BNC RESEARCH

What's in Store:

The State of Independent Bookselling in Canada

2018

BOOKNET CANADA

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ISBN: 978-1-927655-40-5 | ISNI: 0000000107013646

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Introduction

This study seeks to measure the state of independent bookselling in Canada in 2018. The stores surveyed are primarily English-language bookstores, privately owned, owner-operated, and/or part of a small regional chain. They also have a significant portion of their stores dedicated to the display and/or sale of books. Stores owned by a larger/national chain were excluded.

The study focuses on results compiled from our bookselling survey. Results from the survey respondents cover:

- the profile of stores included in the study;
- store accessibility features;
- employment statuses of staff and hiring challenges;
- staff training and retention;
- inventory and operational expenses;
- inventory processes and management;
- inventory by language, subject, and Canadian content;
- revenue from inventory and changes over time;
- sales and marketing processes;
- advertising and publisher co-op practices;
- foot traffic and purchasing incentives and promotions; and,
- industry perceptions and suggestions for initiatives.

We have also included relevant data from:

- BookNet Canada’s Canadian Book Consumer survey — fielded online to English-speaking, adult (18+) book buyers from across Canada on a quarterly basis and conducted via Lightspeed Research; and,
- BNC SalesData — the tracking service for print sales in the Canadian English-language trade book market.

We explicitly note when we incorporate research from these sources within this study.

Highlights

Profile of stores

- Of the stores surveyed, around three quarters of their locations are bookstore-only, i.e., without another business integrated (77%).
- One third of respondents (33%) were not a member of any publishing or business/retail associations in 2018.
- The majority of stores surveyed have been in business for 15 or more years (68%).
- About a quarter of stores own their spaces (27%).
- Almost three quarters of bookstores lease their spaces (73%). The average monthly lease is $5,925, with a median of $4,800.

In-store accessibility

- About six in ten stores have visible and concise wayfinding signage (59%).
- About nine in ten stores currently have wide aisles for a wheelchair or stroller (93%).
- Two thirds of stores currently have a unisex/gender-neutral washroom (67%).
- Five percent of stores currently have American Sign Language (ASL) interpreters for events, and about one in ten are looking into having this (11%).

Staff hiring, training, and retaining

- Of all permanent, contract, and seasonal staff at Canadian independent bookstores in 2018, 72% were permanent staff and 24% were seasonal staff.
- Slightly more than half of all employees at the stores surveyed were part-time (55%), while 45% were employed full-time.
- Challenges when recruiting and hiring employees: offering enough hours (39%); finding candidates who fit their work culture (39%); offering competitive compensation to candidates (34%); and finding candidates with the required skills and experience (34%).
- Challenges in retaining staff: competitive compensation (52%) and offering enough hours (42%).

Inventory and operational expenses

- Slightly more than half of a bookstore's expenses goes towards purchasing inventory (54%) and 37% is spent on operations.
- Of those inventory expenses, the majority gets spent on new books (62%, combining frontlist and backlist).
- Of those operation expenses, the majority is spent on staff (37%), followed by rent (20%) and supplies (11%).
- About half of all bookstores sell large-print books (51%).
- About four in ten sell physical or digital audiobooks (42%).

Inventory processes and management

- Top five inventory processes by efficiency: selecting quantities per title; submitting special orders for customers; re-ordering; returns; and ordering drop-ins.
- Not surprisingly, processes that require more person-power and manual entry were viewed as less efficient.

Inventory by content and subject

- Slightly more than two thirds of booksellers stock books or products in languages other than English (69%).
- Among those booksellers, all stock French books or products. More than half have books in Spanish (59%) and more than a quarter have books in Cree (28%).
- On average, booksellers tend to stock most of their Canadian-authored titles within their Adult Fiction and Adult Non-Fiction inventories.
- When we asked booksellers about the return on investment (ROI) in regards to money, time, and effort spent on books by Canadian contributors or about Canada, almost nine out of ten reported a positive ROI (86%).
- Half of the booksellers surveyed increased their Canadian inventory by about 1-10% between 2017 and 2018 (50%).

Revenue from inventory

- The average independent bookstore derived about 87% of its 2018 revenue from in-store purchases (across all product categories).
- The largest percentage of merchandise revenue comes from new frontlist books (37%), followed closely by new backlist books (31%).

Sales and marketing processes

- Top five sales and marketing processes by efficiency: selling books in-store; shelving books; selling books at on-site events; stickering books; and selling books at off-site events.
- The highest positive ROIs among on-site events in 2018 were experienced with launches (79%), readings (74%), book clubs (67%), and speaking series (67%).
- The highest positive ROIs among off-site events in 2018 were experienced with launches (79%), fairs/ festivals (74%), book signings (72%), and readings (70%).
- The highest positive ROIs experienced from social media advertising in 2018 were from Facebook (81%), TripAdvisor (71%), and Instagram (67%).
- The highest positive ROI experienced with digital/online advertising came from email newsletters (83%).
- The highest positive ROIs experienced with print/physical advertising came from staff picks (81%), indoor signs/displays (79%), and store newsletters/circulars (76%).

Co-op advertising and marketing

- Advertising and marketing made up, on average, 5% of booksellers' total operational expenses in 2018. Of that 5%, 20% relied on publisher-provided marketing support (i.e., co-op).
- The most important co-op practices are author visits and payment for window/in-store displays.

Foot traffic and purchasing

- Most customers of independent bookstores visited during the winter holiday and summer months in 2018.
- Booksellers mostly used gift cards to incentivize customers to stop at their stores (91%).
- The main reasons book buyers shopped at indie bookstores in 2018 was because it was convenient and because they enjoyed the atmosphere (BNC Canadian Book Consumer survey).
- Almost nine in ten booksellers offered an employee discount (86%). More than seven in ten offered a teacher/librarian discount (74%).
- Half of booksellers offered a promo for Boxing Day (50%) and almost four in ten offered a promo for Christmas (35%). A quarter of booksellers offered a promo for Black Friday/Cyber Monday (25%).

Industry perceptions and suggestions

- For the most part, booksellers had a very positive outlook on their stores and the industry in general.
- About three out of four booksellers viewed their bookstore as healthy (74%).

Profile of stores

Our first bookselling survey was fielded online to 63 independent booksellers across Canada in early 2019. These bookstores are primarily English-language bookstores. Some questions received a lower number of responses than others. Respondent comments are folded in throughout the study where relevant.

Slightly more than half of booksellers described their stores as "Indie general interest" (52%) and almost one in five stores were described as an "Indie specialty" store (19%). More than one quarter of stores (29%) described themselves as a scholarly/education store, used bookstore, a gift store, a combination of the above, or something else.

We have identified independent bookstores as being privately owned, owner-operated, and/or part of a small regional chain, in addition to having a significant portion of their stores dedicated to the display and/or sale of books. All respondents who fit these criteria are grouped under the "independent bookstores" umbrella.

There are 80 store locations for our 63 respondents, totalling 239,561 square feet. Around three quarters of those locations are bookstore-only, i.e., without another business integrated (77%).

The majority of the stores surveyed are in Ontario (43%) and British Columbia (35%). A few bookstores are in Québec (5%). More than half of the stores are located in a city or urban area (53 %) and more than a third are in a small town or rural area (37%). Only 9% of the stores surveyed are located in a suburban area.

Almost eight in ten respondents are (co-)owners of their store (78%) and many hold multiple roles. One third of respondents (33%) were not a member of any publishing or business/retail associations in 2018.

"We live in Canada where we no longer have a national association of booksellers. We need our publishers and all booksellers — small, medium, and large — to get behind a major push to bring back a national association of booksellers. That means we have to all work together."

The majority of stores surveyed have been in business for 15 or more years (68%). Slightly less than one third of stores have been in business for 14 or fewer years (32%). Businesses of 15+ years accounted for all of the large businesses and almost two thirds of the mid-sized businesses surveyed.

Business sizes

	Revenue	Percentage surveyed
Small	$10K - $249K	34%
Mid-sized	$250K - $749K	32%
Large	$750K - $40M	32%

Almost half of the stores surveyed experienced a gross revenue increase of 1-10% between 2017 and 2018 (46%), and 15% experienced a gross revenue increase of 11-25%.

Most bookstores were leased

Almost three quarters of bookstores surveyed lease their spaces (73%). About a quarter of stores own their spaces (27%).

The average monthly lease is $5,925, with a median of $4,800. When leases are compared between areas, leases are highest in suburban areas and lowest in small town or rural areas.

In-store accessibility

One in five Canadians identify as having a temporary or permanent disability (Statistics Canada). Are these more than six million people being served by physical bookstores or are there barriers preventing their use of these spaces?

We asked booksellers about accessibility features within their stores to develop a baseline for independent bookstores in Canada. About nine in ten stores have wide aisles for wheelchairs and strollers (93%). Almost seven in ten stores have a unisex washroom (67%) and about six in ten stores have visible and concise wayfinding signage (59%).

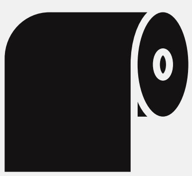
Accessibility in stores

Wide aisles for a wheelchair or stroller
About nine in ten stores currently have (93%)

Unisex/gender-neutral washroom
Two thirds of stores currently have (67%)
Almost one third of stores have no plans to have (31%)

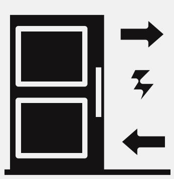
Visible and concise wayfinding signage
Almost six in ten stores currently have (59%)
Almost a quarter have no plans to have (23%)

Wheelchair ramp to front door
About half of stores currently have (52%)
More than one third of stores have no plans to have (38%)



Wheelchair-accessible washroom from the main floor
Almost half of stores currently have (46%)
About half have no plans to have (52%)

Low table/counter height at point-of-purchase
Almost four in ten stores currently have (39%)
Almost one in ten are looking into it (8%)
About half have no plans to have (51%)



Motorized or automatic doors
Almost one in five stores currently have (16%)
One in ten stores are looking into it (10%)
Almost three quarters have no plans to have (70%)

Five percent of stores currently have American Sign Language (ASL) interpreters for events, and about one in ten are looking into having this (11%).

Financial support for improving accessibility and safety in Canadian spaces, in order to comply with the *Canadian Human Rights Act* and the *Accessible Canada Act* (currently in proposal), may be available through the Enabling Accessibility Fund (EAF).

Bookstores are also encouraged to find out if there are regional or provincial regulations that govern accessibility in their particular jurisdiction.

Staff hiring, training, and retaining

Of all permanent, contract, and seasonal staff at Canadian independent bookstores in 2018, 72% were permanent staff and 24% were seasonal staff.

Slightly more than half of all employees at the stores surveyed were part-time (55%), while 45% were employed full-time. For context, 66% of retail jobs in Canada in 2016 were full-time, according to Statistics Canada.

When recruiting and hiring employees, about four in ten bookstores found it difficult to offer enough hours (39%) and another four in ten found it a challenge to find candidates who fit their work culture (39%). About three in ten booksellers found it difficult to offer competitive compensation to candidates (34%) and the same amount found it difficult to find candidates with the required skills and experience (34%).

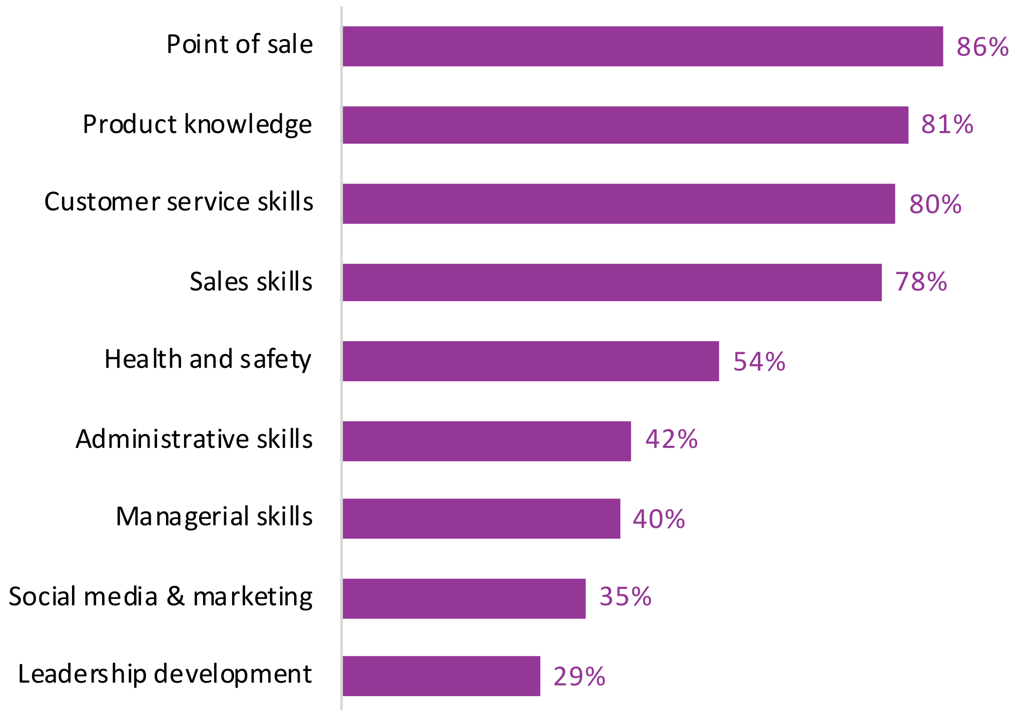
No booksellers had the impression that potential candidates had a poor view of working in bookstores in general. However, a small percentage of booksellers found it challenging that candidates thought working in retail wasn't a good fit for them (3%).

"It's a challenge finding qualified staff we could afford to remunerate adequately for their skills."

"The cost of staff is also difficult to maintain."

Once hired, new employees were most likely to be trained on the store's point-of-sale system (86%), product knowledge (81%), and customer service skills (80%).

Training currently offered by booksellers



Leadership training is not offered by three in ten bookstores (30%), though a quarter would like to offer it (25%). Social media and marketing training are not offered by two in ten bookstores (20%), while another two in ten would like to offer it (20%).

The vast majority of bookstores are not offering and don't want to offer training in either administrative skills (82%) or managerial skills (82%). Only 16% would like to offer administrative skills training and 20% would like to offer managerial training.

A respondent would like to see more of:

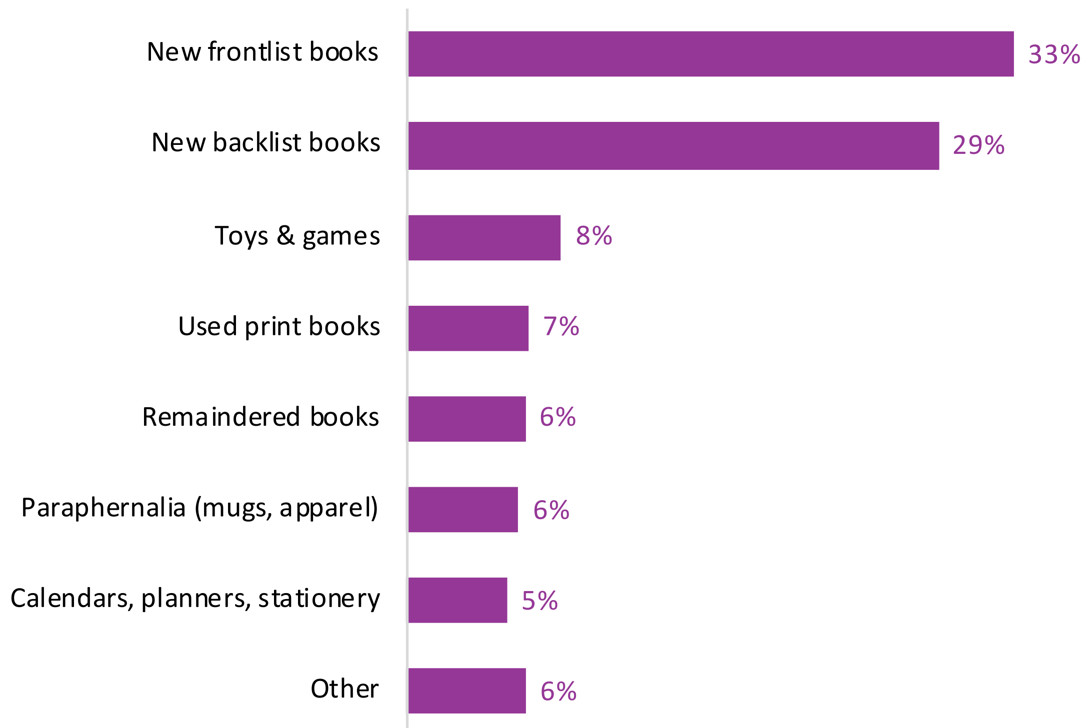
> *"Booksellers sharing training, i.e., sending your booksellers to another store or country to learn new techniques for bookselling."*

More than half of bookstores found it challenging to offer competitive compensation to current employees (52%). About four in ten bookstores found offering enough hours to be a challenge in retaining staff (42%).

Inventory and operational expenses

On average, 54% of a bookstore’s expenses go towards purchasing inventory. Of those inventory expenses, the majority gets spent on new books (62%, combining frontlist and backlist). We have defined frontlist as print books, ebooks, and audiobooks with a 2018 publication date and backlist as the same formats with a 2017 or prior publication date.

Average percentages spent on select inventory expenses

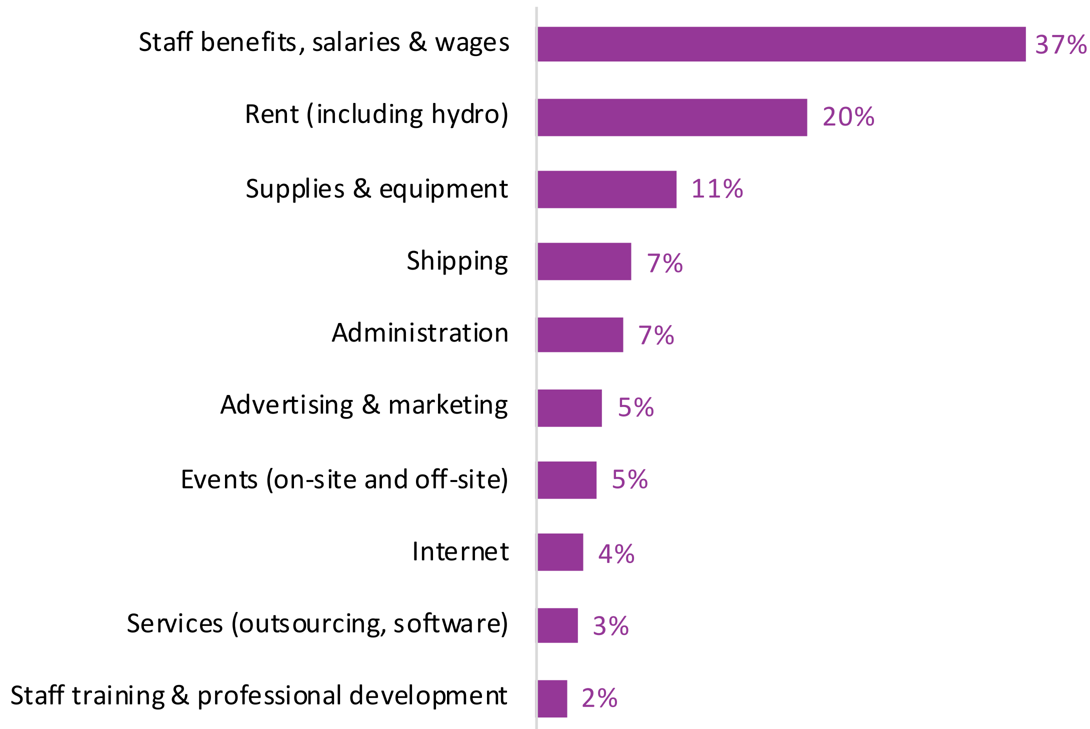


“It is difficult to run a bookstore selling ONLY books, margins must be supplemented by other products and remainders are used to succeed.”

Six in ten bookstores sell translations (60%). About half sell large-print books (51%). About four in ten sell physical or digital audiobooks (42%).

After inventory, 37% of expenses were spent on operations, which we’ve expanded in the graph below so that the total operational expenses equal 100%. With that in mind, the majority of operational expenses were spent on staff (37%), followed by rent (20%) and supplies (11%).

Average percentages spent on operational expenses



While the above graph looks at the average percentages, we found the median percentages interesting as well. The median percentage spent on supplies and equipment was 5%, almost half the 11% average, meaning that half of respondents spent 5% or less on this operational expense. The median percentage spent on rent was 16%, close to the 20% average. The median percentage spent on staff benefits, salaries, and wages was 45%, in comparison to the 37% average. The median percentage spent on both events and internet was 1%, while the average percentage for events was 5% and 4% for internet.

Inventory processes and management

Almost all booksellers found most of their inventory processes to be efficient, and the technical aspects of ordering and re-ordering to be fairly efficient.

Almost three quarters of the booksellers surveyed have integrated Pubnet EDI (Electronic Data Interchange) into their book-specific POS systems (70%). Pubnet EDI is a service which helps to make ordering and re-ordering more efficient. Not surprisingly, processes that require more person-power and manual entry were viewed as less efficient.

The list below ranks inventory processes considered “very efficient” and “somewhat efficient” by booksellers in descending order of efficiency.

Inventory processes ranked by efficiency by booksellers

1. Selecting quantities per title
2. Submitting special orders for customers
3. Re-ordering
4. Returns
5. Ordering drop-ins
6. Selecting titles
7. Receiving bibliographic records for forthcoming titles
8. Submitting/sending orders of new season releases
9. Doing inventory (itemizing/listing products available for sale)
10. Receiving orders/deliveries to store
11. Paying invoices

The processes considered most inefficient were receiving orders/deliveries to the store and paying invoices.

Noted by respondents:

"I love curating my collection and would be interested to learn how other bookstores manage and merchandise their inventory."

"Our main challenge is keeping a balance of bestsellers that are available everywhere and finding the cool new books that no one knows about yet."

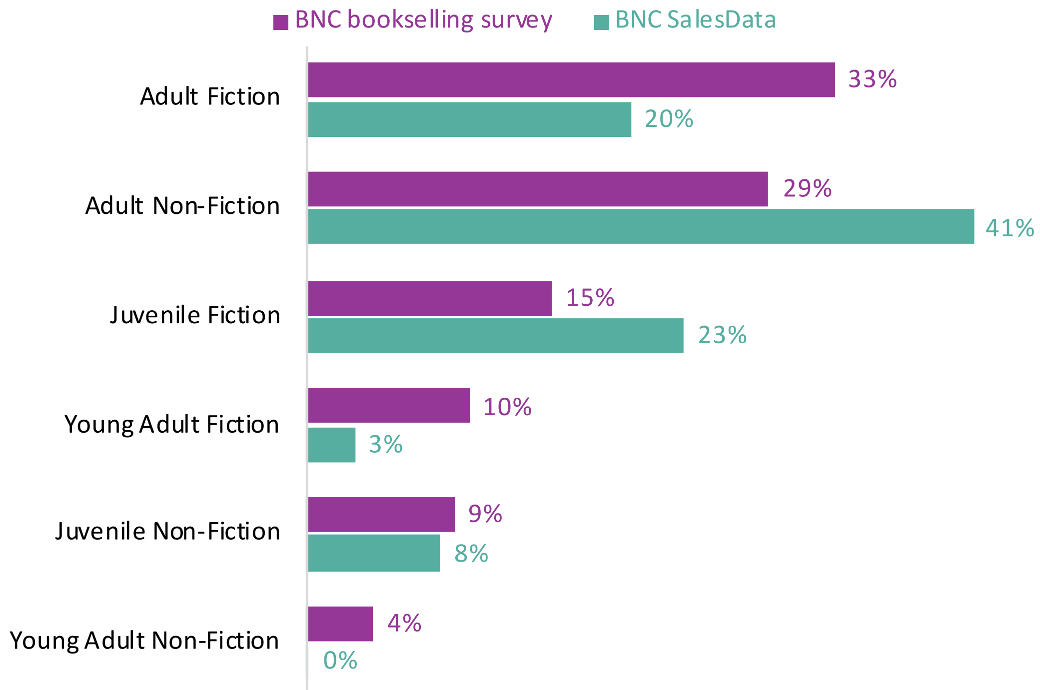
Inventory by content and subject

Slightly more than two thirds of booksellers stock books or products in languages other than English (69%). Among these booksellers, all stock French books or products. More than half have books in Spanish (59%) and more than a quarter have books in Cree (28%). Almost a quarter stock Arabic or Mandarin books (24% each). Other languages stocked include Cantonese (17%), Tagalog (17%), Inuktitut (17%), and German (14%).

We asked booksellers to share the percentage of top-level subjects they had in stock throughout 2018. We decided to compare this with sales data reported by independent bookstores to BNC SalesData throughout 2018. The subject categories were not expected to line-up exactly because booksellers may choose to shelve books in subject areas that vary from the publisher-assigned BISAC subject codes that are used in SalesData.

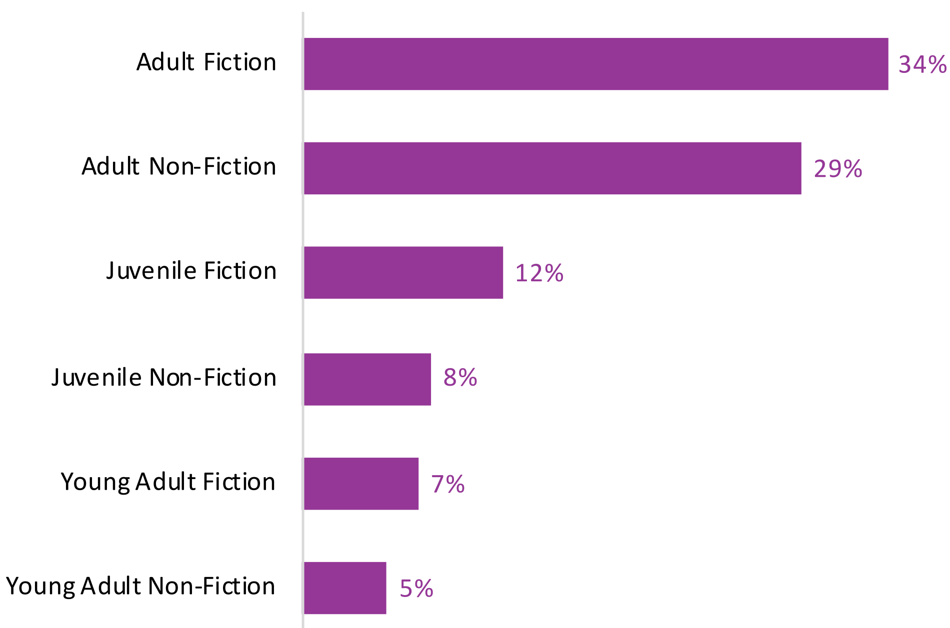
On average for booksellers, Adult Fiction titles made up the largest percentage of inventory (33%) followed by Adult Non-Fiction (29%). This is reversed for inventory tracked in BNC SalesData.

Average percentages of inventory by top-level subject from booksellers surveyed and BNC SalesData, 2018



The inventory breakdown for Canadian-authored titles is similar to the general inventory breakdown described above, with the exception of Young Adult Fiction. On average, booksellers tended to stock most of their Canadian-authored titles within their Adult Fiction and Adult Non-Fiction inventories.

Average percentages of Canadian inventory by top-level subject

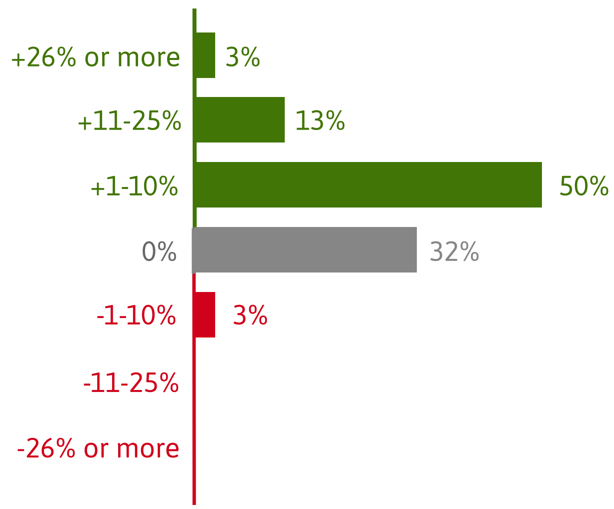


Approximately 18% of sales from independent bookstores in 2018, as tracked in BNC SalesData, were for books with at least one Canadian contributor (author, illustrator, etc.).

When we asked booksellers about the return on investment (ROI) in regards to money, time, and effort spent on books by Canadian contributors or about Canada, almost nine out of ten reported a positive ROI (86%). About eight in ten booksellers reported a positive ROI for books by local contributors or about local regions (79%).

Half of the booksellers surveyed increased their Canadian inventory by about 1-10% between 2017 and 2018 (50%). Canadian inventory stayed flat for about three in ten booksellers (32%).

Changes in Canadian inventory from 2017 to 2018



Booksellers commented on the challenges of book content in the current market:

"With all the heavy-weight American authors, it is continually difficult to promote and sell Canadian authors, especially in French."

"My biggest worry is that the big online companies have the ability to manipulate what gets sold, therefore cutting into the breadth of creativity in the publishing world."

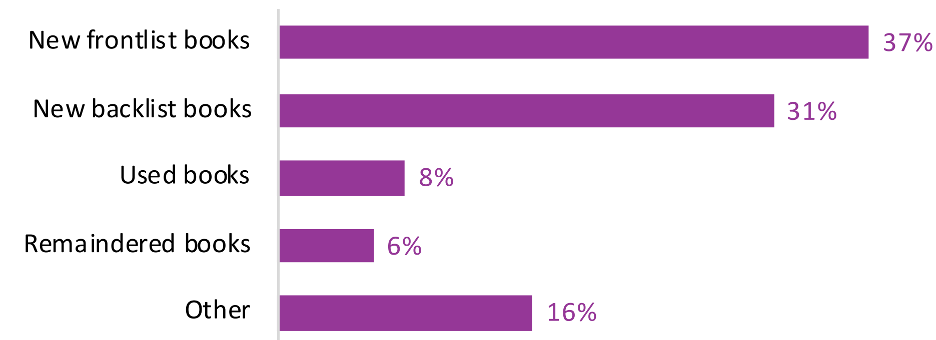
"[My main challenge in running a bookstore is] whether books continue to be valued for educational and imaginal learning by all people."

Revenue from inventory

The average independent bookstore derived about 87% of its 2018 revenue from in-store purchases (across all product categories). About six in ten booksellers reported that they derived some revenue from institutional and wholesale orders (63%). On average, these types of orders accounted for 8% of their revenue. Almost half of booksellers reported that they derived some revenue from online/digital purchases (49%). Those booksellers said that 4% of their revenue was derived from online purchases.

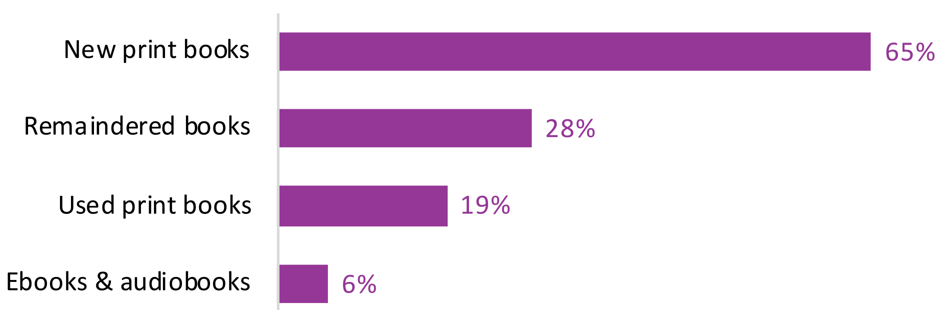
The largest percentage of merchandise revenue comes from new frontlist books (37%), followed closely by new backlist books (31%). Frontlist books are print books, ebooks, and audiobooks with 2018 publication dates, and backlist refers to books in the same formats with 2017 or prior publication dates. Other sources of merchandise revenue include used books (8%), remaindered books (6%), and "other" products (16%).

Percentages of 2018 merchandise revenue derived from books



We asked booksellers whether their revenue had increased, stayed the same, or decreased from 2017 to 2018 for new print books; remaindered books; used print books; and ebooks and audiobooks. Most stores experienced an increase in revenue from new print books over that time period (65%), while 28% of stores experienced an increase in revenue from remaindered books.

Percentages of stores with increases in book revenue from 2017 to 2018



One bookseller commented on flat year-over-year revenue:

> *"Although some bookstores are reporting increased sales, I think that the increase isn't enough to accommodate the increase in the cost of doing business from operational costs to inventory costs. Unless bookstores are doing profitable events and adding a lot of sidelines, revenue will on the whole remain flat due to prices printed on books, chain and online discounting."*

Sales and marketing processes

Most booksellers found sales and marketing processes to be generally efficient. Almost all booksellers found selling books in-store to be efficient (98%). About nine in ten booksellers found selling books at on-site events to be efficient (88%). Eight in ten booksellers found shelving books to be efficient (81%). The ranking below shows where the various processes fell on the scale from efficient to inefficient.

Sales and marking processes ranked by efficiency by booksellers

Efficient

- Selling books in-store
- Shelving books
- Selling books at on-site events
- Stickering books
- Selling books at off-site events
- Advertising on social media platforms
- Shipping orders to customers
- Selling books online
- Tracking promo codes
- Advertising in online / digital spaces
- Advertising in print / physical spaces

Inefficient

We asked about the ROI in regards to money, time, and effort spent on some of these processes. We asked about on-site events, off-site events, advertising on specific social media platforms, advertising in general online/digital spaces, and advertising in print/physical spaces. We have excluded the responses of booksellers who selected "not applicable" in each case.

On-site events

Booksellers reported the highest positive ROIs with launches (79%), readings (74%), book clubs (67%), and speaking series (67%).

Among those who hosted on-site readings, about eight in ten experienced a medium-to-low ROI.

About two in ten bookstores rented out bookstore space (19%). Among those, the ROIs were almost evenly divided between high, medium, and low (25-38%).

Almost six in ten of all booksellers surveyed did not host an on-site speaking series (63%). About four in ten did not host an on-site book club (43%).

"I love the fact that our store is a community hub."

Off-site events

The highest positive ROIs among off-site events in 2018 were experienced with launches (79%), fairs/festivals (74%), book signings (72%), and readings (70%).

Among those who participated in off-site conferences, three out of four experienced a positive ROI (75%).

About six in ten booksellers experienced positive ROIs from school book fairs (63%) and from hosting an off-site speaking series (58%). Seven in ten booksellers hosted a pop-up store and four of those experienced a positive ROI (43%).

Advertising on social media platforms

The highest positive ROIs experienced from social media advertising in 2018 were from Facebook (81%), TripAdvisor (71%), and Instagram (67%).

Almost half of booksellers who use Facebook experienced medium ROIs from Facebook (46%) and another quarter experienced high ROIs from the popular platform (26%).

The least used platforms for all booksellers surveyed were Tumblr (91% are not using it), YouTube (89%), Pinterest (86%), and TripAdvisor (80%). About half of booksellers don't use Twitter (51%).

Advertising in online / digital spaces

The highest positive ROIs were experienced from email newsletters (83%) and Facebook ads (64%).

Sixty percent of booksellers experienced a positive ROI from leveraging targeted Google Ads. About six in ten booksellers experienced a positive ROI from search engine optimization (SEO) (57%).

Almost nine in ten booksellers surveyed don't do podcast sponsorships, interviews, or features (89%). About seven in ten booksellers don't have a website or blog (74%).

About seven in ten of all booksellers don't enable shopping or embed products on Instagram (74%).

Advertising in print / physical spaces

The highest positive ROIs were experienced from staff picks (81%), indoor signs/displays (79%), and store newsletters/circulars (76%).

About seven in ten booksellers experienced a positive ROI from their sidewalk sign (71%). About half of booksellers experienced a positive ROI from advertising in a newspaper/magazine (48%).

"The increase of authors interacting with readers on social media has impacted sales in a positive way. Author tours that go to smaller towns seem to do well with attendance and sales."

"Our successful initiatives: Author events in the store / Topical up-to-date book displays / Book reviews on website & in review journal / Staff craft fair."

Would you like to hear more from Canadian booksellers who are using creative strategies to sell books? Listen to BookNet Canada's summer podcast series on innovative bookselling.

We also asked about the ROI from selected national and international events.

The highest positive ROIs were from Love Your Bookstore (56%), Authors for Indies, recently rebranded as Canadian Independent Bookstore Day (55%), and Books for Everybody (48%).

Other events with a positive ROI were Canada Book Day (38%), Banned Book Week (38%), Freedom to Read (33%), and TD Canadian Children's Book Week (31%).

Some other bookseller comments:

"[I would like a] marketing plan across the country to buy and support local."

"I like this idea of Indie Bookstore Day being promoted again. It makes each store be able to promote what they do best."

"I like the renewed focus on Indies by some major publishers with an equalization of terms between the US and Canada."

Co-op advertising and marketing

Advertising and marketing made up, on average, 5% of booksellers' total operational expenses in 2018. Of that 5%, 20% relied on publisher-provided marketing support (i.e., co-op).

We asked those booksellers who rely on co-op to identify the current co-op practices that were most important to them. They reported the most important to be author visits and displays.

Co-op practices ranked by importance to booksellers

Most important

Author visits
Payment for window/in-store displays
Displays
None of these are most important
Point-of-sale materials
Posters
Print advertising
Online/digital advertising
Product brochures
In-house magazines
Other - Fairs

Least important

Booksellers shared more about their relationships with and suggestions for publishers:

"Better margins/discounts from suppliers/publishers, and author event/launch support from publishers."

"More publishers that support co-op programs. To date we only have a few publishers that are truly supportive... the way to do it is telling me what my co-op limit is for this year and how to spend it... Displays, ads, etc. There are smaller publishers who don't have much of a co-op budget but perhaps they could let bookstores know how they could do in-kind support such as making bookmarks, posters for events, etc."

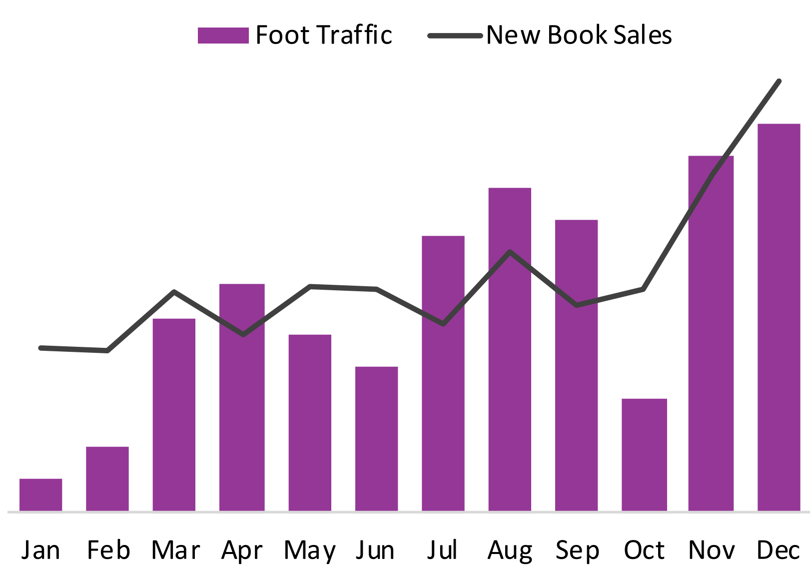
"In recent years we've certainly felt that both Canadian and international publishers are tightening their belts, particularly in terms of events and other promotions, though they are working hard to maximize the effectiveness of co-op programs etc, which is good for all parties concerned. I do feel that all aspects of the industry are dealing with a challenging retail landscape -- online, one dominant brick-and-mortar retailer, etc."

"Staying on top of information from publishers is a challenge. More publishers are doing monthly drop-in catalogues, but the number of announced titles that are delayed from season to season seems to be increasing. It requires lots of staff and rep time to sort out whether backorders are being held or cancelled."

Foot traffic and purchasing

Most customers of independent bookstores visited during the winter holiday and summer months in 2018. Below, we have graphed the monthly sales of new, physical books at independent bookstores, as tracked by SalesData, alongside their monthly foot traffic as reported through our bookseller survey.

Monthly foot traffic in 2018 as reported by booksellers alongside new book sales tracked by BNC SalesData (2018)



Creating in-store experiences is key for driving foot traffic into stores. As one bookseller noted:

> *"Personalized service, engagement and the overall author/reader experience is what you get from brick-and-mortar bookstores."*

In our 2018 Canadian Book Consumer survey, we asked book buyers why they chose those stores for their purchases. The main reasons book buyers shopped at indie bookstores was because it was convenient and because they enjoyed the atmosphere.

Why book buyers chose to shop at an independent bookstore (Canadian Book Consumer survey, 2018)

1. Convenient place to shop
2. Enjoy shopping there/good atmosphere
3. Book in stock/available immediately
4. Good selection of books
5. Good service
6. Good price/offer
7. The book was cheaper
8. Easy way to buy books
9. Happened to see the book there
10. Able to order/preorder

Booksellers mostly used gift cards to incentivize customers to stop at their stores (91%). About six in ten booksellers shared their in-store product inventory online (57%).

Popular customer incentives

Almost nine in ten booksellers offered an employee discount (86%). More than seven in ten offered a teacher/librarian discount (74%).

About six in ten booksellers ran a loyalty/rewards program (63%). The average number of members for such programs was 4,000, with a median of 1,500 members. The largest loyalty program had 19,000 members and the smallest program had about 50 members.

About six in ten book buyers surveyed for our 2018 Canadian Book Consumer survey belonged to a book-related loyalty program (61%). Of those buyers, 4% belonged to a local bookseller loyalty program.

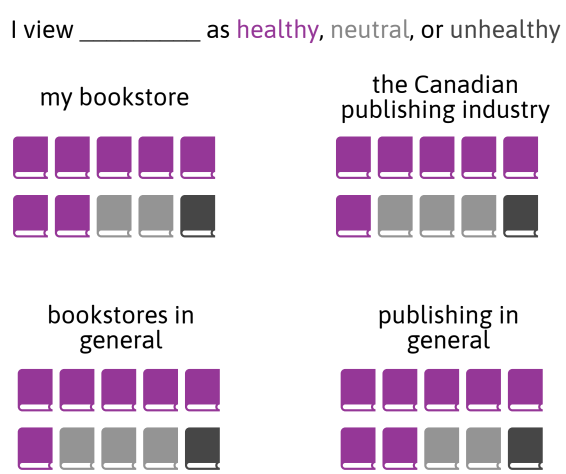
We asked about holiday promotions in 2018. Half of booksellers offered a promo for Boxing Day (50%) and almost four in ten booksellers offered a promo for Christmas (35%). A quarter of booksellers offered a promo for Black Friday/Cyber Monday (25%). Other popular promotions offered by booksellers were for Valentine's Day (24%), Mother's Day (24%), and Father's Day (21%).

Industry perceptions and suggestions

We asked booksellers to rate the health of 1) their bookstore, 2) bookstores in general, 3) the Canadian publishing industry, and 4) the publishing industry in general. For the most part, booksellers had a very positive outlook on their stores and the industry in general.

About three out of four booksellers viewed their bookstore as healthy (74%). About six in ten viewed the Canadian publishing industry as healthy (63%). The same amount, 63%, viewed bookstores in general as healthy while 66% viewed publishing in general as healthy.

Viewpoints of independent booksellers



Very few booksellers viewed bookstores or publishing as unhealthy (6% for each of the four industry segments). The remaining booksellers held neutral views.

Booksellers shared positive attitudes, words of support, and concrete suggestions:

"I love that our bookshop can take a stand politically for issues we are passionate about."

"Governmental costs, municipal, provincial, and federal, are making it impossible to make a healthy profit. Allowing leeway for an industry with set pricing is a necessity."

"In comparison with the recent past, our customers perceive that books are important and that bookstores other than Amazon and the chains are surviving, or at least want to survive."

"With a positive attitude from our customers, it gives me energy to further sustain our store and the industry overall."

"There should be more grants (business or art) and financial support given to indie bookstores by the industry and the government."

"Although the book industry has its challenges and struggles, the bookstore business is thriving slowly and will be steadfast despite the online generation. We believe that the bookstore business is potentially competitive, especially to those who truly understand the dynamics and business model of bookselling."

"The Québec model — mandating the purchase of books by schools and libraries from local bookstores — would be a great help [to bookstores in other provinces]."

"Keep it real, put customers first always, try new things, don't get caught up in fancy technology to the extent it impacts staff time to relate to customers, and keep systems simple but make sure staff are all on the same page and consistent with implementing them."

Want more information?

Has this report piqued your interest in finding out more about books in Canada? BookNet Canada has extensive research available on our website, both free and for purchase.

Keep reading with one of these recent free studies:

- Demand for Diversity: A Survey of Canadian Readers
- Readers Are Listening: Audiobook Book Use in Canada
- The Canadian Book Buyer 2018
- Borrow, Buy, Read: Library Use and Book Buying in Canada

About BookNet Canada

BookNet Canada is a non-profit organization that develops technology, standards, and education to serve the Canadian book industry. Founded in 2002 to address systemic challenges in the industry, BookNet Canada supports publishing companies, booksellers, wholesalers, distributors, sales agents, and libraries across the country.

BookNet Canada acknowledges that its staff, board, and partners work upon the traditional territories of the Mississaugas of the Credit First Nation, Anishnawbe, Haudenosaunee, Wendat, and Huron Indigenous Peoples, the original nations of this land. We endorse the Calls to Action from the Truth and Reconciliation Commission of Canada and support an ongoing shift from gatekeeping to spacemaking in the book industry.

The book industry has long been an industry of gatekeeping. Anyone who works at any stage of the book supply chain carries a responsibility to serve readers by publishing, promoting, and supplying works that represent the wide extent of human experiences and identities, in all its complicated intersectionality. We, at BookNet Canada, are committed to working with our partners in the industry as we move towards a framework that supports "spacemaking," which ensures that marginalized creators and professionals all have the opportunity to contribute, work, and lead.

BookNet Canada's services and research help companies promote and sell books, streamline workflows, and analyze and adapt to a rapidly changing market. BookNet Canada sets technology standards and educates organizations about how to apply them, performs market research, and tracks 85% of all Canadian English-language print trade book sales through BNC SalesData.

Industry-led and partially funded by the Department of Canadian Heritage, BookNet Canada has become, as *The Globe and Mail* puts it, "the book industry's supply-chain nerve centre."