

**BEATLES HERITAGE IN LIVERPOOL AND ITS
ECONOMIC AND CULTURAL SECTOR IMPACT:**
A REPORT FOR LIVERPOOL CITY COUNCIL

November 2015



1. Executive Summary

This report has been commissioned by the Mayor of Liverpool Joe Anderson OBE. The goal of this commission is to provide an evidence base from which policies and actions could be developed to maximise the value of the Beatles Heritage to the City of Liverpool.

1.1 Team

This report and the underlying research were undertaken by three research institutes based in the University of Liverpool and Liverpool John Moores University: the Institute of Popular Music at the University of Liverpool; the European Institute of Urban Affairs at Liverpool John Moores University; and the Institute of Cultural Capital, a department jointly supported by both universities, established after the 2008 European Capital of Culture.

1.2 Method

The report is based on interviews with a snowball sample of the Beatles industry in Liverpool across Core, Semi-periphery and Periphery stakeholders. Interviews were supplemented by data from literature, prior work and regional economic data.

1.3 Primary economic findings

The economic impact assessment identified four measures of economic performance:

- Direct impact of Beatles specific activities – calculated to be £39m turnover and 690 jobs in 2014.
- Indirect impact - the degree to which Beatles-related business benefits local suppliers – calculated to be a total of £15.64m turnover and 276 jobs in the city in 2014.
- Catalytic impact - the catalytic effects of Beatles activity consists either of the benefits from Beatles-related tourism or those associated with the brand value of the Beatles – such as image and reputational gains – calculated to be £155m in turnover providing jobs for 5,020 people.
- Net impact of Beatles activities - the direct, indirect and catalytic impact figures were then adjusted to allow for economic benefits which would have materialised anyway, those which have benefitted other parts of the city region and wider economy, those which have detrimentally affected other businesses and the knock on effects of spending in other parts of the local economy. From this the team estimated that the **net impact** of the Beatles legacy in 2014 was **£81.9m turnover and 2,335 jobs**.

1.4 Primary cultural sector findings

The cultural sector analysis identified a set of issues to be addressed or recognised in any new policy or actions by the City of Liverpool:

- The quality, authenticity and global status of the Beatles 'brand' is key to maintaining its economic value identified by the project.
- The current offer is seen to address the majority of the needs of both the dedicated Beatles enthusiasts as well as more general visitors to the city.
- Improvements in a number of areas could help develop the current offer, including:
 - The improvement of public spaces associated with the Beatles.
 - Better management of public spaces.
 - Developing professional knowledge and training in certain sectors of the Beatles industry.
- Greater co-ordination between *core stakeholders* in the city's Beatles offer – both public and private - could help in maximising economic performance and provide a basis for collective strategy across all aspects of the offer.
 - Future strategy will need to address the following issues:
 - Changing nature of Beatles offer to consumers in terms of their expectations of experiences, locations, and activities.
 - Long term change to copyright and intellectual property rights around Beatles recordings and heritage.
 - The opportunities and challenges of interactive digital media in relation to the delivery, business models and experience of the Liverpool Beatles offer.
 - Integration of Beatles heritage offer into both wider Liverpool heritage and contemporary cultural offers.

1.5 Conclusions

Everyone interviewed felt that Liverpool would go on attracting visitors through its Beatles connection long into the future. At present this makes a notable contribution to the economic activity of the city. At the very least, the city needs to maintain standards in its efforts to promote the legacy of the group. There is a risk to its reputation if it does not attempt to ensure that quality is maintained by all agencies who seek to benefit from facilitating the desire of visitors to explore and access the heritage of the Beatles. At its core the cultural value of a positive Beatles experience for fans, visitors and citizens is what underpins the economic impact.

Foreword

The Beatles need no introduction. We know who they are. We know what they sang. We know they loved Liverpool. We know people travel from across the globe in pilgrimage to their birthplace. But we didn't know what their legacy really was – there was no tangible evidence or analysis of the current Beatles offer. We couldn't even say to what extent the Fab Four benefitted the city economically. As a city we are massively proud of our Beatles heritage - but are we making the most of it and are we doing it right? I asked for this report to be commissioned as the first step in a journey which will ultimately allow us to create the best possible experience for both visitors and residents. The Beatles are not only an integral part of our history, but they're also an integral part of our future, and we are committed to working with all stakeholders to ensure the legacy of our Liverpool sons lives on for generations to come.



Joe Anderson OBE
Mayor of Liverpool

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3. Introduction

“And, of course, the emotional connection[s] that people get with music are very real and very strong. ... The music helps with that emotional engagement, and I think that’s what The Beatles, specifically, can deliver, because it’s the music that people grow up with, it’s the music that people cover, nowadays, and I still think it has a real relevancy; but particularly in terms of pulling the heart-strings and making people emotionally connected to a place” (Core regional stakeholder).

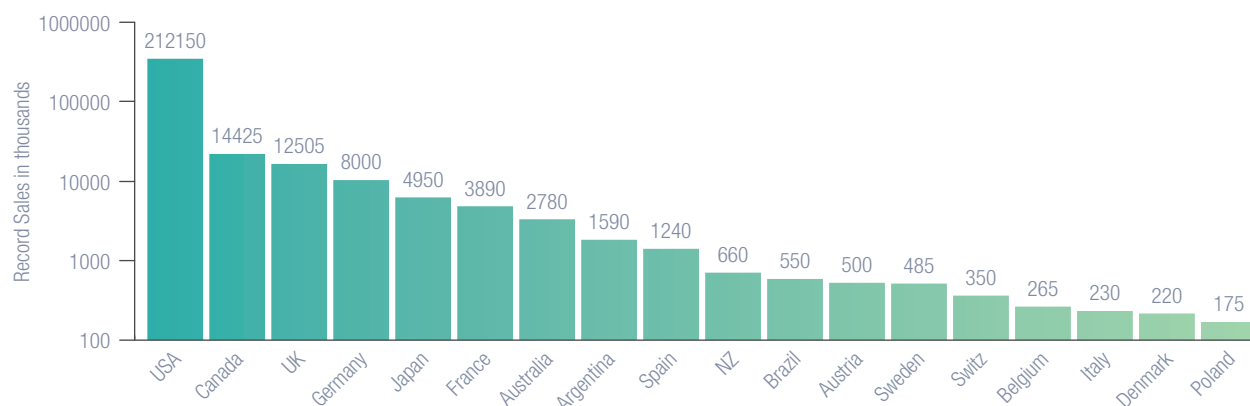
Mention of the Beatles usually prompts a long list of superlatives about their musical masterpieces, meteoric rise to fame, commercial success, global impact, enduring appeal and cultural significance. By common consensus, the Beatles are the most commercially successful band ever with global sales totalling over 600 million records, tapes and CDs. The Beatles have total certified record (albums, singles including digital downloads and videos) sales of 264.9m, higher than Elvis Presley’s 208.8m and Michael Jackson’s 175.6m, in second and third place respectively. 80% of the Beatles certified record sales have been in the USA, with over 212m sales there, followed by Canada with just over 14m and the UK with over 12m certified record sales (Figure 1). Hardly surprisingly, a vast amount has been written about the Beatles – more than 8,000 books alone according to an authority on the subject (Brocken, 2009). Many of their songs’ lyrics have entered common parlance. Since a number of them refer to events and scenes from the

Beatles’ childhood, there is a strong association between the Beatles and their birthplace, Liverpool where they grew up, first started playing and came to prominence in the early 1960s. Also, there are significant personal connections between surviving band members, Sir Paul McCartney and Ringo Starr, the wider family of all four Beatles and the city. Sir Paul founded the Liverpool Institute for Performing Arts, the airport and the Liverpool John Moores University arts schools were renamed the Liverpool John Lennon Airport and the John Lennon School of Art and Design, respectively. Ongoing links are evidenced by Sir Paul’s, Yoko Ono’s, Olivia Harrison’s and Richard Starkey’s many and ongoing contributions to cultural events in the city.

“Liverpool is a global city - with music and sport having a massive global following. Did you know there are 30 Beatles statues throughout the world? Through the Beatles’ music, Liverpool is linking itself to cities around the world.” (Beatles Author)

Figure 1: Beatles Record Sales: Volume of Certified Record Sales in leading markets

Source: Wikipedia - total of certified units (for each country) include sales of albums, singles, compilation-albums, music videos as well as downloads of singles and full-length albums. Certified units are sourced from available online databases of local music industry associations. Certified sales are designed to avoid inflated sales figures, which record companies quote for promotional purposes (i.e. claimed sales).



However, the economic and cultural value of the Beatles for Liverpool has received much less attention with a few notable exceptions (Cohen, 2007; UK Music, 2014; Brocken, 2015). This report addresses this gap in knowledge and understanding. It also addresses a wider set of related issues, questions and debates:

- In an era of global competition for jobs and investment, does Liverpool's close association with the Beatles help to differentiate the city and make it an attractive place in which to live, work, visit and invest?
- What is the significance of the Beatles to the city's tourism industry?
- Is the city making the most of its association with the Beatles?
- In the current climate of major public expenditure cuts and constraints, is there a case for allocating scarce public resources to developing this aspect of Liverpool's musical and cultural heritage?
- Are there any downsides to the Beatles legacy in economic and social terms?

Over the years, there have been differing local takes and perceptions of the Beatles, their relationship with their birthplace, their influence on the local music scene, the city's image, the durability of the appeal, and more generally the value of music heritage-related tourism. Some have argued that the Beatles and their legacy, somewhat paradoxically, are more highly valued and appreciated abroad than in this country. Seeking to quantify in hard numbers the value of the Beatles to their host city and identifying the routes to maintain and develop this value, should inform these continuing debates.

3.1 Some quick definitions

For the sake of this report we need to define what we mean by the "Beatles". After 50 years what is understood by "the Beatles" is far more than just four musicians from Liverpool. The term "the Beatles" is used in conversation, publications and in the statements of our interviewees

to encompass a range of people, music, organisations and ideas. Often the term is qualified if a specific point is being made – the Beatles music, Beatles brand, Beatles image and so forth. It is a testament of the importance and role of the Beatles in international and UK culture, within Liverpool and as part of individuals lives that the name means far more than "just the band". We have therefore tried to identify the elements of this broad concept relevant to this report. We would distinguish between:

- The Beatles as 'band/people' – including the members and their relatives.
- The Beatles as 'music' – it is self evident that the music of the Beatles band and subsequently individual members is at the core of Beatles experiences everywhere.
- The Beatles as a 'brand' – though a number of respondents disliked this concept there was an acceptance that the Beatles do appear as a 'brand', both intentionally and through their high international profile, to many consumers.
- The Beatles as an 'offer' in Liverpool – the set of activities described in this report provide a Beatles offer to visitors and residents of Liverpool; one that is predominantly focused on experiencing and engaging with many aspects of the 'Beatles' including music, brand and heritage.
- The Beatles as 'heritage' – as we will note later there remains a tension between the "contemporariness" of the Beatles brand, music and experiences and the fact that there is now a clear, strong heritage element to all aspects of the Beatles - one that links the Beatles to world, UK and Liverpool history.
- The Beatles as 'industry' – aside from the obvious commercial role of Apple Corps in managing the Beatles catalogue and intellectual property, within the context of Liverpool the set activities which form part of the local Beatles offer constitute an identifiable economic 'sector' for the city.

Within the report we will try to be clear about which aspect of the "Beatles in Liverpool" is under discussion or consideration.

4. Research methodology and data collection

This project is not about the music of the Beatles, nor is it about the musical or personal histories of the Beatles. It is concerned with the contemporary 'value' of the 'Beatles heritage' or 'Beatles industry' as it relates to, is curated or operates within Liverpool. The influence of the Beatles as both musicians and as a 'brand' is both global and cross-generational –as indicated by both sales and data from our own research here – very much alive with contemporary relevance. In the face of this we need to be clear that this report seeks to address one specific aspect of the global phenomenon that is the Beatles – that is the current and future value of Beatles related social and economic activity in Liverpool. In this sense we are treating the Beatles akin to other heritage or contemporary social and cultural assets in the city – such as football teams, museums and galleries, the world heritage site or events such as the Biennial arts festival or the 'Giants'. We do not deny the distinctive and major influence of the Beatles on music, British and global culture or on individuals in Liverpool or elsewhere. Rather this report focuses on how this value has tangible social and economic benefits in Liverpool. The research took place over a six-month period across spring and summer 2015. For more in depth historical, musicological and social analyses of the Beatles please see the suggested literature in Appendix 3: Academic references.

4.1 Team

This report and the underlying research were undertaken by three research institutes based in the University of Liverpool and Liverpool John Moores University. The Institute of Popular Music (Dr. Mike Jones) at the University of Liverpool is an internationally renowned centre for research and teaching in popular music. The IPM led the engagement with the Beatles heritage industry in Liverpool and the consideration of heritage development. The European Institute of Urban Affairs (Prof. Richard Evans, Dr. Gerywn Jones, Dr. Martin Hudson) at Liverpool John Moores University has an extensive track record of social and economic analyses of urban regeneration and urban policy. The EIUA led the substantive economic

impact analysis. The Institute of Cultural Capital (Prof. Simeon Yates, Stephen Crone) is a department jointly supported by both universities, established after the 2008 European Capital of Culture, to research and evaluate the social, economic and community impacts of cultural investments in Liverpool and the wider world. The ICC led the overall project and managed the interview schedule and the qualitative analysis.

4.2 Sample

One of the starting points for this research is the fact that the Beatles industry in Liverpool is not co-ordinated from a single point – nor could it be. As a result, there is no single source of data for information on all the companies, institutions, organisations, locations and individuals that make up this economic 'sector' in Liverpool. The team therefore took a 'snowball' approach to developing the list of interviewees in which an extensive initial set of identified respondents provided data, some of which led to further cases and examples. In many cases, interviewees were the local and international experts on the reach and activity of the Beatles industry in Liverpool. The initial starting points were:

- Search of local directories and Companies House data for any overtly Beatles linked businesses in Liverpool.
- A list of all Liverpool based heritage and tourist institutions with Beatles content or attractions.
- Regional and national Beatles stakeholders.
- Individuals and organisations identified by Culture Liverpool.

Details of the organisations and individuals who provided data can be found in Appendices 1 and 2. Table 1 provides an overview of the types and numbers of organisations that provided full semi- structured interview data.

Table 1: Interviews undertaken for this report

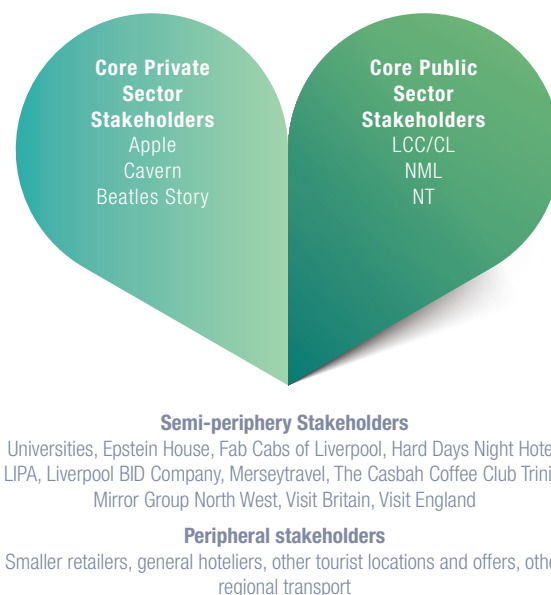
Organisation	Number of Interviews	EIUA	IPM	ICC
Apple	1		✓	✓
Association of Liverpool Tour Guides	1	✓		
Beatles Story	3	✓		
Cavern City Tours	3	✓	✓	✓
Epstein House	1	✓		
Fab Cabs of Liverpool	1	✓		
Hard Days Night Hotel	1	✓		
Liverpool Institute for Performing Arts	2	✓	✓	✓
Liverpool BID Company	1	✓	✓	✓
Liverpool Business School	1	✓		
Liverpool City Council	2		✓	✓
Liverpool Vision	1	✓		
Merseytravel	1	✓	✓	✓
National Museums Liverpool	2	✓	✓	
National Trust	2	✓	✓	✓
Royal Liverpool Philharmonic	1		✓	
Salvation Army	1	✓		
The Casbah Coffee Club	1		✓	
Trinity Mirror Group North West	1	✓		
Visit Britain	1		✓	✓
Visit England	1		✓	✓

4.3 Structure of the Beatles industry in Liverpool

In this report we distinguish between three types of ‘Beatles industry’ stakeholders in Liverpool – see Figure 2. Firstly, there are what we have called *Core stakeholders*. These are organisations that have a major stake in the

Beatles brand, especially in relation to Liverpool. They either manage major aspects of the local Liverpool offer or have responsibility for oversight of aspects of the offer. These organisations have heavily invested both financially and organisationally in leading the overall Beatles offer and are very tied to the Beatles brand. We distinguish between public and private sector *Core Stakeholders*. Semi-periphery stakeholders are the smaller organisations and the engaged larger organisations for whom support of the Beatles brand and offer are not a core part of their remit. This group of organisations are reliant upon the maintenance of the Beatles brand and offer in the city for some aspects of their work but do not ordinarily lead its development. The final group are the Peripheral stakeholders. These are other organisations, traders and activities that rely on the presence of the Beatles offer in Liverpool and form part of the overall Beatles industry but have not extensively invested in the maintenance or organisation of the brand or offer. We believe that this distinction is key to appropriate policy with regard to the future development of the Beatles offer and Beatles industry in Liverpool.

Figure 2: Stakeholders in the Liverpool Beatles industry



4.4 Data collection

Data was collected through semi-structured interviews with *Core and Semi-periphery* stakeholders. These were usually about one hour long, though considerably longer in some cases. Follow up interviews were conducted if additional data was needed. This was often undertaken by the EIUA to verify and check economic and financial data. Additional small spot surveys were also undertaken by the EIUA to assess aspects of the economic data. The main interviews covered the following topics:

- Background
 - Major links between role/organisation and the Beatles as musical act/Band or as a 'brand'.
- General 'value'.
- Current 'value' of the Beatles to Liverpool.
 - Beatles legacy and Liverpool's brand and reputation.
- Economic 'value'
 - Current overall economic value of the Beatles legacy: tourism numbers; expenditure; public and private investment; output; jobs.
 - Variations in economic value over time.
 - Beatles attractions and other parts of the city: economic effects; social effects; regeneration effects.
- Concerns
 - Potential social, economic or cultural downsides to the Beatles legacy and current activity.
 - Future concerns: Economic, Social, Cultural, Branding.
- Potential major new/future value of the Beatles to Liverpool: Economic, Social, Cultural, Branding.
- Enhancing the economic long-term or future value of the Beatles legacy and attractions.
- Innovations, developments or curating to support this long-term or create future value around the Beatles 'offer' for Liverpool.
 - Actions to be avoided in regard to preserving or developing the long-term or future legacy of the Beatles.
- Models of best practice that Liverpool could emulate in regard to preserving and developing the Beatles heritage.
- The long-term and future value of the Beatles to the citizens and city of Liverpool itself.

The interviews were transcribed. Key economic data were extracted. A thematic analysis was conducted in order to explore opportunities, concerns and broader social issues raised by the interviewees.

4.5 Methodology for the economic analysis

Our methodological approach is similar to that adopted in other studies gauging the economic impact of arts and cultural activities which have become increasingly prevalent in recent years. At present there is a lack of comprehensive primary data on the Beatles economy. We have therefore focused on the key sectors of the Beatles economy – visitor attractions, themed hotels, shops selling Beatles merchandise, educational institutions. Our model is summarised in Figure 3. It involves a four-stage calculation. The first stage involves estimating the direct impact of the Beatles legacy by collecting data on jobs, turnover of major Beatles businesses, institutions and venues. We also collected information on local procurement spending in order to estimate the indirect impact of these businesses on the local supply chain – the second step in the analysis. The third stage was to calculate the catalytic impact of the Beatles sector which comprises two elements - spending of Beatles tourists on such items as food, drink, restaurants, hotels and at other tourist attractions and the value of the Beatles brand to the city. We did this by collecting information on visitor numbers and a combination of LEP destination survey data about their spending patterns and anecdotal information from interviews with Beatles businesses and by using advertising value equivalency techniques, respectively. By summing direct, indirect and

catalytic impacts it is possible to calculate gross impact of Beatles-related activities in the city, expressed in terms of total GVA and jobs. The final stage of analysis entailed taking into account a variety of factors which either deflate or inflate their gross impact in order to arrive at their net economic impact. These include:

- Leakage - impacts which benefit other areas situated beyond the city boundary;
- Displacement - activity which leads to reduced returns in other local businesses;
- Deadweight - what would have happened anyway in the absence of the Beatles;
- Multiplier effects - the additional economic activity which results from increases in local income, local supplier purchases and longer term development effects.

To do this we applied relevant data from other studies.

To populate our model with data we deployed a variety of research techniques:

- A review of past research and available data about Beatles related activity and tourism.
- Semi-structured interviews with managers of major Beatles organisations and attractions based in the city.
- E-surveys of a sample of Beatles businesses and spot sample surveys at key arrival points.

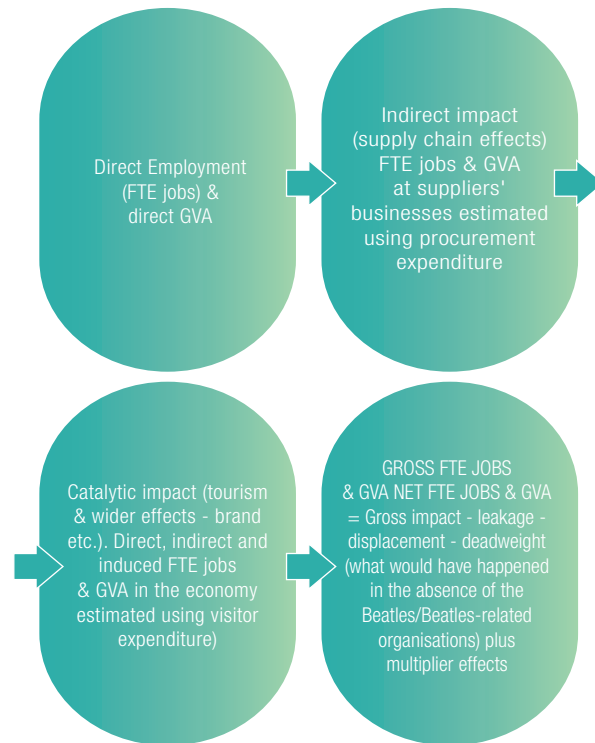
Given both fragmentary existing information and difficulties in assembling comprehensive data, we have had to use a combination of available data sources, survey data and proxy data.

Appendix 2 goes into further detail about:

- our methodological approach to the research;
- the methodological and practical challenges we encountered and the steps we took to overcome them;
- the basis of our assumptions for using proxy data and allowing for leakage, displacement and deadweight and multipliers to obtain estimates of net impact;

- the caveats to bear in mind in interpreting our study results.

Figure 3: Economic impact model



4.6 Social and heritage analysis

This analysis was more open ended than the economic work. The interviews were analysed inductively to identify some of the core themes that emerged in the discussions. In particular, issues relating to the current and future offer, challenges and potential developments were identified. The data were coded into the identified themes using NVIVO. The identified themes formed the basis of the main discussion points in Section 6. Table 2 highlights the main themes identified in the analysis. Appendix 4 list the full set of codes and quantifies the number of interviews where issues were discussed and the number of sections coded.

Table 2: Key qualitative codes from analysis

Name
1. The Beatles and the World
1.1. The extent and intensity of the Beatles' popularity today
1.2. Explaining the Beatles' enduring popularity and cultural impact
1.3. Prospects for the Beatles' future popularity
2. Liverpool and the Beatles
2.1. The importance of Liverpool to the Beatles in their formative years
2.2. Liverpool's attitude and behaviour towards the Beatles - past, present and future
2.3. The Beatles' attitude and behaviour towards Liverpool - past, present and future
3. Liverpool's Beatles offer
3.1. Mapping the Beatles offer on the periphery
3.2. Historical development of the offer
3.3. Positive aspects or complimentary assessments of the current offer
4. Liverpool's management and exploitation of the Beatles brand
4.1. Structures, strategies and efforts to co-ordinate and capitalise on the Beatles
4.2. Adequacy of existing structures, strategies and efforts
5. The current and future value of the Beatles
5.1. To Liverpool
5.2. Beyond Liverpool
6. Factors that may affect the potential future value of the Beatles
6.1. New markets for tourism
6.2. Expiration of Apple copyrights
6.3. Disruptive effects of digital technology
6.4. The resilience of the Beatles' popularity among younger generations
6.5. Rise of experience-focused and cultural tourism
6.6. Degree of commitment of next generation of Beatles custodians
6.7. Alienation of local residents by unregulated tourism
7. Charting a course forward
7.1. Obstacles to progress
7.2. Recommendations

5. Economic analysis

5.1 Summary of past research findings

To set the scene for our study, we conducted a literature review to assemble existing evidence of the economic value of the Beatles to Liverpool. The most comprehensive research on the Beatles to date formed part of a larger study on the value of music heritage tourism in the UK (UK Music, 2014). In essence, that study adopted a two-stage method of calculating the economic value of the Beatles to Liverpool. First, it estimated direct spending at Beatles paying attractions by multiplying visitor numbers by typical prices charged. Secondly, it calculated indirect spending by Beatles tourists on other facilities (such as accommodation, shops etc.) using separate research that had calculated total indirect visitor spend in Liverpool and then multiplied that figure by the proportion of total visitors to Liverpool that attended those attractions. It estimated that the combined direct and indirect impact of Beatles tourism in Liverpool was worth about £70m per annum. It also cited Liverpool LEP research that had found that 32m people had visited the city in 2013, spending £2.3bn and supporting nearly 29,800 jobs and that of those 1m had stated that the Beatles were the main reason they were visiting the city. The authors of the study argued that these figures probably underestimated the impact of Beatles tourism since 43.9% of visitors had cited sightseeing as the primary reason for visiting Liverpool and that some of those people would have included Beatles sights and attractions in their itinerary. The study also described the range of Beatles attractions in the city and the visitor numbers they were then attracting:

- Beatles Story: 254,000 (2013)
- Magical Mystery Tours: 33,000 (2010)
- Fab Four Taxi Tours: 3,300 (2013)
- John Lennon and Sir Paul McCartney's childhood homes, Mendips and Forthlin Road respectively: 10,000 (2013)

Liverpool LEP have been separately quoted as claiming that a much higher number of 2 million visitors are drawn to Liverpool because it spawned the Beatles and that they spend about £400m a year during their visits (The National, 2013). Local entrepreneurs have produced a half-way house figure of 1.5m people who come to the city because of the Beatles (Academy for Leisure, 2014). These varying estimates of the impact of the Beatles legacy highlight the need for further research and this piece of work.

5.2 Our findings

We begin by analysing the number of direct jobs in Beatles-related activities, taking each sub-sector in turn.

5.2.1 Attractions

The main Beatles attractions are listed in Table 3. Beatles Story (see case study 1) is the fourth most popular paid tourism attraction in Liverpool, hosting around a quarter of a million visitors in 2014. The owners of the Cavern Club (see case study 2) estimate that they admit about 800k guests each year where they can listen to live music free of charge. The childhood homes of the Beatles owned and run by the National Trust attracted 10,400 visitors between them (case study 3). Despite their popularity, visitor numbers are limited because both homes are only accessible via a minibus tour and rate of entry is strictly controlled owing to their small size and sensitive residential location. Between them the three attractions generate an annual turnover of over £10.2m and directly employ about 135 staff (FTE).

Table 3: Beatles attractions

Attraction	Nature of activity
The Beatles Story	Exhibition space
Cavern Club	Bar, Club, performance venue
20 Forthlin Road - McCartney Home	Museum
Mendips - John Lennon Home	Museum

Case Study 1: Beatles Story

The Beatles Story contains the world's largest permanent exhibition purely devoted to the lives and times of the Beatles. It contains replicas of the Casbah Coffee Club where they socialised in the early days, the Cavern Club where they rose to fame, nearby Mathew Street and Abbey Road Studios, London and also features other key scenes from their music career and also an exhibition space, shop, cafe and educational facilities. Established in 1990, it is one of the city's most longstanding Beatles attractions. Since it opened it has attracted over 4m visitors. It benefits from being located in the historic Albert Dock complex on the waterfront and nearby there is a pick-up and drop off point for Magical Mystery bus tours. Most (over 70%) of its visitors are from overseas and this has been the case for many years. International visitors stay longer and spend more than domestic visitors, providing a greater boost to the local economy. According to senior staff, the average length of stay of Beatles visitors is increasing owing to Liverpool's growing number of attractions and recent regeneration.

Beatles Story have collected a variety of longitudinal data since they opened which show how the business has developed and also give a wider indication of how the Beatles economy has grown (See Figure 4, Figure 5, Figure 6, and Figure 7). Visitor numbers, staff and turnover grew gradually during the nineties. Since the millennium they have followed an upward trajectory, with the pace quickening around the time that the city became European Capital of Culture in 2008. The rate of growth has been sustained since then, despite some flattening of visitor numbers this decade. Contributory factors have included preparations for Capital of Culture designation, the growing number of international links at John Lennon Airport, dramatic improvements in the city's hotel and restaurant offer and the quickening pace of city centre regeneration (e.g. Big Dig, Liverpool One). Also, major improvements to facilities were made in 2008 when a new café and educational rooms (Discovery Zone) were opened and over the last three years, air conditioning has been installed, audio guides in further languages provided and more memorabilia added. Marketing of the attraction to tour operators has boosted custom, too.

The Discovery Zone educates visitors, especially children, about the Beatles, their childhood, music, cultural influences and legacy and also encourages children to participate in writing and music making. It links learning materials to selected areas of the National Curriculum (history, literacy, art and music) to promote learning. Beatles Story has been awarded a Quality Badge by the Council for Learning Outside the Classroom for the calibre of its learning resources.

Since 2008, the attraction has been owned and run by Merseytravel and generated retail turnover of £2m and total turnover of £4.3m. Beatles Story has opened a shop selling Beatles merchandise at the ferry terminal and introduced joint-ticketing schemes which enable visitors to visit Beatles Story, Liverpool football club and other attractions and to go on the ferries.

Echoing in many respects key markets for Beatles' global record sales, leading origins of visitors to Beatles Story in 2014 included the USA (7.21% of visitors), China (5.1%), Brazil (4.56%), Spain (4.2%), France (4.15%), Australia (3.54%), Germany (3.3%), Canada (2.83%), Italy (2.17%) and Norway (2.17%).

Front-line staff and survey intelligence indicate that about 65% of visitors visit Beatles Story primarily because of the attraction and their interest in the Beatles whereas for the remainder, Beatles Story is part of a wider itinerary.

The attraction currently employs 43 staff (FTE), 85% of whom live in either Liverpool or the Wirral.

The company generates significant benefits for the wider economy as around three quarters of its suppliers are based within the city (on average it spends £0.9m per annum on supplies and services). Added to that is the multiplier effect associated with staff spending in local economy which amounts to an estimated £406k per annum in the city and £481k for the city region as a whole.

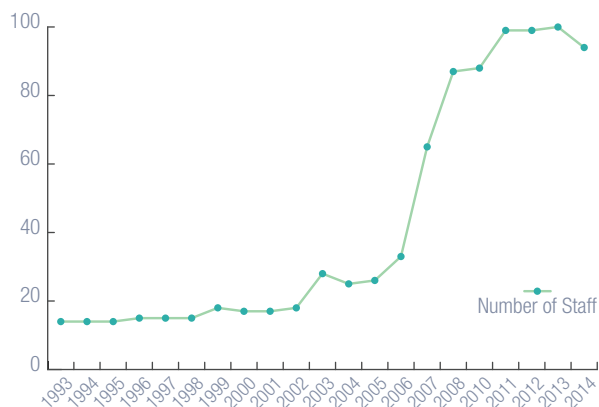


Figure 4: Beatles Story Total Staff 1993-2014
(No data available for 2009)

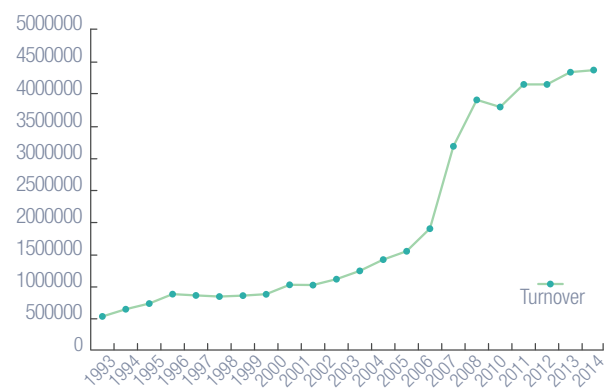


Figure 5: Beatles Story Turnover 1993-2014
(No data available for 2009)

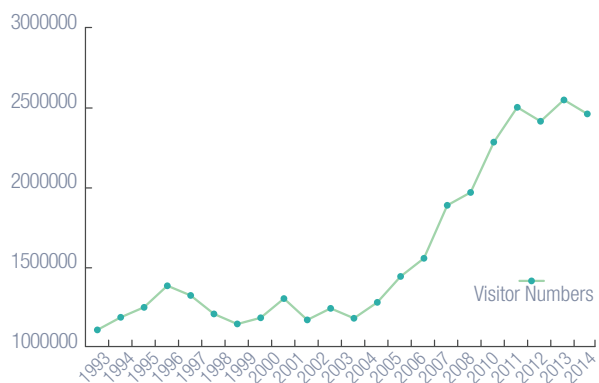


Figure 6: Beatles Story Visitor Numbers 1993-2014

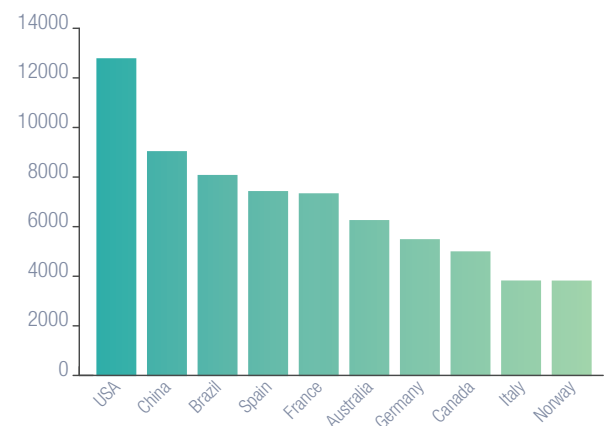


Figure 7: Beatles Story Top 10 worldwide locations of visitors in 2014 (Does not include UK)

Case Study 2: Cavern City Tours

Cavern City Tours was founded by local entrepreneur Bill Heckle in 1983 with the aim of creating tour packages for Beatles fans around the world. He was joined by fellow entrepreneur Dave Jones in 1985. They have since introduced Beatles tours, launched an annual Beatles Festival and in 1991 acquired a replica of the original Cavern Club structure nearby which had regularly hosted the Beatles in their formative years. Later they opened the Cavern pub there and created Cavern Records. They also launched the Mathew Street Festival which was staged each year from 1993-2012. They also came up with the concept and design for the now separately run Hard Days Night Hotel.

The Cavern City Tours business currently has a number of facets to it. It operates daily scheduled Beatles tours throughout the year (Magical Mystery Tours), stages an International Beatleweek Festival each year and runs the Cavern Club and Pub where there is live music daily, including concerts by leading pop artists.

CCT managers estimate that they:

- host about 800k people in the Cavern each year - part of its popularity stems from the fact that visitors can hear live music free of charge.*
- carry about 55k people a year on their scheduled tours and attract 40k on private tours by guides whom they never see.*

Many other leading UK and international pop artists continue to play at the Cavern confirming its enduring appeal and significance. Amongst their number are three of the top 10 grossing US artists and two leading Chinese pop stars who each performed there last year. According to Cavern staff, visitors from 25 different nationalities pay a visit on any particular day. Between 25-30% of total visitors are from overseas.

In 1986, CCT took over the Beatles Convention which had been held over a weekend since 1980 and extended it and re-badged it International Beatles Week and they have staged it ever since. It features concerts, guest-

speaker events, art exhibitions, film screenings, markets and lectures and trips to Beatles- related sites. Last year, 78 groups from 23 countries, many of which are tribute bands, gave a total of 500 performances and the event attracted an estimated 5,000 fans, many from abroad.

In line with other Beatles attractions, the business has experienced a surge in growth since 2008 which was when Liverpool enjoyed Capital of Culture status and the massive Liverpool 1 mixed use development opened. CCT's turnover has since typically grown about 15% annually. Company turnover is now £7.2m per annum and profits are around £1.2m each year. Out of total turnover, the company sells £0.75m of merchandise and generates £0.75m from live music, which therefore benefits local artists and the local music scene. CCT directly employ 87 employees (FTE) and in addition it contracts 55 local musicians to play at the Cavern each year, thereby boosting the city's economy. These musicians employ the equivalent of 5(FTE) employees. CCT actively markets its attractions and events in 12 different countries, especially US, China, Japan, Brazil, Italy.

Case Study 3: Forthlin Road and Mendips

These two properties were the childhood homes of Sir Paul McCartney and John Lennon, respectively, which are now owned by the National Trust. The Trust gained ownership of Forthlin Road in 1995 and in 2002 Yoko Ono bought Mendips and donated it to the Trust who currently generate about £90k income from the two properties each year. The number of visitors has increased dramatically over time and especially after Mendips joined Forthlin Road. A single ticket grants access to both homes and 10,400 visits were made in 2014. Typically, 10% of visitors are from the city region, 40% from the rest of the UK and a half from overseas, especially North America, Germany, Brazil and China and also Japan and Scandinavian countries. The National Trust liaises closely with local residents to try to minimise the impact of the attractions on the surrounding neighbourhood. All visitors arrive via minibus. Four tours a day escort visitors to the homes from June until October and occupancy levels are very high, averaging about 90%. Two full time staff and one seasonal are employed at the homes.

5.2.2 Hotels

In the hotel sector, it is important to distinguish hotels which either have Beatles themed decor, furnishings and fittings and brand or host major Beatles events from the hotel sector as a whole which enjoys custom from Beatles-related tourism. The former are listed in Table 4. A profile of the Hard Days Night Hotel is given in case study 4. Collectively these hotels generate over £13m in turnover and employ over 400 staff. One Beatles-themed hotel spends 4/5 of its total expenditure on suppliers and service providers in the Liverpool City Region thereby generating a significant number of indirect jobs locally. Niche Beatles hotels are able to charge much higher premiums during Beatles-themed festivals and events (+30-50%) and weekend rates can be double those of weekdays owing to the city's growing popularity as a venue for stag and hen parties, weddings and special interest holidays. During International Beatles Week, Beatles-themed hotels in the city centre are invariably full and one of them, the Adelphi, hosts related events. Average room occupancy in the city is currently 72.8% on weekdays, 87.6% at weekends and 75.4% overall (Mayor of Liverpool, 2015).

It is not possible to say within any precision how many hotel stays in general are attributable to the Beatles. Visitor surveys have suggested that the fact that Liverpool is the Beatles birthplace is considered by about a quarter of respondents as being the most important reason for them visiting the city and as its third most important 'brand' after 'range of attractions' and 'range of events.' These show that the Beatles are:

- a crucial draw to overseas staying visitors with 65% stating that they are a key reason for them visiting the city;
- of significant importance of staying UK visitors of whom 43% feel this way;
- much less important to local day visitors with only 5% mentioning them as a reason for visiting the city.

Soft information from a random sample of taxi drivers at key arrival points suggests that 10-20% of visitors to

Liverpool come at least partly because of the Beatles. Taking account of these figures and the proportion of UK and overnight visitors to the city's hotels, we calculate that hotels other than Beatles-themed hotels generate about £131m in turnover and 480 jobs because of Liverpool's association with the Beatles (see Appendix 1 for further details of method of calculation). Because hotels are a type of expenditure by Beatles tourists we have included the figures in Stage 3 of our model which looks at the wider impact of different forms of spending on the local economy.

A number of interviewees were surprised that so few hotels promote the Beatles given their importance to the Liverpool brand and its appeal, especially to international visitors who tend to stay longer and spend more than the average tourist. The intelligence we gleaned supported that view.

Table 4: Beatles-themed hotels in Liverpool

Hotel	Standard	No of rooms
Britannia Adelphi	3 star	402
Hard Days Night Hotel	4 star	110
Penny Lane Hotel	3 star	17
Sefton Park Hotel	3 star	12
Epstein House	3 star	9
Yellow Submarine	3 star	3
Total rooms		553 (10% of city centre stock)

Case Study 4: Hard Days Night Hotel

This boutique luxury hotel, housed in a C19th Grade 22 listed building on the corner of Mathew Street, was the brainchild of Bill Heckle and Dave Jones, owners of the nearby Cavern club. The hotel has been designed to a very high standard and features Beatles artwork by renowned artists and many photographs from the 1960s onwards. It was developed at a capital cost of £23m. The hotel contains 110 rooms including The Lennon and McCartney suites, several bars and a restaurant, three event spaces, the largest being a 120 seat conference

suite which is an extremely popular venue for weddings – the hotel hosts about 70 each year. Since opening in early 2008, the hotel has enjoyed annual growth in income of between 5-8%. It generated £4.2m in income last year. 80% of its guests come from abroad, especially US, Norway, Europe, Brazil, China, Japan and Indonesia. According to hotel management, expansion of online travel agencies and the opening up of new international connections at Liverpool John Lennon Airport have been particular growth drivers. Many celebrities have stayed at the hotel including Justin Bieber, Robert Downey Junior and John Hurt. The hotel is proving a very effective base for promoting the Beatles legacy and also the city's other attractions to the representatives of key national tourism bodies such as Visit Britain and Explore Great Britain. The hotel employs about 45 staff (FTE). The Hard Days Night shop next door, which is within different ownership, sells Beatles merchandise. The hotel has recently been put on the market by its owner, a local property developer. It has attracted a lot of interest and was snapped up this summer by the international hotel chain Millennium Hotels and Resorts for £13.8m, 25% above the asking price. This provides an indication not only of its current level of success but also further growth potential owing to its uniqueness and ideal location.

5.2.3 Education

There are two main educational institutions based in the city with close associations to the Beatles: Liverpool Institute for Performing Arts, founded by Sir Paul McCartney, and Liverpool Hope University which runs a Beatles, Popular Music and Society MA course (see case studies 5 and 6 for further details). Together these institutions employ over 90 staff (FTE) and generate a turnover of £10.85m each year. Their annual intake of students is around 735 students. Collectively these students inject almost £10.3m into the local economy through their spending. A number of Beatles attractions and activities also have an educational component to them such as the Learning Zone at Beatles Story. Beatles songs and lyrics feature on many educational curricula such as TEFL courses because they are so widely known. While it is almost impossible to put a monetary figure on the Beatles' educational value, the

Beatles element in courses further embeds them in the popular consciousness and sustains their appeal by bringing their music and lyrics to a younger audience.

Case Study 5: Liverpool Institute for Performing Arts

LIPA was the brainchild of Sir Paul McCartney and Mark Featherstone Witty. Mark Featherstone Witty had run the BRIT school in London and wanted to develop his ideas on a larger scale while Sir Paul wanted to find a new use for his former school the Liverpool Institute for Boys which had fallen derelict. They both thought that redeveloping it as a fame school would be an ideal use for the building. The building was converted into a state of the art facility at a capital cost of £20m with funding support from a range of sources including Sir Paul, Grundig, European Regional Development Fund and the city council. LIPA offers three foundational degrees and 8 BA degrees and its philosophy is to provide a blend of specialist and general training. Courses cover dance, music and drama along with production and business skills.

Sir Paul remains closely associated with the Institute, attending degree ceremonies each year to hand graduates their degrees and awards. While LIPA is a relatively small institution (the current number of students is 720, all full time), many of its courses are regarded as amongst the best in the country and it has a global reputation and appeal. It powerfully demonstrates the benefits that Sir Paul's fame and concerts around the world bring the city. LIPA courses are always advertised in his tour brochures and over the period 2006-13 LIPA has attracted almost a thousand international students, more than any institution of its kind in the UK. The Institute has enjoyed steady growth since it was established 20 years ago, and now generates approaching £11m in turnover each year. It has recently taken over adjacent buildings in order to expand teaching provision and also open a Primary School and a Sixth Form College.

Case Study 6: Liverpool Hope University

Liverpool Hope University runs a Beatles, Popular Music and Society MA course for both full (1 year) and part time (2 years) students and is the only course of its kind in the world. Its core purpose is to examine the significance of the music of the Beatles in the construction of identities, audiences, ethnicities and industries and localities. Since the course was launched in autumn 2009, it has attracted between 15 and 30 students each year. In 2014, the University hosted a major two-day Symposium on the Business of the Beatles as part of the city's International Festival of Business. The Beatles MA and other related activities have generated about £0.5m in fee income for the university.

5.2.4 Tours and Tour Guides

This part of the Beatles economy has a number of aspects to it. Some companies based in the city tour around key locations with strong Beatles associations such as Penny Lane, Strawberry Fields, Mendips Avenue and Forthlin Road. Our survey of taxi drivers and tour operators found that 'the market' for Beatles tours has been cornered by Cavern City Tours (who operate the Magical Mystery Tours) and a handful of taxi firms that specialise in such tours and brand themselves as such (e.g. Fab 4 Taxi Tours; Hard Days Night Taxi Tours). Having said this, according to one of our interviewees between 30-50 taxi firms transported visitors around the 'circuit' of south Liverpool attractions during the last year. For many of them, though, Beatles-related custom constitutes only a small part of their takings (interview).

The Beatles Magical Mystery Tour was rated the tenth most popular paid visitor attraction in the city in 2014. An estimated 55k tourists went on this tour in the period October 2014 - September 2015, generating £932k in revenue (interview), an increase of 10k tourists on the previous twelve month period. Cavern City Tours have generated a further £85k annual income from supplying buses and guides for private un-scheduled tours over a similar period. Such tours carried about 40k tourists.

A number of national coach companies such as David Urquatt and National Holidays now include a tour of Beatles sites in a wider itinerary of places they visit in the North West. An estimated 15-20 coaches a week and 25k passengers

per annum visit Liverpool for this reason according to those who meet and greet the passengers. Although these firms and their drivers are based elsewhere, they sometimes employ local Beatles guides. Some Beatles guides also offer private chauffeur-driven all-day tours to individuals or families.

Our survey of Association of Liverpool Tour Guides members revealed that of the 33 qualified tour guides who responded to our survey (about 30% of their total number), nearly a fifth have specific Beatles-related qualifications. Almost half of respondents spend an average of 1-2 hours a week taking people on Beatles tours, a fifth between 2-4 hours and a further 12%, 4-6 hours a week. Two fifths of respondents indicated that between 40-50% of their tours involved Beatles-related sites. Respondents' income from either Beatles-specific tours or tours with a Beatles element typically fell in the 0-£10k range with around half in each category earning less than £1k per annum from such tours. This indicates that Beatles-related activity is not sufficient to keep most guides in full employment and this remains the case even if other types of tours are factored in.

In total, we estimate that this sub-sector generates a turnover of about £1.5m and employs 20 people (FTE).

5.2.5 Retail sector

Beatles-related retailing has a number of elements to it. First, there are a number of retailers wholly dedicated to selling Beatles merchandise (e.g. Hard Days Night Shop, Beatles Shop). Secondly, some companies such as Beatles Liverpool and More are harder to classify as they are not just retailers of Beatles goods but also publishers specialising in the Beatles and the time they were based in Liverpool, researchers, writers and public speakers. A number of Beatles attractions and bars have a retail element to them (e.g. Fab4Store at Beatles Story and The Cavern Club) which we have included in our figures. These retailers generate an annual turnover of about £2.5m and employ 20 staff.

The third category (which we have incorporated later in the third stage of our calculations under catalytic effects) is the economic impact of retail spending by Beatles tourists. In the absence of survey data about Beatles-

related visitors' spending habits, we have assumed that their behaviour resembles that of other day and overnight visitors and drawn on data from the Liverpool Destination Benchmarking study (Liverpool LEP, 2012). We have, however, introduced some weightings into our calculations to allow for the fact that the Beatles are a less significant motivating factor in drawing day visitors to Liverpool than those staying overnight.

In 2013, there were 30,583,000 day visitors and 2,216,000 staying visitors in Liverpool. Latest available data suggests that staying visitors' retail spend per person is £37 per person per trip and that day visitors spend £30 per person per trip. Since overseas staying visitors spend more than their domestic counterparts we have assumed that they spent £39 per person per trip while the latter spent £35 per person per trip. On the basis of data on the relative significance of the Beatles in the decision of visitors to come to the city, we have assumed that 5% of all day visitors come to the city because of the Beatles and 20% of staying visitors. We then applied these amounts and percentages to the latest available day and staying visitor figures.

Combining these different elements, we estimate that Beatles tourists generate £58.3m in turnover per annum and 1,727 jobs through their shopping expenditure (see Table 6).

5.2.6 Concerts

The Liverpool Philharmonic regularly give Beatles-focussed orchestral concerts, host events such as Sir Paul McCartney's classical works and the Bootleg Beatles and also commission Beatles works and sell recordings. Every so often the remaining Beatles perform concerts in the city. Sir Paul, for example, played at the Echo Arena earlier this year. Our sources suggest that these performances last year generated over £1.1m in local income and around 25 jobs.

Case study 7: The impact of Beatles Festivals, events

Though now discontinued for largely financial and public safety reasons, the Mathew Street Festival proved very popular. In 2011, it attracted 320k visitors (9k for the first

time) of whom 17% stayed overnight and 5% were from overseas. It generated at least 15k room nights for city hotels, £26.8m for the local economy and 938 (FTE) jobs and also £1.7m value of media coverage (LCR LEP,2012).

For details of International Beatles Week see Cavern City Tours.

5.3 Economic Impact

5.3.1 Aggregate direct impact

The combined direct impact of Beatles activities is set out in Table 5. They generate in the order of £39m turnover and 690 jobs.

Table 5: Aggregate direct impact of Beatles-related activities

Sub-sector of Beatles economy	Turnover (m)	Jobs (FTE)
Attractions	10.2	135
Hotels	13	400
Education	10.8	90
Tours and tour guides	1.5	20
Retail	2.5	20
Concerts	1.1	25
Total	39.1	690

5.3.2 Indirect impact

The degree to which Beatles-related business benefits local suppliers and services varied depending upon the nature of the activity. One hotel we surveyed spent 50% of its expenditure on suppliers and service providers on those based within the city in 2014. About 75% of one leading Beatles attractions' expenditure was incurred on goods and services supplied by city-based suppliers and service providers. These are likely to be upper estimates and we have therefore opted for a standard figure of 40% derived from a study of supply chain purchases by arts organisations based in Liverpool (Roger Tym & Partners, 2011). Applying the relevant GVA per FTE estimates for Merseyside, all forms of Beatles-related activity indirectly generated a total of £15.64m turnover and 276 jobs in the city in 2014.

5.3.3 Catalytic impact

The catalytic effects of Beatles activity consist either of the benefits from Beatles-related tourism or those associated with the brand value of the Beatles – such as image and reputational gains. The major categories of spending by Beatles tourists are accommodation, eating and drinking, shopping, entertainment and travel. Our approach involved adjusting the typical spending habits of day and staying visitors detailed in LEP visitor surveys to allow for the distinctive characteristics of Beatles tourists as revealed to us by operators of Beatles businesses. We found that Beatles visitors and those visitors who included visits to Beatles attractions in trips undertaken for sightseeing or other purposes generated £155m in turnover through their spending, providing jobs for 5,020 people.

Table 6: Catalytic impact of spending by Beatles tourists (Liverpool Destination benchmarking 2012, Liverpool LEP)

Type of spending	Turnover (m)	Jobs (FTE)
Hotels	22	782
Retail	58.3	1,727
Eating and drinking	52.5	1,868
Entertainment	16.6	371
Travel	5.9	273
Total	155.3	5,021

One frequently used method of calculating the brand value of the Beatles is to measure the economic value of media coverage. However, there is no straightforward and authoritative way of doing this as is explained in Appendix 1. Using advertising equivalency techniques which are far from ideal, Beatles-related coverage in the leading Liverpool newspaper, the Liverpool Echo, alone is estimated to be worth approaching £628k in media exposure value each year. Guesstimates about the extent of Beatles-related national media coverage suggest that this could be worth about a further £100k each year. Calculating the equivalent value at national and global level would be a substantial, expensive, undertaking because it would involve media monitoring of coverage in many different kinds of media and in the many countries where the Beatles are known. The sums involved would undoubtedly be enormous. For

example, one radio station in Mexico plays Beatles music for an hour every day (interview). 4 TV documentaries about the Beatles recently screened in China were watched by 70m and a further 50m viewed them online (interview). Owing to the significant methodological drawbacks of the advertising equivalency method we have not included media coverage impact figures in our calculations.

5.3.4 Gross and net impact of Beatles activities

The final stage of our analysis involved combining the direct, indirect and catalytic impact figures to produce a gross figure of £210m turnover and 5,990 jobs. We then adjusted these gross figures to allow for economic benefits which would have materialised anyway ('deadweight'), those which have benefited other parts of the city region and the wider economy ('leakage'), those which have detrimentally affected other businesses ('displacement') and the knock on effects of spending in other parts of the local economy ('multiplier' effects). Appendix 1 explains how we derived values for each, drawing upon other study findings. By netting off deadweight, leakage and displacement effects and incorporating multiplier effects enable we calculated the net economic impact of the Beatles legacy. We estimated that the net impact of the Beatles legacy in 2014 was £81.9m turnover and 2,335 jobs.

5.3.5 Update of 'Imagine' study findings

We have updated the Imagine report figures on the impact of the Beatles Legacy, mainly by allowing for inflation as attendance at Beatles attractions and their relative importance together with visitors' motivations for coming to Liverpool have not changed significantly since that study was conducted. Applying the consumer price index to the results of the Imagine study, we estimate that the Beatles Legacy is worth just over £71m to the Liverpool economy using that particular methodology. We are of the view that the Imagine methodology underestimates the true extent of the Legacy's worth to the city because it does not fully capture the indirect, catalytic and multiplier effects of Beatles-related activity in the city.

5.4 The economic potential of the Beatles

Economic forecasting has always been a hazardous business. It is not possible simply to extrapolate from past trend data. Predictions can be confounded by national and global economic shocks, geo-political developments and other unanticipated events. In addition, planned and as yet unannounced investments in Beatles activities and related areas of the tourism and leisure economy will also have an impact upon future performance and prospects. Having said that it is important to gauge whether the recent trajectory of Beatles-related business activity has been positive, static or negative. We therefore elicited information from each Beatles business about not only their past performance but also their future prospects. The vast majority indicated that custom was growing and were sanguine about their prospects. Only a handful indicated that their business was ticking over and just one indicated that they were struggling but this appeared to be more to do with their specific circumstances and business model rather than a reflection of the health of the 'Beatles economy.'

5.5 Conclusions

This economic aspect of the study has shown that the Beatles legacy has a significant impact on the city's economy. Collectively, Beatles-related activities based within the city are directly responsible for generating £39m turnover and account for 690 jobs in Liverpool. Through supply chain effects these Beatles-related concerns indirectly account for an estimated further £15.64m in turnover and 276 in jobs in Liverpool. The catalytic impact of Beatles activities on tourism and marketing amounts to some £155.3m in terms of turnover and 5,021 jobs in Liverpool. However, this significantly under-represents the true impact of the Beatles legacy because it is difficult to quantify both the scale of local, national and global media coverage of the Beatles and precisely what benefits it brings to the city.

By summing direct, indirect and catalytic effects it is possible to calculate the gross economic impact of Beatles-related activities on the city. This amounts to £210m turnover and 5,990 jobs.

A number of adjustments need to be made to the gross figures to calculate the net economic impact of the Beatles legacy in order to allow for economic benefits which would have materialised anyway, those which benefit other parts of the city region and wider economy, those which detrimentally affect other businesses and the knock on effects of spending in other parts of the local economy. Allowing for these we calculate that the net economic impact of the Beatles legacy on Liverpool is £81.9m turnover and 2,335 jobs.

Given the difficulties in obtaining the data for this report, we believe it would be advisable if Beatles-related organisations and tourism and arts institutions could agree a suitable way of generating data on a regular basis in future. For example, it would be worth seeking to establish the extent to which overseas visitors, especially on Beatles-related trips, spend more than other staying visitors broken down by the main categories of expenditure.

We have found that the Beatles legacy is a crucial part of Liverpool's visitor economy because:

- Many Beatles tourists originate from outside the city region which means that their spending is 'more additional', in other words less likely to be at the expense of other local businesses.
- Many Beatles visitors are from abroad and stay longer and spend more than the average visitor.
- An estimated half of all international visitors come to the city at least in part because of the Beatles.
- Liverpool's association with the Beatles is a unique selling point and a vital draw to visitors whether they are Beatles fans or general sightseers and such guests visit many other attractions during their stay.

The Beatles-related economy is growing – by between 5-15% a year depending upon which sector one is looking at. If one adds into the mix current and planned developments such as The British Music Experience and Strawberry Field and factor in implementation of this report's recommendations it has significant further growth potential.

6. Cultural analysis

This section is concerned with understanding the management of the social and cultural value of the Beatles, and how the issues of brand, identity, quality, heritage and place might be best employed to deliver the economic value described above in Section 5. It is a given that the core element of the Beatles offer is the music. Around this is the rich social and cultural legacy, a key part of which are the links to Liverpool. Protecting this legacy through ensuring the quality and authenticity of Beatles industry offers in Liverpool was consistently articulated as key to ensuring economic value. The ability to tie the musical and cultural legacy to quality experiences in Liverpool was at the core of arguments for the long term value of the Beatles to the city.

6.1 Centrality and longevity of brand and identity

Throughout the research we noted the extent to which the Beatles were not viewed simply historically – as pop history or heritage. This reflected an approach to the management of brand which sought to keep the Beatles and their music ‘contemporary’. It also reflected the consistent development of non-UK markets. Both the Chinese and Brazilian markets were discussed by *Core stakeholders*. One noted that:

“The amazing thing with the Brazilian market [is] ... the average age of the Beatle fans that are traveling and coming here is about 25. It’s not 40-year-olds or 50-year-olds. It’s not when the lads [Beatles] have played over there and whatever, but it’s a young audience that are out engaging with the Beatles -- which is also quite bizarre, really. But that’s a fact.”

Others raised concerns that demographic change is:

“an interesting one to watch, because there’s a lifespan of The Beatles, isn’t there?”

In this context the role of education and local heritage links were discussed as routes to engage younger people – who may then interact with older relatives (parents and

grandparents) for whom the Beatles were “their music”. Such intergenerational links were seen to have a limited “lifespan”.

None of the *Core stakeholders* could come to a clear statement on the form or nature of the longevity of the Beatles brand. A number of points were made about their growing heritage status such as:

“... when people start to forget - and we do lose the remaining two Beatles and people start to forget - will it still have the same interest in 20 or 30 years time? And I think we’re at that pivotal point, now, where we either ... yes, they will, because they changed music for the rest of ... eternity; or, no, they were a band that used to exist [a] hundred years ago and they [are] not really important any more.”

“I think the big unknown is the long-term sustainability of the Beatles tourism. Are they going to be ... Mozarts ...?”

At the same time the youthfulness of some of those engaging with the Beatles was emphasised. The current period was noted as a “pivotal point in time” where stakeholders may need to manage the transition to new perceptions of and engagements with the Beatles. These new perceptions will not be based on first hand experience, nor possibly through second hand interaction with parents or grandparents. This will be as true of the clients and customers of Beatles industry offers as it will of those likely running and managing these offers. Within this are concerns over the balance between musical history and heritage – however important and impressive – and the need to nurture new music within the context of both Liverpool and the UK.

Overall the *Core and Semi-periphery* stakeholders were of the “Mozart” position, that as long as the brand and history is well presented and managed, the Beatles will have long term and complex cultural and economic value and that at the core of this is their link to Liverpool.

6.2 Liverpool’s Beatles offer and its audiences

As Section 5 on the economic impact of the Beatles makes clear the “Beatles offer” in Liverpool is complex

and diverse. We have tried to simplify this with the model presented in Section 4.2. At its core the Liverpool Beatles offer is 'experiential' – it is about engaging with the diverse set of Beatles linked cultural phenomena and activities across the city. It is not just about Beatles music, but encompasses contemporary music, history, heritage, theatre, place, and interaction with Liverpool life. This spills over into retail and the broader Liverpool cultural and tourist offer. Much of the following discussion in this section is concerned with how to maximise the value – economic and cultural – from this broad range of activity.

6.2.1 Positive aspects of the current offer

Given the nature of our sample there were predominantly positive comments about the form and content of the current offer from interviewees. Importantly, they often praised the range of Beatles offer in the city. They also all noted the wealth of opportunities to link the city of Liverpool and its history with that of the Beatles:

"I think there are so many landmarks, here; there is so much left behind that is associated with them, because they lived here, they walked these very pavements. So, it's, like, all around you; it's all-encompassing. You don't have to struggle to show people something that's related to The Beatles. Magical Mystery Tour's a two-hour tour; I could take you out for two days, three days and not show you the same place twice, to tell you the story."

Within the Core stakeholder group there was general agreement that the current offer was 'sufficient' for the majority of visitors and consumers:

"... there may be a difference between people who are only travelling for The Beatles (and they may want days and day and days of it), but in fact, you probably have sufficient ... product for the desires of the customer, which is for a couple of days in Liverpool ... I mean, stay in the Hard Days Night ... do Tate Liverpool, possibly head out to the North Wales coast. You know, you've got Manchester just down the road; you've got the Magical Mystery Tours; you've got the Cavern Club. You've probably got enough to keep your average punter, who is travelling because of the Liverpool ... because of the Beatles connection, to keep them busy."

In the interviews we identified three main audiences for the current offer:

1. Visitors coming to Liverpool for reasons other than the Beatles.
2. Visitors coming to Liverpool for whom the Beatles is one of several draws.
3. Visitors solely coming to engage with the Beatles offer (Often described as Beatles nuts!).
4. Local visitors and citizens.

There was a general consensus that the current offer is 'sufficient' for all but the dedicated Beatles fans "for whom you're probably never going to have enough stuff, anyway."

6.2.2 Concerns about the current offer

There were a few strong statements around 'negative' aspects of the current offer in Liverpool though key concerns about current and future delivery were raised. A couple of specific cases were repeatedly highlighted – such as 'un-regulated' tours (See Section 6.2.2.2). More generally concerns were expressed around:

- 'Authenticity' of experience and offers.
- Professionalism.
- Quality of individual 'Beatles' offers.

These concerns were often explained in relation to poor practice or locations. This included such things as:

- Poor knowledge of Beatles history and heritage demonstrated by some offering Beatles tourist opportunities.
- Copyright and intellectual property infringements by peripheral elements of the 'Beatles industry'.
- poor quality of some city locations – Strawberry Field, city centre pedestrian areas (Dorans Lane, Harrington Street, Mathew Street).

6.2.2.1 General concerns about authenticity and value

A consistent theme that came out in all the interviews with *Core and Semi-periphery* stakeholders concerned the preservation of the value of the Beatles brand and also the Beatles offer in Liverpool. As is evident from the report so far the social and economic value of the Beatles to Liverpool is predicated on the continued high value of the Beatles brand. *Core stakeholders* were rightly concerned that this could be diluted by poor quality offers and poor quality experiences for visitors. Quality of experience was often linked in their comments to ‘authenticity’ of experience. *Core stakeholders* have by definition invested heavily, directly and long term in the Beatles brand, offer and industry. This investment is clearly also personal and derives from their own close relationship with the Beatles music, band, and heritage. Others leveraging the Beatles offer in the city, such as much smaller traders and events, what we have termed *Peripheral stakeholders*, are less thoroughly culturally and economically invested. Though ‘authenticity’ is very difficult to define in general terms, its importance to *Core stakeholders* is evidenced in their repeated statements on this. To the team this concern appears to reflect a combination of four elements: professionalism; quality of offer; knowledge of, or engagement with Beatles heritage; and desire for regulation of some kind.

6.2.2.2 Professionalism and knowledge

Concerns were raised by *Core stakeholders* about the ‘professionalism’ of some other stakeholders. The example used in all cases was that of what we have termed ‘unregulated’ tours – that is tourist excursions not overtly led by clearly identified organisations that have the capacity to oversee and manage the experience. A lack of in-depth Beatles heritage knowledge, lack of awareness of best practice and impacts on other stakeholders and citizens were noted concerns. The majority of *Core Stakeholders* raised concerns about the quality and veracity of information provided to visitors by *Peripheral stakeholders*. One *Core stakeholder* noted cases where visitors are given: “a version of events about what took place in that house which we know to be factually incorrect” and in contradiction with the verified and curated content in *Core stakeholder* venues. Disregard for others’ intellectual property rights and poor

quality merchandise were also noted. The key concern here is both for the protection of the economic value of *Core stakeholders* but also a genuine concern that Beatles fans and Liverpool Visitors will have the best possible ‘Beatles experience’ when in the city.

6.2.2.3 Core stakeholder cooperation

As Jonathan Clyde of Apple Corps pointed out, working with other *Core stakeholders* such as the City Council or key attractions such as the Cavern is key to protecting both brand, reputation and economic value. In the case of things like merchandise it can directly involve the protection of *Core stakeholders’* intellectual property rights – such as inappropriate use of imagery or content. It may also involve working to prevent disruptive or inappropriate use of relevant heritage locations – such as the locations around the National Trust houses. The National Trust pointed out that in managing the two Beatles residences and the relationship with the residents of Mendip and Forthlin Road they become the focus of complaints about other organisations or individual’s behaviour in or around these locations.

Though a number of fora were identified in the research which bring together Beatles industry partners we could not identify a group that brings together all our identified *Core Stakeholders*. There are no fora or networks that formally tie both *Core and Semi-peripheral* stakeholders together. A number of *Core stakeholders* clearly have ongoing informal working relationships with regard to the national ‘Beatles offer’ (for example Apple Corps and the Cavern). Respondents argued that such relationships help to plan for major upcoming events, months or years in advance, and to think about potential international markets. The locally relevant groups are:

- Cavern Quarter stakeholders forum.
- Beatles Industry Group.
- Liverpool BID Company.
- Visit Liverpool.
- Culture Liverpool.

Of these the Beatles Industry Group is the most active, working with and under Marketing Liverpool as part of Liverpool Vision. Its work is predominantly commercial supporting the development of relevant markets for the Beatles offer in Liverpool. There are examples of *Core stakeholders* coming together to address specific business opportunities – for example Cavern, Beatles Story and Hard Days Night co-ordinating international promotion. Overall such initiatives appear ad hoc or very task specific. None of these groups are specifically tasked with reviewing or collectively curating the Beatles heritage in the city.

Despite this nearly all respondents noted, to a greater or lesser degree, a lack of:

- City wide ‘Beatles strategy’.
- Lack of integrated stakeholder co-operation.

This point was re-iterated by Liverpool City Council and in part motivates the commissioning of this report.

6.2.2.4 Locations, spaces and places

One theme that appeared in the discussions focused on the quality of the public spaces around some of the Beatles offers. Most of the strongly negative comments concerned city centre spaces near attractions such as the Cavern. The issues raised included:

- The poor quality of the public space.
- The behaviour of some members of the public in these spaces – especially on weekend nights.

Other issues around the use of space related to the disruption to residents at non-city centre locations. *Core stakeholders* pointed out the work and effort that is put into trying to minimise the impact of tours and visits on these locations – especially the National Trust properties. Implicit in these comments was a desire for the use of these spaces by all elements of the Beatles industry in Liverpool to be better managed and co-ordinated, so as to reduce the impact on residents and to improve the experience of visitors.

6.3 The potential future value of the Beatles

6.3.1 Emotionally engaged visitors

As we noted in section 6.1, looking to the future of the Beatles offer in Liverpool will need to take into account the changing nature of the target audiences. We have already discussed the fact that future visitors may have no direct personal connection themselves with Beatles nor the 1960s nor indirect connection through family. Nor may they have knowledge of the broad sweep of UK popular music culture in the interim period as they come from diverse international backgrounds. Working out how to engage this new audience will be key. Interviewees also noted that potential visitors and customers are also changing in their consumption of culture. As one put it:

“...we’re moving away from, kind of, ‘postcard tourism’, where people wanted to have a picture of them[selves] or a picture of Big Ben, if you like (or, you know, whatever it would be ... Stonehenge), to where ... what people are looking for -- and it goes back to what I said are the key motivators -- people want, kind of, ‘magic memories’ to take home; people want something that engages with them on a more emotional level, rather than just a ‘braggability’ level, if you like.”

The fact that the Beatles offer is intimately tied up with the Beatles’ music provides a clear route into “a more emotional level” of experience. Having said that the key challenge for the Beatles industry in Liverpool has to be to provide the engaged experience in an authentic manner that preserves the brand value that is the ‘Beatles.’

6.3.2 Capturing heritage and supporting legacy

The ‘point of transition’ argument noted in Section 6.1 also relates to the people who carry the first hand knowledge and experience of the Beatles in Liverpool. Though much of the detailed history has been captured in academic and popular works (See Appendix 3: Academic references) opportunities to add to this and to record first hand accounts will necessarily diminish in the near future. As a Core stakeholder noted:

“... that’s the problem: that we lose that, don’t we? Because we’re losing a generation of people, now, that were around. I mean, my friend, ... is in his seventies now, and obviously McCartney’s in his seventies and Ringo’s in his mid-seventies; and that generation -- the people who grew up and knew that back-story -- are disappearing. That’s why we need to record it, and, actually, we need to celebrate it”.

Separate from any debate over the presentation of the Beatles brand as “live” or “contemporary” there will by definition be a heritage component. Though not directly articulated in the interviews the logic that opportunities are time limited with regard to the capturing of key elements of heritage, its preservation and timely curation underpin many of the points made by respondents.

Within such discussions were overt concerns about the long term curation and maintenance of the Beatles heritage and offer in Liverpool. The majority of respondents from Core stakeholder organisations expressed a deep personal commitment to the Beatles – band, music, legacy, heritage industry and offer. From this deep personal commitment came a concern as to who will be the curators of this legacy in future. This was most clearly stated by one of the *Core stakeholders*:

“My concern is ... that a lot of this is down to passion and people really believing in and committed to what they’re doing. You know, it’s from the heart as much as from the brain; in fact, it’s probably ... most of it’s from the heart! ... who’s going to carry on, you know, with the baton, here? You know, it’s like a continuous relay race of passing the legacy -- the baton -- from person to person. You know, if we were to sell our business, which is a hugely successful business and might attract a purchaser (we don’t know; we’ve never been approached) ... but are they going to have the same commitment and tenderness and love and care of the legacy that we’ve had? Are they going to respect ... are they going to respect, you know, the IP of The Beatles, basically?”

The direct challenge for the Beatles industry in Liverpool may therefore be to explore how one undertakes ‘succession planning’ in the context of such a diverse set of organisations and activities. Respondents also

highlighted the possible role for the city in this pointing out that such concerns have been raised and discussed within the Core stakeholder group.

6.3.3 UK and international markets

Throughout the interviews the role of international visitors was a major theme. This is not to say that local and UK markets were not considered. Both Visit Britain and Visit England noted the importance of the Beatles within the overall UK offer. Having said this London remains the main visitor location for both UK and International visitors. Numbers of inbound visitors are indicated in Table 8. The argument is made that the Beatles offer in Liverpool is a potential major draw for those whose primary reasons for visiting the UK is to engage with the Beatles music, heritage or legacy. Methods to persuade London based tourists to make the journey to Liverpool were raised by some interviewees as a route to expanding the visitor base.

Table 8: Visitor numbers for London, North West and Merseyside (Visit Britain Data 2014)

Overview of UK visitor statistics in 2014	London	North West	Merseyside
Number of visits	17.4 m	2.51 m	675,187
Total expenditure (GBP)	£11.83 bn	£1.11 bn	£247.34 m
Total nights spent	108.01 m	18.3 m	3.47 m
Average length of stay (Nights)	6.21	7.29	5.14
Average spend per visit (GBP)	£679	£443	£366

A number of countries were highlighted in discussions as potential growth markets for non-UK customers for the Beatles offer. These were identified either in relation to their economic growth and the growth of their international tourist visitors to the UK or in relation to prior or current development of Beatles related activity in those nations by Apple Corps. The two most noted ones being Brazil and China. The opportunity of direct flights into Manchester and Liverpool, or indirectly via other tourist destinations were argued to be important in this context. For example,

linking of cheap flights from Spain to Liverpool John Lennon Airport provides a route from South America. The growing numbers of Chinese nationals as students in Liverpool was also noted as a potential client base. Having said this, Visit Britain data from 2014 indicates that Europe and USA remain the primary provenance locations for Visitors to Merseyside (Table 9).

Table 9: Top 10 visitor home countries for Merseyside (Visit Britain Data 2014)

Country	Visits (1000's)	Spend (1000's)	Nights (1000's)
Irish Republic	1519	521	4625
Spain	703	194	3759
Germany	510	139	2397
France	476	118	2409
USA	443	189	2860
Poland	396	81	3637
Norway	346	169	1168
Netherlands	336	94	1203
Australia	262	141	2769
Other Eastern Europe	206	45	823
Italy	191	56	1224

This sets up a challenge for Liverpool in arranging to link the Beatles offer in the city with both existing and well established international visitor backgrounds and potential new markets – created either by new routes to access Liverpool or Beatles activities in those new countries. A number of respondents noted working both with Apple Corps and Marketing Liverpool to try to maximise both types of opportunity. One resource employed in this case are networks of existing Beatles fan clubs or groups who have links to city venues or activities. One noted constraint is that nearly all commercial Liverpool based *Core stakeholders* are not large enough to mount their own international marketing campaigns. As a result, they have to act or work collectively with and through Liverpool Vision.

6.3.4 After copyright

The issue of the long term Beatles intellectual property was another ‘timeliness’ issue for some respondents. Recent changes to the copyright law means that Beatles recordings will not go out of copyright for another 20 years. There will though come a point at which the recordings are out of copyright and a key aspect of the current commercial structures that underpin the Beatles offer in Liverpool will change. This may also affect imagery and branding and make protecting the ‘authenticity’ and quality of the Beatles offer more complex for stakeholders and the city. Though this issue was raised no clear solutions nor clear ideas about the likely impact were offered by respondents.

6.3.5 Digital opportunities

We were interested to note that only a couple of respondents raised the issue of digital media and the ongoing transformation of cultural industries and offers by these new technologies. In what comments there were, two ways in which the rise of the Internet and digital media were seen to impact the Beatles offer and industry. First, the ability to have non-geographic reach for your product or marketing. As one Core stakeholder explained:

“...the computer made such a difference to the Beatles industry in this city, because for the first time, you could reach out to the world -- you could market your product to the world -- without having to deliver brochures [or] go to exhibitions. That was huge for the Beatles industry, because the global market was there; it was [just a question of] reaching it. Now we’ve reached it ... and I think that technology and, you know, the digital industry is crucial to how this business can really increase and increase in terms of its reach ... reaching new markets ... the likes of China; ... And the way forward, for me, is, you know, is digitally.”

Second, digital media may provide both a disruptive opportunity and a threat to current provision. One respondent was aware of the use of context aware devices – such as GPS, geo-tagging and QR codes

on smart phones – that can offer highly personalised multimedia interactions with cultural artefacts, museums, galleries, and public spaces. Such tools could replace current tour and visitor attraction models – for example a virtual or digital Magical Mystery Tour. Though on the other hand, the social experience of a group tour, and the need to regulate access to locations were arguments against such tools ‘replacing’ current provision. There was though the clear opportunity to develop such tools as an alternate offer, potentially one which could address issues of veracity and accuracy in the information provided, and even link to other elements of the Beatles offer or heritage.

6.3.6 Integration with broader heritage

Throughout the interviews we were struck by the intimate connections between the Beatles band, music and heritage with broader local, national and international heritage. Many respondents commented on this but few saw developing or drawing out these links as key to their business or sector activity. The exception to the rule were National Museums Liverpool, who made a strong case for the development of a Beatles archive – to hold, host and curate as much of the material historical heritage as possible. Such an archive, it was argued, could sit at the centre of the Beatles heritage provision and link both *Core and Semi-periphery* stakeholders through the resources it could offer. We would argue that the linkage of the Beatles offer to wider Liverpool heritage and other cultural offers is something that is missing from the current model. Such links could act to connect the four different types of visitors to Liverpool identified in Section 6.2.1. A good example of how this could work are the National Trust houses. Not only are they the childhood homes of Sir Paul McCartney and John Lennon but they act for the National Trust as exemplars of housing from their respective periods and socio-economic contexts. Developing a clearer map of the links between the Beatles offer and broader Liverpool cultural offer could help to act as a multiplier for the overall cultural sector in Liverpool. Such a development could not come from just one of the *Core stakeholders* but would need to be led by a major institution or city wide collaboration.

6.3.7 Other cities’ best practice – or lack thereof

We asked respondents to provide examples of best practice in delivering a city based visitor and fan experience for music and music heritage. Not one offered a clear case. Only three potential music examples were presented in the interviews, less as good practice, and more as ‘the only equivalents’:

- New Orleans for Jazz.
- Graceland for Elvis Presley.
- Salzburg for Mozart.

Once presented all respondents pointed out problems. The case of New Orleans was seen to be potentially useful but the context of Jazz and a whole history of music development was more diffuse than the Beatles. However, this points out again the potential concern over ignoring contemporary music culture over Beatles heritage. Graceland was not criticised in and of itself, but the model was seen to fall short of ‘authenticity’ criteria for some and also its lack of cultural fit to Liverpool’s and the Beatle’s heritage. Salzburg was pointed to as being successful in building a considerable cultural offer around one aspect of music culture, but again this seemed to be too narrow an approach to something as broad in its conception as the Beatles. We would argue that further potential work needs to be done to compare and contrast city music heritage and branding offers to potentially identify best practice not known to the respondents or identified so far by the research team.

7. Conclusions and recommendations

We would argue that in commissioning this report Liverpool City Council has taken on board a number of significant changes over the last decade in relation to the Beatles offer in the city:

- A rise in visitor numbers post-Capital of Culture.
- A change in attitude towards visitors encouraged by local experience of the Capital of Culture.
- A progressive and positive change in the relationship between the city, the city council and the Beatles.

The growth of the Beatles offer in Liverpool has been a product of the work done by what we have identified as the Core stakeholder group (Cavern, the Beatles Story, National Museums Liverpool and by the National Trust, along with the City Council). An important part of this has been collaborating with Apple Corps and demonstrating a commitment to the integrity and authenticity of the Beatles offer in Liverpool.

The fact that Liverpool is taking the legacy of the Beatles so seriously 50 years after they last played in the city (and 45 years after the group broke up) is evidence of the ongoing cultural impact and cultural relevance of the Beatles. If we understand the resilience and nature of this appeal we are better placed to plan for a fuller, cohesive engagement with the need to exploring and representing that legacy in an offer to visitors and an offer to citizens.

As we have noted above, a key part of the Liverpool Beatles offer is the linkages into other areas of heritage and history throughout the city. We might argue that the ongoing impact and relevance of the Beatles can be traced to the diffuse and fuzzy, but still palpable excitement associated with the 1960s – a decade to and for which the Beatles wrote the soundtrack. From the perspective of those studying the impact of popular music this was a period charged with optimism, with a ‘can do’ spirit that combined aspiration for a better quality of life, materially but also spiritually which fed into the music of the time. The music of the Beatles was based in harmony, it was always creative, and it conveyed a sense of celebration of wonder and change. Here were

four young men from ‘ordinary’ backgrounds who seemed to embody and express this freshness and optimism. So well-written and realised was their music that this freshness remains active and, as globalisation takes Western popular culture around the world, the Beatles remain at the heart of that first and influential post-war flowering of popular culture. As evidence of this, statues are erected to them around the world, and visitors come in increasing numbers from places that, in some cases (China and Brazil, for example), have only recently begun to absorb some of these aspects of UK popular culture.

From this cultural value comes economic value. We calculate the net economic value of the Beatles offer to the city of Liverpool to be £81.9m in turnover and 2,335 jobs annually – equivalent to the research income of the University of Liverpool. Given the difficulties in obtaining the data for this report, we believe it would be advisable if Beatles-related organisations and tourism and arts institutions could agree a suitable way of generating data on a regular basis in future. The Beatles-related economy is growing – by between 5-15% a year depending upon which sector one is looking at. If one adds into the mix current and planned developments such as The British Music Experience and Strawberry Fields and factor in implementation of this report’s recommendations it has significant further growth potential.

We would argue that Liverpool needs to have a more co-ordinated response to visitor interest in the Beatles. We would argue that the *Core stakeholders* have a “duty of care” to the legacy of the Beatles and to their association with the city – if only to protect the long term brand value of the Beatles which underpins the economic impact of the city’s Beatles offer. In the conversations that inform this report, repeatedly individuals who represent all types of stakeholder organisations argued for ‘joined-up thinking’ with regard to what the city offers. Equally, they argued that the existing quality of the offer is overall good but highly variable in some areas. There is clearly a desire for measures to ensure the quality and authenticity of the offer are central to maintaining its cultural and economic value for the city.

The Beatles band, brand and music remain the concern of a private company – Apple Corps. At the same time the cultural and personal embrace of the Beatles is deep in the, global, public psyche. The name of the Beatles is clearly not Liverpool's to do with as it likes; equally, Liverpool as a distinctive city with a lengthy history, is not reducible to the Beatles. Both these considerations need to be addressed in any long term policy developments.

We are already deep into a period of transition: Liverpool is increasingly a post-industrial city that needs a fully-functioning visitor economy that translates into employment opportunities. Meanwhile, digitisation and the pressure on copyright presents Apple Corps' business model with major challenges; as the value of copyright in recordings diminishes, the value in trademarks and historic artefacts rises. There is the potential for a new, and mutually-beneficial, working relationship between the city of Liverpool and the Beatles, but for this to be brought about, the city needs to work towards a clarification of what it can and cannot offer, and towards an understanding of how constraints can be met head on and transformed. This work needs the various stakeholders to collaborate in preserving, maintaining and developing Liverpool's part in the legacy of the Beatles.

7.1 Strategic goals for medium term development of the Liverpool Beatles offer

This report has argued that there is considerable evidence for the substantial economic impact of the current Beatles offer in Liverpool. We have also identified some key challenges facing the Beatles industry. Further work therefore needs to be undertaken by the City in partnership with the full range of stakeholders to map out a route forward.

7.1.1 Ongoing opportunities and developments

In our economic and cultural analyses, we would point to notable trends which it is important to factor into strategy and policy:

- Steady growth in turnover and visitors at major Beatles related concerns, especially since the mid-2000s when Capital of Culture preparations got underway, and the resilience shown by this part of the local economy during the recession, especially compared with most other economic sectors;
- The increasing number of international visitors to Beatles attractions;
- The powerful mix of factors boosting the global appeal of the Beatles including the internet (downloads, on line travel bookings), significance of anniversaries in terms of album releases and events, cover versions of Beatles songs by young bands, increasing mobility and disposable income in rapidly developing countries;
- Ever increasing international flight connections to Liverpool and other UK airports which are opening up new markets – for example the Beatles have strong appeal in South America and availability of flights from Spain and Portugal to Liverpool is increasing the numbers of visitors from countries like Brazil.
- Liverpool's Beatles and football brands feed off one another and create synergy – for example, many Scandinavians come to Liverpool to visit to Beatles attraction and also go to a football match.
- The absence of any signs at present that the Beatles' appeal is waning because of their vintage - on the contrary, their popularity and appeal to all ages and different cultures seems to be growing.

To add to this, the city's Beatles and musical heritage offer is set to strengthen significantly which will create further critical mass, momentum and growth:

- One of the world's leading rock promoters, Harvey Goldsmith has decided to re-locate a museum of rock and pop music 'the British Music al Experience' from the 02 arena to the Cunard Building.
- In South Liverpool, the Salvation Army are redeveloping the former Strawberry Field site for a variety of purposes including a training centre for those with disabilities and also a heritage visitor

attraction, café and 'peace' garden which would highlight the significance of the site in the story of the Beatles: Strawberry Field was somewhere John Lennon played as a child, which is why he wrote such an affectionate and passionate song about the site. – John Lennon used to play there, for example.

- Liverpool's tourism offer is continually improving – 3 high-end restaurants are opening up in vicinity of Mathew Street and Pier Head where city centre Beatles attractions are concentrated and additional upper market hotels are continuing to come on stream in the city centre.
- The growth in cruise passengers, whose numbers increased by 12% in 2014-15 to 83,000, is set to continue which is certain to generate significant additional custom at Beatles attractions as many such tourists are likely to spend more than the average visitor.
- The Cavern Club have invested £200k to commission statues of the Beatles to be located on the waterfront at the Pier Head.

These developments, particularly the creation of new attractions, show the continuing appeal of the Beatles and the confidence of entrepreneurs, which will create further synergies and momentum in the local tourism economy. This should in turn lead to additional stays of greater duration and more return visits.

7.1.2 Challenges

At the same time, we would point to key current and upcoming challenges:

- General concerns about 'authenticity' – at the heart of the Beatles offer is the highly valuable Beatles brand which requires maintenance and care.
- Professionalism and knowledge – this remains a concern for *Core stakeholders* and any developments may need to explore how the standards of the Beatles offer can be maintained.

- Core stakeholder co-operation – the city will need to address how best to link the three levels of stakeholder across the full range of issues from marketing to heritage curation.
- Locations, spaces and places – improvements to the physical infrastructure would likely improve visitor experience.
- Emotionally engaged visitors – stakeholders and the city will need to think through how to address the changing nature of the likely visitors for the Beatles offer, in terms of age, knowledge and expectations of the experience.
- Capturing heritage and supporting legacy – to maintain a strong offer will need well curated, managed and accessible resources to support stakeholders in delivery but also those visitors seeking a very in-depth engagement with Beatles heritage.
- UK and international markets – more work is needed to understand the home locations of different types of visitors and how they can be engaged with the Liverpool Beatles experience.
- After copyright – the long term challenge of the slow transition of Beatles music and brand out of commercial control will need to be planned for and addressed.
- Digital opportunities – digital may provide new opportunities but also potential threats to current business models.
- Other cities' best practice – or lack thereof – Liverpool has the opportunity to develop and demonstrate how best to curate, present and utilise contemporary music heritage as part of an integrated cultural offer.
- Integration with broader heritage – work needs to be undertaken to explore how Beatles heritage links into and exchanges both content and customers with other cultural offers in the city.

7.2 Suggested practical recommendations

The report authors would like to make a number of initial recommendations to Liverpool City Council should it seek to invest further in the Beatles offer in Liverpool. The evidence would indicate that these developments would potentially enhance the offer and likely economic return. However, further, detailed work would be needed to determine the long term cultural and economic impacts of these suggestions.

7.2.1 Immediately realisable

- Explore creating a 'Beatles Legacy' group on a clear set of terms with a clear and agreed remit to address both the economic opportunities but also the need to curate and develop the Beatles heritage in the city.
- Establish sub-groups to deal with different geographical sectors – notably the Cavern Quarter, the waterfront and the South End to explore how best to develop and improve the public space and surrounding infrastructure, including the management of the space in regard to visitor numbers and traffic.
- Develop the Beatles Industry Group work on all visitors (UK and international) to understand differing expectations and key 'pull' factors to bring them to Liverpool and to engage with the Beatles offer.
- Explore the potential to collectively use online methods for promoting the city as a Beatles visitor destination through social media.

7.2.2 Medium and longer term

- Explore with partners the possibilities to regulate or provide training to support the professionalism and knowledge base of those working in the Beatles industry in Liverpool.

- Explore creating a Liverpool element of the Beatles brand, in association with Apple and the core members and family, as 'The Cradle of the Beatles' (or however it should best be developed). To help celebrate the fact that they were born and grew up here and that they played here nearly 400 times before becoming national and then international successes.
- Explore how both local, UK and international young people can be inspired to value the Beatles as an inspirational facet of Liverpool's heritage. This could take many forms – digital as well as real – none of which should be heavy-handed, all of which should be empowering.
- Consider further research to identify best practice and successful interventions in similar cultural, music or heritage contexts elsewhere in the world.
- Consider developing a long-term monitoring and evaluation activity to collect data on the Beatles offer and its ongoing economic and cultural impact.
- Explore the possibility for creating a major Beatles heritage resource in the city. This would involve a repository of Beatles-related artefacts that would be open to exploration and research. It would be a repository of stories as well as a repository of artefacts. It would cement the curation of the legacy of the Beatles for and on behalf of the city and those interested in the Beatles, more widely. As a clear and creative collection point for Beatles-related materials it would be a rich source of pleasure for visitors that would realise and embody the notion that Liverpool is the cradle of the Beatles. It may be the case that such a repository might induce the British Museum and British Library to make available their Beatles holdings to Liverpool.
- Explore the potential for digital access to resources for visitors and fans.

8. Concluding remarks

Everyone interviewed felt that Liverpool would go on attracting visitors through its Beatles connection long into the future. At the very least, the city needs to respond to a “duty of care” to maintain standards in its efforts to promote the legacy of the group. There is a risk to its reputation if it does not attempt to ensure that quality is maintained by all agencies who seek to benefit from facilitating the desire of visitors to explore and access the heritage of the Beatles. This is challenging in a mixed public-private economy such as the Beatles industry in Liverpool. At its core the cultural value of a positive Beatles experience for fans, visitors and citizens is what underpins the economic impact.

The pioneers who responded to visitor needs have delivered a strong, successful and economically growing contribution to the cultural offer in Liverpool. To develop this further the city may now need to explore creating a ‘joined-up’ and high quality response to unabated and expanding visitor numbers. They do this at a time of great transition. Managing the transition productively, sympathetically and creatively needs to be the goal. Such efforts will be taken in the public gaze both locally and internationally.

The reputation of the Beatles has to be in safe hands. Liverpool City Council, with its relationship with *Core stakeholders*, can lead the development of the vision and strategy to deliver an ever improving world class Beatles experience embedded in Liverpool. An experience that has something of the Beatles about it – that is to say that it should be easily accessible and yet embody values that engage the collective imagination.

Appendices

9. Appendix 1: Methodological approach to evaluating the economic impact of the Beatles legacy

9.1 Methodological challenges

We encountered a number of practical and methodological challenges in undertaking this research: time and resource constraints; data gaps and limitations; sampling methods; estimating the extent to which patronage and spend at both Beatles and non-Beatles attractions is attributable to the Beatles; the relationship between the Beatles and Liverpool brands; gauging latent demand and potential.

The Liverpool 'Beatles industry' has not been systematically surveyed before and there is consequently no repository of consistent data on which to draw. This study has been conducted within a tight timescale and limited budget which meant that we possessed neither the time nor the resource to conduct extensive surveys of either Beatles tourists or businesses. Not all those we approached wished to take part in the research. Some gave partial data either because they were reluctant to release confidential data or because they did not possess the necessary information. Consequently, we have had to deal with data gaps and limitations by resorting to proxy data or grossing up sample data. That has involved various assumptions about the appropriateness and representativeness of such data. A key methodological problem is establishing causality and to what extent the growth in custom at Beatles attractions can be attributable to the growth in importance of the Beatles and their legacy and also awareness. Growth in the number of visitors to Beatles and other attractions could to some extent be the result of the revival in Liverpool's appeal and economic fortunes, related improvements in tourist infrastructure such as hotel accommodation or wider trends in the regional and national economy. It is also difficult to disentangle the influence of the Beatles and other factors. For example, Liverpool airport was renamed Liverpool John Lennon Airport in Spring 2002 and also became the site for new 'above us only sky' logos, a John Lennon statue. The Yellow Submarine was later relocated there from the city centre in 2005. However, the rebranding coincided

with the opening of a new terminal, making it difficult to disentangle the impact upon passenger numbers of rebranding and Beatles artefacts and the improved facilities and increased number of flight connections. In some cases, the two factors have worked together and led to synergy. For example a number of proprietors of Beatles businesses thought the recent growth in the number of visitors to Beatles and other attractions from South America was due to a combination of their popularity there and the growing number of international flights to cities in that continent from north western and other UK and European airports.

Calculating the value of the Beatles in marketing terms to the city is also challenging. Given the Beatles' close connections with Liverpool and the city's variety of Beatles attractions and events, publicity about the Beatles in various media inevitably raises the profile of the city around the globe and may prompt Beatles fans and sightseers generally to visit the city. The most common way of calculating the marketing value of coverage is to use the advertising value equivalency method which estimates the cost of publishing an advert of similar length to the posting using the same media format. This raises a number of issues. Media exposure may prompt the reader to purchase Beatles recordings but not necessarily visit the city especially if Liverpool is not very accessible from the country concerned. The marketing value of particular media varies from country to country depending on their relative popularity. Calculations should therefore be treated as best estimates.

Part of the brief was to estimate the potential value of the Beatles in future. This is also an imprecise science. Inevitably the prospects for maximising the value of the Beatles legacy are intertwined with the fortunes of the city and its future economic, social and cultural trajectory. Different scenarios can be painted ranging from 'business as usual' extrapolation of past trends to a more proactive approach to building on the Beatles legacy. Much will depend upon the actions of local and national Government, other leading institutions in the city and also the degree

of entrepreneurialism, innovation, vision and imagination displayed by the private sector. Gauging latent potential is also difficult to quantify. We have tried to do this by contrasting the growth performance of 'best in sector' businesses with their peers to show what might be possible.

Given data limitations and attribution challenges we have resorted to a 'mixed methods' approach. For example, as well as sampling Beatles businesses to gauge the value of the Beatles legacy we have sought to distinguish the Beatles effect by calculating the uplift in revenue generated either by Beatles-related events or branding – such as the effect of International Beatles Week on the occupancy of the Adelphi Hotel which hosts a number of its events. Such information can be combined with one-off surveys of other festivals to calculate the additional revenue generated in local shops, restaurants, hotels and other venues.

9.2 What is the Beatles economy?

The 'Beatles economy' has a number of strands to it and is difficult to define as it is quite diffuse. At the core of the 'industry' are attractions which either celebrate the Beatles for their music and cultural impact and contain related artefacts and memorabilia (e.g. Beatles Story; Hard Day's night Hotel), or are in some way associated with them, their families and their business interests – such as childhood homes and haunts, locations which feature in their songs, concert venues (e.g. The Cavern Club; Magical Mystery and other Beatles tours; National Trust properties; Epstein House Hotel; Strawberry Fields). An estimated 40 or more such Beatles-related businesses and attractions are based within the city (Table 10).

Within the retail sector it is important to distinguish retailers which stock Beatles merchandise and carry their name or that of their songs from shops in general which may experience a boost in their takings because of Beatles visitors and custom.

The Beatles have also had an impact upon the city's educational sector. Sir Paul McCartney founded and part-funded the Liverpool Institute for Performing Arts and retains a close interest in its affairs, regularly attending graduation ceremonies to present students their degrees.

Hope University has launched Beatles-related courses and also stages conferences about their music and legacy.

There are a number of Beatles-themed hotels based in the city. Of course not all the custom of these Beatles-themed attractions is attributable to the Beatles. For example, some guests at these hotels stay for other reasons such as room availability, location and price. The Adelphi Hotel, part of the Britannia Group, hosts International Beatles Week every year but at other times of the year could be regarded as a conventional hotel.

It is also important to incorporate in the analysis attractions and amenities which benefit indirectly from Beatles tourists because visitors who come to Liverpool primarily because of its association with the Beatles often go on to visit other attractions. There are also businesses for whom the Beatles-themed products are just one aspect of their business rather than their *raison d'être*.

To conduct the assessment, we collected the following data:

- intelligence from other studies and secondary literature;
- sample e-survey of Beatles businesses;
- in-depth interviews with proprietors of the main businesses.

Table 10: Liverpool Beatles Businesses

Name of business/activity	Nature of business
The Beatles Story	Attraction
Cavern Club	Attraction/ Bar / Club
20 Forthlin Road - McCartney Home	Attraction
Mendips - John Lennon Home	Attraction
Hanover Hotel's McCartney's Bar	Bar / Club
Bar Four	Bar / Club
Casbah Coffee Club	Bar / Club
Jacaranda Club	Bar / Club
Lennon's Bar	Bar / Club

BEATLES HERITAGE IN LIVERPOOL AND ITS ECONOMIC AND CULTURAL SECTOR IMPACT

Name of business/activity	Nature of business
The Cavern Club	Bar / Club
The Famous Grapes Pub	Bar / Club
The Philharmonic Pub	Bar / Club
The White Star	Bar / Club
A Hard Day's Night Taxi Tours	Guide/Activity
Beatle guides - Jackie Spencer	Guide/Activity
Beatles Day Tours Liverpool Transfers	Guide/Activity
Beatles Magical Mystery Tour	Guide/Activity
Brilliant Liverpool Tours Day Tours	Guide/Activity
Daytrippers Beatles Taxi Tours	Guide/Activity
EdgyCityCyclingTours	Guide/Activity
Fab Cabs of Liverpool Private Tours	Guide/Activity
Liverpool Beatle Tours	Guide/Activity
Liverpool Beatles Tours	Guide/Activity
Liverpool Beatles Tours UK	Guide/Activity
Liverpool City Walks	Guide/Activity
Liverpool Cycle Tours	Guide/Activity
Liverpool History Taxi	Guide/Activity
Liverpool Magico Tours - Private Tours	Guide/Activity
Paul Beesley: Professional Tour Guide	Guide/Activity
Pool of Life Beatles Day Tour	Guide/Activity
Rock ,n, Rolls Tours	Guide/Activity
The Beatles Fab Four Taxi Tour	Guide/Activity
UK Tours Liverpool	Guide/Activity
Epstein House	Hotel
Hard Days Night Hotel	Hotel
Penny Lane Hotel	Hotel
Adelphi Hotel	Hotel
Yellow Submarine	Hotel
The Cavern Beatles	Performers

Name of business/activity	Nature of business
Beatles Liverpool and More	Shop
Hard Days Night Shop	Shop
The Beatles Shop	Shop

We have defined the Beatles economy and calculated resulting impacts in two ways. The first adopts a tight definition. It measures the scale of the 'core economy' of Beatles-related economic activities in terms of jobs and GDP. These activities are closely associated with the Beatles either in name, purpose, origin or ethos. It also includes the indirect and catalytic effects of such activities. The second is a much wider definition. It measures the size of the Beatles economy as a whole. It not only includes Beatles-related activities but also the GDP and jobs which accrue to all kinds of businesses because of the Beatles legacy. This figure therefore includes indirect and catalytic impacts generated by visitors and customers for whom the Beatles have been wholly or partly the reason why they purchased local goods and services. We have adjusted the latter figures to take into account the relative importance of the Beatles compared with other factors.

We have adhered to the following principles in calculating indirect, catalytic and net impacts:

1. Wherever possible we have used primary data, provided it is available and reliable.
2. Where we have had to resort to using proxy data, we have favoured local and regional rather than national data.
3. We have also been careful to apply the most appropriate additionality factors and multipliers to different sub-sectors of the Beatles economy. These are detailed in a later section.
4. We have only used GVA and jobs multipliers where there is robust local GVA and employment data.
5. We have opted for lower multipliers for this study given that knock on effects lessen the finer the scale of spatial analysis.

9.3 Calculating the urban economic impact of the Beatles legacy.

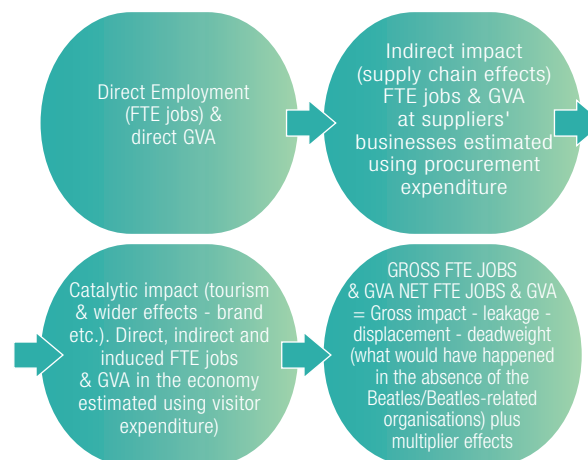
This study draws upon well-established economic impact assessment techniques to gauge both the current and the potential impact of the Beatles legacy (e.g. Roger Tym & Partners, 2011). In recent years, there has been a sharp increase in the number of studies examining the local economic impact of arts and cultural activity, and a number of these have focused on Liverpool (e.g. Garcia et al, 2008; Roger Tym, 2011). While their methodologies slightly differ, they share some key characteristics:

- They involved surveys of arts organisations to generate detailed primary data about salaries of staff, turnover, supplier expenditure, visitor profiles.
- They estimated the magnitude of their indirect and catalytic economic impact by applying proxy data from other surveys and studies (e.g. multipliers, supply chain, additionality) because of data gaps and limited budgets for surveys.

We have adopted a similar approach. Our methodological framework for gauging the economic impact of the Beatles is shown in Figure 6. This distinguishes the direct, indirect, catalytic and net impacts of Beatles-related activities. As a preliminary step, we conducted a brief literature review of studies which have gauged the economic impact of music and music heritage tourism both in Liverpool and elsewhere. We did this partly to assess other studies' methodological approach but also to trawl for data which might provide useful proxies should for any reason we fail to obtain primary data. Using local data and the softer intelligence of those involved in the Beatles industry we then assembled a database of companies that derive a significant portion of their income from the Beatles legacy. This amounted to 40 companies. We grouped these businesses into five types: hotels, visitor attractions, tours and tour guides, retailers and educational institutions providing Beatles courses or those supported by the Beatles. In order to apply the model we then sampled leading businesses in each sub-sector using e-surveys according to size of establishment and their reputation and standing using Trip Advisor ratings. In each case we sought to obtain visitor numbers, employment

(FTE), turnover, expenditure on suppliers based within the city. The final step in the analysis involved adjusting the gross impact figures to allow for additionality: the extent to which impact takes place which would not have done in the absence of the phenomenon or intervention. As Figure 6 shows, additionality is calculated by subtracting leakage (benefits outside the target area), displacement (consequent reductions in benefit in other businesses) deadweight (what would have happened in the absence of the Beatles) from total impact and then allowing for multiplier effects – the additional economic activity which results from increases in local income, local supplier purchases and longer term development effects. We therefore grossed up the totals of each indicator using data about sub-sector populations from the Business Register Employment Survey database. We then estimated indirect benefits resulting from these businesses' spending on local suppliers and also catalytic impact arising from ancillary expenditure by visitors to Beatles attractions. The final step was to apply relevant sectoral additionality measures and multipliers from other studies to estimate the overall net impact of Beatles-related businesses on the local economy. To collect the primary data, we deployed a mixture of methods including semi-structured interviews with proprietors or senior employees, e-surveys (e.g. tour guides) and sampling taxis in taxi ranks at major arrival points in the city (e.g. Lime Street; Liverpool Airport).

Figure 8: Framework for Assessing the Economic Impact of the Beatles Legacy



As a cross-check, we have updated the calculations which featured in the Imagine study by allowing for changes in visitor numbers, prices and also inflation. However, it must be stressed that the method used in that study probably under-represents the economic impact of the Beatles because:

- It does not take into account the indirect and catalytic effects of Beatles-related businesses – supply chain effects, multiplier effects from employee spending and the brand value of the Beatles to the city.
- It assumes that the off-site spending habits of Beatles visitors are the same as those of all tourists which may underestimate the wider economic impact of the former as anecdotal information from individual Beatles attractions suggests that a growing proportion of their visitors are from abroad and that they tend to spend more than the average tourist.

9.4 Survey methods

In order to maximise returns we made it clear to each Beatles business that results would be treated with complete anonymity and confidence, and that no figures from individual businesses would be disclosed since we would be aggregating returns from all businesses in order to calculate the total economic impact of Beatles on tourism in Liverpool. We also varied the format and level of detail of the questions depending upon the type of business. With small operators such as taxi firms we focused on obtaining headline data on number of passengers on Beatles tours, average charge and number of employees (FTE). With larger concerns we sought more detailed information about total annual income, spend on suppliers and service providers based in Liverpool and number of employees (FTE).

9.5 Method of calculating Beatles-related jobs and turnover in hotels

We also used suitable intermediaries to boost survey returns. For example, we sought advice about questionnaire design from a qualified Beatles guide (Martin Hudson, of Liverpool Business School) who then arranged for the chair

of the Association of Liverpool Tour Guides to circulate our questionnaires to ALTG members. In the survey questionnaire we sought details of guide's qualifications, employment status, time spent taking visitors on Beatles and general tours and income derived from Beatles-related tours. We also conducted some field work at major arrival points in the city such as the John Lennon Airport and Lime Street and Central railway stations to gauge the proportion of visitors coming to Liverpool because of the Beatles and the level of patronage on Beatles related tours. We have assumed that 30% of international visitors come to Liverpool either solely because of the Beatles or because they have significantly influenced their decision on the basis of past research (Liverpool City Region LEP, 2012). Since there were in total 1,086k overseas stay visitors in 2013 (the latest date for which data available), accounting for 49% of all staying visitors, there were therefore an estimated 325,800 overseas visitors staying in Liverpool hotels for Beatles-related reasons. Since surveys show that staying visitors from overseas spend more than average (mean spend per person was £65 in 2012) we have assumed that they spend about £70 on accommodation which totals £44.96m in revenue.

We have also assumed that about 20% of domestic stays are due to the Beatles. There were 1.438m domestic stay visits in total in 2012, 72% of all staying visitors. We have assumed that domestic staying visitors spend about £60 per visit on accommodation which gives a total £86.28m in revenue.

According to the latest Liverpool hotels update (Mayor of Liverpool, 2015), there are in total 2,500 jobs in city centre hotels which - discounting those in Beatles themed hotels - leaves 2,100 total jobs in other hotels. Applying the split of overseas and domestic staying visitors, 590 of those are attributable to overseas visitors, 1,510 jobs to domestic. Deflating those figures in order to get at the number attributable to the Beatles produces totals of 177 and 302 respectively and a sum of 479 jobs.

9.6 Gauging additionality – deadweight, leakage and displacement

Deadweight refers to the economic benefits which

would have materialised anyway in the absence of Beatles businesses and other activities. For example, if a tourist visiting Beatles attractions would have come to the city anyway irrespective of their existence then their consequent expenditure on other items (e.g. hotels, restaurants, travel) should be regarded as 'deadweight.' This concept can also be applied to future investment in the Beatles where deadweight refers to the proportion of output and outcomes arising from the investment which would have been secured without the investment.

Leakage refers to those outputs which benefit other areas beside the one being studied, in this case Liverpool. Clearly, the smaller the area under investigation the greater the leakage to other parts of the city region and beyond. We have adopted a figure of 30% on the basis of our knowledge of where employees of businesses in this sector live, supply chain information and the results of other studies (English Partnerships, 2008).

Displacement is that proportion of economic outputs and outcomes that reduces outputs and outcomes elsewhere in the area under investigation. If, for example, investment or expenditure in Beatles activities results in a decline in investment or expenditure elsewhere, then that amount should be discounted in order to calculate the net economic gain or benefit.

Accurate calculation of these effects involves expensive and in-depth surveys of the activities in question. Hence most studies tend to apply figures from other broadly comparable studies. In this study we have used a combination of such evidence and also anecdotal information from interviews about the behaviour and inclinations of Beatles-related visitors and other consumers of such services.

The average deadweight rate in a large number of past studies at the sub-regional level is about 39% (BIS, 2009). In the light of the global significance and uniqueness of the Beatles and their vital importance to Liverpool's image and appeal and also LEP visitor destination survey figures about visitors' different motivations for coming to Liverpool, we believe it is appropriate to adjust this figure downwards to 20%.

In a range of studies of displacement, again at the sub-regional level, displacement rates range from 15-25% and averaged out at 21.5% (EP Additionality Guide). We have therefore decided to use a middling value of 20% in our calculations.

This concept can also be applied to future investment in the Beatles where displacement refers to the proportion of output and outcomes relating to the investment that reduces outputs and outcomes elsewhere in the target area.

9.7 Choice of multipliers

Multipliers vary depending upon the nature of the area being studied and the depth of its economic base. We have used multipliers from other studies which are most relevant to the economic sub-sector concerned as detailed in Table 11. We have placed most store on multipliers available at the city and urban regional level given our remit.

Table 11: Selection of multipliers from other studies

Sub-sector	Multiplier	Source
Tourism	UK Type 2 multiplier (direct, plus indirect, plus induced) of 2.8 (GVA) and 2.2 (employment). UK multipliers for UK cities have ranged between 1.19-1.4 depending upon their size and economic characteristics. Our preferred figure: 1.3 for city.	Deloitte and Oxford Economics (2013) Roger Tym, 2011
Arts and cultural industries	Type 2 multipliers for leading arts and cultural attractions in Liverpool were 1.3 for Liverpool and 1.45 for Liverpool City Region. Our preferred figure: 1.3 for city.	Roger Tym, 2011
Higher Education Institutions	NW Regional multiplier of 1.5 for calculating indirect (procurement), induced (expenditure wages & salaries) & student expenditure. Type 2 NW regional multiplier of 2.12 (output) and 1.96 (jobs) Our preferred figure: 1.2 for city. Student expenditure Full time - £13,909/annum. Part-time - £18,946/annum.	SQW Consulting, 2013; Viewforth Consulting, 2014 BIS, 2013

9.8 GDP: employment conversion

As firms were not always prepared or willing to respond to all our questions we have had to devise methods of filling in missing data. This particularly applied to the derivation of job and GDP estimates. Where firms supplied one but not the other datum, we have drawn upon a combination of city regional NUTS2 GVA per FTE data in relevant sectors (e.g. ‘Arts, Entertainment and Recreation’; Accommodation and Food Service Activities, Wholesale and retail’ – Table 12) and information from local studies of the arts sector to produce estimates of the missing data.

Table 12: GVA £s per FTE for Arts, Entertainment and Recreation; Accommodation and Food Service Activities; Wholesale and retail.

£s per FTE, 2012	Merseyside	England
Arts, entertainment and recreation	44,600	42,831
Accommodation and food service activities	28,099	30,932
Wholesale and retail trade; repair of motor vehicles	33,743	45,013

Source: ONS Regional Accounts and Business Register and Employment Survey

9.9 General caveats and qualifications

This study was commissioned in order to quantify the benefits of the Beatles legacy to the Liverpool economy. However, many of the job and indirect and induced benefits accrue elsewhere, particularly in other parts of the city region. Many employees and suppliers of Beatles activities and attractions are based outside the city boundaries but within the city region. The figures therefore under-represent the true scale of impact.

The analysis in this report only partially captures the overall economic impact of the Beatles legacy because it is extremely difficult to place economic values on the following:

- The worldwide visibility and recognition that the city has because of the Beatles legacy.
- The positive effect of the Beatles legacy on the image of the city globally.
- The synergy effects which result from the interactions between different aspects of the city’s appeal – Beatles, football, humour, maritime importance, past Capital of Culture status.
- The difficulty in quantifying the marketing advantages to the city of Beatles coverage in different media. Quick and straightforward methods of calculating these benefits such as advertising value equivalency techniques (AVE) have significant drawbacks. AVE methods measure cost not value and often use arbitrary multipliers to convert the former into the latter. More rigorous methods such as content analysis and audience surveys are expensive and time consuming and therefore not an option for this study.

The report therefore understates the overall economic value of the Beatles to the city to a considerable, if unquantifiable, degree.

10. Appendix 2: Qualitative coding

Table 13 details the full qualitative coding framework for the interviews

Table 13: Qualitative coding framework

	No. of interviews with code	Total no. of coded items
1. The Beatles and the World	12	48
1.1. The extent and intensity of the Beatles' popularity today	10	36
1.1.1. As evidenced by international tourist inflows to Liverpool	6	9
1.1.2. As evidenced by the Beatles' international cultural prominence and brand recognition	9	25
1.2. Explaining the Beatles' enduring popularity and cultural impact	3	3
1.3. Prospects for the Beatles' future popularity	6	9
2. Liverpool and the Beatles	11	53
2.1. The importance of Liverpool to the Beatles in their formative years	4	5
2.2. Liverpool's attitude and behaviour towards the Beatles	11	38
2.2.1. The general public	9	30
2.2.2. The city council	5	8
2.3. The Beatles' attitude and behaviour towards Liverpool	5	10
3. Liverpool's Beatles offer	12	81
3.1. Mapping the Beatles offer on the periphery	2	3
3.2. Historical development of the offer	6	17
3.3. Positive aspects or complimentary assessments of the current offer	8	12
3.3.1. There are no downsides to the Beatles offer in Liverpool	2	2
3.3.2. There are new or upcoming physical developments	1	1

	No. of interviews with code	Total no. of coded items
3.3.3. Only minor improvements or tweaks are needed	2	2
3.3.4. The Beatles offer is not overbearing or suffocating	1	1
3.3.5. Liverpool's Beatles offer is peerless	1	1
3.3.6. The strengths of the Beatles offer obscure the weaknesses	1	1
3.3.7. The volume of the offer is good	2	2
3.3.8. The offer is good but with room for improvement	2	2
3.4. Negative aspects or critical assessments of the current offer	11	49
3.4.1. The poor condition of space surrounding attractions	1	1
3.4.2. The atmosphere created by binge drinking and anti-social behaviour in areas surrounding attractions	3	3
3.4.3. The poor quality, often unlicensed, attractions and retailers	7	20
3.4.4. The failure to tell the Beatles story in a compelling way	4	9
3.4.5. The lack of 'joined-up-ness' or coherence	5	11
3.4.6. The benefits of tourism are not felt outside the centre	1	2
3.4.7. The lack of consideration for local residents in areas around Beatles attractions	1	3
4. Liverpool's management and exploitation of the Beatles brand	9	28
4.1. Structures, strategies and efforts to coordinate and capitalise on the Beatles	8	17
4.2. Adequacy of existing structures, strategies and efforts	7	11
5. The current and future value of the Beatles	13	116
5.1. To Liverpool	13	98
5.1.1. Socially	3	4

	No. of inter-views with code	Total no. of coded items
5.1.2. Culturally	10	24
5.1.3. Economically	13	60
5.1.4. In terms of image and international renown	4	4
5.2. Beyond Liverpool	7	18
5.2.1. Culturally	6	12
5.2.3. Economically	2	6
6. Factors that may affect the potential future value of the Beatles	0	0
6.1. The emergence of new markets for tourism	1	1
6.2. The expiration of Apple copyrights	1	1
6.3. The disruptive effects of digital technology	2	4
6.4. The resilience of the Beatles' popularity among younger generations	4	5
6.5. The rise of experience-focused and cultural tourism	1	1
6.6. The degree of commitment of the next generation of Beatles' custodians	4	7
6.7. The alienation of local residents caused by unregulated tourism	1	2
7. Charting a course forward	13	104
7.1. Obstacles to progress	10	24
7.1.1. Perceived ambivalence or lack of support from national tourist boards	1	1
7.1.2. Perceived reluctance of the Beatles and/or Apple to engage with the city	1	1
7.1.3. The lack of consultation with the Beatles and their family	1	2
7.1.4. Potential for the fervour of Beatles tourists to blind them to the weaknesses of Liverpool's offer	1	2
7.2. Recommendations	12	80
7.2.1. On how to improve the tourist offer (incl. favourable international examples)	12	57
7.2.2. On how the tourist offer should not develop (incl. unfavourable international examples)	9	22

11. Appendix 3: Academic references

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