to reduce any potential risk to the festival.
- Eavis has worked closely with daughter Emily to pass on his knowledge and experience. Emily has learnt from him and so is likely to apply a similar approach. Eavis is forward-thinking and has a long-term vision for the festival.
- Eavis is a popular figure in the local community and residents trust him as he has their best interests at heart. This has helped him to make the festival a success.
- Eavis is a 'people person' and uses a person-centric approach to build relationships. This has helped him to build a strong network of supporters and sponsors.
- Eavis has always lived in the area; he has detailed knowledge of the people and culture of the area and this has helped him to negotiate and work with others.

Importance of the Eavis family's personal involvement in the future of the festival

- Michael has recognised that a succession plan is needed for the leadership of the festival to be passed on to his daughter, Emily. This maintains the family's involvement in the festival and ensures the festival's future.
- Emily has worked with the media and is known to the public, which helps her to connect with her father's vision for the festival.
- Emily has a practical approach to the operations of the festival, e.g. Emily greeted festivalgoers at the festival gates in 2024 which is something her father traditionally did.
- Glastonbury Festival's unique values and having a personal figurehead helps embed the festival's identity. A more corporate figurehead would reduce the appeal for many.
- The Eavis family's involvement is part of the Glastonbury brand and removing it would affect the festival's identity and success.

## Case Study 2: Spotify

Implications of decision to operate at a loss

- Profit is the difference between revenue and cost to operate. Operating at a loss means the company is spending more than it is making.
- A business can operate with a loss in the short term, unlike a shortage of cash which can threaten a business's survival.
- Despite operating at a loss, Spotify may still have sufficient cash to fund day-to-day operations.
- The loss may be carried forward to future years to affect future tax liability.
- Spotify may be focused on market share (number of users/subscribers), and the objective is to grow market share, with profitability being a secondary objective.
- Increasing market share may keep rivals out of the competitive market, and in the future, Spotify may be able to move to profitability – link to Porter's five forces and risk of new entrants, substitutes, and suppliers.
- Music streaming is based on technology and research and development expenditure. Spotify's profits as it continues to invest in new features/developments.

Recommendations for Spotify to continue into the future

- Music streaming is still in the early stages of the product life cycle – probably growth stage (depending on future growth rates). As streaming becomes more mature the company's profits will increase.
- There will come a point when shareholders will become disappointed with the lack of profit from Spotify. If this happens the company's share price will suffer.
- Profits will be needed in the future to reinvest in Spotify's future.

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### Case Study 3: Live music events by Radio 1

The success of Radio 1's live music events

- Events have changed format over the years in response to changing preferences/tastes. Ansoff matrix.
- The out of studio events involve listeners who can attend. This interaction supports relationship marketing with listeners.
- The events are heavily publicised on the station and tickets often become prizes for the anticipation for the events and promote them.
- A range of artists support the Radio 1 events so there is something to suit all music tastes.
- The events often grow over time. The Big Weekend is now held over more days and in more locations.

Recommendation of further strategies

- The marketing for the events must continue to keep up to date with changing tastes/preferences and ways of interacting with listeners to make it more of an experience than just passive listening.
- Competition for listeners will increase over time as more music stations are launched in new and different ways.
- Live music events are relatively cheap compared to other events, which makes them more accessible.
- Big Weekend does not allow people to camp/stay overnight. This may be a development in the future to open the event to a wider market – Ansoff market development.

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# ZigZag Practice Exam

Supporting Pearson Edexcel A Level in Business

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## Business Advanced



**Paper 3: Investigating business in a competitive environment**

**Practice Paper A: Source Booklet**

**Context: The music recording, distribution, and live performance industries and the businesses operating in this market.**



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## SECTION A

You are advised to read extracts A to D carefully before answering the questions.

### Extract A

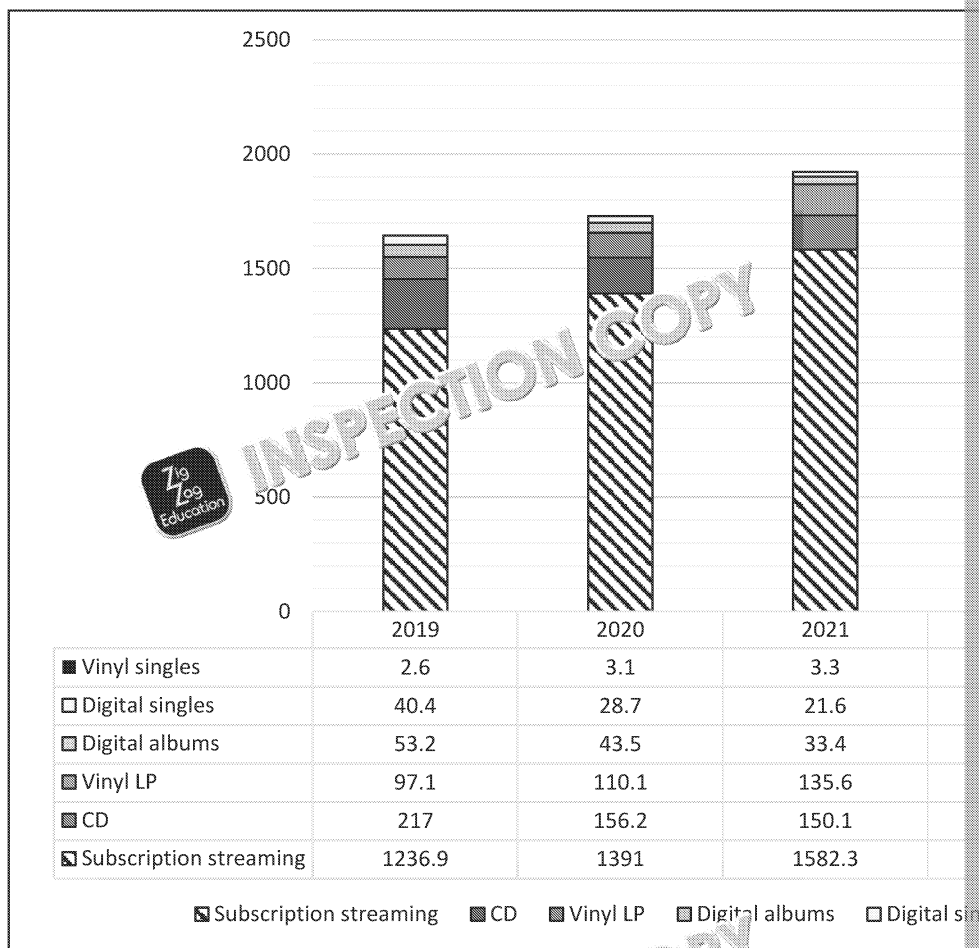
ZigZag Vinyl Ltd is an independent music retailer with five stores in the north-west of England. The company started 15 years ago with one store and has gradually opened new stores in line with the demand for vinyl records.

The directors are looking to expand the business in the future. They would like to invest in the next 24 months. They are planning a large advertising campaign to try to increase sales. However, the impact of the campaign may take time to take effect.

*Source: Fictitious business example*

### Extract B

**Music Market by Segment**



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**Extract C**

Many businesses in the music retail industry use quantitative data and methods such as investment in new equipment or whether to expand the business to a new market. The most common techniques are decision trees, payback analysis, and simulation. These can be used in decision-making.

Cray runs an independent music store. He is looking to purchase a new computer system. He has found two different options that would be suitable for his business and needs to decide which one to select. The cost of purchasing each option and the profits they can earn are shown in the table below.

	Option 1	Option 2
Initial cost of the machine	£80,000	£110,000
Year 1 net profit	£15,000	£20,000
Year 2 net profit	£24,000	£26,000
Year 3 net profit	£30,000	£33,000
Year 4 net profit	£28,000	£35,000

The initial step is to find the average annual return/profit.

$$\text{Average annual return for Option 1} = \frac{£15,000 + £24,000 + £30,000 + £28,000}{4 \text{ years}}$$

$$\text{Average annual return for Option 1} = \frac{£97,000}{4 \text{ years}}$$

$$\text{Average annual return for Option 1} = £24,250$$

$$\text{Average annual return for Option 2} = \frac{£20,000 + £26,000 + £33,000 + £35,000}{4 \text{ years}}$$

$$\text{Average annual return for Option 2} = \frac{£114,000}{4 \text{ years}}$$

$$\text{Average annual return for Option 2} = £28,500$$

	Option 1	Option 2
Initial cost	£80,000	£110,000
Average annual return	£24,250	£28,500
ARR calculation	$\frac{£24,250}{£80,000} \times 100$	$\frac{£28,500}{£110,000} \times 100$
ARR	30.3% (to 1 decimal place)	25.9%
Should this option be chosen	Yes – it has the highest ARR	No – it has the lowest ARR

**Extract D**

Toby Jenkins started a small music event in his garden 20 years ago. The first event was held in Toby's garden. Over the years the event has grown and now takes place over a three-day period (Friday to Sunday) and is attended by 10,000 people. Toby now rents a neighbour's fields alongside his garden.

Toby currently runs his event management business as a private limited company. He wants to grow the event further in the future and is planning a second music event at a local venue. This event will not compete with the original music festival (which will still operate). The current festival is held every May and he would like to run the second event at the same time.

*Source: Fictitious business example*

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## SECTION B

You are advised to read extracts E to H carefully before answering the questions.

### Extract E

Jaiden Festivals Ltd runs five live music events in the north-west of England. The company employs 10 security and 10 admin employees on zero-hours contracts. The company has no security and admin employees for most of the year, but at the peak the business needs 10 security and 10 admin employees to run the music events.

Source: Fictitious business example

### Extract F

Sources of external finance that could be chosen by a business:

- Family and friends
- Banks
- Peer-to-peer funding
- Business angels
- Crowdfunding
- Other businesses

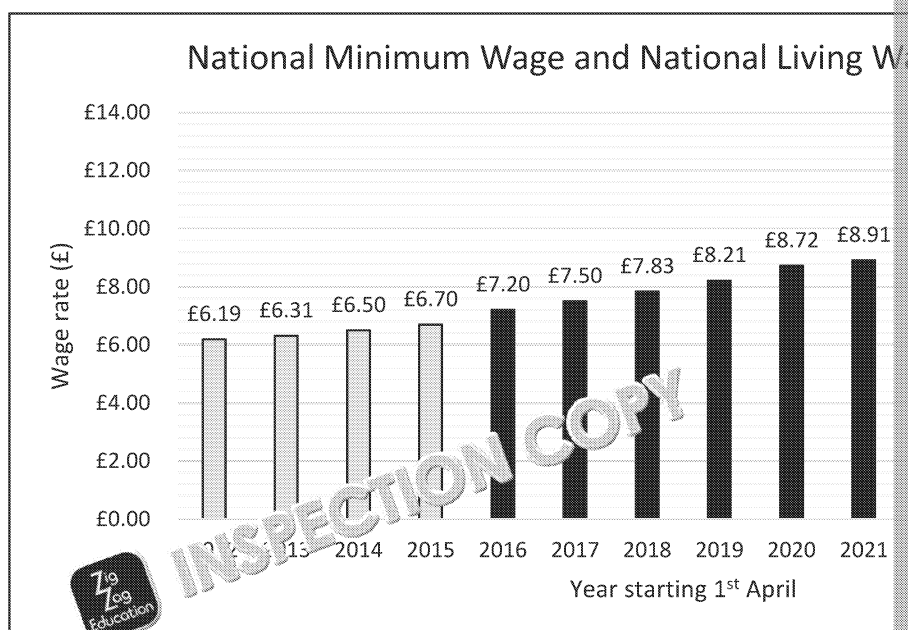
Methods of external finance:

- Loans
- Share capital
- Venture capital
- Overdrafts
- Leasing
- Trade credit
- Grants

Source: Pearson Edexcel Level 3 Advanced GCE in Business

### Extract G

Some employees who work in the retail sector are paid the statutory minimum wage. The National Living Wage was implemented in April 2016. The chart below shows the National Minimum Wage over time – the figures from 2012 to 2015 relate to employees aged 25 and over, whereas the figures from 2016 and April 2025 relate to employees aged 25 and over.



Source: gov.uk, 2024 ([www.gov.uk/nlw](http://www.gov.uk/nlw))

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## Extract H

One of the most anticipated and publicised tours of 2025 is the reunion by 1990. In 2024 there was anticipation following cryptic social media posts designed to tease an important announcement. Oasis split in 2009 so fans secretly hoped for a reunion weekend on 27<sup>th</sup> August 2024, two days before the 30-year anniversary of the album. The Gallagher brothers announced multiple UK/Ireland dates between 4<sup>th</sup> July and 11<sup>th</sup> August, with two dates each at Wembley Stadium in London and Heaton Park in Manchester. Fans flocked to buy a ticket for this highly anticipated event.

However, the widely anticipated event attracted negative publicity over the ticket prices, the staggered, invitation-only allot process and also online through Ticketmaster. Ticket prices for the event more than doubled while fans waited in a virtual queue. On Ticketmaster, prices increased to over £350 compared to £135 when they first went on sale. This attracted criticism as many fans were left out of pocket and some fans were unable to afford to buy the tickets. Schellion Horn, competition economist at accounting firm Grant Thornton, commented on the time:

*'There are people out there for whom this is a once-in-a-lifetime experience and it's worth the money to pay that [much].'*

Ticketmaster said that it was not responsible for the ticket prices, as prices are set by the market based on their market value. The event organiser for the Oasis tickets was SJM, with Ticketmaster, MCD and DF.

Tickets went on sale at 9am on Saturday 31<sup>st</sup> August 2024 and were sold out by 10am.

Hundreds of disappointed fans made official complaints about the advertising of the event, which attracted mass media attention and the government has promised to investigate. Government ministers have said that any future pricing will be part of a consultation.

On BBC Radio 5 Live, the Minister Sir Keir Starmer said:

*'there are a number of things that we can' and 'should do'.*

*'Because otherwise you get to the situation where families simply can't go on spending a fortune on tickets,' he said.*

*He added the government would be consulting on the future of the law, which includes 'price adjustments'.*

*'There are a number of techniques going on here where people are buying and selling them at a huge price,' he said.*

*'And that's just not fair - it's just pricing people out of the market.'*

*Quote taken from <https://www.bbc.com/news/entertainment-arts-68000000>*

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# ZigZag Practice Exam

Supporting Pearson Edexcel A Level in Business

## Business Advanced



### Paper 3: Investigating business in a competitive environment Practice Paper A

Name

#### Time allowed

2 hours

#### Instructions

Answer all questions.



#### Information

The total number of marks available for this paper is **100**. The number of marks available for each question is shown in brackets.

You must not take any notes from your research or investigation data conducted during your study of the pre-release into the examination.

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ALL questions must be answered.

## SECTION A

You are advised to read extracts A to D carefully before answering the questions.

1. a) With reference to Extract A, assess two benefits of organic growth for ZigZag Vinyl Ltd.
- b) Assess the likely value of the use of quantitative data to support business decision-making by an independent music retailer such as Cray in the context of the music industry.
- c) Assess the impact of technology on music consumption between 2010 and 2020.
- d) Toby Jenkins is planning to expand by launching a second festival. To support this development he is considering converting his events company from a private limited company to a public limited company.

Evaluate these options and recommend which one is likely to have the greatest positive contribution for the future.

## SECTION B

You are advised to read extracts E to H carefully before answering the questions.

2. a) Assess **two** drawbacks for Oasis Festivals Ltd of employing security guards on zero-hours contracts.
- b) Assess the likely value of a business angel to a start-up independent record store.
- c) Using the data from Extract G, assess the impact of rising minimum wage rates on music retailers.
- d) Some people are calling for a ban on the use of dynamic pricing for music events in the UK. An article in a leading music magazine has argued that a cost-plus pricing strategy should have been used instead of dynamic pricing for the release of the Oasis tickets in 2024.

Using the data in Extract D, evaluate the two pricing options and recommend which one would have been more effective for the Oasis reunion tour.

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## **Preview of Questions Ends Here**

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# Mark Schemes

## Level descriptors

### 8-mark questions

Level	Mark	Descriptor
Level 3	6–8	<ul style="list-style-type: none"> <li>Detailed and comprehensive knowledge and understanding of the facts within the market context information supplied.</li> <li>The answer is balanced, outlining both sides of the argument effectively and supported by qualitative and quantitative data for the key issues.</li> </ul>
Level 2	3–5	<ul style="list-style-type: none"> <li>Good knowledge and understanding, with some application of market context information supplied.</li> <li>There is an attempt at offering a balanced assessment which outlines an argument. The answer is contextualised in places and supported by qualitative and quantitative data.</li> </ul>
Level 1	1–2	<ul style="list-style-type: none"> <li>Some element of knowledge and understanding within the market context information supplied at least in some places.</li> <li>The answer is unbalanced, considering only one side of the argument.</li> </ul>
	0	No response worthy of credit.

### 10-mark questions

Level	Mark	Descriptor
Level 4	7–10	<ul style="list-style-type: none"> <li>Detailed and comprehensive knowledge and understanding of the facts within the market context information supplied.</li> <li>The answer is balanced, outlining both sides of the argument effectively and supported by qualitative and quantitative data for the key issues and competing perspectives and issues, with clear judgement.</li> </ul>
Level 3	5–6	<ul style="list-style-type: none"> <li>Sound knowledge and understanding, with some application of market context information supplied.</li> <li>The answer is contextualised in places and supported by qualitative and quantitative data. There is a clear awareness of the key issues. However, the answer does not consider the competing perspectives and issues in detail.</li> </ul>
Level 2	3–4	<ul style="list-style-type: none"> <li>Good knowledge and understanding, with minimal application of market context information supplied.</li> <li>The answer is contextualised in places but the judgement is unbalanced.</li> </ul>
Level 1	1–2	<ul style="list-style-type: none"> <li>Some element of knowledge and understanding within the market context information supplied at least in some places.</li> <li>The answer is unbalanced, and makes general points.</li> </ul>
	0	No response worthy of credit.

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**12-mark questions**

Level	Mark	Descriptor
Level 4	9–12	<ul style="list-style-type: none"> <li>Detailed and comprehensive knowledge and understanding of the facts within the market context information supplied.</li> <li>The answer is balanced, outlining both sides of the argument effectively and supported by qualitative and quantitative data.</li> <li>Awareness of the key issues and competing perspectives and issues, with well-justified judgement.</li> </ul>
Level 3	5–8	<ul style="list-style-type: none"> <li>Sound knowledge and understanding, with some application of market context information supplied.</li> <li>The answer is contextualised in places and supported by quantitative data.</li> <li>The answer is generally one-sided and only attempts to cover perspectives and issues in detail. There is an attempt at an overall judgement.</li> </ul>
Level 2	3–4	<ul style="list-style-type: none"> <li>Good knowledge and understanding, with minimal application of contextual information supplied.</li> <li>The answer is contextualised in places but the judgement is basic.</li> </ul>
Level 1	1–2	<ul style="list-style-type: none"> <li>Some element of knowledge and understanding within the references to the market context information supplied at basic level.</li> <li>The answer is unbalanced, and makes general points.</li> </ul>
	0	No response worthy of credit.

**20-mark questions**

Level	Mark	Descriptor
Level 4	13–16	<ul style="list-style-type: none"> <li>Detailed and comprehensive knowledge and understanding of the facts within the market context information supplied.</li> <li>The answer is balanced, outlining both sides of the argument effectively and supported by qualitative and quantitative data.</li> <li>Awareness of the key issues and competing perspectives and issues, with well-justified judgement.</li> </ul>
Level 3	9–14	<ul style="list-style-type: none"> <li>Sound knowledge and understanding, with some application of market context information supplied.</li> <li>The answer is contextualised in places and supported by quantitative data.</li> <li>The answer is generally one-sided and only attempts to cover perspectives and issues in detail. There is an attempt at an overall judgement.</li> </ul>
Level 2	5–8	<ul style="list-style-type: none"> <li>Good knowledge and understanding, with minimal application of contextual information supplied.</li> <li>The answer is contextualised in places but the judgement is basic.</li> <li>Basic awareness of the business concepts relevant to the question.</li> </ul>
Level 1	1–4	<ul style="list-style-type: none"> <li>Some element of knowledge and understanding within the references to the market context information supplied at basic level.</li> <li>The answer is unbalanced, and makes general points. The consequence considered.</li> </ul>
		No response worthy of credit.

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## Practice Paper 3A

### Section A

1a) Knowledge – 2 marks / Application – 2 marks / Analysis – 2 marks / Evaluation – 2 marks

The marks available for Application and Analysis may include a maximum of 2 marks

- QS2 – calculate, use and understand percentages and percentage changes
- QS8 – use and interpret quantitative and non-quantitative information to make
- Organic growth is another word for internal growth
- It is achieved by increasing the sale of products/services sold by the business

Benefits:

- Organic growth is cheaper and more time is available to raise any finance required
- ZigZag Vinyl Ltd is a private limited company currently, and organic growth may be a better option for the business as it does not have the additional resources of a public limited company
- Avoid potential challenges of culture clashes, moving into a new market, etc. which may be associated with acquisition
- Less risk of diseconomies of scale / access to benefits of economies of scale
- Less risk generally as able to carefully monitor the impact on performance from changes can be quickly implemented to minimise any negative influences
- No loss of control of the business

Counterbalance may include:

- As organic growth is slower, ZigZag Vinyl Ltd may be beaten to a market opportunity and unable to launch a new good/service more quickly
- Can take time to save the required funding from own sources

1b) Knowledge – 2 marks / Application – 2 marks / Analysis – 3 marks / Evaluation – 3 marks

- Quantitative data is data in numerical form, e.g. financial data, statistics, percentages
- The data may be recent or historical

Benefits:

- Can be compared to statistics easily
- Can be presented as a chart or graph to communicate trends clearly
- Objective as it is based on numbers. It is not prone to bias.
- Easier to analyse data from large sample sizes

The application marks can be anything relating to an independent music retailer, e.g. managing stock in the shop, or planning relevant promotions to increase footfall into the shop.

Counterbalance may include:

- The data may need to be considered alongside qualitative data to help make sense of the trends. The reasons behind the trends may be more important than the trends identified.

1c) Knowledge – 2 marks / Application – 2 marks / Analysis – 4 marks / Evaluation – 4 marks

- Music consumption has changed over the five-year period
  - Growth of vinyl record sales
  - Low demand for cassettes and CDs
  - Growth of music streaming and digital music consumption

Factors that may be involved are:

- Technology enables music to be consumed in new ways, e.g. music streaming is made possible by the speed/reliability of the internet and the development of internet-enabled devices
- Consumer demand for new technology encourages manufacturers to invest in R&D

Counterbalance may include:

- The growth in vinyl is not technologically driven, e.g. nostalgia and social factors
- Societal change may be encouraging technology companies to create new products and services, influencing societal change

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## **Preview of Answers Ends Here**

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## Notes

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