

# Barnes & Noble revamps its membership program to get a better read on its customers

Article

**The news:** Barnes & Noble is overhauling its membership program by expanding the perks it offers premium members and launching a free, lower-tier option.

- The premium program has a \$40 annual fee and offers free shipping on online orders, 10% discounts, a free upgrade to the next-size beverage in the store's cafes, and a tote bag. Members also receive a virtual stamp for every \$10 spent online and in stores, which translates into a \$5 credit once they accumulate 10 stamps.
- The free program also offers the virtual stamp-based rewards scheme.

The bookseller has been on an upward trajectory as of late thanks to its renewed focus on selling books rather than “gift-y and impulse-buy non-book product mix,” as well as the company allowing individual stores to function more like local shops, [per](#) Fast Company. Barnes & Noble aims to bolster that momentum by revamping the membership program to increase purchase frequency and gather data from a broader swath of customers.

**Average Number of Total vs. Active Loyalty Membership Among US Consumers, 2020-2022**

	2020	2021	2022
Average number of loyalty memberships	14.0	16.7	16.6
Average number of active loyalty memberships	7.0	7.4	7.6
<b>Average number of active memberships, by type</b>			
Credit and debit cards	1.9	1.6	1.8
Mid-frequency retail	-	1.1	1.1
High-frequency retail	0.9	1.2	1.2
Travel	0.8	0.8	0.9
Dining	0.8	0.8	0.8

Source: Bond, "The Loyalty Report" in partnership with Visa, June 14, 2022

279121

eMarketer | InsiderIntelligence.com

**A proven playbook:** The new Barnes & Noble program replaces a previous \$25-per-year offering that included free shipping and discounts for in-store purchases but not online orders.

- Barnes & Noble estimates at least three-quarters of the 5.5 million people currently paying \$25 annually would sign up for the new program, CEO **James Daunt** told The Wall Street Journal. He expects that enough new customers will enroll in the new paid program this year that the total number of paid members will remain about the same by year-end.
- Daunt loosely based the revamped program on the membership program at **Waterstones**, the UK based book chain where he is also CEO.

**Rewards programs drive results:** Inflation has made consumers more cost-conscious, which is why 50% of US consumers say loyalty programs are more important than ever, [per](#)

LendingTree's June 2022 survey.

- **Rewards programs drive repeat purchases.** Over 86% of US consumers said a loyalty program influences them to buy again from a brand, per a December 2021 Yotpo poll—and almost 44% of consumers said loyalty programs “highly influence” their purchasing decisions.
- **They also yield valuable consumer data.** The free option should expand the retailer's membership rolls, which should enable it to gather valuable first-party data from a broader array of customers. That type of data can be very valuable for personalization, as well as for advertising, which is why [retail media](#) has quickly become one of the largest and fastest-growing ad markets in the US.
- That's why retailers ranging from [Dunkin'](#) to **Starbucks** to **Chipotle Mexican Grill** have all recently revamped their rewards programs.

**Analyst take:** “This loyalty program revamp is a smart move that can help build on Barnes & Noble's newfound momentum,” said **Sky Canaves**, eMarketer principal analyst at Insider Intelligence. “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.”

**Go further:** Read our [Retail Loyalty Programs](#) report.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- *Are you a client? [Click here to subscribe.](#)*
- *Want to learn more about how you can benefit from our expert analysis? [Click here.](#)*