



Bookselling Britain:

**The economic contributions to - and impacts on -
the economy of the UK's bookselling sector**

A report for the Booksellers Association

October 2017

Cebr

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The report does not necessarily reflect the views of the Booksellers Association.

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Executive summary

This is a summary of an economic impact assessment by Centre for Economics and Business Research (Cebr) of the UK's bookselling sector. The assessment was undertaken on behalf of the Booksellers Association (BA), a trade body representing the interests of the UK's local and national booksellers. The report demonstrates how the UK's booksellers bring real value to the economy but, more importantly, it highlights the impacts that set bookshops apart from global online conglomerates like Amazon.

Annual ongoing contributions to macroeconomic indicators

The bookselling sector makes contributions on an annual basis to macroeconomic indicators like Gross Domestic Product (GDP) and employment. These contributions take the form of both direct and multiplier impacts.

Cebr's analysis suggests that Britain's booksellers make the following direct contributions to the economy:

- Turnover to the value of £1,325 million in financial year 2015-16. This represents a 1% increase on FY 2014-15, undoubtedly good news in light of average annual compound growth of -2.8% per annum between 2010 and 2014.
- From this, the bookselling sector made a gross value added (GVA) contribution to GDP of at least £541 million, but this could be as high as £600 million. While the booksellers account for a 0.35% share of the turnover of the huge UK retail sector, they account for a 0.64% share of its GDP contribution, meaning they 'punch above their weight' in terms of the net value to the economy of each £1 of turnover.
- The bookselling sector provides employment to at least 24,440 people directly, whose remuneration through the wages and salaries paid by booksellers is, as in most sectors, the most important element of its GVA contribution to GDP. This is estimated to be at least £415 million, but could be as high as £450 million.

Booksellers are intricately linked with the publishing sector. The latter provide booksellers with their most important input – the books they sell. But booksellers are of vital importance to publishers and to authors and their agents – they offer a market for their books by providing the facility for consumer purchase. Booksellers also rely on non-merchandise inputs necessary to support their retail operation, such as utilities, insurance, maintenance and repairs, consumables, IT and accountancy services etc.

These merchandise suppliers (publishers) and non-merchandise suppliers themselves generate turnover, GVA contributions to GDP, employment and employee earnings as a result of the demands placed on them by the booksellers. The proportions that arise from meeting these demands can, thus, be ascribed to the bookselling sector as indirect (supply chain) impacts. Economic activity is also stimulated when the employees of the bookselling sector spend their wages and salaries on the final goods and services required by households to sustain their ability to provide their labour resource. The contributions to macroeconomic indicators made by the industries that produce these final goods and services are thus, ascribed to the booksellers as induced multiplier impacts.

Cebr's national accounting and input-output modelling of the bookselling sector suggest ongoing contributions through indirect and induced multiplier impacts that go well beyond its direct impacts:

- For every £1 of bookselling sector turnover, a further £1.91 of turnover is supported elsewhere in the wider economy. This includes an indirect supply chain impact of £0.95 and an induced employee spending impact of £0.96 for every £1 of bookseller turnover.
- A GVA multiplier of £3.62, meaning that £2.62 is added to the wider economy for every £1 of GVA contribution to GDP made directly by the booksellers.
- Likewise, an additional 0.88 jobs in the wider economy is supported for every job provided directly by the bookselling sector. Their remuneration means an additional £1.87 of pay elsewhere in the economy for every £1 of wages and salaries paid by the booksellers.

Combining the bookselling sector's direct impacts with these £-for-£ and job-for-job multipliers produces Cebr's estimates of the sector's aggregate economic impact or 'footprint' under each of the four macroeconomic indicators, as follows:

- £3.8 billion in turnover.
- At least £1.9 billion in GVA contributions to GDP, a figure that could be as high as £2.2 billion and includes £900 million generated through the activities of the publishing sector catalysed by the demands placed on it by the booksellers. (This, in turn, includes the value to the economy of the activities of authors.)
- At least £1.2 billion in employee remuneration, but this could again be as high as £1.3 billion.
- About 46,000 jobs (24,440 bookselling jobs plus supply chain jobs and employee spending-induced jobs), at least 14,000 of which are generated through those activities of the publishing sector catalysed by the demands of the booksellers.
- An estimated contribution to the UK exchequer of at least £131 million.

Ongoing macro contributions and impacts that set bookshops apart

Global online conglomerates, like Amazon, will generate analogous ongoing contributions to the UK economy from its bookselling activities. However, there are several reasons to suspect that Britain's local and national booksellers, particularly those running bookshops, are like to have stronger ongoing impacts.

- Traditional bookshops have potentially more direct and tangible supply chain transmissions for the economy at large. They utilise a greater amount of raw materials, employees and overheads for the sale of books. As such, the economic multipliers and links are likely to be stronger, given this more varied mix of inputs required to support 'bricks-and-mortar' bookselling.
- But more of these impacts are also likely to remain in the local economy in which booksellers are located, due to sourcing from local suppliers, local employment and the promotion of local authors.
- Bookshops provide local jobs that are dispersed across the country, rather than concentrated in specific areas.
- The booksellers, be they local or national, will be of smaller scale with a more limited geographic footprint compared to a global tech giant like Amazon. Consequently, there is little scope to shift profits to low tax geographies, meaning that less of the wealth created by bookshops is transferred abroad. This means that more of the profit gets channelled by booksellers into the UK private

economy (through, for example, expanding the range of books they make available for sale), but also into the public sector through taxation.

The creative spillover impacts of the booksellers

Spillover impacts concern the benefits to UK communities and the economy that go beyond the monetised impacts covered thus far. These are less ‘tangible’ and are, therefore, not as simple to define in ways that facilitate measurement, quantification and monetisation. Yet, it is vital that they are given due consideration in order not to underestimate the importance of booksellers to the UK. These spillover benefits are traced to the creativity inspired by booksellers and to the link between this creativity and long-term sustainable economic growth.

As with the sector’s ongoing contributions to macroeconomic indicators, we distinguish between the spillover impacts that are likely to be common across all suppliers of literature – local and national booksellers and Amazon alike.

The creative spillovers that are common across all suppliers of literature arise from:

- The informational and cultural conduit provided by booksellers to society at large. The dissemination of information and the literacy that they promote can help the economy through:
 - The enhancement of worker productivity;
 - The fostering of prosperous middle classes and stable long-term political choices; and
 - Better educated people helping to spread expertise and better decision-making.
- Second-order effects that have their origin in the dissemination of knowledge through the supply of books, such as:
 - Better educated and more informed people making better health and behavioural choices; and
 - Better compensated workers paying more tax to fund infrastructure and vital public services.

These spillover impacts combine to produce the technological advances and innovation that delivers long-term economic growth in advanced economies like the UK.

The spillover impacts that set bookshops apart

Identifying the spillover impacts that set bookshops apart is of course concerned with the relative case for ‘bricks-and-mortar’ retail booksellers. Bookselling itself has been transformed by the innovation and technological progress catalysed by the same processes of dissemination of information and knowledge. So, it is important to consider whether bookshops offer additional spillover benefits that are not likely to be realised through online platforms like Amazon.

Cebr would point to the following clearly identifiable possibilities:

- Bookshops provide a physical interface that can trigger different and unpredictable exploration of themes and topics beyond what was intended when entering the shop. It is unlikely to be possible to replicate this through an online algorithm that searches for related topics or associations.
- Events and activities organised at bookshops can produce an interaction of ideas and inspiration that might not be replicable through an online forum.

- Interactive involvement to encourage reading for pleasure, especially among children, through bookshop-hosted and run events and outreach work in schools, libraries and other settings.
- Interactive involvement with charitable initiatives like World Book Day, further encouraging reading and literacy amongst children.
- Interactive involvement with more reluctant readers, helping them to find books they might enjoy, another route to the more widespread dissemination of information and knowledge and the benefits that brings.

We would also point to the following:

- UK bookshops are more likely to be better placed to promote UK authors, who might (as a result) get a chance to develop nationally and eventually internationally. This could, in time, boost UK cultural exports and hence UK GDP.
- Bookshops offer careers, not just ‘filler’ jobs, and for some a route into authorship, a phenomenon that is itself a manifestation of the creative forces catalysed by bookshops.
- Bookshops provide artistic and cultural hubs through author book signings, toddler hours, comedy nights, poetry readings, literary festivals or story time. Through depth interviews with BA members, we discovered that Waterstones estimates to have played host to over 5,000 events so far in 2017 alone. Foyles estimates that it hosts about 300 events per year.
- The presence of bookshops can be expected to support wider high street activity, helping to:
 - Prevent urban decay;
 - Increase or maintain property values; and
 - Provide footfall for neighbouring businesses.
- Bookshops can also be expected to encourage metropolitan clustering that itself leads to further creative interactions, innovation and technological progress.

Conclusion

Britain’s local and national booksellers and bookshops point to an increasingly challenging trading environment, in which the margins on which they rely have come under pressure from a number of sources, including:

- Amazon’s ability to undercut publisher RRP’s and offer delivery convenience (as a result of its economies of scale, widespread market presence and consequent market power).
- The system of business rates as the means of local taxation of business, which appears to be disadvantageous to ‘bricks-and-mortar’ retailers like bookshops vis-à-vis their online counterparts.
- The system of corporation tax and the potential disadvantage to UK businesses, like bookshops, that do not have the global presence, scale or scope to achieve the rebates on this tax that appear to result in Amazon’s effective rate of corporation tax usually being lower, sometimes significantly lower, than the headline rate faced by bookshops and other ‘bricks-and-mortar’ retailers.
- Other ‘bricks and mortar’ retail cost pressures, such as rising utility bills and policy changes, such as the National Living Wage, pensions auto-enrolment etc. which, given the more labour-intensive

nature of 'bricks-and-mortar' booksellers, can be expected to disproportionately impact on bookshops relative to an online platform like Amazon.

- Endeavours to invest creatively in the enhancement of the retail book-buying experience, investments that come with no guaranteed return on the initial outlay of investment.

There could be added pressure on margins in the future, arising from upward pressure on wages as the economy continues to approach full employment and Brexit, which could manifest in trade tariffs on foreign (imported) publications but also in upward pressure on publisher RRP's, potentially making 'bricks-and-mortar' booksellers even less attractive than the Amazon option.

It is not difficult to see how this combination of factors, and the impact they are having on bookshop margins, threatens the very existence of Britain's local and national booksellers. But this report demonstrates to policymakers what could be lost if the financial sustainability of the nation's bookshops continues to be threatened. Bookshops deliver contributions to – and impacts on – the UK's economy and local communities that go beyond what is possible through an online platform.

1 Introduction

This report by the Centre for Economics and Business Research (Cebr) presents the results of our assessment of the contributions to the UK economy made by the bookselling sector. Much of the examination spans the period 2010 to 2015 (the latest full-year results available) and endeavours to capture the full economic ‘footprint’ of the bookselling sector in the UK today.

1.1 Purpose and objectives of the report

Booksellers face an increasingly challenging trading environment, with many being reported as falling within the so-called JAMS (‘Just About Managing’) category of voters, a term coined at the time of the recent general election. The primary research undertaken as part of our study suggests that these challenges relate primarily to the competitive position of booksellers vis-à-vis Amazon, which holds an apparent dominant position in the UK book market.

Battling against this market dominance is, according to the Booksellers Association, not helped by the system of business rates, which it claims is disadvantageous to retail bookshops relative to online sellers, not to mention the recent disquiet concerning whether global companies like Amazon are paying their fair share of corporation tax.

The purpose of this report is to demonstrate the various ways in which the bookselling sector (which incorporates wholesale and retail bookselling, but excludes Amazon) brings economic benefits to the UK. In doing so, we hope to have highlighted what could be lost if policymakers fail to address the apparent disadvantages in the trading environment facing the more traditional ‘bricks-and-mortar’ booksellers, especially retail bookshops.

We have first aimed to demonstrate that these booksellers produce economic contributions and impacts that are just as important and relevant as those generated by a global online seller, like Amazon. To do so, we have drawn on data from the Booksellers Association, collated from its member booksellers, to conduct specific financial and economic modelling. We consider direct and multiplier impacts and why we consider there to be good reason to believe that more of the impacts of booksellers can be expected to remain in the UK than in the case of a company like Amazon.

Second, we have sought to demonstrate the wider ‘spillover’ impacts of booksellers and particularly of bookshops. The benefits to UK communities of local booksellers stretch beyond the standard contributions to turnover, GDP, jobs etc. These less tangible ‘spillover’ benefits are more difficult to define in ways that facilitate measurement, quantification and monetisation. Yet, it is vital that they are given due consideration in order not to underestimate the importance of bookshops to the UK. For instance, creative spillovers of the kind that can be attributed to bookshops are often argued to be even more important than the standard set of impacts described above, especially given the role of knowledge in creating the conditions necessary for stable long-term economic growth.

1.2 Overview of approach and methodology

To demonstrate the economic role of the bookselling sector, we quantify its contribution to the UK economy as a whole and to its constituent national and regional economies. We focus on the booksellers’ contribution to turnover in the economy, to employment, their gross value added (GVA) contributions to GDP and their tax contributions.

This analysis involves quantitative analysis and modelling. The impacts of booksellers that boost economic indicators like GDP are quantified by understanding the retail operation itself and by

understanding the relationships with the rest of the economy that underlie the business model. Booksellers rely on a supply chain that involves two principal elements – the merchandise it sells (books, other publications and other items, often also of an artistic nature, such as music) and the other (non-merchandise) inputs required to facilitate the retail operation (e.g., heating and lighting for a bookshop, water, cleaning materials etc.). The activity stimulated by booksellers in these supply chains leads to indirect impacts, predominantly through the sector producing the merchandise sold by them – namely, the publishing sector.

Further induced impacts arise in the wider economy when direct and indirect (supply chain) employees of the booksellers spend their earnings on the final goods and services required by households to sustain their ability to supply their labour resource. These direct and multiplier impacts of the UK bookselling sector are the subject of sections 3 and 4 of the report.

The metrics on direct and multiplier impacts are obtained by embedding the data representing the bookselling sector's economic activities within the official national accounting framework represented by the ONS supply-use and input-output tables. The explicit role thus established for the booksellers within this framework is then carried through to Cebr's UK and regional input-output models. These models are used to establish the indirect impacts of the relationships between industries through supply chain linkages and the additional induced impacts catalysed by the associated employee earnings and the spending of those earnings by households.

But we also consider the wider spillover benefits of booksellers, especially those operating 'bricks and mortar' retail bookshops. These impacts are not captured in standard measures of value like price, turnover or GDP. As already noted, they are difficult to define in ways that facilitate measurement, quantification and monetisation. This analysis is, therefore, qualitative in nature and draws on evidence from interviews conducted by Cebr with representatives of a sample of BA members, based on a questionnaire devised specifically for that purpose.

1.3 Structure of the report

The remainder of the report is structured as follows:

- Section 2 provides an overview of the business of selling books in the UK, including how they operate and the economic challenges they face.
- Section 3 outlines the direct economic impacts of the bookselling sector in the UK. We consider direct turnover, GVA, employment and employee compensation impacts.
- Section 4 considers the multiplier impacts of the bookselling sector through the activities they stimulate in their supply chain and in the wider economy when their direct and indirect (supply chain) employees spend their wages and salaries in the wider economy.
- Section 5 reviews the tax contribution of the bookselling sector to the UK exchequer.
- Section 6 considers the wider 'spillover' impacts of the bookselling sector to the UK economy and society at large, including those impacts that set bookshops apart from global online conglomerates like Amazon.
- Appendix 1 provides a methodological overview of the process of estimating multiplier impacts.
- Appendix 2 examines the contributions of the bookselling sector to the national and regional economies of the UK.

- Appendix 3 outlines some of the feedback received from the booksellers through the in-depth interview programme that formed part of this research.

2 About the bookselling sector

This section provides a short exploration of the bookselling sector and the key issues and challenges it faces. Its purpose is to provide background and context for our assessment of the economic contributions and impacts that can be attributed to the UK's booksellers.

2.1 Recent patterns in the demand for books

Today's digitalised world presents significant challenges for bookshops not only in the UK but globally. Fundamental developments in the way we obtain and read information have radically altered book readers' preferences. Nonetheless, a share of household expenditure continues, as one would naturally hope and expect, to be allocated to books. According to the ONS Family Spending Survey, from April 2015 to March 2016, households' weekly expenditure on books amounted to approximately £32 million per week or £1.6 billion per annum across the entire population.

Meanwhile, analysis by Nielsen suggests an increase in the demand for books purchased in retail environs between 2015 and 2016.¹ While this is hardly evidence of a recovery, it could reflect the beginnings of a resurgence in the demand for physical books. Importantly, the booksellers interviewed as part of this study suggested one potential driver of this was an observed desire from parents to 'disconnect' their children from electronics and the internet and to instil in them the value of books as a valuable alternative source of entertainment to apps, TVs and gaming devices.

2.2 Challenges faced by the UK's booksellers

Bookselling involves the commercial trading of books and the focus of this report is on the distribution end of the publishing process. Booksellers are intricately linked with the publishing sector. The latter provide booksellers with their most important input – the books they sell. But booksellers are of vital importance to publishers and to authors and their agents – they offer a market for their books by providing the facility for consumer purchase. Figure 1 illustrates the value chain involved in getting a book from its creator (the author and/or their agent) to the consumer.

¹ The analysis undertaken by Nielsen is based on data collected through a Booksellers Association initiative called the *Bookseller Fitness Programme*, run by the Independent Booksellers Forum (IBF), which is part of the BA. The goal of the programme is to provide independent booksellers with more insight into their business, as a way to improve their business performance, through individual shop reports that compare a participant bookshop's performance with average and 'similar' shop performance and through reports on the independent sector as a whole. Participating bookshops provide data on key 'fitness' indicators such as trading space, opening hours, staff numbers, turnover, margins and overheads.

Figure 1: The value chain for books – from creator to consumer



Source: Booksellers association

As with any member of the distributive trades, booksellers rely on the (wholesale and retail) margins they can achieve over and above the cost to them of what they sell. But the margins achievable by ‘bricks-and-mortar’ bookshops have come under severe pressure from a number of sources, including:

- Amazon’s ability to undercut publisher RRP’s and offer delivery convenience (as a result of its economies of scale, widespread market presence and consequent market power).
- The system of business rates as the means of local taxation of business, which appears to be disadvantageous to ‘bricks-and-mortar’ retailers like bookshops vis-à-vis their online counterparts.
- The system of corporation tax and the potential disadvantage to UK businesses, like bookshops, that do not have the global presence, scale or scope to achieve the rebates on this tax that mean Amazon’s effective rate of corporation tax is usually lower, sometimes significantly lower, than the headline rate likely to be faced by bookshops and other ‘bricks-and-mortar’ retailers.
- Other ‘bricks and mortar’ retail cost pressures, such as rising utility bills.
- Policy changes, such as the National Living Wage, pensions auto-enrolment etc. which, given the more labour-intensive nature of ‘bricks-and-mortar’ booksellers, can be expected to disproportionately impact on bookshops relative to an online platform like Amazon.
- Endeavours to invest creatively in the enhancement of the retail book-buying experience, investments that come with no guaranteed return on the initial outlay of investment.

There could be added pressure on margins in the future, arising from:

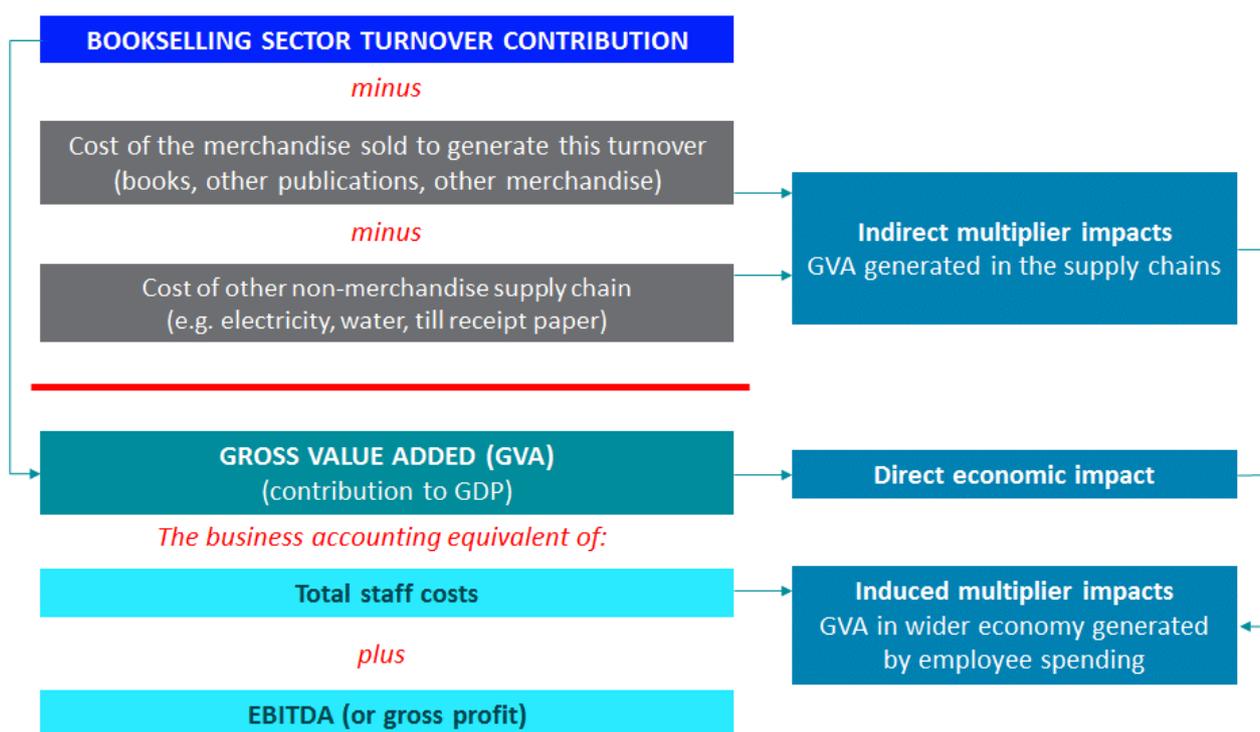
- Upward pressure on wages, which is normally to be expected in an economy that is approaching full employment. While inflation is currently outpacing wage growth, the most recent evidence suggests the latter is slowly gaining momentum. As with policy changes, such upward pressure on wages can be expected to disproportionately impact on bookshops relative to an online seller like Amazon, given the more labour-intensive nature of ‘bricks-and-mortar’ booksellers.

- Brexit, which could raise the cost of doing business for booksellers due to trade barriers, likely to be manifested in tariffs on foreign publications. Given the customs issue, there could also be new storage requirements, further increasing costs. Such increases in the cost of doing business are likely to be more difficult to absorb for high street and side street booksellers in the UK relative to a company like Amazon that benefits from economies of scale and scope.
- The potential for the increased cost of doing business as a result of Brexit to place upward pressure on publisher RRP, which would make ‘bricks-and-mortar’ booksellers even less attractive relative to the Amazon option, given Amazon’s ability to systematically undercut these RRP.

2.3 Measuring the economic contributions and impacts of the bookselling sector

Despite these challenges, the bookselling sector makes substantial contributions to – and has important impacts on – the UK economy. These contributions and impacts are the subject of the following sections of the report. The purpose of this subsection is to provide a brief outline of the framework used to estimate the annual ongoing contributions and impacts that can be clearly quantified and monetised.

Figure 2: Framework for measuring ongoing annual contributions and impacts



Source: Cebr analysis

The framework takes the turnover of the bookselling sector as its starting point, which is then ‘deconstructed’ in the manner shown in the flowchart above. From turnover, two items are subtracted, as follows:

- *Merchandise supply chain*: the cost of the merchandise sold to generate this turnover, namely the books, other publications and other merchandise sold by booksellers.

- *Non-merchandise supply chain*: the cost of the external inputs required to support the retail operations of the booksellers. This can be expected to include utility costs, window and internal cleaning services, paper for till receipts, IT and accountancy services etc. Crucially, this does not include labour costs.

The remainder, having subtracted these supply chain costs from turnover, is the bookselling sector's gross value added (GVA).² This is the direct contribution of the sector to UK GDP.

Indirect multiplier impacts flow through the supply chains. These are the GVA contributions to GDP made by each of the merchandise and non-merchandise supply chains as a result of the demands placed on them by booksellers.

To understand the final piece of the jigsaw, the induced multiplier impacts, it is useful to deconstruct GVA into its constituent elements. In business accounting terms, GVA can be thought of as the sum of total staff costs (wages and salaries) and EBITDA.³ Induced multiplier impacts represent the GVA stimulated in the wider economy when the direct employees of the bookselling sector spend their wages and salaries on the final goods and services required by households to sustain their ability to provide their labour resource.

As noted earlier, these direct and multiplier impacts are obtained by embedding the data representing the bookselling sector's economic activities within the official national accounting framework represented by the ONS supply-use and input-output tables. The explicit role thus established is then carried through to Cebr's UK and regional input-output models. These models are used to establish the indirect impacts of the relationships between industries through supply chain linkages and the additional induced impacts catalysed by the associated employee earnings and the spending of those earnings by households.

The direct, indirect and induced impacts can then be summed to produce an aggregate ongoing annual impact of the bookselling sector.

The analysis of the wider spillover benefits of booksellers, especially those operating 'bricks and mortar' retail bookshops, fall outside of this framework. They are difficult to define in ways that facilitate measurement, quantification and monetisation and the analysis is, therefore, qualitative in nature and draws on evidence from interviews conducted by Cebr with representatives of a sample of BA members, based on a questionnaire devised specifically for that purpose.

² GVA or gross value added is a measure of the value from production in the national accounts and can be thought of as the value of gross output (turnover) less intermediate consumption. That is, the value of what is produced *less* the value of the intermediate goods and services used as inputs to produce it. GVA is also commonly known as income from production and is distributed in three directions – to employees, to shareholders and to government. GVA is linked as a measurement to GDP – both being a measure of economic output. That relationship is $(GVA + \text{Tax on products} - \text{Subsidies on products}) = \text{GDP}$. Because taxes and subsidies on individual product categories are only available at the whole economy level (rather than at the sectoral or regional level), GVA tends to be used for measuring things like gross regional domestic product and other measures of economic output of entities that are smaller than the whole economy, such as the bookselling sector. GVA must be distinguished from turnover measures, which capture the entire value of sales. By contrast, GVA captures the value added to a set of inputs by a firm on their journey from raw materials to finished consumer products. Thus the value added of a firm that uses oil imports to make plastics is equal to the price that it sells the plastic for minus the cost of the oil it uses as inputs. Similarly the value added of a manufacturer that uses that plastic to make a bus shelter is equal to the price that it sells the bus shelter for minus the cost of the plastic it uses as an input. The concept of added value enables the avoidance of double counting when estimating the size of an economy and when estimating how individual sectors or individual companies contribute to it.

³ Earnings before interest, tax, depreciation and amortisation.

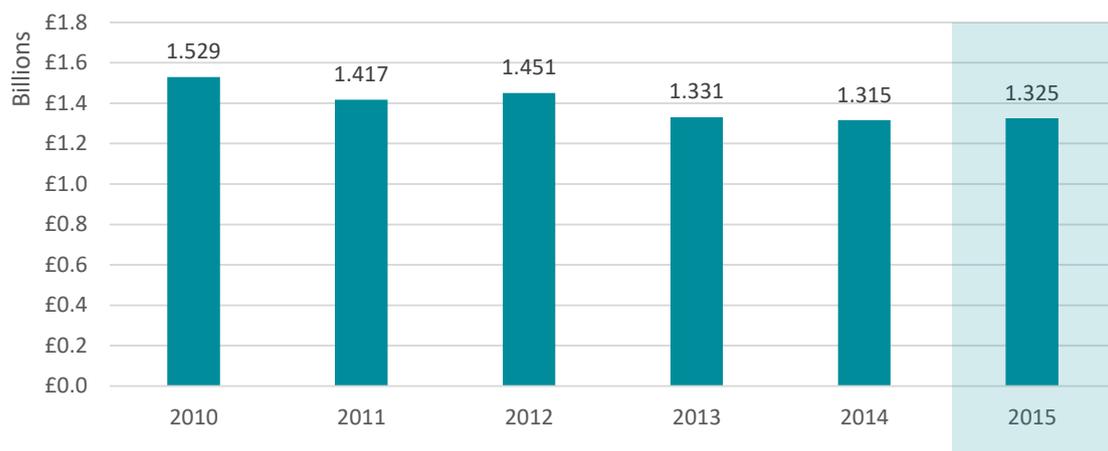
3 The direct economic contributions of the UK bookselling sector

This section provides an assessment of the annual ongoing direct economic contributions of the bookselling sector in the UK. These contributions are measured in terms of gross value added (GVA) contributions to GDP, employment, turnover and employee compensation. Cebr's estimates are based on data supplied by the BA as well as data from the Office for National Statistics (ONS).

3.1 The turnover of BA members in the UK

The latest data show that the bookselling industry generated turnover to the value of £1.32 billion in 2015, as illustrated in Figure 3. This represents growth of 1% on the 2014 estimate of £1.31 billion. This is good news following compound annual growth averaging -2.8% in the period 2010-2014.

Figure 3: BA members' turnover, 2010-15, £ billions



Source: Booksellers Association member data

To put this turnover contribution into context, the 2015 estimate (highlighted in Figure 3 above) constitutes a 0.35% share of total retail sector turnover. This can be compared with:

- Specialist sellers of music and video recordings at 0.16%
- Specialist sellers of leather goods at 0.25%
- Greengrocers at 0.27%
- The fast-growing specialist sellers of games and toys at 0.47%.

3.2 The bookselling sector's GVA contributions to UK GDP

Here we present the bookselling sector's gross value added (GVA) contributions to GDP in the UK. This amounted to at least £541 million in 2015, as illustrated in Figure 4. However, this is a conservative estimate – the actual number could be as high as £600 million. In any case, this is well over a half a billion pounds in direct contribution to UK GDP.

Figure 4: The bookselling sector's direct GVA contributions to GDP, 2010-15, £ millions



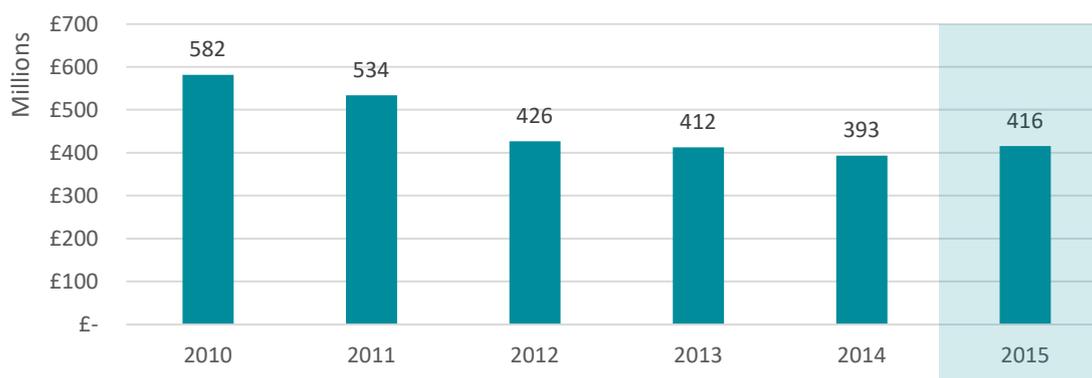
Source: Cebr analysis

Putting this into context again, the bookselling sector can be said to account for a 0.64% share of the GVA contribution of the entire retail sector in 2015. This is close to twice the bookselling sector's share of wider retail sector turnover, which is strongly suggestive of a bookselling sector that punches above its weight in terms of value generation.

3.3 The bookselling sector's contribution to employee compensation

As in the vast majority of industry sectors, the largest single element of the bookselling sector's GVA contribution to GDP is the wages and salaries paid to its employees. This amounted to an estimated £416 million in 2015 but, due to the same uncertainties surrounding the data, this could well be as high as £450 million. This is illustrated in Figure 5 below.

Figure 5: BA members' employee compensation, £ millions, 2010-15



Source: BA

3.4 The bookselling sector's contribution to employment

These estimates of total employee compensation are estimated to be sufficient to support 24,400 direct jobs in the bookselling sector. Unfortunately, we did not have a basis to robustly establish the historic trend in direct employment by the bookselling sector. To produce a trend, it was necessary to make assumptions, but this produced an unstable trend that was inconsistent with the trends in turnover, GVA and employee compensation presented above.

4 The multiplier impacts of the UK's bookselling sector

Here we outline the results of the first of three further explorations of the ongoing impact of BA members.

4.1 The booksellers' multiplier impacts on turnover

The bookselling sector's multiplier impacts on turnover is estimated at 2.91. This is de-constructed in Figure 6.

Figure 6: The bookselling sector's turnover multiplier



Source: Cebr analysis

This informs us that, for every £1 of bookseller turnover, an additional £0.95 of turnover is generated in the booksellers' supply chains. This is the turnover generated in the industries from which booksellers purchase goods and services as inputs for their own operations – namely, their merchandise and non-merchandise supply chains.

To this can be added the induced impact of another £0.95 of turnover for every £1 of bookseller turnover. This is the turnover of the businesses that supply finished goods and services to households when the direct and indirect employees of BA members spend their earnings in the wider economy.

This means that, for every £1 of bookseller, an estimated £2.91 of domestic output will have been generated in the economy as a whole, due to the combination of direct, indirect and induced multiplier impacts.⁴

Figure 7 below provides a comparison between the bookselling sector's turnover multiplier and that of the broader retail sector. This comparison is nothing other than contextual. The multiplier is simply a ratio of the aggregate (which includes direct, indirect and induced) impacts to the direct impacts. The stronger bookselling sector multiplier reflects the inclusion of merchandise sold by the sector in its modelled supply chain, unlike the broader retail sector multiplier, which excludes the merchandise supply chain. This is standard practice because the baseline multiplier models, in line with ONS data, seek to isolate the impact of retail operations themselves, whilst attributing merchandise to the industries that produced it (as opposed to the industries that sell it).

⁴ We note that, in Figure 6, the sum of the direct, indirect and induced impacts does not equal the £2.91 reported as the aggregate multiplier. This is due to rounding.

Figure 7: The bookselling sector's turnover multiplier compared to that of the wider retail sector



The table below presents the bookselling sector's direct contributions to turnover, alongside our estimate of this £-for-£ multiplier of £2.91. In 2015, therefore, the bookselling sector can be associated with an aggregate turnover impact or 'footprint' of over £3.8 billion.

Table 1: BA members aggregate turnover impacts (£m)

Turnover contributions and impacts	Bookselling sector's direct turnover contribution £m	The sector's Type II turnover multiplier	Aggregate turnover impact £m
2010	1,529	2.91	4,445
2011	1,417		4,119
2012	1,451		4,218
2013	1,331		3,870
2014	1,315		3,824
2015	1,325		3,852

Source: Booksellers Association, Cebr analysis

4.2 The bookselling sector's multiplier impacts on GVA contributions to GDP

Cebr's input-output modelling suggests a GVA multiplier for the bookselling sector of 3.62. This is broken down by direct, indirect and induced impacts in Figure 8 below. This is analysed in the same manner – for every £1 of direct GVA contribution to GDP, a further £2.62 of additional GVA is generated in the economy as a whole. The indirect impacts through the booksellers' supply chains account of an estimated £1.28 of this, while induced impacts account for £1.34.

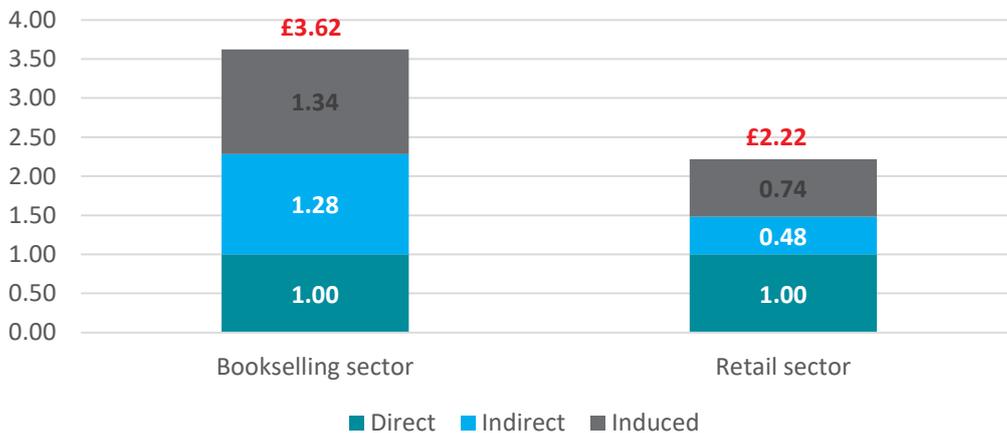
Figure 8: The bookselling sector's GVA multiplier



Source: Cebr analysis

This compared with the broader retail sector as a whole in Figure 9 below. Again, the stronger multiplier associated with the booksellers reflects the inclusion of high value-adding publishing sector within the booksellers' supply chain.

Figure 9: The bookselling sector's GVA multiplier compared to that of the wider retail sector



The table below presents the bookselling sector's direct GVA contributions, alongside our estimate of this £-for-£ multiplier of £3.62.

Table 2: BA members' direct and aggregate GVA impacts

GVA contributions and impacts	BA members' direct GVA £m	Type II GVA multiplier	Aggregate GVA impact £m
2010	760	3.62	2,753
2011	676		2,449
2012	552		1,999
2013	541		1,960
2014	524		1,898
2015	541		1,959

Source: Cebr analysis

This suggests that, in 2015, the bookselling sector can be associated with an aggregate GVA impact or 'footprint' of £1.9 billion. But, this could be as high as £2.2 billion if the direct GVA contribution to GDP is higher than our minimum estimate of £541 million.

Built into this GVA footprint are the impacts generated by the bookselling sector through the publishing sector. This includes:

- A direct publishing GVA contribution to GDP of £350 million;
- An indirect impact through the publishing supply chain of £240 million; and
- An induced impact through employee spending in the wider economy of over £310 million.

4.3 The bookselling sector's multiplier impacts on employee earnings

The same input-output analysis of the bookselling sector suggests that, for every £1 of wages and salaries paid by the sector, another £1.87 of pay is supported in the wider economy due to the bookselling sector's indirect and induced multiplier impacts. This is illustrated in Figure 10 below.

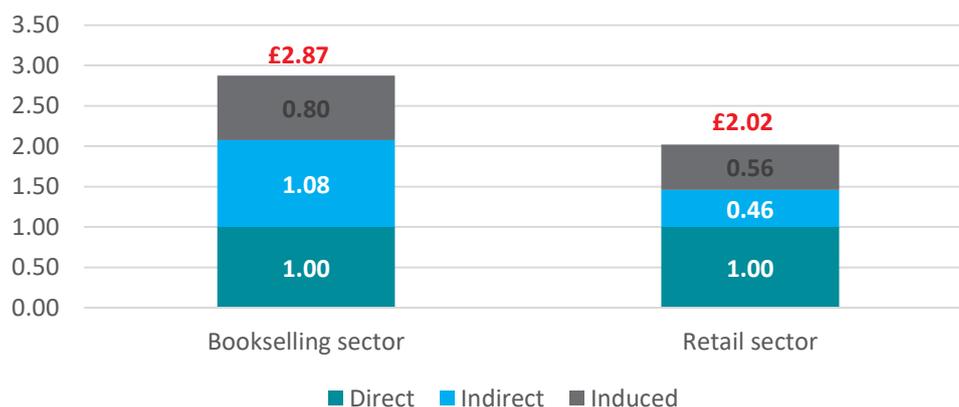
Figure 10: The bookselling sector's employee earnings multiplier



Source: Cebr analysis

As with turnover and GVA, this employee earnings multiplier is compared with that for the broader retail sector in Figure 11 below.

Figure 11: The bookselling sector's employee earnings multiplier compared to that of the wider retail sector



Source: Cebr analysis

The table below combines the bookselling sector's direct contributions to employee earnings, alongside our estimate of its employee earnings multiplier of £2.88. This produces an aggregate employee compensation impact of an estimated £1.2 billion in 2015, once the bookselling sector's indirect and induced multiplier impacts are included.

Table 3: The bookselling sector's employee earnings contributions and impacts, 2010-15

COE contributions and impacts	BA members' direct COE £m	Type II COE multiplier	Aggregate COE impact £m
2010	582	2.87	1,671
2011	535		1,535
2012	426		1,225
2013	387		1,111
2014	393		1,130
2015	416		1,194

Source: Cebr analysis

4.4 The bookselling sector's employment multiplier impacts

The bookselling sector can also be associated with substantial employment multiplier impacts, as illustrated below. This is interpreted in the same manner as before. For every direct bookselling job, a further 0.88 jobs are supported in the wider economy – 0.42 jobs in the bookselling sector's supply chains and 0.46 amongst the industries providing the final goods and services purchased by households who are the recipients of the employee earnings generated within the bookselling sector itself and within the supply chain sectors.

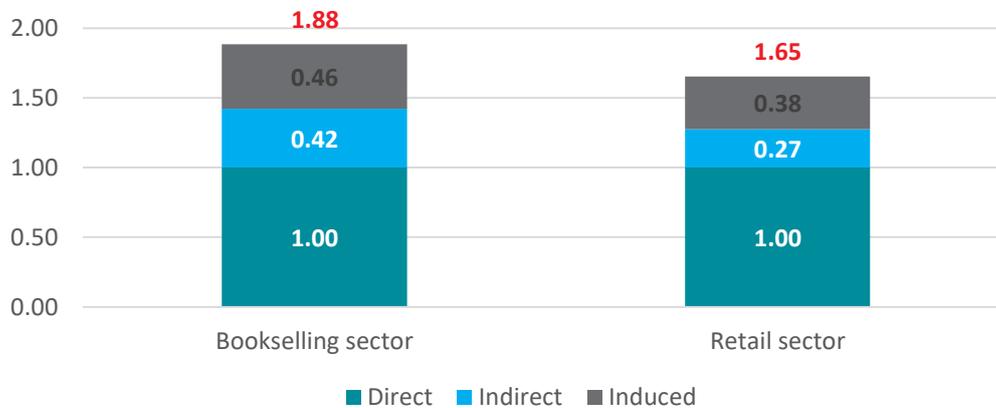
Figure 12: BA members' employment multiplier



Source: Cebr analysis

Figure 13 illustrates how the bookselling sector's multiplier impacts compares with the broader retail sector. This again reflects the inclusion of the merchandise supply chain (the publishing sector) within the modelled impacts of the bookselling sector.

Figure 13: The bookselling sector's employment multiplier compared to that of the wider retail sector



Source: Cebr analysis

This employment multiplier implies that the bookselling sector's total employment impact or 'footprint' is estimated to have reached 46,000 jobs in 2015. This estimate has built in the impacts generated by the bookselling sector through the publishing sector. This includes:

- A direct publishing employment contribution of about 4,350 jobs;
- About 4,750 jobs in the supply chain of the publishing sector; and
- A further 5,400 jobs in the wider economy as a result of induced employee spending impacts.

4.5 Why bookshops might have stronger ongoing contributions and impacts

There are several reasons to suspect that bookshops are like to have stronger ongoing impacts than global online conglomerates like Amazon.

Traditional bookshops have potentially more direct and tangible supply chain transmissions for the economy at large. Given that traditional bookshops utilise a greater amount of raw materials, employees and overheads for the sales of books, the economic multipliers and links are arguably higher due to the more varied mix of inputs required to support 'brick-and-mortar' bookselling. (The sale of physical books versus e-books arguably have similarly important transmissions.)

But more of these impacts are also likely to remain in the local economy in which booksellers are located, due to sourcing from local suppliers, local employment and the promotion of local authors.

Bookshops also provide local jobs that are dispersed across the country, rather than concentrated in specific areas.

5 The bookselling sector's tax contributions

This section presents broad estimates of the amount of tax contributed by the bookselling sector. In total, our estimates suggest an exchequer contribution of £131 million. A breakdown is provided in Table 4. This suggests a £32 million contribution through income tax paid by the 24,400 bookselling employees and a further £59 million in National Insurance Contributions (NICs). These estimates are based on Cebr's employment-based tax calculators and assumptions about average pay in the bookselling sector.

Table 4: BA members' contributions to the UK exchequer

Type of tax	Estimate (£m)
Business rates	28
Corporation tax	12
Income tax	32
Employee NICs	27
Employer NICs	32
TOTAL	131

Source: Cebr analysis

The estimated contribution of £12 million in corporation tax is a conservative estimate and based on allocating a share of the corporation tax paid by the retail sector as a whole to the bookselling sector. In simple terms, this share is based on the bookselling sector's share of aggregate retail sector EBITDA which, as noted in subsection 2.3, is one of the elements of a sector's GVA contribution to GDP. However, the EBITDA of the bookselling sector is estimated to account for a smaller proportion of its GVA contribution than in the broader retail sector, due to the lack of a clear distinction between employees and business owners/directors in the employment data that was provided by the Booksellers Association.⁵

The estimated business rates contribution of £28 million is based on a BRC estimate that, for every £1 paid in corporation tax by retailers, £2.30 is paid in business rates.⁶ However, because our corporation tax estimate is conservative, the business rates estimate is also likely to be conservative.

What sets bookshops apart in these terms is their smaller scale and more limited geographic footprint compared to a global tech giant like Amazon. Consequently, their limited ability to shift profits to low tax geographies means that less of the wealth created by bookshops is transferred abroad. This means that more of the profit can be channelled by booksellers into the UK private economy (through, for example, expanding the range of books they make available for sale), but also into the public sector through taxation.

⁵ In other words, the £416 million estimate of wages and salaries paid by the bookselling sector is based on the employment estimate of 24,400. But this employment estimate includes company owners and directors. At least some or, in some cases, all of their pay would be more appropriately classed as EBITDA, rather than wages and salaries. But there was no basis to make this distinction.

⁶ See February 2016 report from BRC: "Retail 2020: Fewer but better jobs".

6 The creative ‘spillover’ impacts of booksellers

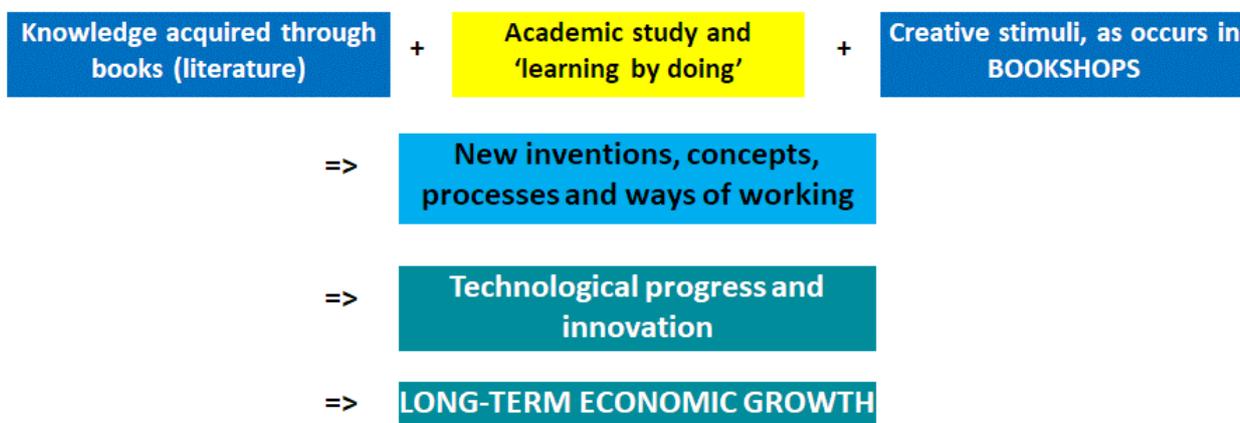
This section concerns the benefits to UK communities and the economy that go beyond the monetised impacts covered thus far. These less tangible ‘spillover’ benefits are more difficult to define in ways that facilitate measurement, quantification and monetisation. Yet, it is vital that they are given due consideration in order not to underestimate the importance of booksellers to the UK. These spillover benefits are traced to the creativity inspired by booksellers and to the link between this creativity and long-term sustainable economic growth.

6.1 The link between creativity and long-term sustainable economic growth

The importance of creative spillovers to the UK economy are perhaps even more significant than the current monetary economic impacts, given the broadly accepted view that sustainable long term economic growth is a function of technological process and innovation. Indeed, initially unmeasurable creative stimuli can often lead to the emergence of new inventions and concepts that can fundamentally transform the economy and established ways of doing things.

A simple flowchart representation of this thought framework is provided below, including the place of booksellers and bookshops within it, is provided below.

Figure 14: Flow-chart representation of the link between knowledge, creative stimuli, technological progress and LT economic growth



To inform the analysis in this section, Cebr conducted interviews with representatives of some of the Booksellers Association’s members, based on a questionnaire devised specifically for that purpose. The questionnaire sought information about community events organised, societal impacts and other questions related to creative spillovers.

6.2 Spillover impacts common to all suppliers of literature

All suppliers of literature provide an informational and cultural conduit to society at large, entailing benefits that get manifested in very observable ways. For instance, the promotion of literacy and information dissemination in society is essentially a form of education that helps the overall economy in terms of worker productivity. Education across all age groups helps countries to foster prosperous middle classes and stable long term political choices. Better educated people may also end up disseminating their knowledge and learning onto others, helping to spread expertise and informed decision-making.

But this dissemination of knowledge in society also has second-order effects. For instance, more educated or informed people can make better health choices, better political choices and more responsible life choices if they are in a position to rationally evaluate risks and opportunities. Furthermore, better paid or compensated workers pay more taxes that then get channelled into public services or infrastructure. All of these factors feed into long term economic growth, in that economies tend to grow in proportion to the innovation and technological improvements that exist within their societies.

6.3 Spillover impacts that set bookshops apart

The relative case for traditional ‘bricks-and-mortar’ bookshops is slightly different. Indeed, much of the innovation and creative destruction driven by the dissemination of information and associated creativity has also transformed the bookselling industry. Therefore, it is pertinent to ask whether or not traditional bookshops offer additional spillovers that would not otherwise be realised through platforms such as Amazon.

In terms of the likely additional spillover impacts of bookshops vis-à-vis online platforms like Amazon, we would point to the following clearly identifiable possibilities:

- Traditional bookshops also provide a physical interface for customers that is not available in pure online platforms. For instance, being in a bookshop will produce a different and often unpredictable exploration of other themes and topics that one might not be able to replicate through an online algorithm that searches for related topics or associations.
- Events and activities organised at bookshops can produce an interaction of ideas that might not be replicable through an online forum.
- Interactive involvement in charitable initiatives, such as World Book Day, which seeks encourage reading and literacy amongst young children, as well as with reluctant readers – be they adults or children.

We would also point to the following:

- UK bookshops may be better placed to promote UK authors, who might (as a result) get a chance to develop nationally. Over time this could potentially increase UK cultural exports and hence boost GDP.
- Bookshops offer careers, not just ‘filler’ jobs, and for some a route into authorship, a phenomenon that is itself a manifestation of the creative forces catalysed by bookshops.
- Bookshops may be seen as ‘cultural hubs’ through the many events which some hold – for example, Foyles estimates to have 300 events a year, whilst Waterstones estimates to have had 5,000 so far in 2017 alone.⁷ These can range from author book signings, toddler hours, comedy nights, poetry readings, literary festivals or story time, to name a few.
- Furthermore, the presence of physical bookshops may support wider high street activity and metropolitan clustering that leads to further creative interactions. This urban clustering can in turn entail many wider benefits, such as the prevention of urban decay, increasing or maintaining urban property values and providing footfall for neighbouring businesses.

⁷ As of early August 2017

Appendix 1: Estimating multiplier impacts

To estimate the multiplier impacts of BA members, we used a combination of data from the BA and various official national statistical sources in conjunction with Cebr's proprietary input-output models. To establish the size and economic impact of BA members, we adopt the framework provided by the ONS through the input-output analytical tables, which, alongside the supply-use tables,⁸ provide the most detailed official record of how the industries of the economy interact with other industries, with consumers and with international markets in producing the nation's GDP and national income.⁹

Making use of the supply-use framework to analyse BA members in the UK – which is only a small subset of an industry at the level of disaggregation provided by this framework – is one of the best means of ensuring consistency with the national accounting framework. The process of embedding a specific subset of activities – those of BA members in this case – within this framework involves assigning that subset an explicit role within the modelling framework.

Having assigned roles within the input-output framework for BA members, we had the foundation for establishing the company's wider economic impact on the UK economy, using Leontief input-output modelling to estimate a full set of (matrix) multipliers capturing direct, indirect and induced impacts on, output (turnover), gross value added (GVA, a measure of economic output), employment and employee compensation.

This section sets out the methods, data and assumptions used in the modelling underlying the results presented in the main body of this report.

The economic impact modelling framework

The direct impact estimates presented in section 2 of this report provided the basis for completing the embedding process for BA members. Using these estimates as a starting point, BA members were assigned a role within an adapted version of the combined use matrix. This comes in three parts:

- a) The intermediate demand part, showing the inputs of products (goods and services) – both domestic and imported – used by the UK industries in the production of their output.
- b) The final demand part, showing the purchases of each product by each category of final demand in the UK – households (consumers), government, investment and exports.
- c) The primary inputs part, showing payments to inputs that do not flow through the other industries but rather reflect employees' salaries, taxes less subsidies on production and gross operating surplus and mixed income.

There is also a supply table that is reconciled with demand in the economy, which is used to account for imported final products through BA members' relationships with suppliers outside of the UK but that are retailed in the UK. This is important for translating gross turnover into measures of domestic output, from which all economic contributions and impacts flow.

⁸ The supply-use tables are constructed from the national accounts, their purpose being to reconcile the three approaches to calculating GDP – the production approach, the income approach and the expenditure approach.

⁹ The most recent edition of these supply-use and input-output tables, which relate to 2011, were published by CSO in 2014.

The primary inputs part (which corresponds with the income account) was informed primarily by data from the BA.

Multiplier impacts based on Leontief input-output framework

Multipliers show the ratio of an induced change in national income to an initial change in the level of final demand spending, where the multiplier effect denotes the phenomenon whereby some initial increase (or decrease) in the rate of spending will bring about a more than proportionate increase (or decrease) in national income. The Keynesian approach barely requires a mention but is very much grounded in macroeconomic analysis, offering little capability to analyse impacts of entities that are smaller than the whole economy.

Input-output analysis, due largely to the work of Wassily Leontief, while macroeconomic in the sense that it involves analysing the economy as a whole, owes its foundations and techniques to the microeconomic analysis of production and consumption. According to ten Raa (2005), some people argue that input-output analysis is at the interface of both, defining it as the study of industries or sectors of the economy.

The well-known Leontief inverse matrix, which shows the inter-industry dependencies of an economy, is the basis for producing so-called 'ordinary' (or traditional) input-output multipliers. These multipliers are for the production side of the economy (as opposed to the demand side under the Keynesian approach) – they measure the ratio of an indirect and induced change in a production-side economic indicator (like GVA or employment) in response to a direct change in that indicator. These are some of the most important tools for measuring the total impact on output, employment and income associated with the economic activities of companies like members of the BA.

The Leontief inverse matrix can also be described as the output requirements matrix for final demand, that is, it shows the input requirements from the other sectors of the economy per unit of output produced in the sector under examination. The matrix can be used to produce two types of multiplier – the Type I multiplier incorporating direct and indirect (supply chain) impacts and the Type II multiplier incorporating induced (through higher incomes and resulting greater consumption) impacts as well.

Cebr's baseline multiplier model is based on this Leontief input-output modelling approach. The model is based on a so-called 'domestic use' table, from which imports are extracted from intermediate demands in order to focus on the domestic economy impacts of the productive activities of a particular entity, like members of the BA.

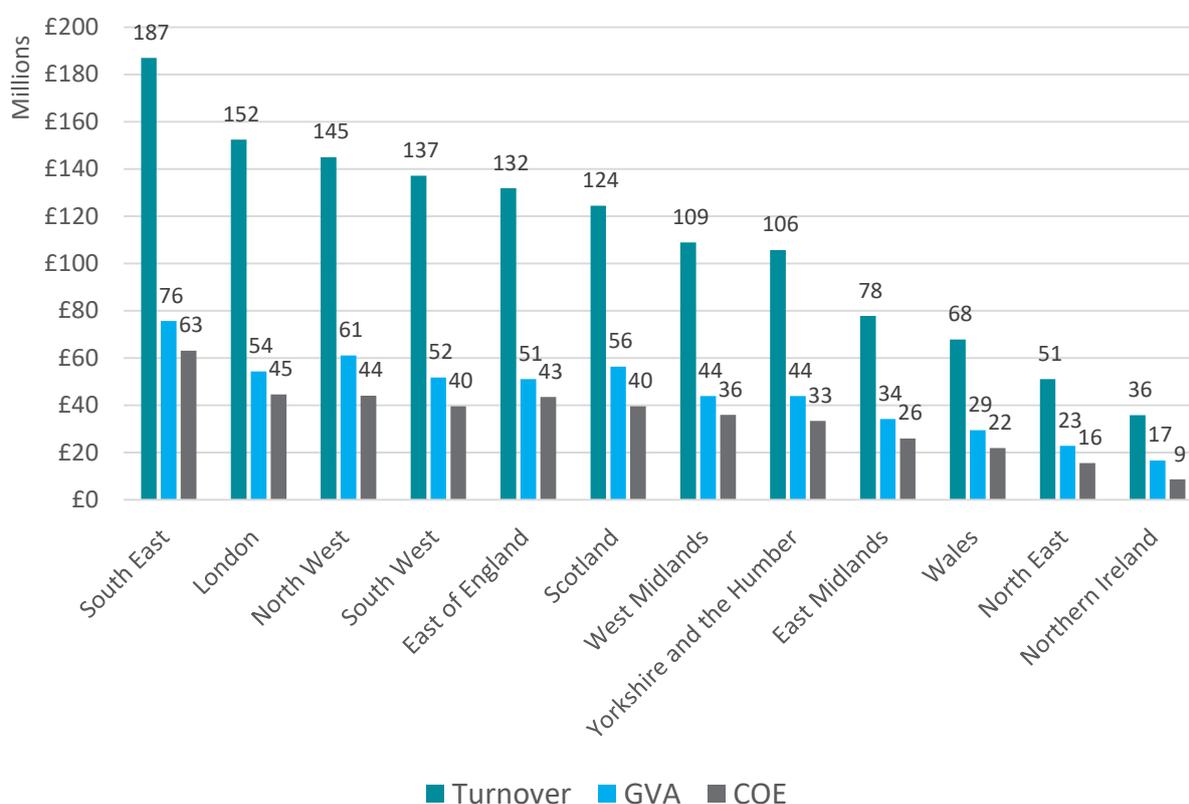
Appendix 2: The regional contributions of the bookselling sector

This section is concerned with the regional distribution of the economic impact of BA members throughout the UK. Whilst the compensation of employees is considered at a regional level for the direct impacts of BA members, this economic indicator is not analysed at a regional level for aggregate impacts.

The regional distribution of BA members' direct impacts

Figure 15 below illustrates the direct impacts of BA members in each of the UK's 12 constituent regions with regards to turnover, GVA and COE.

Figure 15: The regional distribution of BA members' direct impacts on turnover, GVA and COE, 2015, £m



Source: Cebr analysis

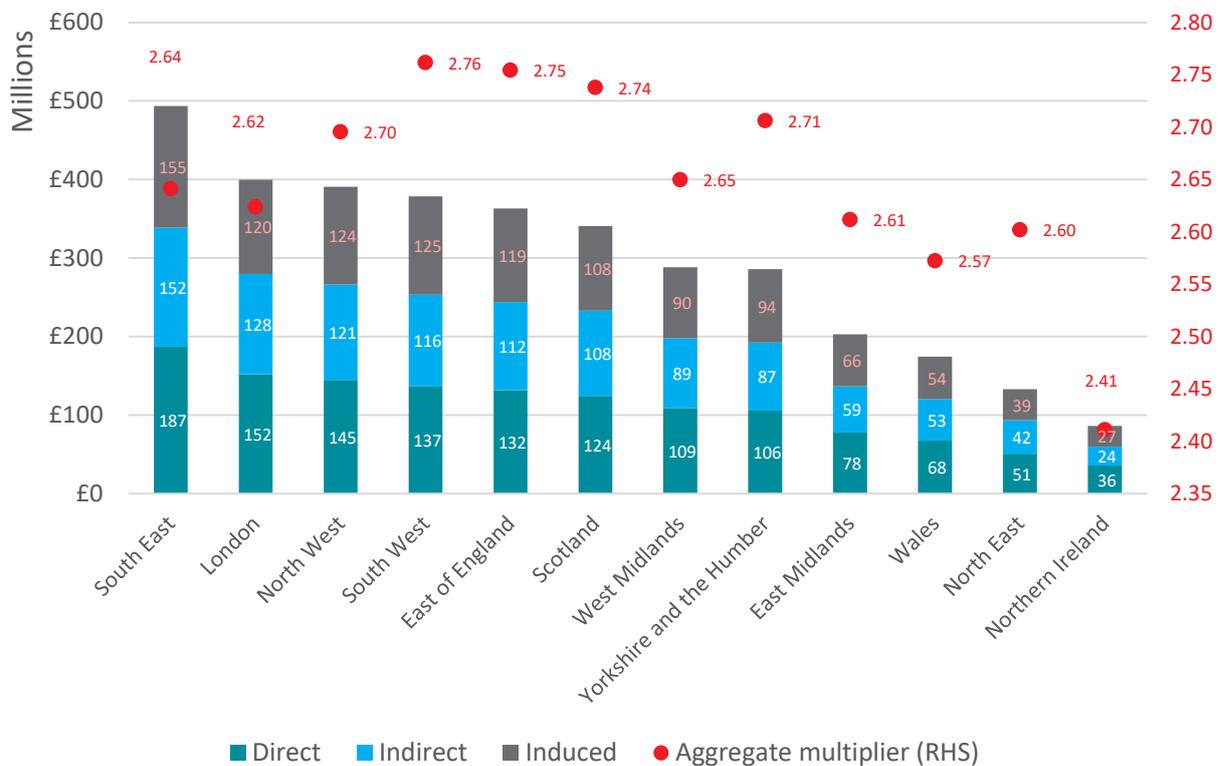
BA members in the South East of England supported the highest amount of turnover, GVA and COE of all 12 UK regions. With turnover of £187 million in 2015, the South East supported 23% more in turnover than the region in second position – London, with turnover of £152 million. BA members in the South East also contributed approximately 40% more in terms of GVA and COE than London, although BA members in London supported the fourth largest amount of GVA to GDP of each of the UK regions, following behind those in the North West and Scotland.

While we cannot be definitive, we would expect that a principal driver of this is the relative intensity of competition in the respective local markets and the squeeze this places on prices and margins. Furthermore, employee compensation accounts for a greater proportion of GVA in London than either the North West or Scotland. This most likely reflects the higher cost of living in London and the need for booksellers to pay staff more to cover that cost.

Regional distribution of BA members' aggregate impact on UK turnover

Figure 16 below illustrates the aggregate impact of BA members on turnover in each UK region, broken down by their direct, indirect and induced impacts. This is compared to the multipliers of BA members in each region, in order to compare how the relative rankings of regions change when considering direct and aggregate impacts.

Figure 16: BA members' aggregate impacts in regional turnover terms by direct, indirect and induced, 2015 (£-for-£ multipliers also shown)



Source: Cebr analysis

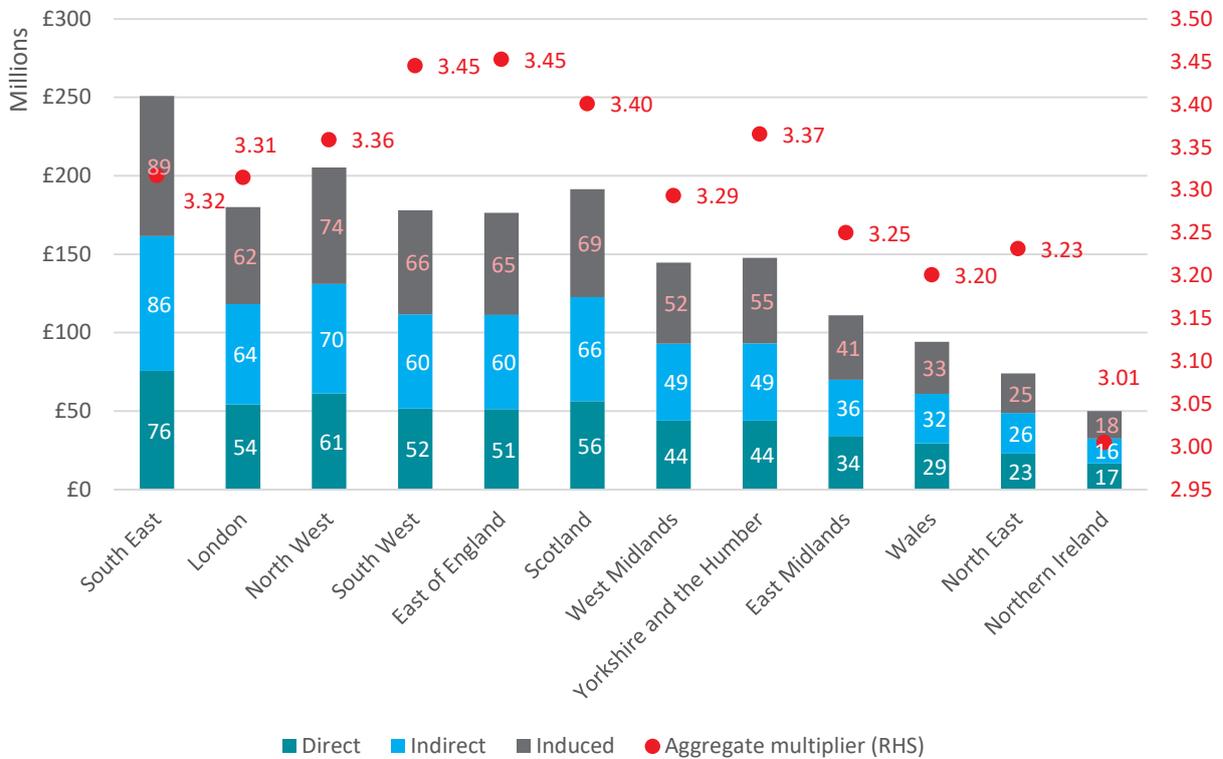
In aggregate, BA members in the South East supported an estimated £494 million in turnover, the highest of any region. This was followed by members in London, a region which 'lost its lead' in direct impacts over the North West due to London's lower aggregate impact: whilst members in London directly contributed 5.1% more turnover to the UK economy than those in the North West, in aggregate London members only contributed 2.3% more those in the North West. This is due to London's lower aggregate turnover multiplier, at 2.62 compared to the North West's aggregate multiplier of 2.70.

Meanwhile, the South West sees the highest aggregate multiplier, meaning that for every £1 of turnover produced by BA members here, £2.76 of turnover is stimulated in the wider economy.

Regional distribution of BA members’ aggregate impact on GVA

Figure 17 below illustrates the aggregate GVA contribution of BA members to UK GDP in each UK region, broken down by their direct, indirect and induced impacts. This is compared to the multipliers of BA members in each region, in order to compare how the relative rankings of regions change when considering direct and aggregate impacts.

Figure 17: BA members’ aggregate impacts in regional GVA terms by direct, indirect and induced 2015 (£-for-£ multipliers also shown)



Source: Cebr analysis

Once again, BA members in the South East contributed the most GVA to UK GVA of all UK regions both directly and in total, at £76 million and £251 million respectively.

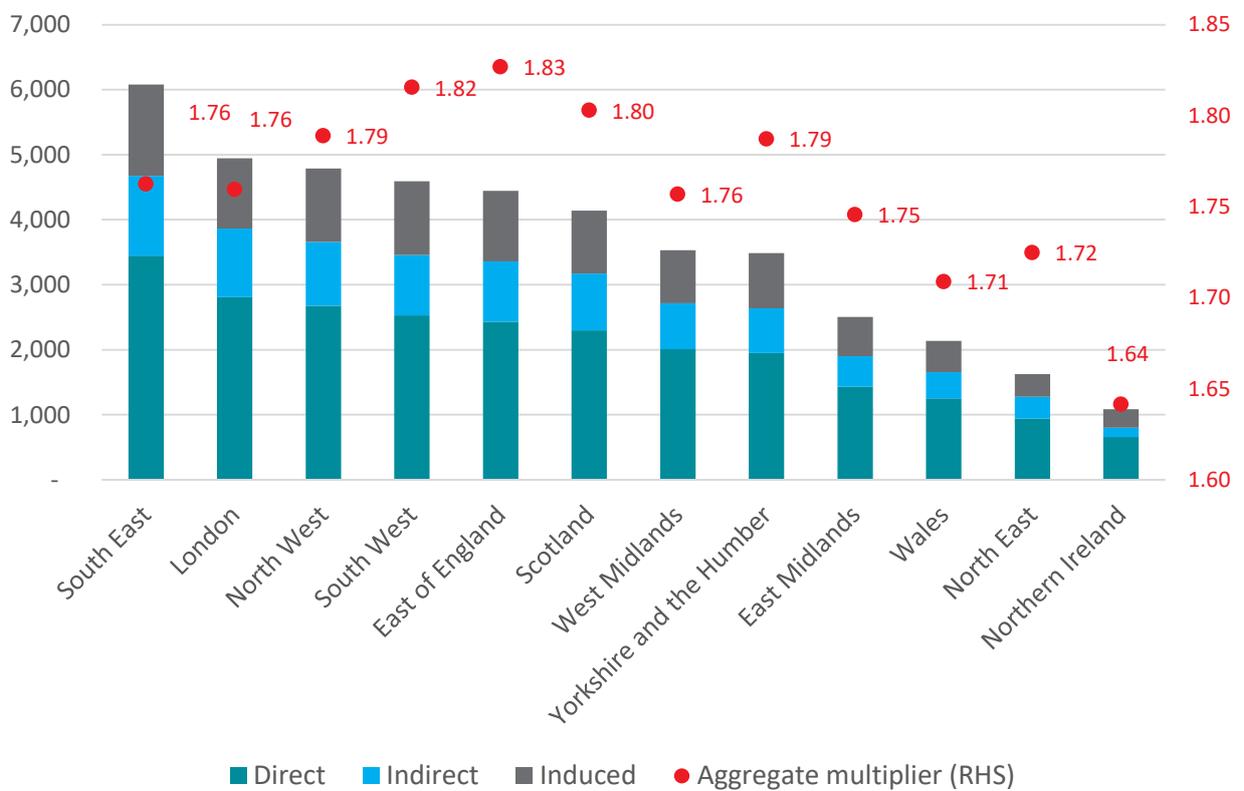
Despite BA members in London collectively generate more turnover than in the North West and Scotland (see above), BA members in the latter two each generate more in GVA contributions to GDP than BA members in London. Again, while we cannot be definitive, we would expect that a principal driver is the relative intensity of competition in the respective local markets and the squeeze this places on prices and margins.

The East of England sees the largest aggregate GVA multiplier of each of the regions, at 3.45. Therefore for each £1 contributed in GVA by BA members to UK GDP, a further £1.18 is contributed by BA members’ suppliers and a further £1.27 is contributed by the employees of these activities’ spending throughout the economy.

Regional distribution of BA members’ aggregate impact on employment

Figure 18 below illustrates the direct, indirect and induced impacts made by BA members in each UK region on employment, as well as the aggregate multiplier for each region.

Figure 18: BA members’ aggregate impacts in regional employment terms by direct, indirect and induced 2015 (job-for-job multipliers also shown)



Source: Cebr analysis

The regional ranking of BA members’ contribution to UK employment is the same as it is for turnover, and remains unchanged when considering aggregate impacts as direct impacts. Therefore, the South East sees the highest contribution of BA members to employment, at just over 6,000 jobs in aggregate.

As is the case for GVA, the East of England sees the highest multiplier of all the regions at 1.83. Northern Ireland sees both the lowest direct contribution to employment and the lowest aggregate contribution to employment, given its low employment multiplier. This is the case for all three economic indicators.

Appendix 3: Interview feedback

The interviews with representatives of Booksellers Association members were especially useful in terms of providing concrete examples of the positive spillovers provided by members:

- One large and prominent member indicated that 500 events have been held at their bookshops thus far in 2017, entailing author events, school festivals, “story times” etc.
- Members stressed their emphasis on the local economy. This includes using local suppliers for the cafes, local employment in the store as well as the authors that are promoted.
- Other members reported complementary sales of products such as stationary and cards. These kinds of purchases provide stimulus to other industries in a way that is not always transferable to online shopping.
- Another member indicated that they hold 300 events a year covering activities such as toddler hours, world book day, comedy nights, poetry readings, community tastes and interests.
- Furthermore, staff training provides another spill over channel as employees learn valuable people and social skills that are potentially transferable to other sectors of the economy once these individuals move on. Some of the skills transferred to staff can even help them develop as authors, thus actually helping to add to the industry and UK based talent.

Furthermore, interviewees emphasised the services which knowledgeable staff and the impact these can make on more reluctant readers, helping them to find books they might enjoy. This sort of persuasive experience and facetime may again not be replicable in purely online platforms. A representative from Waterstones acknowledged the low turnover of staff to illustrate the ‘careers’ provided by bookshops, rather than simply ‘filler’ jobs.

It is also worth noting that bookshops provide local jobs across the country, rather than online retailers whose jobs may be highly concentrated into specific areas. Moreover, the high degree of automation in online retailers may further decrease the employment footprint of these platforms.