

## Competition between venues outside London

1. In this appendix we assess competition between the parties' venues outside London.

### Geographic competition

2. The parties provided us with the average distance travelled and breakdown of point of origination for people attending Live Nation venues in four cities: Birmingham, Bristol, Sunderland, and Edinburgh.<sup>1</sup> Table 1 sets out the geographic 'pull' of these venues.

TABLE 1 Distances travelled to certain Live Nation venues

Venue	Average distance travelled km	Main areas from which people travel (per cent of people travelling from that location if greater than or equal to 5%)
Birmingham Alexandra	25.8	Birmingham (56%), Coventry (7%), Walsall (7%), Dudley (7%)
Bristol Hippodrome*	32.4	Bristol (56%), Bath (10%), Gloucester (8%), Swindon (7%), Taunton (6%)
Sunderland Empire	26.4	Newcastle (34%), Sunderland (27%), Durham (16%), Cleveland (12%), Darlington (6%)
Edinburgh Playhouse	77.0	Edinburgh (37%), Kirkcaldy (12%), Glasgow (9%), Falkirk (7%), Motherwell (5%)

Source: CC analysis.

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\*Although Cardiff is close to Bristol, only 2 per cent of people attending Bristol Hippodrome travelled from Cardiff. We nevertheless considered venues in Cardiff in our assessment of competition with venues in Bristol.

3. Based on this analysis, we considered venues within the same town or city and in certain neighbouring towns or cities (for example, Glasgow/Edinburgh and Newcastle/Sunderland in the table above<sup>2</sup>) as potentially competing with one another.<sup>3</sup> Table 2 therefore sets out the venues operated by Academy in towns and cities outside of London and those venues operated by Live Nation and Gaiety in

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<sup>1</sup>The data covered the year commencing 9 September 2005 and included the four venues in Table 1.

<sup>2</sup>Although we did not have data for Liverpool and Manchester, which are about 50 kilometres apart, our analysis of distances travelled suggested we should consider venues in these cities as possible competitors to one another.

<sup>3</sup>So, for example, in Table 1, venues in, say, Birmingham and Coventry may potentially compete with one another, we therefore are assessing whether the parties have venues in both these locations.

towns and cities that are geographically close<sup>4</sup> to Academy venues. Hamsard does not operate any venues outside of London.

TABLE 2 Venues operated by the parties outside of London that are geographically close

<i>Parties' venue (venue operator)</i>	<i>Capacity</i>	<i>Venues ranked by the parties as competing with their venues (and capacity of the competing venue)</i>	<i>Venues stated as competing by third parties (in no particular order)*</i>
<i>Birmingham</i> Birmingham Academy (Academy)	2,700 + 200 (Bar Academy)	1) Wolverhampton Civic Hall (3,000) 2) Wolverhampton Wulfrun (1,100) 3) Barfly (400) 4) NIA (6,500) 5) Nottingham Rock City (2,000)	Symphony Hall, Wolverhampton Civic Hall, NIA, Warwick Arts Centre, Alexandra, Coventry Coliseum, NEC, Nottingham Arena
Alexandra, Birmingham (Live Nation)	1,376	Not listed	Symphony Hall, Hippodrome, Warwick Arts Centre, Nottingham Royal Arts Centre, Birmingham Academy
<i>Bristol &amp; Cardiff</i> Bristol Academy (Academy)	1,700	1) Colston Hall (1,938) 2) Anson Rooms (1,000) 3) Bierkeller (600) 4) Fleece (330) 5) Newport Centre (2,024)	Colston Hall, Bierkeller, Bristol University, Fleece, Cardiff University
Hippodrome, Bristol (Live Nation)	1,981	Not listed	Colston Hall, Bristol Academy
Cardiff International Arena (Live Nation)	4,994/7,500	1) Shorthall Millennium Stadium (15,000+) 2) St David's Hall (180) 3) Cardiff University Student Union (1,750) 4) Newport Centre (1,508)	N/A
<i>Liverpool &amp; Manchester</i> Liverpool Academy (Academy)	1,200+ 500 (studio)	1) Mountford Hall, University of Liverpool (1,000–2,000) 2) Stanley Theatre, University of Liverpool (460) 3) Barfly (250–300)	Philharmonic Hall, Royal Court Theatre, Liverpool University, Barfly, Neptune Arts Centre, Manchester University
Empire, Liverpool (Live Nation)	2,373	Not listed	Philharmonic Hall, Liverpool University
Manchester Apollo (Live Nation)	2,634 seated 3,500 standing	1) Manchester Academy (2,100) 2) MEN Arena shorthall (4,500+) 3) Blackpool Empress Ballroom (3,200) 4) Bridgewater Hall (2,000)	N/A
Manchester Opera House (Live Nation)	1,909	Not listed	N/A
Manchester Palace Theatre (Live Nation)	2,000	Not listed	N/A
<i>Newcastle &amp; Sunderland</i> Newcastle Academy (Academy)	2,000	1) The Venue (1,680) 2) The Sage (1,700) 3) Tyne Theatre (1,050) 4) City Hall (2,133) 5) The Basement (1,200)	City Hall, Newcastle University, Northumbria University, Newcastle Short Arena. Middlesbrough Town Hall
Sunderland Empire (Live Nation)	1,875	Not listed	City Hall, Sage (Gateshead)

<sup>4</sup>As described, we consider 'geographically close' to mean in the same town or city or in certain neighbouring towns or cities.

<i>Parties' venue (venue operator)</i>	<i>Capacity</i>	<i>Venues ranked by the parties as competing with their venues (and capacity of the competing venue)</i>	<i>Venues stated as competing by third parties (in no particular order)*</i>
<i>Glasgow &amp; Edinburgh Glasgow Academy (Academy)</i>	2,500	1) Barrowland (1,900) 2) ABC (1,300) 3) Clyde Auditorium (3,000) 4) QMU (900) 5) Garage (700)	Clyde Auditorium, Barrowlands, Pavilion, ABC, Royal Concert Hall, SECC
<i>Playhouse, Edinburgh (Live Nation)</i>	3,056	Not listed	Usher Hall, Festival Hall, Royal Concert Hall, Corn Exchange
<i>King Tut's Wah Wah Hut, Glasgow (Gaiety)</i>	300	1) ABC (1,300) 2) Barrowlands (1,900) 3) Garage (700)	N/A

Source: CC analysis.

\*Note that the venues listed are based on unprompted answers by third parties.

Note: N/A means not available.

## Competitive analysis

4. We examined four initial pieces of evidence to assess the extent to which Academy and Live Nation/Gaiety venues were competing with one another:

- (a) competing venues as ranked by the parties;
- (b) Academy's 'lost show' reports;<sup>5</sup>
- (c) third party responses to questionnaire on alternative venues; and
- (d) types of shows at each venue.

5. As this analysis suggested the parties were not closely competing outside of London we did not therefore conduct any further competitive analysis.

### ***(a) and (b) Competing venues as ranked by the parties and Academy's 'lost show' reports***

6. Table 2 shows that none of Academy, Live Nation and Gaiety considered one another's venues to be their key competitors in venues outside London. This assertion was supported by examining Academy's 'lost show' reports for the period 2004 to 2006. Table 3 shows the venues that Academy assessed as competing with its own venues over this period. Academy did not record any Live Nation or Gaiety

<sup>5</sup>For an explanation and discussion of the Academy 'lost show' reports, please see Appendix F, paragraphs 69 to 71.

venues as competing with any of its venues, but recorded a wide range of third party venues as alternatives.

TABLE 3 Venues listed in Academy 'lost show' reports, 2004 to 2006

Venue	Capacity	Venues listed in Academy 'lost show' reports 2004 to 2006
Birmingham	2,700 + 200 (Bar Academy)	Wolverhampton Civic Hall, Wolverhampton Wulfrun, Glee Club, Barfly, NIA, Little Civic, Symphony Hall, The Irish Centre, JB's (Dudley), HQ Birmingham, Nottingham Rescue Rooms, Robin 2 (Bilston), Sanctuary, Warwick University, Custard Factory, Nottingham Rock City
Bristol	1,700	Anson Rooms, Colston Hall, Bierkeller, Fleece, Fiddlers, Trinity Centre, Cheese and Grain Frome, Thekla, Cardiff University, Bath Pavilion, The Station
Liverpool	1,200 + 500 (studio)	Philharmonic Hall, Royal Court, Barfly Loft and Theatre, Stanley Theatre, Liverpool University (Rooms 1, 2 and 3), Brown Room, Korova, Mountford Hall, JB's, Zanzibar, Pacific Road (Birkenhead)
Glasgow	2,500	Barrowlands, Queen Margaret Union (QMU), Clyde Auditorium, Garage, Arches, Royal Concert Hall, ABC, Renfrew Ferry, SECC, Art School, Classic Grand, Fruitmarket, Corn Exchange
Newcastle	2,000	Newcastle University, Northumbria University, Sage Gateshead Hall 1 and Hall 2, Cluny, Legends, City Hall, Newcastle Metro Arena

Source: CC analysis.

### **(c) Third party responses to questionnaire**

7. Table 2 shows venues stated by third parties as competing with the parties' venues. Academy venues were only considered to be an alternative to Live Nation/Gaiety venues (or vice versa) in Bristol and Birmingham.

(a) In Bristol, promoter [X] listed Bristol Academy as the first choice alternative to Live Nation's Bristol Hippodrome (but did not consider Bristol Hippodrome as an alternative to Bristol Academy). No other third parties listed the parties' venues in Bristol as alternatives for one another. However, venue operator [X] noted that Bristol Hippodrome and Bristol Academy were two of three venues in Bristol with a capacity of over 1,600.

(b) In Birmingham, promoter [X] listed Live Nation's Alexandra as a second choice alternative to Birmingham Academy, whilst promoter [X] listed Birmingham Academy as a third choice alternative to the Alexandra (although neither considered the substitutability to work in reverse). No other third parties listed the parties' venues in Birmingham as alternatives for one another.

***(d) Types of shows at each venue***

8. Academy venues have built their reputations on live music and club nights. Table 4 and Figure 1 show that the Live Nation venues outside of London that are geographically close to Academy venues are not primarily used for live music.<sup>6</sup> Indeed, with the exception of the Cardiff International Arena and the Manchester Apollo, less than 10 per cent of events in Live Nation venues outside London are live music events. The majority of shows in most of these venues are musicals.

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<sup>6</sup>Note that the categories used in Table 4 are based on CC analysis and could be examined differently using different categorizations.

TABLE 4 Types of events shown in Live Nation venues outside London, 2005

	Venue									No of events	
Type of music	Alexandra Theatre, Birmingham	Bristol Hippodrome	Cardiff International Arena	Edinburgh Playhouse	Empire Theatre, Liverpool	Manchester Apollo	Opera House, Manchester	Palace Theatre, Manchester	Sunderland Empire Theatre		
Live Music	}									}	
Musical											
Comedy											
Children's											
Play											
Dance											
Opera											
Other											
Total											
Live Music											
Musical											
Comedy											
Children's											
Play											
Dance											
Opera											
Other											

Source: CC analysis.

FIGURE 1

## Types of events shown in Live Nation venues outside London, 2005

[X]

Source: CC analysis.

9. Of the live music artists that played in seven of the Live Nation venues (the Alexandra (Birmingham), Bristol Hippodrome, Edinburgh Playhouse, Empire (Liverpool), Opera House (Manchester), Palace Theatre (Manchester) and Sunderland Empire) many are tribute acts or 'middle of the road' (MOR) acts.<sup>7</sup> Only [X] of the [X] live music acts<sup>8</sup> listed in these venues in 2005 played in any Academy venues in 2004 or 2005.
10. The Cardiff International Arena and Manchester Apollo are both used for live music regularly—over [X] per cent of the shows in 2005 were live music events. King Tut's Wah Wah Hut in Glasgow, which is owned by Gaiety, is also a regular live music venue. However, as noted in paragraph 7, none of these three venues were listed by third parties as alternatives for the Academy venues. In addition, as Table 2 shows, the capacities of these three venues are quite different to the Academy venues that are geographically close.

### ***Other Live Nation venues not geographically close to Academy venues***

11. Live Nation also owns a number of venues in other towns across the UK.<sup>9</sup> However, none of these were mentioned as possible alternatives to Academy venues by third parties and most of the venues are similar in terms of shows to the other Live Nation

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<sup>7</sup>Indeed, promoter [X] considered Bristol Hippodrome, Liverpool Empire and Edinburgh Playhouse to be theatrical venues that are 'not built for rock and roll'.

<sup>8</sup>There were [X] events in these Live Nation venues in 2005, of which [X] were live music events. The six acts (Bjorn Again, Eddi Reader, Elkie Brooks, Natasha Bedingfield, Shakin' Stevens and Van Morrison) mentioned played in either Shepherd's Bush Empire or Glasgow Academy in 2004 and 2005.

<sup>9</sup>These venues are the Sheffield Arena, Southampton Guildhall, Grimsby Auditorium, White Rock Theatre (Hastings), New Theatre (Oxford), Princess Theatre (Torbay), Tameside Hippodrome (Ashton under Lyne), Spa Pavilion (Felixstowe), Leas Cliff Hall (Folkestone), Southport Theatre, Grand Opera House (York), Donnington Park and Old Fire Station (Oxford).

venues. We did not therefore consider these other Live Nation venues any further as we did not consider these to be in close competition with Academy venues.

12. During our inquiry, Academy completed the purchase of a 750 capacity venue in Oxford called the Zodiac. To assess possible competition with Live Nation venues, we therefore conducted an analysis of the type of events shown at Live Nation's New Theatre in Oxford.<sup>10</sup> The New Theatre has a capacity of 1,826 and hosted 25 live music events out of a total of 302 events in 2005. It hosted very similar types of events to the other regional Live Nation venues, as shown in Table 4 and Figure 1. Therefore, for the same reasons as above, we did not consider the Oxford venues any further.

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<sup>10</sup>Live Nation's Old Fire Station in Oxford has a capacity of 183, and is unlikely to be in close competition with a venue of 750 capacity, as acquired by Academy.