



Oxford Cambridge and RSA

Friday 24 May 2024 – Afternoon

AS Level Business

H031/02 The wider business environment

Resource Booklet

Time allowed: 1 hour 30 minutes



INSTRUCTIONS

- Use this Resource Booklet to answer the questions in **Section B**.
- Do **not** send this Resource Booklet for marking. Keep it in the centre or recycle it.

INFORMATION

- The business described in this Resource Booklet is a **real** business.
- This document has **4** pages.

GAME

Extract A

About Game Retail Ltd (GAME)

GAME is a British video game retailer. The company's origins lie in the founding of the Rhino Group in 1992. A number of mergers and acquisitions followed during the 1990s until, in 1999, the company was purchased by Electronics Boutique Limited. Electronics Boutique Limited rebranded itself as GAME in 2002. The company continued to expand, purchasing several smaller retailers. In 2007, its parent company purchased its rival store, Gamestation.

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In March 2012 several suppliers (including Nintendo, Electronic Arts and Capcom) refused to supply their latest products to GAME due to concerns over the company's cash-flow management. Consequently, GAME entered administration on 26 March 2012, and was purchased by OpCapita the following week. Martyn Gibbs was appointed as CEO (Chief Executive Officer).

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In June 2019, the owners agreed to a takeover of the company by Frasers Group for £52 million. The group has since closed some standalone GAME outlets (reopening these as concessions inside nearby House of Fraser and Sports Direct stores) and expanded GAME's online business.

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Source: Adapted from [https://en.wikipedia.org/wiki/Game_\(retailer\)#](https://en.wikipedia.org/wiki/Game_(retailer)#) (Accessed December 2021)

Extract B

Martyn Gibbs' LinkedIn Profile

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Extract C**GAME and BELONG open a gaming arena in central London**

In 2019 GAME partnered with BELONG, a company that runs a network of gaming centres across the UK, to open a brand-new gaming venue – the BELONG Gaming Arena. Located in the lower ground floor of House of Fraser on Oxford Street, this central London location provides gamers with the ultimate gaming experience.

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The BELONG Gaming Arena has the largest number of machines permanently set up for competitive gaming in the UK. Whichever game, and at whatever level gamers wish to compete in, they have the chance to play on the latest gaming equipment. Players can also participate in Battle Royale tournaments with up to 100 other competitors. The gaming arena also has a room for professional e-sports players, streaming stations for social media influencers and two purpose-built gaming rooms for parties and functions.

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Martyn Gibbs, GAME's CEO, said "This has been such an exciting project and one we are very proud of. Oxford Street is the perfect place to create the best retail and gaming experience for players. This is a new look and feel for GAME. We are very much looking forward to creating some great tournaments and in-store offers. Through listening and working with our gaming community, we believe we have created the best gaming venue possible and look forward to welcoming every gamer."

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Source: Adapted from <https://advanced-television.com/2019/12/11/game-and-belong-open-gaming-arena-on-oxford-street/> (Accessed December 2021)

Extract D**GAME profits rise**

GAME reported a pre-tax profit of £14.8m in 2019, 20.3% higher than in 2018. Its revenue fell by 4.7%, to £492.9m, in 2019.

The UK video games market was valued at £5350m in 2019.

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Looking ahead, GAME said "economic uncertainty and weakening consumer confidence" would make for a challenging retail sector over the coming months. However, it was "confident" about its longer-term growth prospects.

GAME is currently in the middle of a turnaround strategy that is aiming to diversify away from a pure retail offering into the e-sports market and the hosting of events. This includes creating more BELONG gaming arenas, where gamers can pay to play on various platforms.

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Sources: Adapted from

<https://www.proactiveinvestors.co.uk/companies/news/216922/game-digital-shares-level-up-as-profits-rise-20-despite-revenue-fall-216922.html> and

https://ukiepedia.ukie.org.uk/index.php/UK_Video_Games_Market (Accessed December 2021)

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