



UK Academic Bookselling in 2018 – a view from the front line

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KEY TOPICS

- **Compass Overview**
- Rise and Fall
 - ❖ A Golden Age.....
 - ❖ Death by a Thousand Cuts.....
- Current Realities
- The Future for Academic Booksellers
- Issues and Opportunities for University Presses

COMPASS INDEPENDENT PUBLISHING SERVICES

20 Years Young.....

- The history:
 - business celebrates its 20th anniversary later this year
 - original Compass trade sales agency launched in 1998
 - Compass Academic trading since 2003
- The business:
 - CA now the UK's leading academic and specialist agency
 - responsible for annual invoiced sales of c£5.5m
 - representing around 30 clients in total
 - all of these are 'academic and specialist' publishers, including 4 university presses
- The service:
 - full market coverage in the UK and Ireland
 - campus, academic and specialist bookshops
 - HO and key accounts, wholesalers, library and educational suppliers, internet resellers
 - additional services, eg. HE textbook calling programme and FE roadshows

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THE RISE and FALL Part 1

‘A Golden Age.....’

- mid 1990’s a high watermark for selling academic books on and around campus
- many new universities and rapid growth in HE student numbers
- those halcyon days saw a surge in campus bookshop openings, including:–
 - ❑ Abertay, Bolton, Bournemouth, Brighton, Brunel, LJMU, North London (remember that)
 - ❑ plus Nottingham Trent, RHUL, Sheffield Hallam, Southampton Solent, Sunderland
 - ❑ and a host of others that I can’t now recall.....
- and not just on campus.....the ‘Academic High St’ was also booming:
 - ❑ both Dillons and Waterstones still vying to open new branches faster than the other
 - ❑ Blackwell’s expanding, acquiring and investing in previously struggling businesses such as Austicks and Thornes and opening new sites, including Charing Cross Road
- various specialist bookselling businesses also thriving
- whilst – relatively speaking – library budgets seemed robust and secure.....

THE RISE and FALL Part 2

'Death by a Thousand Cuts.....'

- what happened then was a combination of many things
- but the 2 main catalysts were v clearly:
 - ❑ the ending of the Net Book Agreement
 - ❑ the arrival of new online competition, including Amazon
- massive overall impact on academic bookshops, especially on campus:
 - ❑ over time, there was an inevitable erosion in their textbook sales and – perhaps as importantly – in the perceived value of student learning materials
 - ❑ but almost overnight this cut deep into their market for individual academic purchases
 - ❑ and the emergence of library purchasing consortia also removed a vital and consistent source of income for virtually every campus bookshop
- plus other contributing factors, including:
 - ❑ pressure on space and campus logistics
 - ❑ increased commercial rents
 - ❑ government spending cuts

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CURRENT REALITIES 1

Where does That Leave Things Now?

- fewer books sold through traditional academic bookshop channels:
 - ❑ fewer than 50% of UK universities now support a year round campus bookshop
 - ❑ the number of campus bookshops in the UK and Ireland that can be described as range stockholding businesses is no more than 10
 - ❑ so many of those new shops from the 1990s are no longer trading
 - ❑ closures continuing – eg. Leicester, Portsmouth and UWE over recent months
 - ❑ how many large city-centre bookshops still have a significant academic section?
 - ❑ and then the travails of Waterstones specifically and their move away from any focus on the academic market.....
- those that have survived have a much greater focus on non book
- much less visibility of what's selling where:
 - ❑ Waterstones orders and sell-through data
 - ❑ Connect Group (Bertrams wholesale / Dawson /Wordery)
 - ❑ online channels generally
- many fewer experienced / specialist academic booksellers and buyers

CURRENT REALITIES 2

One More Significant Trend.....

- the other great change over recent years has been the introduction of tuition fees – in particular the major increases in 2006 and again in 2012
- many aspects of the present situation reflect what that has meant in terms of student and university finances
- but one key impact is that an increasing number of textbook sales on campus are no longer individual student purchases but derived from an institutional contract:
 - ❑ at least 70% of JS textbook sales in 2017-18
 - ❑ targeted student funds (NUS 'No Hidden Extras' agenda)
 - ❑ direct distributions as at Chester and Coventry (building on established MBA model)
- potentially offers good opportunities to local academic booksellers, but of course also encourages other suppliers
- and specifically opens the door to large-scale direct deals with publishers – initially at a department level over here but already 'institution wide' in the US
- whilst digital migration undoubtedly increases the prospects for more of this.....

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THE FUTURE for ACADEMIC BOOKSELLERS 1

Still Fighting but Vulnerable.....

- the surviving academic booksellers have proved extraordinarily resilient, innovative and creative to adapt in order to survive:
 - ❑ clever use of part-time stores at peak trading times (cf. , ‘Blackwell’s Connects’)
 - ❑ development of university-funded partnerships and schemes, such as JS Aspire
 - ❑ major expansion of non book product ranges
 - ❑ effective online engagement, including via Marketplace.....
- they have boldly demonstrated that there IS still an important role for an ‘independent filter / consolidator / aggregator on campus’
- but the market dynamics pose a very real threat to the visibility, profile and sustainability of physical bookshops:
 - ❑ students, libraries and institutions actively looking for value
 - ❑ now facing a new wave of challenges around content format and delivery
 - ❑ eBooks likely to represent perhaps 20% of total student textbook sales by 2020
 - ❑ inevitable GM erosion as print transfers to digital
 - ❑ online channel risk of ‘a race to the bottom’
 - ❑ publishers seeing more opportunity for direct sales

THE FUTURE for ACADEMIC BOOKSELLERS 2

Adapt or Die.....

- in my view, current campus businesses won't survive these next developments, unless those booksellers can:
 - ❑ successfully identify and define a role for themselves in the new digital supply chains, and specifically for etextbooks
 - ❑ overcome competition in that new space from librarians, publishers and other suppliers
 - ❑ invest quickly to acquire the relevant new skills
 - ❑ build effective new alliances and partnerships (eg. Blackwell's with Kortext)
 - ❑ re-position themselves as an 'HE solutions provider'
- even that is unlikely to mean significant additional sales volumes, certainly in the short term – so they will also have to (further) reduce operating costs
- but there are some clear opportunities, including:
 - ❑ to increase penetration by packing deals for specific courses (p and/or e)
 - ❑ to secure more institutional contracts which effectively lock out external competitors
- so I believe that some form of bookselling model on campus will continue for now
- but how long there will still be physical bookshops.....? or how many.....?

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ISSUES and OPPORTUNITIES for University Presses 1

Not Everything Has Changed.....

- a great many differences in the academic book landscape today compared with the one I looked out on in 2003 as Compass Academic was coming together
- although one of the things I reflected on when preparing this presentation is actually how much has not changed.....at least not for the academic publisher
- because – and crucially – it seems to me that far more has changed for the booksellers:
 - ❑ overall academic book sales across the UK market have held up pretty well, including for the majority of university presses
 - ❑ the big change, of course, is that those sales are now spread across a number of different channels
 - ❑ for publishers, those new channels may represent a challenge and a complication but the overall sales opportunity remains – indeed, in many cases it has increased.....
 - ❑ but for the booksellers (whether on campus or on the High St) those new channels are just increased and unwanted competition

ISSUES and OPPORTUNITIES for University Presses 2

Being Realistic

- you need a rounded and reasonable perspective in terms of:
 - ❑ what you are / what your business is
 - ❑ what academic booksellers can do for you – and what they can't
 - ❑ what they might think of your list and your evolving (digital) business models.....
- look at new and different publishing opportunities, but don't lose sight of what you are good at and what you know – and what you don't know:
 - ❑ in the age of 'data driven' buying, you can't simply become a 'trade' publisher overnight
- whatever the books, you need to have a sensible multi-channel vision and strategy and you need to work out where academic bookshops fit within that:
 - ❑ it's obviously not about monographs any more.....
 - ❑ but those shops are a potentially important sales channel for any trade crossover titles
 - ❑ and they can certainly still add real value in terms of maximising your textbook sales
- so what are you doing to help them with that?
- and – indeed – what is your strategy where there isn't a campus bookshop?

ISSUES and OPPORTUNITIES for University Presses 3

Playing By the Rules (even if you don't like them.....)

- data; data; data:
 - ❑ this is the era of automated information
 - ❑ in 2018 getting your core data flows right will sell more books for you than all the other activities can do combined (including the v best efforts of Compass Academic!)
 - ❑ more importantly, NOT managing that data will lose you many more sales than you can conceivably recoup in other ways.....
- accept that the likes of Waterstones and other general trade booksellers:
 - ❑ will only stock your 'tradier' titles with real crossover potential
 - ❑ will generally source all customer orders from their preferred wholesaler rather than your distributor
 - ❑ so why not consider giving those customers full trade terms on ALL your books?
- recognise that the bookshop market for such 'tradier' books is highly competitive – to stand any chance, you must:
 - ❑ allocate a proper trade marketing budget
 - ❑ have an effective marketing and publicity plan
 - ❑ offer realistic trade terms for any such titles

ISSUES and OPPORTUNITIES for University Presses 4

Making A Difference Personally.....?

- recognise where you – and your UP colleagues – can make a direct difference as individuals:
 - do you support your local campus bookshop when you want books for yourself?
 - do you insist that all your staff do the same for 'official' orders?
 - have you ever pointed out to colleagues the relevance of t/o related rent?
 - are their links from relevant university pages to the campus bookshop website?
- or are you all just defaulting to Amazon.....?
- are book events on your campus always offered to the campus bookshop first – particularly if it's one of your own titles?
- do you sometimes use your / the UP's position within the University to lobby on behalf of the bookshop.....?
- Etc, etc, etc

Thank You