

CASE STUDY ON THE MUSIC EVENT INDUSTRY AND VENUES THROUGHOUT AND AFTER THE COVID19 PANDEMIC



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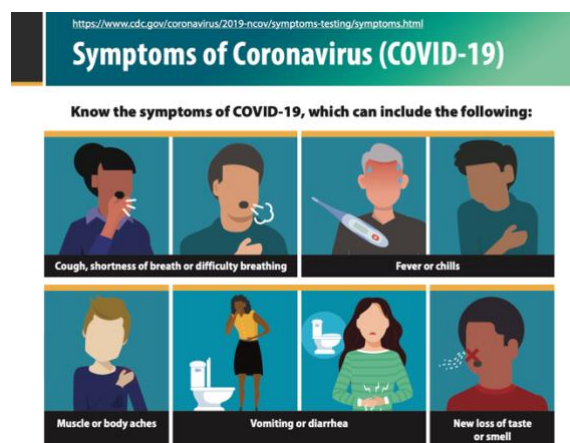
1/ Introduction

A case study, best described by Schramm (1971), is an explanation into why certain decisions were made, taken, and implemented and with what result. In this case, research will show the impact that the Covid19 pandemic had on the music event industry and its venues both throughout the pandemic and after as the industry makes its comeback. In the words of Yin & Davis (2007) this type of study is undertaken to understand a real-world case. In this case the Covid19 global pandemic and the changes this brought to the industry and how it was made to go quiet, forcing it to struggle and face many new challenges within itself and against bigger environmental factors. To help show these issues faced there will be a presentation of three different music venues and the strategies and procedures that were put in place to support them throughout the pandemic, thus showing how they were individually affected. Finally, evidence will be given to allow for a better understanding in the current challenges the industry faces depending on the market demand and the plans for moving forward into the future.

a/ The music event industry and what is Covid19

Getz (2007) and Goldblatt (2008) determine events as purposive gatherings of people for temporary amount of time. And according to Bowdin (2011, p.3) events are key in modern society and the increase in demand for public events is higher than ever, and at the time of his statement governments were supporting events to help with the development of different countries' economies and into making them more desirable destinations. Events, especially music events became a big part of many people's lives through its easy accessibility and variety of options available.

Then Covid19 emerged. In an article from Sage Journal's, Journal of Transcultural Nursing, The novel Coronavirus 2019 (COVID-19) was first recognized and reported in Wuhan, Hubei Province, China on December 31, 2019 (World Health Organization [WHO], 2020). The main symptoms of the virus involved the following: (see image below).



<https://www.cdc.gov/coronavirus/2019-ncov/downloads/COVID19-symptoms.pdf>

This meant that if people were within proximity of each other there was a strong risk of contamination to others. As a result, strict new societal rules and regulations were put in place by governments.

b/ Change in environment imposed by government rules and regulations

These rules forced entire countries around the world to shut down completely and go into lockdowns. Lockdown (n.d.) In *Merriam-Webster's collegiate*

dictionary: <https://www.merriam-webster.com/dictionary/lockdown>, is defined as an emergency measure or condition in which people are temporarily prevented from entering or leaving a restricted area or building during a threat of danger. People were no longer able to leave their house except under strict rules. All the different aspects, industries and businesses that would be part of normal everyday life were suddenly restricted. Peattie and Moutinho (2000) define external environmental influences as the influence of concerns regarding the physical environment whether it be natural or built. In Nigel Evan's book 'Strategic Management for Hospitality, Tourism and Events' (2020, p.265) macro environments are described as the broad environment outside an industry. They can influence the birth or death of an entire industry. These influences can be political, environmental, and legal. The political environment is part of the macro-environment and in this case, the governments around the world were exerting control over regulations on people's health and safety throughout the Covid19 pandemic. This created major issues and risks for businesses and industries.

c/ Presentation of three different types of music venues

From biggest to smallest, the O2 arena is an extremely popular indoor arena providing many different purposes and forms of entertainment. Situated in the southeast of London, it was opened as the O2 in 2007 and is now the second biggest capacity arena in the United Kingdom. Following this, is the Principality Stadium in Cardiff city centre. Opened in 1999, also known as the Millennium Stadium and hosting an average of 1.3 million visitors a year with a capacity of 73 000. Principality plays a key part in the sporting events industry and is notorious for hosting rugby. However, it has been modified so that concerts can also take place there. Lastly, on a much smaller scale, Sin City in Swansea centre is a two-room 750 capacity venue hosting music events and nights ranging from electronic, metal, rock and drum and bass music. Wilson, (2006) states that events maximise benefits to local communities and environments both socially and culturally. The closing down of this industry and its venues therefore had an impact on local communities globally. They needed to survive throughout the pandemic to hopefully emerge again after it.

2/ The shutdown of the events industry and its venues throughout COVID19

a/ Who was supported and how

For the music event industry to function, the right amount of funding and revenue is crucial. O'Toole, (2011, p.190) explains that this revenue is usually based on ticket sales and sponsors. Therefore, the uncertainty in attendees can implicate an uncertainty in revenue. Throughout the pandemic and the different imposed lockdowns, the music event industry was completely at a stop and its connection to the public was cut off. Consequently, the financial situations of many venues became detrimental to their survival. For example, Sin City has been an independent venue since 2020 and it was in August 2020 that the BBC announced the Culture Secretary, Oliver Dowden's plan to create a recovery fund for music venues. From this a further £1.1million of emergency funding was being welcomed to small music venues across the UK. With this, the creation of the social media hashtag "#SaveOurVenues" and the support of the Music Venue Trust, emergency Grassroots Music Venue Funds were put in place. Thus, supporting small independent music venues like Sin. Meanwhile, although the O2 arena and the Principality stadium are much larger venues and are owned by two separate companies. The O2, by the world's largest owner of sports and music events and the Millennium by a subsidiary company of the Welsh Rugby Union. However, the two still needed external help from the UK government. The O2 proposed that the government could develop an 'Events Industry Hibernation Support Package' to support them until they were able to return to live events. Differently to the O2, the Principality was offered as a venue to provide an extra 2000 beds in the fight against the covid19 pandemic by transforming the stadium into a field hospital. This was funded by the government, allowing the stadium to continue 'living' whilst being financially supported.

b/ How this effected industry and business performance

Concerns from the people at the O2 arena are sent in a letter addressed Boris Johnson: "We have, like many other companies, had the benefit of the furlough scheme, however this does not help with set overheads and financial commitments that we all have to contend with, and we have had no real income since that day and

since September we have had to contribute to all our staff wages without getting anything in return." <https://news.sky.com/story/coronavirus-90-000-exhibition-jobs-will-go-when-furlough-ends-pm-warned-12087039> (Friday 2nd October 2022).

The impact of the closure of venues was noticeable across the UK. People from all different trades were unable to work in their specific sectors throughout the entire range of roles in the music event industry. Most of those people being self-employed and not covered by the schemes set up by the government.

An article from the Natwest Business Hub from the 9th September 2020

(<https://natwestbusinesshub.com/articles/not-going-live-the-impact-of-coronavirus-on-the-events-industry>) states that the events industry in the UK is worth £39 billion to the economy. Throughout the article, three different CEOs from events-based backgrounds describe the situation as being forgotten by the government and seen as “unimportant”. The venues and organisations who were hoping to transition from public funding to philanthropic funding, trusts and sponsorships needed to resort back to government support. The three event experts individually criticize the ‘Eat out to help out’ scheme as it was only beneficial to venues providing food. Moreover, in the process of facing financial strain and the possibility of losing their jobs, people both working in the industry and those deprived of the benefits from the industry were also faced with the risk of their mental health deteriorating.

Part 3/ Current challenges the industry faces re-emerging from the global pandemic

a/ Risk assessment and health and safety management

Newbold et al. (2019, p.153) define a risk assessment as the way of identifying the various risks that can take place when hosting an event. They help in avoiding risks and eliminating the possibility of them by ensuring the correct measures are in place in advance. Tarlow (2002), points out that risk assessment is a way of foreseeing potential issues and is a key part in creating contingency plans and emergency procedures. The figure below from (Bladen et al, 2018) shows the importance of health and safety at events.



Pre-pandemic, attendee's and employee's health and safety will have been mandatory. The manual called 'The Event Safety Guide' (1999) states that there are government inspectors who ensure that all the correct planning is being followed by music events across the UK. As venues reopened after 18 months of being forced to stay closed, an emphasis was put on the rules and regulations of health and safety and the policies and procedures involving covid19. According to Berlonghi (1990), there are strategies that events must follow. Avoidance being one of them. For instance, earlier on one of the new rules regarding the virus meant that people needed to be social distancing. Initially, events were only possible outdoors. Then inside with drastic cuts in the capacities allowed. For venues such as the O2 or the Millennium stadium although this was not ideal, they were still able to open to the public and sell tickets. However, for venues such as Sin in Swansea where space is

limited this will have been an enormous challenge. It was in fact impossible, and they were forced to stay closed whilst others made their return. See the image below from a news article from an interview with Gary Lulham, manager of Sin (19th May 2021).

In a statement, the club said: "We've been getting a lot of messages in the last couple of weeks from people who are wondering what our position is as they see other venues and events advertise re-opening and some more concerned messages asking if we'll ever re-open. The problem we have is that while England have been given a timeline as to when they can probably re-open and how the restrictions will be lifted, no such information has been made available by Welsh Government.

Due to the uncertainty of what the future would entail, music venues who book their acts far in advance to create their annual programmes, whilst also depending on their forecasted revenue, were unable to take the risk of potentially being in a worse financial situation further down the line.

With the vaccine being made mandatory for people to access events and venues, another challenge faced is with the number of customers that have chosen to be vaccinated. People who are not vaccinated are not guaranteed to be able to attend or have access to certain places. Venues, especially in the music event industry have been or are low on staff. This creates complications. Putting understaffed teams in dangerous situations against large amounts of people and ensuring less safety for both sides in the process. Moreover, regardless of the repeated reassurances from scientific experts, people were not entirely convinced or ready to be amongst groups and crowds of people. Novelli et al (2013), point out that in normal circumstances people enjoy the proximity of others at events as it provides a sense of sharing in and at times gives them social identity. But, since close-proximity and crowded places were taken away for a large amount of time, less people, therefore consumers are less willing to go out and be amongst others. Thus, creating a negative impact and further challenges for venues.

b/ Market Demand

Live music and the entire concept of attending a music event whether it be a concert, a nightclub or a festival is something that the general UK population enjoys. The idea of this same population being deprived of the above and from social interactions

would lead one to believe that the demand would be bigger than ever once the green light was given for music to take back centre stage. Why do people go to music events and venues? For the experience. Parahlad and Ramaswamy (2004) describe experiences as something 'liberating' and state that people want their own unique experiences. Usually, consumers wish to have positive and fun experiences. In 2020 and 2021, booking slots and tables in venues and for certain events became the new standard procedure. Many who did not have bookings could not gain access. This is something that could have become off-putting for many. Just as the lack of staff in venues and clubs will have created more waiting around and less time to relax and have fun. Page and Connell (2006), question the belief that music events and venues have specific target markets. It is wrong to think like this for each event as they can each attract target markets of all ages and backgrounds. In conclusion, the demand for music events is very much dependent on the individual person. The vaccine pass will create problems for those who do not have it, but the average UK citizen has one of the vaccines created against covid19. The vast majority from the regular music event demographic has returned to supporting the industry and creating new memories.

c/ Planning for the future

As the world slowly emerges from the pandemic and rebuilds itself, many things have changed along with it. People have had time to be at home, to spend time with family and to reevaluate their priorities. For some this may involve leading a healthier lifestyle and for others the importance of social lives may have become more important than ever. Both will have a significant impact on the events industry and in the case of the music events industry and nightlife scene in the UK, the average person is wanting to make up for lost time and make the most of being able to go out once more. So how can venues such as the O2 and Principality prepare for the future? The O2 has its programme online with all its upcoming events, shows and concerts whilst in Cardiff the stadium is hosting the rugby autumn internationals and Sin has its line-up filling up every day with new acts and tickets up for sale. Although many would possibly consider changing things up, sometimes no drastic change is better. Regulars and loyal customers will always return and support the venues and events they know and love. As for the future, not only will businesses need to attract

consumers and their trends they will need to continuously follow the governments updates on rules and laws regarding Covid19. Only this time there will be knowledge about the subject and risks and strategies can be anticipated in advance. Thus, allowing for the industry to thrive and conquer as many future challenges as possible that lay ahead.

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