



## Barnes & Noble College Marketing Plan:

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## Executive Summary

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Barnes & Noble College (B&N College) is a subsidiary of Barnes and Noble Incorporated, operating in the United States bookstore industry. B&N College retails specifically in the college and university textbook market, operating bookstores in 647 college campuses, as well as selling and distributing textbooks through online services. Barnes & Noble has relationships with over 1,700 publishers and 50 distributors and utilizes two distribution centers in New Jersey and Nevada.

While there is a current annual decline in bookstore industry in terms of sales of physical books; however, there is a growing increase of sales in regards to eBooks and online services. This creates an opportunity for Barnes & Noble to sell, rent, and buy back books through online services. This will strengthen B&N College's position against its two largest competitors, Follett who services 1000 post-secondary schools on 5-10 year contracts, and Amazon.com Inc. which is the world's largest online retailer.

B&N Colleges main target audience will be any post-secondary student, most commonly between the ages of 18 and 30. They will not change the price of their textbooks, as they currently offer the most competitive prices for new and used, rented, and online eBook textbooks, as well as the best price on buy back textbooks. Barnes & Noble will be updating their website to be more accessible and easy to use, offering service to anyone within the country through online purchases and delivery. Barnes & Noble will also develop a customer loyalty program, known as the NOBLE loyalty card, which compensate students with redeemable reward points for buying from B&N College bookstores or online.

To market these new services, Barnes & Noble will operate a social media campaign, a interactive promotional tour, print advertisements in school newspapers. Promotional tours will visit schools without a B&N College bookstore, to build awareness about the new online delivery website. NOBLE cards will also be given out for free, granted customers "like" and "follow" B&N College on Facebook and Twitter.

Textbooks will still be sold in B&N College bookstores, as well as online. The use of the New Jersey and Nevada distribution centers will be accountable for ordering and delivering textbooks to online customers. With the promotional campaign and resource costs, this initiative will generate a \$3,342,111 increase in net income from the previous year, in a declining industry.

## **Issue Analysis**

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1. Should B&N penetrate Canadian Market?
2. Should B&N focus on physical books or eBooks or both?
3. Should B&N concentrate in a retail outlets or online delivery services?
4. Should B&N utilize a rewards system for customers?
5. Should B&N set up competing retail stores near campuses or wait for contracts to expire

## **Marketing Objectives**

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1. Increase B&N College market share from 11.4% to 12.0% (a 0.61% increase) by September 2014, within the United States book store industry. (Refer to Appendix A)
2. Increase overall sales (hardcopy and electronic) by 4.0% in the United States (from \$1.74 billion to \$1.807 billion) by January 2014. (Refer to Appendix A)
3. Generate 200,000 NOBLE Loyalty Card holders across the United States by January 2014.

## **Marketing Strategy**

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One of the main issues that B&N College was faced was whether to enter the Canadian market or not. Because of the complexity and high risk, expanding into the Canadian market will be postponed. B&N College will stay and grow the brand name in the United States. <sup>1</sup>

### **Target market**

B&N College is targeting male and female post-secondary students aged primarily aged 18-30. These students are in the market for competitively priced textbooks, and other educational materials.

## **Positioning Statement**

B&N College are positioned as an Educational Bookstore that provides new, used, or rental textbooks both in hardcopy and online. Barnes & Noble: your Education, your Books, your Rewards.

## **Product**

B&N College will continue to provide textbooks to all students both in physical form as well as through online platforms such as the Nook e-reader and NOOKstudy program.<sup>2</sup> We will modify the online website to enhance accessibility. Currently a user would only be able to log in and purchase textbooks from one of 647 B&N College school bookstores, restricting other students across the United States. More accessibility will allow students from any college or university in the United States the capacity to access the wide range of textbooks offered by B&N College.

B&N College will develop a loyalty card called the *NOBLE card*, providing members with reward points that can be earned with B&N College purchases.

## **Price**

Textbook prices will remain competitive due to B&N College's relationships with more than 1700 publishers and over 50 distributors nationwide.<sup>2</sup> The NOBLE loyalty card will have a registration fee of \$2.99 +taxes.

## **Promotion**

### The NOBLE loyalty card:

Members earn points for free or discounted books every time a textbook is purchased, rented, or sold back to B&N College using the NOBLE card. Discounts and rewards will be measured by an exclusive point system. The \$2.99 activation fee can be avoided by "liking" B&N College on Facebook. An initial 150 points can be acquired by following the B&N College Twitter page.

### Social Media advertisement campaign for the NOBLE card and new website:

Facebook advertising will use sponsored stories to increase awareness to the NOBLE card and the new website. We will target users with a post-secondary education status, as well as their friends.

### Campus Promotions

B&N will conduct a face to face marketing campaign in schools across the country to engage students and introduce them to the easy to use website and NOBLE rewards card. An outside promotions agency will in charge of the process which will occur at the beginning of the fall and winter school terms.

### **Place**

Barnes & Noble College will continue to sell their textbooks from their 647 campus bookstores and distribute online purchases.<sup>2</sup> For schools that do not have B&N College bookstores, the new accessible website will allow any student in the county to purchase and receive textbooks from the comfort of their home.

## Appendix A

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Objective Calculations: Increase in Market Shares		
<b>Total Bookstore Industry:</b> <sup>9</sup>	\$	15,800,000,000
<b>B&amp;N College Sales 2012</b> <sup>5</sup>	Sales Increase (%)	Forecasted Sales 2013
\$ 1,740,000,000	1.04 4.0%	\$ 1,809,600,000
<b>Total Forecasted Sales Increase</b>	\$	69,600,000
<b>Market Share Increase</b>		0.606%

## References:

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1. Greenwood, D (Nov 2012). *Email concerning Canadian Expansion*. No URL
2. Barnes & Noble, Inc. (2012). *Company Profile*. Retrieved from Data monitor Barnes & Noble, Inc. on November 8, 2012.
3. Richard K. Miller & Associates. (2012). *Book Store Market Shares*. Retail Business Market Research Handbook. Retrieved on November 8, 2012.
4. Barnes & Noble financial statement (2012). *Barnes & Noble Annual Report 2012*. Retrieved from Barnes & Noble financial Database on November 8, 2012.