

What brands can learn from Barnes & Noble's reinvention

Article

Instead of trying to compete with Amazon, Barnes & Noble is changing to appeal to consumers looking for the experience of an independent bookstore with the resources of a large chain. Leaning on local inspiration and a store layout that optimizes discovery, Barnes & Noble is revamping its 596 locations, as well as its membership program.

Here are four takeaways from the bookstore's journey.

1. Think outside of the (Amazon) box

Since the advent of Amazon, Barnes & Noble—and every other major book chain—has tried to keep up with the ecommerce giant, **without much success**. Instead of beating Amazon at its own game, Barnes & Noble has turned the page: going back to the reasons why consumers' love to shop for books in the first place.

“Amazon doesn't care about books ... a book is just another thing in a warehouse,” James Daunt, CEO of Barnes & Noble, **told The Guardian**. “Whereas bookstores are places of discovery. They're just really nice spaces.”

Barnes & Noble is undergoing a sweeping transformation, revamping each of its 596 locations to look and feel more like an independent bookstore.

- One of the most recent redesigns took place at the chain's location in the Upper West Side of Manhattan (the inspiration for the megastore run by Tom Hanks' character in “You've Got Mail”).
- The \$4 million renovation included relocating the registers to the back of the store, moving magazines upstairs, and placing gifts and toys on the mezzanine, according to The Wall Street Journal.
- The result is an “**unequivocally book-driven**” store where visitors can just as easily find what they're looking for as they can wander the shelves for hours browsing, per The Guardian.

2. Get local

To truly have the feel of an independent bookstore, each location needs to operate as such. Breaking with traditional chain operations, Daunt has given each Barnes & Noble location control over purchasing, placement, and pricing.

“If you're in Alabama, you should run a very different bookstore to if you're on the Upper West Side of Manhattan,” **said Daunt on the “Business Studies” podcast** as reported by Insider.

Curating stores based on location creates a loop that helps Barnes & Noble sell even more books. Employees use knowledge of their customers to make purchasing and layout decisions, which are then evaluated based on customer feedback.

3. Promote discovery

#BookTok has had an outsized impact on the publishing industry, as book lovers carved out a dedicated TikTok space to show off their book hauls and doled out recommendations.

Barnes & Noble aims to harness the power of #BookTok in a physical space by optimizing its stores for discovery by:

- Organizing curated tables in a way that “transcend algorithmic recommendations”
- Rearranging the store’s history books from A–Z to chronologically
- Placing books with covers facing outward instead of spines
- Handwritten staff picks strewn throughout the shelves

“Our job is to create bookstores which are attractive for browsing, where people want to spend time and discover books,” **Daunt told the Los Angeles Times**.

4. Think beyond the physical store

Barnes & Noble **revamped its membership program earlier this year**.

- A new lower-tier option enables customers to collect virtual stamps that can be redeemed for cash rewards.
- The chain’s premium option also includes the virtual stamp offering, plus free shipping on online orders, 10% discounts, and a free upgrade to the next-size beverage in the store’s cafes.

Beyond boosting sales, the goal of the membership program is to gather more first-party data, which will help Barnes & Noble further refine its offerings.

“This loyalty program revamp is a smart move that can help build on Barnes & Noble's newfound momentum,” said our analyst Sky Canaves. “The value of the benefits in the paid membership tier will allow it to pay for itself, which will appeal to current loyalty members, while the free tier can serve as a gateway that will drive customer loyalty through improved personalization.”

Another opportunity beyond brick-and-mortar? The Nook. Barnes & Noble released its Nook ereader in 2009, and **from what it seems, hasn't updated much since**. Perhaps the Nook

business isn't enough to warrant a total overhaul of the device, but it could benefit Barnes & Noble by giving it an upgrade to match its new indie bookstore vibe. Just a suggestion.

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