



Barnes & Noble College Marketing Plan

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Agenda:

- ❖ Current Market Situation
- ❖ S.W.O.T Analysis
- ❖ Issue Analysis
- ❖ Marketing Objectives
- ❖ Marketing Strategy
- ❖ Action Plan
- ❖ Profit and Loss Statement
- ❖ Controls
- ❖ Class Activity



Overview:

- Subsidiary of Barnes & Noble Inc.
- *B&N College*: Operates in 647 college campuses
- Market Segment: Book Store Retailer
 - College textbooks, educational material, and apparel



Current Market Situation:



Demographic:

- Ages 18-30
- Post-secondary enrolment
- Low income - \$10,000-15,000 per year
- Middle to upper class

Economic:

- Depression recovery
- High unemployment rates
- Difficult to get jobs
- Increase in college education enrolment

Current Market Situation:



Direct Competition:

- Amazon.com Inc.
- Wal-Mart
- Follett Corporation

Indirect Competition:

- School Services
- Professor Notes
- Educational Documentaries and Videos



Current Market Situation:



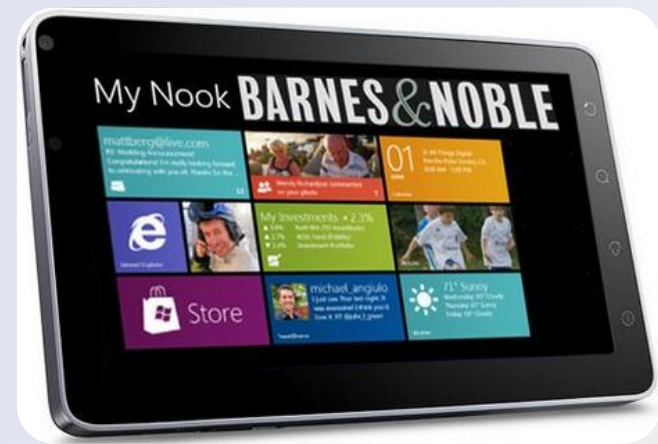
Political-legal:

- Online Piracy



Technological:

- Shift to eBook focus
- Can be stored on one convenient device
- File sharing and piracy



Current Market Situation:



Social-cultural:

- Downloading and web sharing era
- Purchase fluctuation in industry
- Higher education is a necessity





SWOT Analysis

Strengths:

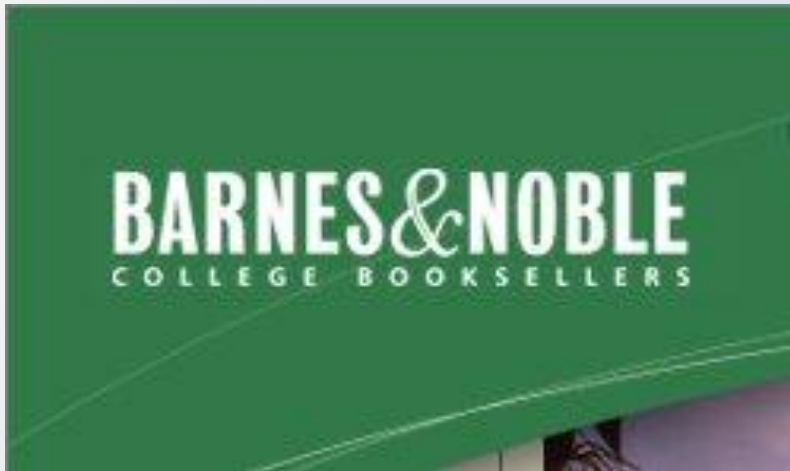
- Operates in 647 college bookstores
- Strong relationships with 1,700 publishers and 50 distributors
- Specialize in education
- Online content adapts to multiple platforms
- Strong brand image: Ties with Barnes & Noble



SWOT Analysis

Weaknesses:

- Current Lawsuits
- Lack of incentives = no consumer draw
- Rising labour costs
- Restricted website access
- Nationwide rental program not available





SWOT Analysis

Opportunities:

- Trending increase in online sales
- Economic recovery expected to stimulate consumer spending
- Students have high spending patterns
- Increase in adults returning to school
- Long-term contracts for bookstore (5-10 year avg.)



SWOT Analysis

Threats:

- Strong competition in the United States
 - Physical books
 - Online books
- Decrease in state funding
- Cost of education deter textbook purchases
- Long-term contracts for bookstore (5-10 year avg.)





Issue Analysis

Should B&N College...

1. Penetrate Canadian Market?
2. Focus on physical books or eBooks or both?
3. Focus on retail outlets or online delivery services
4. Utilize a rewards system for customers?
5. Set up competing retail stores near campuses or wait for contracts to expire



Objectives

1. Increase B&N College **market share** from 11.4% to 12% (a 0.6% increase) by January 2014, within the United States book store industry.
2. Increase **overall sales** (hardcopy and electronic) by 4% in the United States by January 2014.
 - o 1.74 billion to 1.807 billion
3. Generate 200,000 **NOBLE Loyalty Card** holders across the United States by January 2014.



Marketing Strategy



Target Market:

- Post-Secondary students
- Ages 18-30
- Price sensitive



Marketing Strategy

Positioning Statement:

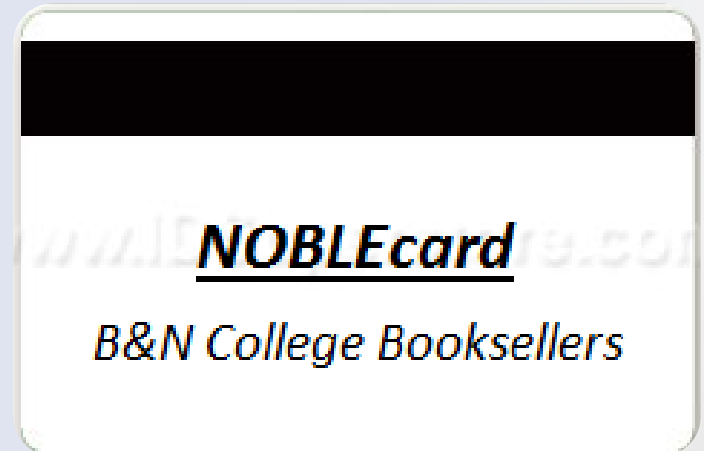
*“Barnes & Noble College : your Education, your Books,
your Rewards”*



Marketing Strategy

Product:

- Modify and update current online website
 - Easy access
 - Delivery
- Introduce a loyalty program
 - The NOBLEcard
 - Points on purchases
 - Rewards





Marketing Strategy

Promotion:

- NOBLE loyalty program
- Social Media campaign
- Face to face marketing

The image shows the Facebook logo, which consists of the word "facebook" in white lowercase letters on a dark blue rectangular background.

Price:

- Competitively priced
- Noble card fee
 - \$2.99 + taxes



Marketing Strategy

Place:

- *Current Campus Contracts:*
 - 647 Campus Retail outlets
 - Online bookstore
- *Other Campuses:*
 - Utilize the new easy access online bookstore
 - Access to all textbook inventory



Action Plan



Product:

Online Website:

- Hire IT Professional
 - Web design
 - Maintenance
 - Train Staff



Action Plan

Changes in the Online website:

- Increase accessibility
- Easy to search for textbooks
- Ability to purchase or sell online
- Delivery Options:
 - At home
 - On campus
- Pay by Credit Card or PayPal
- Free delivery with purchases over \$100

Action Plan

NOBLE loyalty card:

- Rewards program
 - Increase consumer loyalty
 - rebates on textbooks
- Access to contests and special offers
- Points determined depending on type of purchase





Action Plan

NOBLEcard reward system:

	Reward points for book values below \$100:	Reward points for book values above \$100:
Purchase New (including all eBooks)	50 points	100 points
Purchased Used	40 points	75 points
Rental	30 points	50 points
Buy Back	20 points	25 points



Action Plan



Price:

- Textbooks will remain competitively priced
- Activation fee:
\$2.99+Taxes

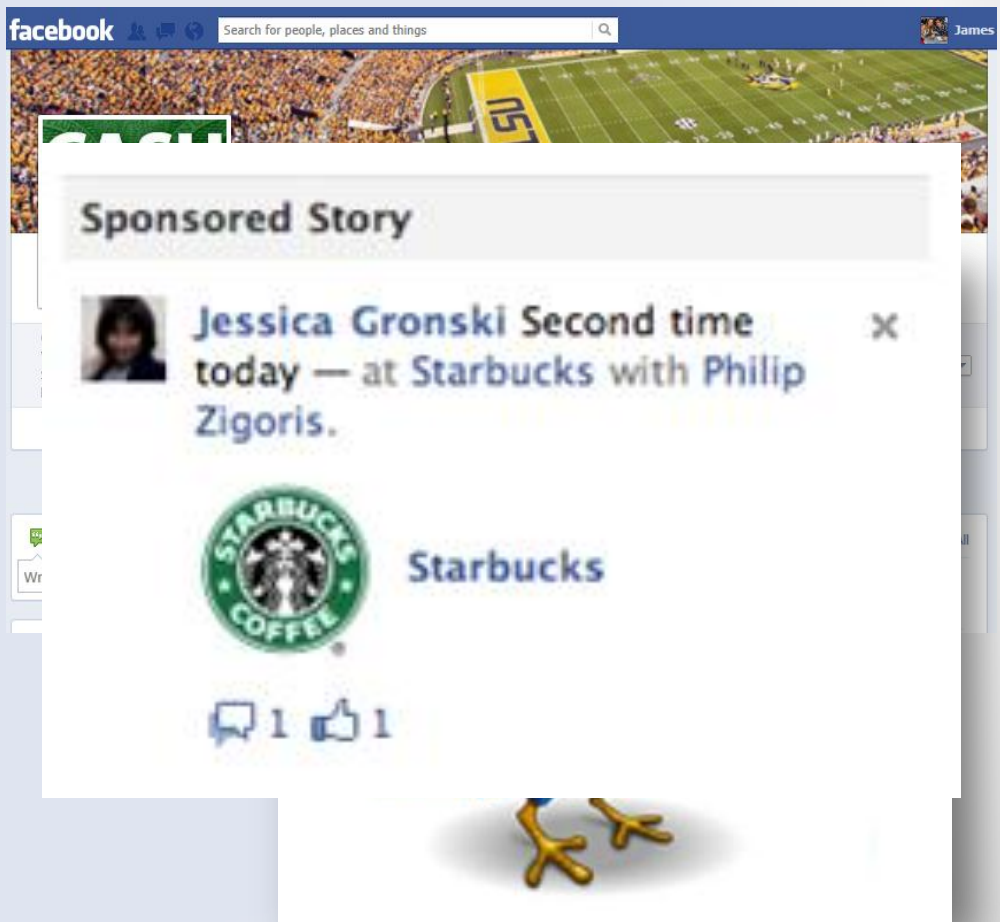


Action Plan

Promotion:

Social Media Campaign

- Free NOBLEcard on Facebook
- Free Reward Points on Twitter
- Facebook ads: sponsored stories
- Daily page updates and maintenance





Action Plan



BARNES & NOBLE
COLLEGE BOOKSELLERS



Face to Face Marketing:

- Promotional Flyers circulate through Current retail stores
- Brief description to consumers:
 - NOBLEcard
 - Website



Action Plan

Hire Mosaic Sales Solutions

- Target 350 campuses
- 350 teams of 2
- Focus on shopping malls
- Set up Kiosks
- Interact with students
 - NOBLEcard
 - New Website





Action Plan



BARNES & NOBLE.com



Place:

- Utilize publisher and distributors relationships
- 2 distribution centers
 - Reno, Nevada
 - Monroe Township, New Jersey
- Use courier for online sales



Profit and Loss

- Profit and Loss Statement on next slide...

<u>As of April 28, 2012</u>		<u>As of end of December 2013</u>	
Sales	\$ 1,743,662,000.00	Sales	\$ 1,711,697,885
		Additional Online Sales	\$ 95,983,850
		Total Sales	\$ 1,807,681,735
Cost of Goods Sold (COGS)	<u>\$ 1,348,350,000.00</u>	Cost of Goods Sold	<u>\$ 1,378,435,063</u>
Gross Profit	\$ 395,312,000	Gross Profit	\$ 429,246,672
Expenses		Expenses	
Selling Administrative Expenses	\$ 279,364,000	Selling Administrative Expenses	\$ 294,980,447
Depreciation and Amortization	<u>\$ 45,343,000</u>	Depreciation and Amortization	<u>\$ 47,538,054</u>
		IT Professional	\$ 80,000
		Website	\$ 3,000
		Facebook Ads	\$ 7,300
		Promo Flyers	\$ 101,500
		Promotional Campaign	\$ 2,913,560
		Social Media Personalle	\$ 7,200
		Reward Rebates	\$ 9,576,400
		Loyalty Cards	\$ 25,000
		Courier	<u>\$ 1,113,000</u>
Total Expenses	<u>\$ 324,707,000</u>	Total Expenses	<u>\$ 356,345,461</u>
Operating Income	\$ 70,605,000	Operating Income	\$ 72,901,210
Taxes (flat 35%)	<u>\$ 24,711,750</u>	Taxes (flat 35%)	<u>\$ 25,515,423</u>
Net Income	<u>\$ 45,893,250</u>	Net Income	<u>\$ 47,385,786</u>



Controls

1. Compare personal market share growth to entire market and competition
 - Monthly sales and budget analysis
2. Evaluate increase of overall sales
 - Compare 2011 and 2012 sales by quarter
 - Conducted through weekly sales meetings
3. Create database for NOBLEcard members
 - Analyze monthly reports



Class Activity:

- Google Search...
 1. Barnes & Noble College
 - Click campus stores
 - Your school is Cayuga
 2. Follett Corporation
 3. Amazon.com Inc.
 4. Wal-Mart

Use search word: **“MARKETING”**
Discuss experience at your tables



Questions:

- Any Questions?

Thank You for your time