



External
Communication
Audit

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Prepared for **Barnes & Noble** by Rachel Eldridge

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External Communication Audit

Executive Summary

Barnes & Noble, Inc. is the largest bookstore chain in the United States. With the increasing competition of online giants such as Amazon.com, the bookseller faces constant challenges, but it is also proactively leveraging its strengths and opportunities for long-term stability and development. Barnes & Noble is based in New York, N.Y., with 1,361 stores across all fifty states and Washington, D.C., which include its 675 Barnes & Noble superstores and 686 college bookstores (*Annual Report*, 2013, p. 10). In addition to its brick-and-mortar locations, Barnes & Noble has an online storefront, bn.com, and has been working to expand its digital division of NOOK e-books. While upheaval in the bookselling industry has made growth difficult, the retailer remains committed to its stated corporate mission:

Our mission is to operate the best specialty retail business in America, regardless of the product we sell. Because the product we sell is books, our aspirations must be consistent with the promise and the ideals of the volumes which line our shelves. To say that our mission exists independent of the product we sell is to demean the importance and the distinction of being booksellers.... Above all, we expect to be a credit to the communities we serve, a valuable resource to our customers, and a place where our dedicated booksellers can grow and prosper. (“Our Mission”)

Barnes and Noble’s dedication to bookselling goes back to 1873 when Charles Barnes opened his first used bookshop. From there, his small endeavor continued to grow regionally, always with passionate booksellers as its leaders and employees. After Leonard Riggio’s purchase of the enterprise in 1971, Barnes & Noble made several acquisitions and mergers, becoming a publicly-traded company in 1993. To keep up with new technology, the company launched its brand of NOOK e-readers in 2009, although recent losses in that division preceded the resignation of Barnes & Noble’s CEO, William Lynch, in mid-summer 2013. Still,

investments in the digital division by Pearson and Microsoft present new opportunities for Barnes & Noble in forming the “NOOK Media” subsidiary (Hoover’s Company Records, 2013). While difficulties are inevitable and media reports often are bleak, the company remains forward-thinking, strategic, and community-oriented in its goals and objectives.

In the company’s letter to shareholders in the 2013 Annual Report, founder and board chairman Leonard Riggio clearly addressed concerns about corporate losses and changes within the book industry, yet concluded, “We also have an asset whose value cannot be underestimated — the Barnes & Noble brand.” Corporate leaders and local-level booksellers remain committed to their core values of *customer service, quality, empathy, respect, integrity, responsibility, and teamwork*, stating, “We care about our customers and are thankful to be booksellers and positively impact the communities in which we live through the arts, literacy and education” (“Core Values”).

These values motivate Barnes & Noble’s long-term goals of evolving to meet customers’ modern needs and providing “the very best content, delivered wherever, whenever, and on whatever platform our millions of customers choose” (*Annual Report*, 2013, p. 5). To do this, the company is focusing on five shorter-term strategies and objectives: using the Barnes & Noble brand reputation to attract customers; expanding distribution channels through strategic partnerships; driving content sales through the Internet, NOOK e-readers, and other technological devices; using its networks to deliver digital content to customers; and continuing to expand its service to the higher education market (*Annual Report*, 2013, p. 10).

In order for Barnes & Noble to meet its goals, it must be able to reach the public with effective external communication programs. Basic overviews are available from the company’s main website at www.bn.com, and press releases, histories, annual reports, and direct media

contacts are available from its “Investor Relations” website at www.barnesandnobleinc.com. The company also maintains a specific website for its “College” division. Barnes & Noble is present on social media as well, maintaining a corporate Facebook page with 1.5 million fans as well as a NOOK Facebook page with 763,000 fans. These pages focus on building a community of readers and customers, suggesting books, promoting sales, and encouraging users to share their favorite stories. The company’s Twitter accounts post similar updates, with the addition of @BN_cares, which allows live-tweeting for customer support. Barnes & Noble has not been active in traditional advertising campaigns lately, not having pushed ads since the NOOK first launched several years ago.

This communication audit was conducted by searching *LexisNexis Academic* for major U.S. newspaper articles mentioning Barnes & Noble between the years of 2012 and 2013. The most recent stories focused on the company’s struggles, highlighting leadership transitions, the declining value of the NOOK, investments by Pearson and Microsoft, and the intense competition brought on by the online retail giant, Amazon.com. Additionally, “goodwill” articles were present, although these were more often found in local papers than in national news articles, which typically only briefly mentioned Barnes & Noble as a sponsor of an event such as “World Book Night” or as the venue for a high-profile author visit. This media audit also covers issues that are important to Barnes & Noble’s goals, such as the popularity of books with film tie-ins, public opinions about e-readers, and views about independent community bookstores.

These articles are arranged into thirty “hits,” or major topics, which primarily include pieces from major U.S. newspapers such as *The New York Times*, *USA Today*, and *The Washington Post*. Such media coverage provides important information about the public image of Barnes & Noble and how it can be improved. The following sections will analyze the media

hits and make recommendations according to four major themes that emerged across the hits: strengths of the company (positive “goodwill” stories), weaknesses (primarily shown in reports of corporate upheaval), opportunities (ways to expand and develop), and threats (reports of the competition).

Strengths

Among the sixty articles included in this media audit, a few hits focused primarily on the strengths of Barnes & Noble. Most of these positive, “goodwill” stories highlighted the company’s dedication to the communities in which its retail outlets are located. For example, there was coverage of the national “My Favorite Teacher Contest” and of the chain’s teacher discounts, which reward outstanding teachers. Store events such as author visits and anti-bullying story-times also point to Barnes & Noble’s community efforts, consistent with its mission “to be a credit to the communities we serve” and to uphold the reputation of the Barnes & Noble brand. Therefore, public awareness of such events is important. While there was greater coverage of these programs in small hometown newspapers, Barnes & Noble should pursue wider media attention to communicate how these local programs fit into its national campaigns. Additionally, they should seek post-event coverage to demonstrate the positive effects of such programming, because many local newspapers simply announced the programs in weekly calendars of community events.

Weaknesses

Unfortunately, much of Barnes & Noble’s national media attention over the past two years has focused on its weaknesses, due to reports on its changing leadership and general uncertainty within the bookseller industry. Headlines such as “[Barnes & Noble] says it’s in ‘transition’” and “Barnes & Noble’s strategy is questioned as Nook Sales Decline” generate

questions and concerns about the bookseller's future. While Barnes & Noble does recognize these challenges, more efforts should be made to communicate the company's strategies for improving within these areas. Business leaders were clear in Barnes & Noble's 2013 *Annual Report* that these struggles do not deter them from their commitment to sustaining and developing their capacity to serve (p. 10-11). However, media reports do not always reflect these proactive messages, so communication efforts, from press releases to social media to local store employees, should hone in on these talking points in order to boost the public's trust in the company's future.

Opportunities

Many of the hits suggest opportunities for Barnes & Noble. Articles about the expanding "B&N College" division recognized the potential Barnes & Noble has within the academic market. Favorable reports of past Barnes & Noble events such as Michelle Obama's author visit and a *Hunger Games* extravaganza both support the company's overall message of being a community resource and its more specific strategy of using the Barnes & Noble reputation to attract customers. These face-to-face, interactive events provide value that cannot be replicated online by Amazon.com. Barnes & Noble should continue to host such opportunities and ensure they are widely publicized. Additionally, the investments of Pearson and Microsoft were also covered by the media. However, while Barnes & Noble's *Annual Report* frames these investments as strategic partnerships that can expand distribution channels, mainstream media coverage has presented them more as emergency rescues, with one headline about the Pearson partnership stating, "Bookseller sells stake in struggling NOOK unit." Barnes & Noble should seek to fix this gap between stated goals and media coverage, alleviating the disconnect that exists. Finally, information that relates to the company's interest, such as public perceptions of e-

textbooks and preferences of print and digital reading material, should be considered in forming new opportunities and in framing Barnes & Noble's communication about such areas.

Threats

Direct threats to Barnes & Noble which appeared in recent media coverage primarily addressed Amazon.com and discussed "showrooming" and other controversies within the book industry. "Showrooming" refers to the phenomenon of customers visiting Barnes & Noble to browse books, yet purchasing those books online through Amazon (Carr, 2013). Mainstream media also included Barnes & Noble's refusal to sell books published by Amazon, as well as a related controversy surrounding a prominent author who allegedly "betrayed" the book industry by publishing with Amazon, taking sales from brick-and-mortar stores like Barnes & Noble (Donahue, 2013). While these measures are understandably important for the integrity and self-protection of bookstores, Barnes & Noble should carefully prepare its statements on these issues so that the company does not come across as being selfish or a bully in its refusal to work with Amazon.

In summary, Barnes & Noble, along with the bookseller industry as a whole, is experiencing transition and upheaval due to today's changing technology and competition from online retailers. Despite these challenges, Barnes & Noble remains committed to service even within changing times. Strategies for stability and development are noted in the company's *Annual Report*, yet these plans are not always reflected well in mainstream media coverage. Therefore, a gap exists between Barnes & Noble's internal and external communication. Since the company's performance is being questioned in the media, Barnes & Noble must develop a strong external communication campaign which demonstrates how its goals, strategies, and partnerships position the company for future success and development.

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Tracking
Sheet



External Communication Audit

Sample of Media Coverage

'Hunger Games' Mania Brings Out Legions of Fans

The New York Times

12 March 2012

"Thankyouthankyouthankyou." Quick pause for breath. "Ohmygodohmygodohmygod."

Amanda Fraass, 18, of South Amboy, N.J., had just become one of the lucky ones: After a long, anxiety-filled wait, she had received a highly coveted wristband that would allow her access to an appearance by the stars of "The Hunger Games" at a Barnes & Noble in Union Square in Manhattan. Like hundreds of others, Ms. Fraass, a high school senior, had stood on the street for hours, in the hope of getting a glimpse of someone, anyone, associated with the film.

"I don't even know who I'm going to meet," Ms. Fraass said. "But I'm excited."

The three girls behind her, newly adorned with yellow wristbands, began jumping up and down. "Group hug!" one shouted, and they all smushed together, screaming.

"The Hunger Games" trilogy, a best-selling series of young adult books by Suzanne Collins, has generated the kind of mania familiar to fans of "Twilight" and Harry Potter. The movie version has been astutely marketed to stoke that teenage craze, with a savvy online campaign and a mall tour by the stars, Jennifer Lawrence, Liam Hemsworth and Josh Hutcherson.

Ms. Lawrence, in an emerald dress with deep décolletage, and Mr. Hutcherson, in a trim gray suit, arrived at Barnes & Noble shortly behind schedule on Tuesday evening, to deafening shrieks.

Fans began lining up for the event, a strictly enforced "Hunger Games" book-signing (only two items apiece, and no personal objects, messages or photos, please), on Monday, some as early as 10 a.m., a full 24 hours before wristbands were given out. A few dozen camped out overnight, complete with tents and inflatable mattresses, on the sidewalk on 17th Street; by dawn Tuesday, the line stretched around the corner. Ultimately, it reached nearly three city blocks, but only the fans from the first two were granted bands, so hundreds of people were turned away, their day ruined. "I literally missed a two-hour math class to get here," one girl cried. "This is not fair!" But for those who remained, decked out in "Hunger Games" T-shirts, sweatshirts and blankets, the event was a communal fan fest. The books and the film, set in a dystopian future where a despotic government forces children to kill other children in a televised competition, has attracted a legion of young acolytes, who are especially drawn to its teenage heroine, Katniss Everdeen, played by Ms. Lawrence. Among those hoping to see her, the wait was sort of like a slumber party, with sweats or pajamas, boxes of pizza and lots of hair-braiding.

A crew of newly acquainted high school and college girls had pride of place at the front, and sported elaborate French braids by morning. They were line veterans, and they had a system to make the hours go faster. "You meet friends and you work as a team so you can take breaks," said Kate Allaire, 19, a sophomore at the Pratt Institute in Brooklyn. (Food and bathroom breaks were allowed but Maria Celis, the community relations manager and special-events coordinator for the store, advised against longer absences for work, school or showers. "This is a rock 'n' roll thing," she said.)

Some fans got doctor's notes to stay out of school; others made excuses to parents and teachers alike. "I told my professor what I was doing," Ms. Allaire said. "At art school, they're really chill. He said: 'That sounds like something I would do. Go be a nerd.' "

Ms. Allaire said she and her friends had devoured the books. "Every chapter is a cliffhanger," she said. "I don't know anyone who read them slowly." She liked the books in part because they were not typical girly fare. "Katniss, she's not depicted as some sexy woman in tight clothes," she said. Jessica Cruz, a high school senior from New Jersey, identified with the character's independence. "I, like, drove on the highway by myself for the first time today, took the train by myself, slept on the street -- today was a lot of firsts," she said.

There were some adults in line, too -- fans of the books, like Bree Roe, 39, who came from Webster, Mass., with two friends -- but the crowd was largely if not only young women. Frank Costa and Derek Hedbany, 18-year-old freshman roommates at New York University, were subsisting on adrenaline and Red Bull. Mr. Hedbany said the books featured a lot of action, and Mr. Costa said he liked the pacing and vivid imagery. "It's not a happy ending," he said. "It's supposed to be a teen novel, but I think it's a clever metaphor for today's society."

A police officer with Biebermania experience waved off the "Hunger Mania" hoopla. "This is nothing," he said. But even with hours to go, the excitement was mounting, and homemade signs and chalk drawings were proliferating. Members of the French braid crew wondered how they would react when meeting the stars. They did not want to be total fangirls, but coolness, especially after more than 24 hours on the sidewalks of New York City, would be tough to pull off. There was going to be a lot of nervous gasping and breathless gaping, they said. "I'm just going to cry," one said.

**'4-Hour Chef' stirs up a battle of booksellers;
Published by Amazon, Ferriss' book won't be sold in many stores**

USA Today

20 November 2012

Is Timothy Ferriss poised to have another monster best seller -- or will his defection to Amazon Publishing hurt his career?

On Nov. 29, publishers and booksellers will find out exactly where *The 4-Hour Chef* lands on USA TODAY's Best-Selling Books list.

Arriving today, the \$35 cookbook will not be available in any of Barnes & Noble's 689 physical stores, nor in many independent bookstores. (Customers can order it at amazon.com and bn.com.)

The reason: Ferriss, the author of the best sellers *The 4-Hour Workweek* and *The 4-Hour Body*, left his mainstream publisher, Crown, for Amazon Publishing.

"This is a very important launch for Amazon Publishing and for me personally," says Ferriss, 35. "There are a dozen A-list authors who are watching to see if they should call Amazon Publishing."

The situation highlights the powerful forces upending the book world. With Amazon now acquiring books, publishers are competing for authors with a company that also distributes their titles. As a conduit to the consumer, Amazon is even more powerful since Borders closed. Ferriss' book is a test case. Although Amazon Publishing hired veteran publishing executive Laurence Kirshbaum, its books have struggled in the marketplace. Penny Marshall's memoir, *My Mother Was Nuts*, was signed up by Amazon Publishing for a large advance but spent only two weeks on USA TODAY's list, peaking at No. 36, despite extensive media attention.

Not surprisingly, bookstores have resisted carrying books published by their aggressive online competitor.

In an e-mail, Barnes & Noble's chief merchandising officer, Jaime Carey, says: "Barnes & Noble has made a decision not to stock Amazon-published titles in our store showrooms. Our decision is based on Amazon's continued push for exclusivity with publishers, agents and the authors they represent. These exclusives have prohibited us from offering certain e-books to our customers. Their actions have undermined the industry as a whole and have prevented millions of customers from having access to content."

Amazon did not respond to a request for comment.

Independent booksellers see this as a life-or-death struggle. "We are not going to be a showroom for Amazon.com, thank you very much," says Kathryn Fabiani, head buyer at R.J. Julia Booksellers in Madison, Conn.

While the store will special-order a copy if a customer asks, she says that "it is unbelievably difficult for independent bookstores to compete with Amazon. Amazon has done a lot of work to get independent bookstores out of the picture, and now, they are trying to get publishers out of the picture, too."

As for Ferriss, Fabiani says his decision to go with Amazon Publishing was "disloyal." Without the support of independent booksellers back when he was an unknown author, "he would not be where he is today."

Barnes & Noble can succeed, but not by competing with Amazon

The Washington Post

14 July 2013

Last week, Barnes & Noble announced that the chain's chief executive, William Lynch, was stepping down. It's never a good sign for a company when its CEO resigns, leaving it provisionally leaderless. In the case of a struggling chain like Barnes & Noble, it's enough to make people wonder how long it'll be until it declares bankruptcy.

But headlines, in this case, are deceptive. Lynch's resignation doesn't show Barnes & Noble is doomed in the age of Amazon. It shows how Barnes & Noble can survive - as long as it doesn't try to compete with Amazon.

By most accounts, Lynch - the e-commerce executive who took charge of Barnes & Noble three years ago - did everything Wall Street would have wanted to see in a modern-day turnaround. Launching the Nook e-reader and turning over a portion of each store to its promotion sounded like a smart, ambitious way to bearhug the Internet and give consumers what they want. When Borders folded two years ago, its giant rival seemed like the one that might survive in a winner-take-all world.

The Nook was a surprisingly good piece of hardware, given that it was produced by an aging bookseller. But by June, its revenue was down 34 percent. Despite positive reviews, consumers seemed barely even aware that the Nook existed, preferring to go with the more versatile and better advertised Kindle Fire, Apple iPad and Google Nexus. And it turned out that having an integrated physical and online e-book store didn't create enough of a sales advantage to beat the robust ecosystems already built into Amazon's Kindle, Apple's iTunes and the Google Play store. "I think they didn't figure out enough ways to get the two to work together as one," said Michael Norris, an analyst with Simba Information, noting Amazon's boundless content offerings.

"Barnes & Noble had a strong book business, and when it came time to offer more content to the e-book consumer, for quite a while they were drawing a blank."

If you've got a teleological conception of new technology as something that eventually drives the old into oblivion, Barnes & Noble is doomed. It sells physical things in a digital world, and other companies are better at selling digital things than it will ever be. Blockbuster and Tower Records essentially disappeared from the face of the Earth, after all, and we should have no illusions that Barnes & Noble won't go the same way.

Even those physical retailers that do survive - such as Apple and clothing stores like the Gap - don't have the problem of consumers ordering a book they find in a store on their phone for less and having it delivered the same day. And Amazon's purchase of the bookworm social network Goodreads, as well as its self-publishing platform, have made the Web site a go-to place not just for bargain hunters but also for people who love to write about reading.

"It's always a Hail Mary to try to beat Amazon, for anybody. And I think they did pretty well for a while there," said Mike Shatzkin, a digital publishing industry analyst who thinks consumers are moving inexorably towards touch screens. "Before they give up reading printed books, they'll give up shopping for them at Barnes & Noble."

And, you might ask, who cares? We still have lots of music and movies, after all, and we'll continue to have books long after bookstores have disappeared.

Here's the thing: Bookstores, more so than movie rental and record stores, are oases in the middle of cities (and even in suburban malls). We go there to kill time, expose ourselves to new stuff, look for a gift without something specific in mind, and maybe pick up something on impulse while we're there. Even Borders' disorganized warehouses left holes in the urban fabric when they disappeared, and Barnes & Noble's would do the same - they're a kind of public good, at a time when the public is getting less good at supporting libraries.

So is there a way for Barnes & Noble to survive? The answer is yes - in a vastly different form. There's a happy story line buried in Barnes & Noble's overall revenue picture. The Nook disaster clouds the fact that the physical stores actually aren't doing that badly, generating a comfortable \$374 million profit in 2013. The chain got a significant bump when Borders closed 399 stores, and it's now the only national bookstore chain in the country. It's been shedding unprofitable real estate, letting expensive leases expire and consolidating into the spaces that actually generate revenue.

"When you look at the financials on the retail stores, it's basically a pretty good business," said Al Greco, a professor of marketing at Fordham University School of Business.

It's also got a hidden weapon: the academic market. Barnes & Noble now manages about 700 university bookstores, which are essentially monopolies over high-priced textbooks as well as collegiate merchandise. They've been moving into textbook rental and e-books there as well, and the millions of students on financial aid that includes textbooks are more willing to shop local rather than scour the Internet for deals.

Finally, they've got an important friend: the publishers, who hate the idea of an all-Amazon world. To help keep the only large physical retailer alive, they might be willing to do things such as offer some inventory on consignment so that the bookstore doesn't have to eat the cost of unsold books. They could even help offer e-books with the paper version at cut-rate prices on the Nook, whoever ends up owning it, or open-platform tablets like the Nexus.

The company's management has noticed. Len Riggio, who started the chain and is now back running it, is interested in splitting off the retail stores and taking them private. Without the Nook, the business would get hammered by the markets anyway, so it's best to avoid them. Absent the pressure of quarterly earnings statements, he might be able to try some radical new ideas, such as drastically shrinking their square footage and offering a smaller selection of books curated by a knowledgeable and passionate staff.

One model that could work is the smaller community franchise. Take the District's Ace Hardware stores: The owner names each of them after its neighborhood, but the small chain benefits from the buying power and branding of a national distribution network. Barnes & Noble never was a very good tech company, but it does know how to run a bookstore, and bricks and mortar could be its saving grace.

If all else fails and Barnes & Noble really does go into bankruptcy, some analysts think it might be to Amazon's advantage to keep them alive, even operating them at a loss. It's already opening physical locations in every state in advance of online sales tax legislation and is free-riding with the showrooming phenomenon. It's better off with those stores open than not.

And besides, print may be one of those things that never vaporizes entirely, just as newspapers still put out daily editions because they pay the bills. People like giving books as objects, having shelves full of them as decoration, traveling with them and not worrying about them getting stolen. Even in a smaller form, Barnes & Noble could be there to serve them.

"Will it survive? Yes, it will," Greco said. "We will still be buying and selling printed books in the U.S. in the year 2020. There will be a decline, but print is not going to disappear."

Why Barnes & Noble Is Good for Amazon

The New York Times

15 July 2013

On Thursday night in Clifton, N.J., Barnes & Noble was a way station, a third place between work and home where people sought respite and diversion. With its high ceilings, wide aisles and a large Starbucks, it is the kind of retail outlet that gives big-box stores a good name. In one aisle, a father and daughter were having a spirited generational discussion over the side-by-side covers of "The Great Gatsby," one of which bore an image of Leonardo DiCaprio. For reasons I wasn't quite clear about but nonetheless found charming, an older couple used a book on vegetarian cooking to cover up a copy of "The Art of Seduction" on the shelf. Nearby, two apparent siblings, one sporting pink hair and the other purple, traded loud opinions over the True Crime display.

Watching the readers lounge in chairs with a view of Route 3, it was hard to reconcile the pageantry of retailing with the brutal recent headlines about the book business.

At the beginning of the July, the Big Six publishers became the Big Five with the blending of Penguin and Random House. At the beginning of last week, the chief executive of Barnes & Noble left the company after a grim earnings report that highlighted a failed strategy to have the company's Nook device compete in the crowded tablet space.

Then on Thursday, Judge Denise L. Cote of United States District Court in Manhattan issued a withering decision against Apple, writing that the company had conspired with the major publishers to fix the price of e-books in an effort to thwart Amazon's momentum.

So far, what has been bad for the industry has not yet hit consumers directly. If they are among the many millions of people enthralled by CBS's "Under the Dome," and decide to read the giant Stephen King novel that inspired it, they can hop on Amazon and buy it with a click for \$13.99. Or they could avoid its door-stopping heft and spend just \$7.99 for the Kindle version.

No wonder that last year e-book sales boomed, including a 42 percent rise in sales of fiction. Net revenue for publishers also climbed more than \$1 billion in 2012, to \$15 billion, according to BookStats, an annual survey of the book business.

But while publishers revel in the robust margins provided by e-books -- no manufacturing, no shipping and no remaindering -- the growth of Amazon leaves them as secondary characters in a business they used to control.

Apple may be the one that was found guilty of setting prices, but Amazon has the kind of market power that allows it to set prices unilaterally. The company is already pulling back on discounts on scholarly and small-press books.

Barnes & Noble tried to keep up with the technological shift, but the company's earnings were perforated by a \$177 million loss from its Nook division, and that news took out William Lynch Jr., the chief executive, and threw a deep scare into publishers.

In my view, Barnes & Noble is a company that did the right thing, and got clobbered anyway. When most media companies get into the device business, what pops out is clunky and useless, but the Nook is an excellent reading device that drew critical praise and, initially, buyers. At a time when legacy media companies are derided for letting the future overtake them, Barnes & Noble aggressively innovated.

Amazon, however, not only had the Kindle, but consumer relationships, inventory and technical know-how that could not be overcome. And as consumers moved from e-readers to tablets to take advantage of multiple functions like video, the Nook ended up in a corner. During last Christmas season, Nook sales were down 12.6 percent compared with the period a year earlier. But the current spate of bad news may mask underlying strengths. As Bloomberg News pointed out on Thursday, Leonard Riggio, the 72-year-old architect of Barnes & Noble's national buildup, is still considering buying the physical stores and taking them private, in part because the fundamentals of that business are still solid, if not spectacular. In the fiscal year that ended in April, the retail stores and Web site generated earnings of \$374.2 million before interest, taxes, depreciation and amortization, a 16 percent increase, even as sales declined almost 6 percent. One of the parties that might want to root for Barnes & Noble is Amazon. Sales of e-books fell immediately after Borders went under, leading some to suggest that reduced opportunity to browse the physical artifact resulted in less online buying.

Having a bookstore in your neighborhood, as opposed to one that is bookmarked on your browser, is an invitation. Not long ago, I was walking by an airport bookstore and thought, "What if this was the only place to buy books?" Similar to Hollywood, only the blockbusters would get shelf space.

After Borders called it quits two years ago this week, Barnes & Noble became the last big chain where publishers could get the exposure for their books that allows readers to discover them, and to sell all manner of books big and small that are still part of the foundation of the industry.

Morgan Entrekin, publisher at Grove/Atlantic, says everyone has skin in the retail game.

"We need to have a diversity of distribution channels to be healthy, and Amazon may want it all, but they are smart enough to know that," he said. "People can't live online all the time."

Bookstores offer discoverability, not just the latest Dan Brown or Carl Hiaasen book on the front table, but sometimes treasures deep in the stacks, a long tail of midlist authors and specialty books. Even as the book business consolidates, the physical object displayed in an actual place will continue to be an important part of the ecosystem.

Let's hope it survives. From the balcony of the Barnes & Noble, what looked like the buzz of literary commerce was less impressive on closer inspection. The checkout line was busy because there were only two people working the registers. And the coffee shop was not so much an amenity for consumers-on-the-go than a spot where people camped out and pawed over magazines they had not bought and probably never would.

On the way out of the store, I saw the father and daughter who were arguing over the "Gatsby" cover. They had bought neither, but they probably settled on which one they were going to buy on Amazon.

Summary of Media Coverage

During this transitional time for the bookselling industry, Barnes & Noble faces the challenge of remaining relevant and successful amidst changes in the ways that people shop and read. On one hand, Barnes & Noble is a recognizable brand that conjures up feelings of a compassionate “big-box retailer,” yet on the other hand, it is struggling with losses and intense competition from online markets such as Amazon. These sample articles demonstrate such tension, representing various perspectives of Barnes & Noble’s strengths, weaknesses, opportunities, and threats.

Articles such as the story about the *Hunger Games* event show how Barnes & Noble stores are places that bring communities together. At the same time, other sample articles present a view of how Amazon is affecting Barnes & Noble through the threats of showrooming and the Amazon Publishing controversy. One emerging theme, which is foundational for increased external communication efforts, also suggests that Barnes & Noble’s success will come from capitalizing on its own strengths and opportunities, such as within the academic market. Increased external communication efforts about its unique strategies and goals will help Barnes & Noble to shape its own conversations rather than constantly being seen in the shadow of Amazon. A strong campaign that bridges the gap between Barnes & Noble’s internal messaging and its external public image will play a key role in the company’s future stability and success.