

# The UK Bookselling Trade Without Resale Price Maintenance An Overview of Change 1995–2001

James Dearnley and John Feather

## Introduction

On 17 September 1995 the Net Book Agreement<sup>1</sup> (NBA) was suspended from operation following a meeting of the Publishers' Association (PA) Council.<sup>2</sup> Suspension was not unexpected. Pressure on the NBA from publishers, booksellers, supermarkets and both UK and EU competition authorities undermined the Agreement in the 1980s and 1990s.

The overall aim of this paper is to gauge the effects of abrogation on the UK bookselling trade as of August 2001. It will do so primarily by considering the effects on a number of booksellers interviewed by the authors in July 1997 and June 2000. The paper also, in brief, considers other indicators of the trade's overall health—notably publishers' output and book prices over the 1997-2000 period. It is structured thus:

1. An overview of the NBA's workings;
2. The reasons why the NBA collapsed;
3. BA Membership statistics between 1995 and 2000;
4. Interviews with booksellers in 1997 and 2000;
5. An overview of book prices, consumer spending on books and title output between 1997-2000.

Finally, conclusions are offered.

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Address for correspondence: Dr. James Dearnley and Professor John Feather, Department of Information Science, Loughborough University, Loughborough LE11 3TU, UK Fax: 01509 223053 Email: j.a.dearnley@lboro.ac.uk, j.p.feather@lboro.ac.uk

## The Net Book Agreement

### *Background*

The NBA came into force on January 1, 1900. It was altered in 1957<sup>3</sup> to move into line with UK legislation (the 1956 Restrictive Trade Practices Act<sup>4</sup>) and, in 1992, to take into account a Court of the First Instance appeal decision banning application of the Agreement in Ireland.<sup>5</sup> At a Restrictive Trades Practices Court hearing in 1962 the NBA was exempted from the provisions of the 1956 Act. The Agreement was voluntarily suspended from operation (but not abolished) on 28 September 1995. It was formally abolished at a Restrictive Trade Practices Court hearing in March 1997.<sup>6</sup> Application of the NBA is now *illegal*.

The Agreement allowed publishers to impose individual Resale Price Maintenance (RPM) on their books if necessary. Publishers selling books “net” signed up, or were “signatory,” to the NBA *Standard Conditions*. No publishers were required to impose RPM on their books and the Standard Conditions of the Agreement put the publisher under no obligation to sell net or non-net any specific book or categories of books. Signatory publishers did not have to members of the PA to impose RPM, nor were all members of the PA required to sell books net. The NBA was therefore designed to be a mechanism for the administration and enforcement of individual RPM. Publishers signatory to the NBA and wishing to use RPM complied to the Standard Conditions and enforced these conditions, either on instruction of the PA, or by allowing the PA to enforce breaches of the Agreement.

### *Key features of the NBA*

- The NBA was an agreement between signatory publishers and the PA. It was not an agreement between publishers and booksellers, even though the initial impetus for RPM came from booksellers, not publishers.
- According to the PA, the NBA was “a very liberal agreement.”<sup>7</sup> The NBA was an example of ‘individual’ RPM—publishers made their own decisions on which books would be published “net” and the price of those books. It was collectively enforced by the PA.

Thus, the NBA was not a collective agreement or cartel between publishers to fix resale prices. It was, in the PA’s words, “a simple system for the administration of individual RPM for books.”<sup>8</sup> Others disagreed.<sup>9</sup>

### *Are books different?*

*“Books are now devalued as a commodity ... they’re like tins of beans. Pile ‘em high, sell ‘em cheap.”* (Bookseller C, June 2000)

During the summer of 1962, the NBA was investigated by the Restrictive Trade Practices Court under the terms of the 1956 Restrictive Trade Practices Act. Judgement was positively in favour of the Agreement. The NBA was held to act in the public interest, and was thus exempted from the provisions of the Act. It was argued by the book trade, and accepted by the Court, that the NBA acted in the public interest. The Court rejected a contention that the NBA amounted to a publishers' cartel and accepted the famous book trade defence that "*books are different*" from other products, and that the publishing trade was unique:

*"Books are different ... may be accepted as true in two respects: for first, no two literary works are the same or alike in the way in which or the extent to which two oranges or two eggs may be said to be; and, secondly, the production and marketing of books involve problems that are different from those which arise in connexion with other commodities.<sup>10</sup>"*

The Court accepted the argument that books enjoyed a strong educational and cultural "value" and that there was therefore a case for maintaining a strong bookselling trade. It considered that were the NBA to be abolished, and price discounting were then to occur, booksellers would lose their profit margins and go out of business. This would cause knock-on effects to publishers, who would publish fewer books and of a lower quality. In Mr Justice Buckley's detailed judgement, the Court accepted evidence that abrogation of the NBA would cause a "tripod" of negative effects:

*"The consequences, which we think would flow from condemnation of the Net Book Agreement, can summarily be stated as*

1. fewer and less-well equipped stockholding bookshops;
2. more expensive books;
3. fewer published titles.

*We are satisfied, moreover, that each of these consequences would arise in a sufficiently serious degree to make its avoidance a substantial advantage.<sup>11</sup>"*

This "tripod" of potential negative effects following NBA abrogation provides the structure for sections 3 and 4 of this paper. However, before proceeding to consider the actual effects of NBA abrogation, it is worth briefly considering the underlying reasons why the Agreement collapsed in September 1995.

### *The underlying reasons for NBA suspension*

The NBA ended as a result of pressure exerted by various publishers, booksellers, supermarkets, book clubs and competition authorities. It is evident from research that a combination of these factors led to NBA suspension and

abolition. Isolating one “strand” as having more influence than another is difficult, if not impossible. However, it is clear that the PA fought its battle to save the NBA on four fronts from 1986 onwards:

- from within the trade, both publishers (HodderHeadline, HarperCollins, Reed), booksellers (Dillons) and supermarkets (Asda);
- from organisations working within the NBA’s structure (Book Club Associates);
- from UK competition authority investigations (including the Monopolies and Mergers Commission investigation into the Book Club Associates-Leisure Circle merger in 1988,<sup>12</sup> and the Office of Fair Trading’s investigation of the NBA in 1994<sup>13</sup>);
- from EU competition authorities (including the European Commission’s investigation into the transnational aspects of the NBA between 1986 and 1988,<sup>14</sup> and appeals against the decision to the Commission and other bodies between 1988 and 1995<sup>15</sup>).

In hindsight, the PA’s role in defending the NBA from 1986 onwards perhaps exerted overwhelming pressure on the NBA. The UK book trade underwent a paradigm shift in the 1980s and early 1990s with the growth of bookshop chains (Waterstone, Dillons, Books etc), book clubs increasing their market share (e.g. Book Club Associate’s “Quality Paperbacks Direct” club in 1991), and the decision of some supermarket chains to sell books (Tesco, Asda). The NBA sat uncomfortably with these developments. Price promotion was denied except in special circumstances (e.g. the National Book Sale). While defenders of the NBA claimed that bookshops could compete on stock and services, it became increasingly apparent that the activities of publishers (i.e. Reed), bookshops (i.e. Dillons), “new entrants” (supermarkets) and the decision by Book Club Associates to open “book club retail outlets” in 1993 were putting the NBA under immense pressure.

The PA’s response to these pressures was to leave the NBA unmodified and intact.<sup>16</sup> Suggestions on adapting the NBA, perhaps along the lines suggested by *Logos* editor and ex-Managing Director of Butterworths, Gordon Graham, were not seriously debated.<sup>17</sup> Finally, in September 1995, the edifice collapsed. The UK book trade had to cope without RPM.

In March 1997, seventeen months after the Agreement was unilaterally suspended by the PA, the NBA’s last rites were read by Mr. Justice Ferris at the Restrictive Trade Practices Court:

*“It is an example of the way in which resale price maintenance can fail to keep down prices, not a tendency for prices to rise in the absence of RPM.”<sup>18</sup>*

*“We are by no means satisfied that where a bookshop which is part of a retail*

*chain in close competition with an independent bookshop, the public interest will be served by the independent at the expense of curtailing the freedom of the retail chain.”<sup>19</sup>*

The sensation that the NBA was out of time, a throwback, was summed up well by the PA’s advisor on the Agreement, Frank Fishwick:

*“The whole process created the impression that RPM conflicted both with modern economics and with commercial sense. Under cross-examination they [witnesses defending the NBA] came across as nice people, rather than the kind of ruthless entrepreneurs on whom our very survival is now assumed to depend.”<sup>20</sup>*

In summary, the NBA collapsed under the pressure of a changing trade and a desire from sections of the trade to allow price competition. As we now consider, the NBA’s abolition has had pronounced effects on the UK book trade. However, it is apparent from research that these effects have not had the far-reaching consequences that were predicted in 1962. Additionally, the synergy of telecommunications and computing, exemplified by the growth of the World Wide Web have profoundly affected the publishing and bookselling trades since 1995. It is therefore almost impossible, bearing in mind the considerable impact of online booksellers such as Amazon, to attribute change in the bookselling trade as being solely linked to NBA suspension in 1995. Therefore, with that caveat, we move on to consider the health of the bookselling trade in 2001 using as our framework the “tripod” of negative effects the 1962 Restrictive Trade Practices Court hearing identified as likely to happen after suspension.

### **NBA Abrogation—The Effects on Booksellers**

*“It’s true that there are fewer independents than there were ... But the shops that are still around are better, fitter and often bigger.”<sup>21</sup>*

Tim Godfray (BA Chief Executive), March 2001.

In the judgment of the Restrictive Trade Practices Court, it was considered that abolition would have a measurable impact on the bookselling trade:

*“The consequences, which we think would flow from condemnation of the Net Book Agreement, can summarily be stated as*

1. fewer and less-well equipped stockholding bookshops;”

Statistics provided by the BA in August 2001 gave some substance to the prediction made at the Restrictive Trade Practices Court in 1962. As Table 1 indicates, overall membership of the Association dwindled by 192 between

**Table 1**  
**BA Membership statistics 1995-2001<sup>22</sup>**

	Independents (1-5 outlets)	Group 5+	Group 10+	Multiple	Warehouse	Total Member- ship
October 1995	1894	81	–	–	–	3333
May 1996	1846	85	–	–	–	3280
April 1997	1839	87	–	–	–	3281
July 1998	1798	83	694	702 ¶	–	3277
November 1999	1774	81	744	638 ¶	20	3257
December 2000	1714	74	766	630	20	3204
August 2001	1669	57	768	629	18	3141
OVERALL CHANGE 1995–2001	–225	–24	–	–	–	–192
OVERALL CHANGE 1998–2001	–	–	+74	–73 ¶	–	

Group 5+ denotes independent bookshops with 5–10 branches and includes small chains such as John Smith & Co, Methven's etc.

Group 10+ denotes chains with 10 plus branches

Multiple denotes branches of large chains such as W.H.Smith, Martins, Tesco

Warehouse denotes wholesaler/mail order only

¶ W.H. Smith acquired John Menzies Retail in March 1998. Subsequently, BA membership was not renewed for some ex-Menzies outlets. This accounts, in large part—according to the BA—for the drop of 64 members in this category between July 1998 and November 1999. If this is taken into account, membership for 1998–2001 shows only a slight decrease.

1995 and 2001 (about 6%). This statistic masks the prime casualties—Independents (1–5 outlets), of which there are 225 fewer in 2001 than in October 1995. The only sector of the trade which has grown in the 1998–2001 period was the “Group 10+” sector, which was probably accounted for by the rapid expansion of bookshop chains such as Ottakar's (from 3 branches in 1987 to 75 in 2001) and Books etc. (from 1 branch in 1981 to 31 in 2001). However, despite a drop in BA membership, and a steady fall in Independent membership,<sup>23</sup> it cannot be argued that a 6 percent fall in overall membership between 1995–2001 was indicative of a trade in freefall. The BA also drew attention in correspondence to the relative increase in retail space devoted to books:

*“I thought you might also be interested to note the increase in retail space devoted to books by the major chains. Unfortunately we do not have figures for the independent market, but we do know of some single outlets that have expanded their sales footage over the last couple of years.”<sup>24</sup>*

The statistics correlate with the rapid expansion of various bookshop chains noted in Table 1 and the acquisition of other bookshop and newsagent chains:

**TABLE 2**  
**Retail Space (sq ft) 1993-1999<sup>25</sup>**

	1993	1998	1999
<i>Books etc</i>	56,000	145,000*	301,000*
<i>Ottakar's</i>	37,000	164,000	263,000
<i>Waterstone's</i>	500,000	1,250,000+	1,334,000+
<i>W.H.Smith</i>	700,000	1,300,000#	2,900,000#

\* Borders bought Books etc in 1997. Totals for 1998 and 1999 include both Borders and Books etc outlets.

+ Totals include the Dillons bookshops acquired in 1998.

# Totals include John Menzies Retail outlets acquired in 1998. It is not clear how the statistics were compiled, and to what extent the 1998 total is indicative of bookselling in W.H. Smith prior to inclusion of the Menzies outlets.

In July 1997 twelve booksellers were approached to take part in structured interviews on the demise of the NBA and the effects of suspension on their businesses. A range of booksellers was interviewed, ranging from inner-city bookshops with considerable local competition to those catering for a localised, rural market. All were independent booksellers barring Bookshop K, which was part of a national bookselling chain. These booksellers were contacted again during June 2000 to provide updates on their progress. It is notable that all booksellers interviewed in July 1997 and June 2000 remained open in August 2001. All bookshops remain anonymous, and are referred to as Bookshops "A" to "L."

In all cases, booksellers were asked seven questions about the NBA and their businesses. The questions covered two areas. Three questions were causal. They were designed to draw out individual strength of support for the NBA, who or what was the prime cause of suspension and opinion on the BA and PA's role in the NBA's collapse. Question two ("prime cause for suspension") provided the greatest range of answers with booksellers blaming a variety of causal factors for suspension. Four questions were concerned with the effects of NBA suspension. They aimed to gauge the extent of discounting, relationships with publishers and wholesalers, discount schemes and finally whether the effects of suspension had been as bad as feared.

### *NBA Suspension and the Aftermath*

All booksellers supported the NBA, though the degree to which they supported it varied. Notably, Booksellers D and I were prepared to admit that the NBA had given them an "easy life." Four booksellers (F, G, H, J) indicated that their support for the Agreement was based on the contention that it "benefited the trade as a whole." All the booksellers (except F) agreed that suspension had not been as bad as anticipated beyond the initial six month period including Christmas 1995. The book which epitomized the early reaction to NBA suspension was Delia Smith's *Winter Collection*—none of the booksellers interviewed

TABLE 3  
Summary of interviewees

Bookshop	Location	Size (square foot)	Employees
A	Market town	500	2 FT, 5 PT
B	Market town	700	2 FT
C	Market town	200	1 FT, 3 PT
D	Market town	700	2 FT, 3 PT
E	Seaside resort	150	1 FT, 2 PT
F	Small town	600	2 FT, 3 PT
G	City suburb	150	1 FT, 3 PT
H	Market town	2500	3 FT, 4 PT
I	Small town	2500	3 FT, 22 PT
J	City Center	25000	37 FT, 5 PT
K	City Center	5500	16 FT, 32 PT
L	Market town	200	1 FT, 2 PT

(bar booksellers D and K) discounted the book, and all felt they lost out to what Bookseller G described as “*barmy discounts*” of the title. It was notable when returning to the shops in June 2000 that discounting bestsellers such as the J.K. Rowling books was viewed with resignation:

*“There are no sure fire winners any more, and there’s no easy money from bestsellers any more [alludes to Rowling’s ‘Harry Potter’ books]. It’s the biggest frustration of bookselling now.”* (Bookseller C, June 2000)

#### Competition

Since suspension three booksellers in particular (B, H, F) have faced increased competition from non-traditional competitors; Bookshop F, in the most rural of the towns studied, coped with direct price-cutting competition from a John Menzies book department that opened within a month of NBA collapse. In its case the bookshop opted out of direct price competition with Menzies (re-branded as W.H. Smith on visiting during June 2000), and no longer stocks fastsellers:

*“I let my competitors in the town sell fastsellers now, the beach books and thrillers. I don’t stock them any more. No point. The newsagent up the street has a dumpbin full of them.”* (Bookseller F, June 2000)

Bookshop B also avoided direct price competition with local supermarkets, a W.H.Smith branch and a new Ottakar’s branch by running generic price promotions on fantasy and science fiction (notably Terry Pratchett’s *Discworld* series)—therefore, effectively removing itself from the discounting and special offers on fastsellers offered by its competitors in the town. Two bookshops (F and L) did not indulge in any price discounting after abrogation apart from discounting old or non-returnable stock. Bookshop L stated:



*"I'm not in favour of discounting at all, and never do it. I have developed an upmarket business and a large school trade." (June 2000)*

The effects of Internet booksellers on trade was a talking point during interviews carried out in June 2000. Clarifying the extent to which Internet bookshops have effected the trade remains difficult. Whitaker's estimate that Internet market share in the UK was worth 3-5 percent in May 2000<sup>26</sup> is difficult to clarify—for example, the market leader Amazon make no specific figures available on book sales in the UK (they are merged with all products available from Amazon.co.uk<sup>27</sup>). Most booksellers were equally hazy on the effects of Internet on their trade:

*"The effects of Internet trade are overexaggerated, but of course it's still a depressant. There was a tendency last year [1999] to blame the Internet for everything, but we've bounced back. I don't really know why, but we've promoted aggressively." (Bookseller D, June 2000)*

Other booksellers were more specific:

*"The Internet bookshops are effecting trade, but they don't have the subject knowledge we have. It's mainly used as a source for finding titles and then using the bookshop to order it. Distributors are quicker than the Internet firms, and we have no problems with returns, inaccurate orders, postage or being at home when they deliver." (Bookseller L, 2000)*

#### *Loyalty cards*

Ten of the twelve booksellers introduced customer loyalty cards in the aftermath of NBA suspension, all of these taking advantage of wholesaler "credit card" style promotions (either Bertrams or Gardners cards, which offered a 5% discount on total purchases of £100). Even in 1997, two years after suspension, it was apparent that advertising the discount cards was on the wane—while all ten booksellers continued to use the schemes, only two continued to advertise them. By 2000, none of the booksellers advertised loyalty cards and they were used by a dwindling number of customers:

*"The Gardners cards plug along with some old-stagers, and I'm always surprised when someone digs one out of their wallet. They're not actively promoted, and I prefer to use the local newspaper for promotions now." (Bookseller D, June 2000)*

Customer loyalty cards were initially a popular method after NBA suspension of offering small discounts for regular book-buyers. It was apparent from interviews in 2000 that they were not used or promoted actively five years after the NBA's suspension.

*Niche bookselling and book ordering*

Most of the small independent booksellers interviewed moved towards “niche” bookselling after NBA suspension. Examples included Bookshop K’s move toward cementing its place as a prime academic bookshop at the expense of selling mass market paperbacks. Others, notably Bookshop D, concentrated on building up a bargain and remainder section to compensate for not stocking mass market paperbacks. Several booksellers commented in 2000 on the amount of “new” remainders:

*“Remainders are sometimes amazingly new, and Macmillan are the prime culprits.”* (Bookseller C, June 2000)

Another bookseller was more specific:

*“Publishers still have the mindset they had 20 years ago. They fool themselves into thinking customers buying full price and discounted books are completely different markets. They’re blind. They’re re-jacketing books and spending large amounts of money on books which have been on the remainder tables for months.”* (Bookseller D, June 2000)

Several bookshops (A, B, E, F) concentrated primarily on building up a customer order business. They were helped by the growth of an effective wholesaling business, offering a “within 24 hour” delivery service and straightforward ordering via the Internet. Six of the booksellers interviewed in June 2000 had started using Vista’s PubEasy<sup>28</sup> system for checking availability and ordering over the Internet. It was apparent that the service was popular:

*“It’s very useful to check availability even though the quality of some of the sites is variable. The main problem I’ve got is telephone charges—if it was free I’d be on it all the time for ordering.”* (Bookseller G, June 2000)

It is evident from the interviews that customer ordering of individual titles has increased since 1995, and that the wholesaling sector has made major gains in regard to terms, speed and accuracy of orders. It was summed up by one bookseller thus:

*“I used to see publishers before the NBA collapsed as they were more willing to give extra discounts. This isn’t the case now and I order 90 percent of my stock from a wholesaler [in this case Gardners]. I deal with about five publishers now. It’s more economical, I deal with the same place and people every day, it requires less ‘systems’ and it’s easier for the staff to cope with.”* (Bookseller L, June 2000)

The bookselling trade for these twelve booksellers has changed since 1995. It is also evident from the June 2000 interviews that the trade moved on significantly after the initial interviews were carried out in July 1997 (notably by

uptake of IT and use of the Internet to source and order titles). However, it was apparent from these interviews that change in the trade was not wholly negative. The Booksellers did not go out of business. Indeed, for some the trade without resale price maintenance had positive aspects:

*"I enjoy it sometimes now, we can beat our competitors by getting other stuff in to discount."* (Bookseller I, July 1997)

*"We've become more flexible and have changed our stock and selection methods. After the initial chaos we've reached equilibrium of a kind."* (Bookseller D, June 2000)

#### *BA Membership statistics and interviews with booksellers: conclusions*

From the evidence of BA membership statistics and interviews, it is evident that the trade has not been decimated by the collapse of the NBA in terms of bookselling outlets. However, it is evident that a steady number of independent booksellers have closed since 1995. It is also apparent that some sectors of the trade have increased their market share, and quite possibly at the expense of independent outlets. But, on a final and cautionary note, two booksellers (C and D) noted that the overall economic climate, and in particular signing leases for their business premises proved the hardest decision:

*"It's nothing I'm doing wrong and I'm a competent bookseller. But the town is dying around me, the bank has shut down and I'm not sure I could sell this business as a going concern. I don't know what will happen when the lease comes up for renewal."* (Bookseller C, June 2000)

*"The hardest decision in bookselling now is whether to sign the lease. It's expensive. That said, if you can keep overheads down it's still a profitable business to be in."* (Bookseller D, June 2000)

#### **Book Prices and Title Output**

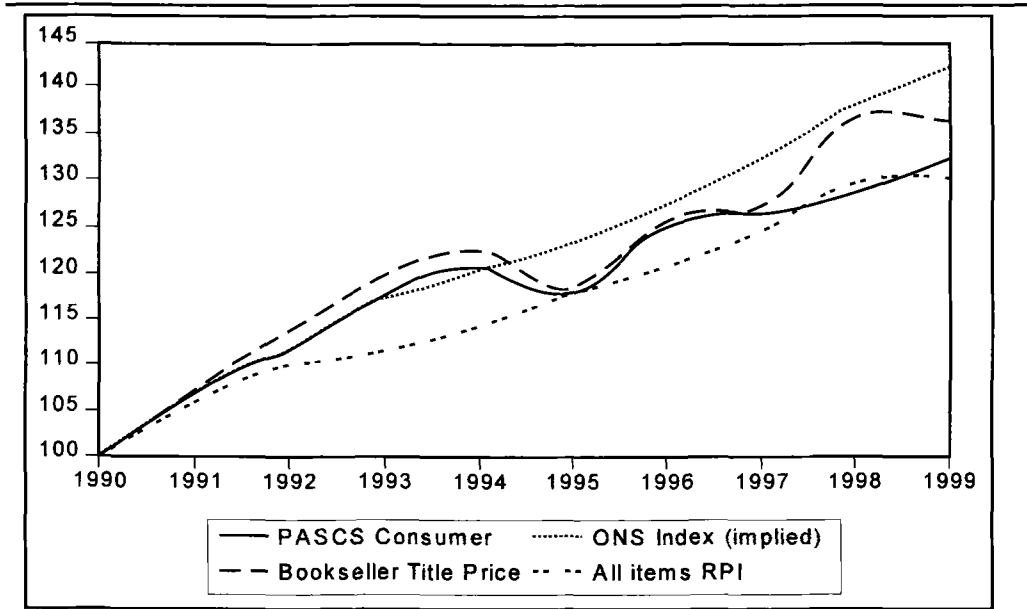
*"The consequences, which we think would flow from condemnation of the Net Book Agreement, can summarily be stated as*

- 2 more expensive books;
- 3 fewer published titles.

*We are satisfied, moreover, that each of these consequences would arise in a sufficiently serious degree to make its avoidance a substantial advantage.<sup>29</sup>"*

Indicators for book prices and title output over the 1990-1999 period do not wholly support the premise made in 1962 that NBA collapse would result in

**TABLE 4**  
**UK Summary price indices on consumer books 1990-1999<sup>32</sup>.**



PASCs (Publisher's Association Statistics Collection Scheme) links annual changes in average invoiced values.

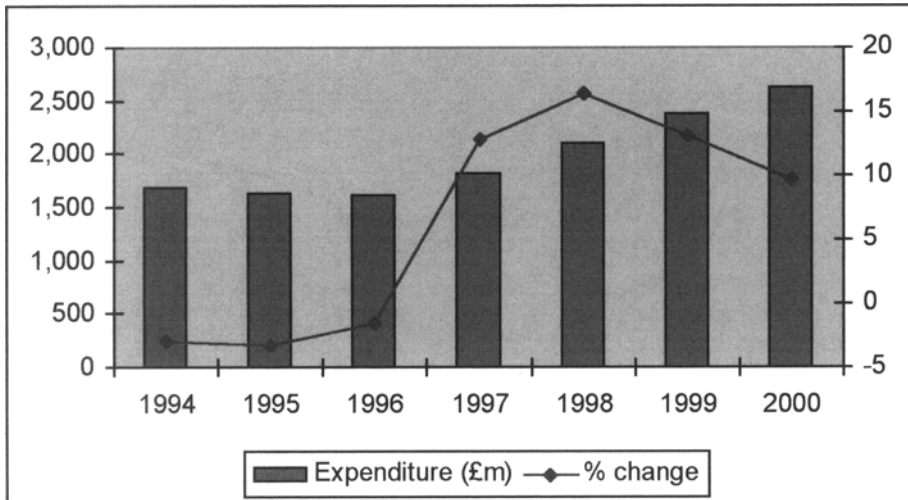
ONS (Office for National Statistics) monitors prices on a representative 'basket' of books. The Bookseller Title Price index shows an 'unweighted' average price of all books.

fewer published titles. It was predicted at the Restrictive Trade Practices Court that:

- publishers would be unwilling to take a risk on publishing new authors;
- booksellers would be unwilling to stock new titles with no guaranteed market;
- therefore books would be more expensive to produce—publishers producing smaller print runs with higher costs and passing these on to the bookseller.

The most obvious phenomenon to be seen after suspension in 1996 and 1997 was the increase in book prices—Fishwick stated that on average book prices rose by 10 percent between September 1995 and September 1996, this comparing with general inflation of 2.7 percent at that time.<sup>30</sup> The book price rises evident in Table 4 in the years after NBA suspension were due in large part to publishers giving booksellers "accommodation" for margin lost in discounting books. Therefore, the basing of price indices on the recommended retail price probably conceals the true picture. Table 4 should be read with this caveat.<sup>31</sup>

**TABLE 5**  
**Household final consumption expenditure on books 1994-2000 (based on current prices and not seasonally adjusted)<sup>34</sup>**



It is apparent from perusal of book prices that the book trade has not suffered from spiraling book prices, even if—from reading of this PA statistical data—book prices have risen faster than general inflation on a regular basis since 1990 with or without RPM. Indeed, the sheer complexity of statistics regarding book prices, and the varying methods of constructing indices have proved worthy enough to merit its own coverage and critique.<sup>33</sup> It is notable that the PA discontinued its annual survey of publishers (reproduced in the yearbook) in 2001, and has replaced it with a monthly collection of statistics produced with Book Marketing Ltd.

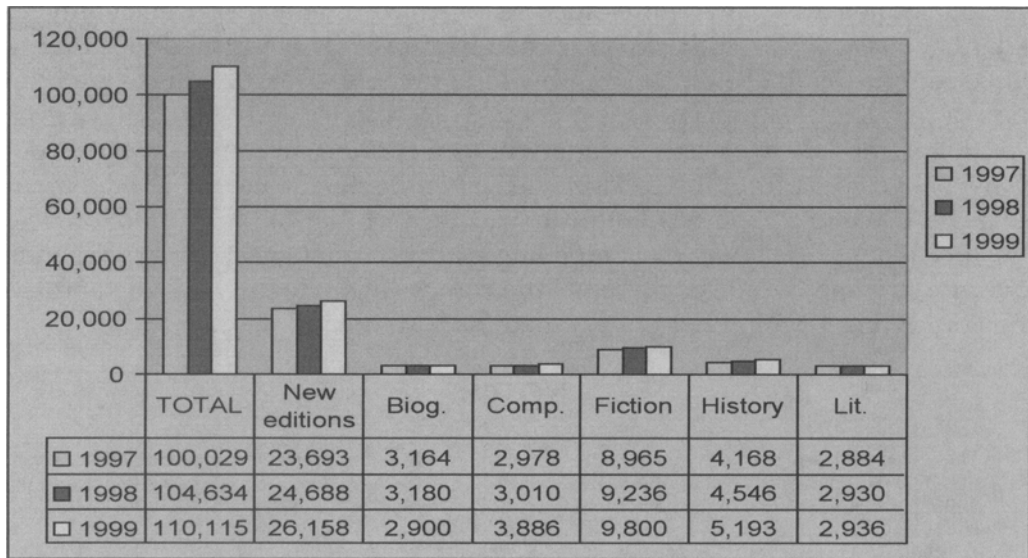
As Table 5 indicates, consumer expenditure on books has risen fairly steadily between 1997 and 2000 after hitting a low in 1996. 1998, described as a “*vintage year for bestselling titles*” by Giles Clark,<sup>35</sup> was the boom year in the trade following NBA suspension. Growth in consumer spending continued to grow, albeit at a slower pace, between 1998 and 2000.

The third consequence of NBA abolition was held in 1962 to be “fewer published titles.” There is no evidence beyond a slight drop in output in 1997 that UK publishers have relaxed their output of books in the period following NBA abolition. As Table 6 demonstrates, overall title output remains healthy, and in particular within the computer book and history categories. Causes for concern are apparent, with the biography and literature categories showing respectively negative and very small growth between 1998 and 1999.

### Conclusions

*“There will be no independents in five years, and I don’t think therefore we’ll be here in five years” (Bookseller L, June 2000).*

**TABLE 6**  
**Title Output 1997-99<sup>36</sup>.**



*"By and large, I don't see sumptuous bookshops. I don't see cool. I don't see innovation. I see lots of cold, fluorescent lighting, crummy cheap carpets, tacky shelving and lots of sharp, masculine fittings."*

Martin Grindley (Booksellers' Association President), May 2000.<sup>37</sup>

Despite the rather gloomy prognosis offered by Bookseller L, and a statement from Martin Grindley that gives little credit to an increasingly attractive and innovative bookselling trade, in August 2001 the UK book trade has negotiated nearly six years without RPM. During this period the trade has not suffered the detrimental effects that were predicted at the 1962 Restrictive Trade Practices Court. Bookshops have not closed down en masse, though there have undoubtedly been casualties and pressures within the independent bookselling sector. Book prices have not risen unduly and the UK publishing industry continues to publish books at a steady rate. And yet, despite the fact that the trade has adapted to losing the NBA, new pressures which were to some extent unimaginable back in 1995 are having an effect on the bookselling trade—notably the growth of Internet bookselling from Amazon and others. Conversely, the Internet is now offering several booksellers interviewed for this paper an efficient and accurate method of ordering books via the PubEasy system. The prognosis offered by Bookseller L and Martin Grindley demonstrate clearly that elements of the trade view the future with trepidation. Other commentators, notably Fishwick, consider that high consumer spending in the 1990s have ensured a relatively buoyant bookselling trade, and posit that—"economic downturn" in the economy might severely test the trade.<sup>38</sup> This can only be the subject of speculation at present.

However, if we consider the 1995-2001 period as a whole, a UK book trade which braced itself for "chaos" (and to some degree experienced it for a short period immediately after NBA suspension) has demonstrated an ability to adapt and reach new, hitherto, untapped markets.<sup>39</sup> There is no doubt that as the electronic media continues to grow (and notably, of late, with the production of portable electronic books such as the RCA series and Microsoft's *Reader* software), the UK bookselling trade will face further challenges over the decade. Six years on from the collapse of the Net Book Agreement it is apparent that the UK book trade has both retained its essential fabric and adapted to fresh challenges. There is no compelling evidence to suggest this will change over the coming decade as there is little compelling evidence that the abrogation of RPM in 1995 intrinsically harmed the UK bookselling trade.

## NOTES

The authors wish to thank the booksellers who took part in the interviews in 1997 and 2000 for their time and willingness to discuss trade in the post-Net Book Agreement era. We also appreciate the willingness of Susanne Vangnoo and Sydney Davies at the Bookseller's Association to provide us with membership data and other material.

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24. Email from the BA to James Dearnley, August 2001.
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