

ADVANCED
General Certificate of Education
2011

GCE Applied Business

Assessment Unit A2 12

assessing

The Global Market

[A6B61]



MONDAY 20 JUNE, AFTERNOON

TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.
Quality of written communication will be assessed in questions **4, 5 and 6**.
Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

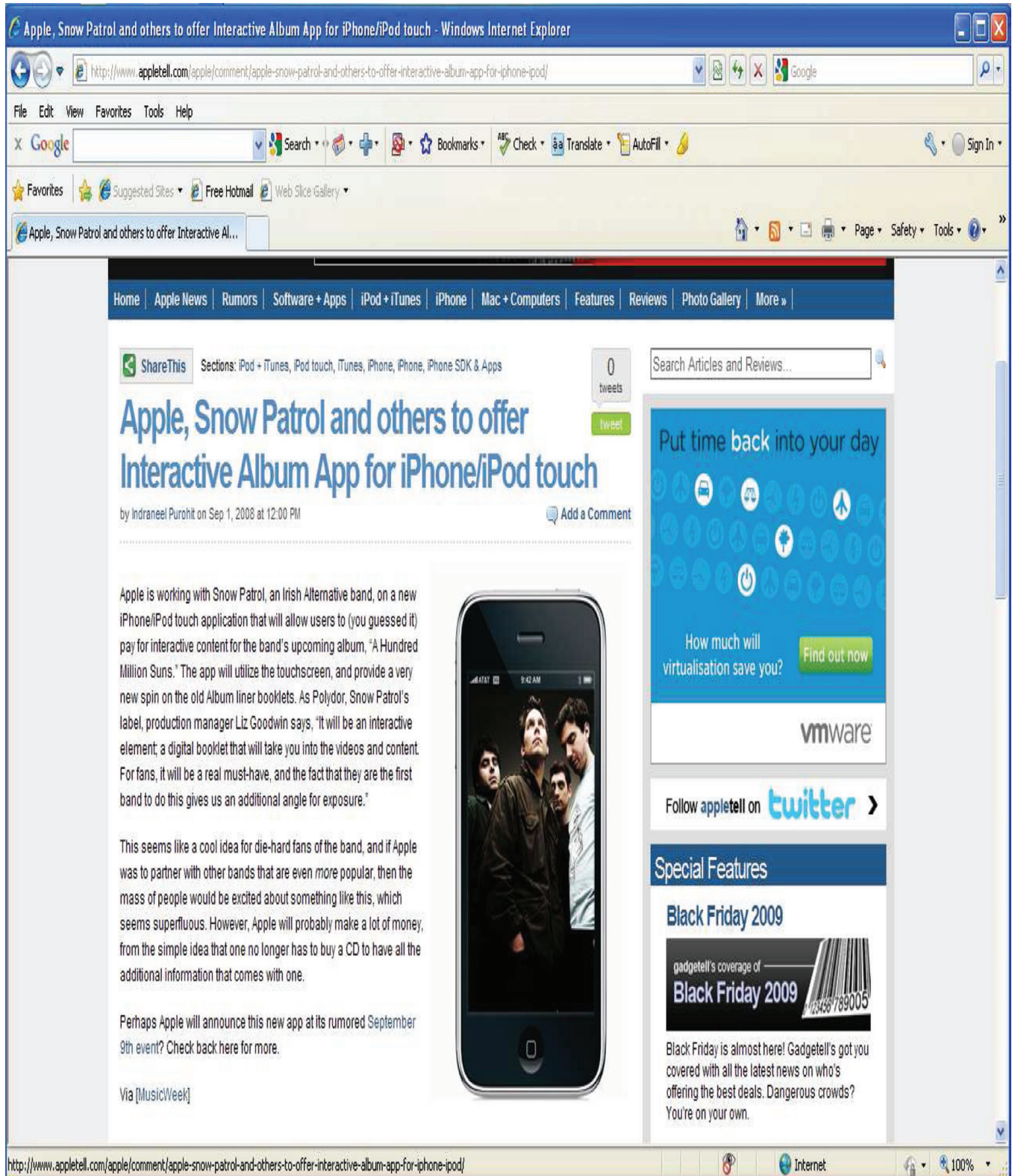
You are advised to take account of the marks for each question in allocating the available examination time.



Case Study

Study the information below and answer the questions that follow.

The following article (Fig. 1) appeared on an Internet website:



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Fig. 1: Apple and Snow Patrol

Snow Patrol are generally regarded as a Northern Ireland band. During the late 1990s and early 2000s, the band enjoyed limited success with the release of a number of singles including “Starfighter” and “One Hundred Things You Should Have Done In Bed”. During that time, the band developed a fan base (estimated to be approximately 6000) in the UK and Ireland, having performed several concerts in Glasgow, Belfast and Dublin. Snow Patrol later signed to Polydor Records as their management/record company and they became responsible for the global marketing of the band’s music, productions, concerts, memorabilia and other business interests. Their first album “Final Straw” (2003) peaked at number three – over 250 000 copies were sold in the United States, and in 2005 Snow Patrol supported U2 on their Vertigo Tour in Europe.

Snow Patrol’s second album, “Eyes Open” was released in May 2006, and has since sold 3.7 million copies in the UK alone. The song “Chasing Cars” was featured on the hit TV show Gray’s Anatomy, greatly helping the band’s global commercial success. “Open Your Eyes” was featured in an episode of ER, and “Signal Fire” was the lead song for the Spider-Man 3 soundtrack. In 2006, Snow Patrol was the last band ever to feature on the long-running BBC show Top of the Pops. “Eyes Open” was crowned the best selling album of 2006, despite fierce competition from other bands such as Take That, Arctic Monkeys and The Killers.

In 2008, Snow Patrol released their fifth album “A Hundred Million Suns” and entered a licensing agreement with Apple Inc., (USA) to offer it as an interactive album for use on an iPhone/iPod Touch®. This allows users to pay for interactive content through the use of a digital booklet and enables fans to access items such as music tracks, video content and other material (see Fig. 1). This approach gives Snow Patrol additional access to the global music market. Snow Patrol also have a website, www.snowpatrol.com, which supports the commercial activities of the band.

The band currently co-sponsors “Oh Yeah”, a Belfast-based, not-for-profit company (www.ohyeahbelfast.com), aimed at providing industry networking opportunities and promoting the music and talents of new, Northern Ireland-based musicians. They do this by providing studios and recording facilities which enables new bands to compete in the global music market. As with many other bands in the global music industry, Snow Patrol face the threat of piracy (and consequently lost revenues), because their music may be downloaded illegally by anyone using the internet and other means.

Adapted from: Snow Patrol biography © Contactmusic.com

- 1 Explain what is meant by the term “licensing”. Using the case study information, discuss **two** ways in which this would enable Snow Patrol to enter overseas markets. [6]
- 2 Explain **two** ways in which the global trading activities of Snow Patrol might affect the local economy. [6]
- 3 Prepare a SWOT analysis for Snow Patrol as they continue to participate in the global music market. [12]
- 4 Snow Patrol employ Polydor as an agent. Discuss **two** advantages and **two** disadvantages of this method of distribution by Snow Patrol. [16]
- 5 Evaluate the impact of global trading on Snow Patrol’s business interests. [16]
- 6 Evaluate the ways in which each of the following factors might be considered by Snow Patrol (as a band) when trading within the global music market:
- (i) product promotion;
 - (ii) increased competition;
 - (iii) design and packaging. [24]

THIS IS THE END OF THE QUESTION PAPER
