

Digital Innovation in Direct Marketing

Barnes & Noble



MAY 2011

Barnes & Noble

The World's Largest Bookstore

- › \$6.8 billion in annual sales*
- › #1 Bookstore brand
- › 705 trade bookstores
- › 638 college bookstores
- › World-class infrastructure
- › NOOK eBook reader launched November 2009
- › NOOK Color introduced November 2010

THE BARNES & NOBLE BOOKSTORE
"AN EDUCATION-IN ITSELF"
FOUNDED 1873



**Annualized pro-forma sales figure post-college acquisition*

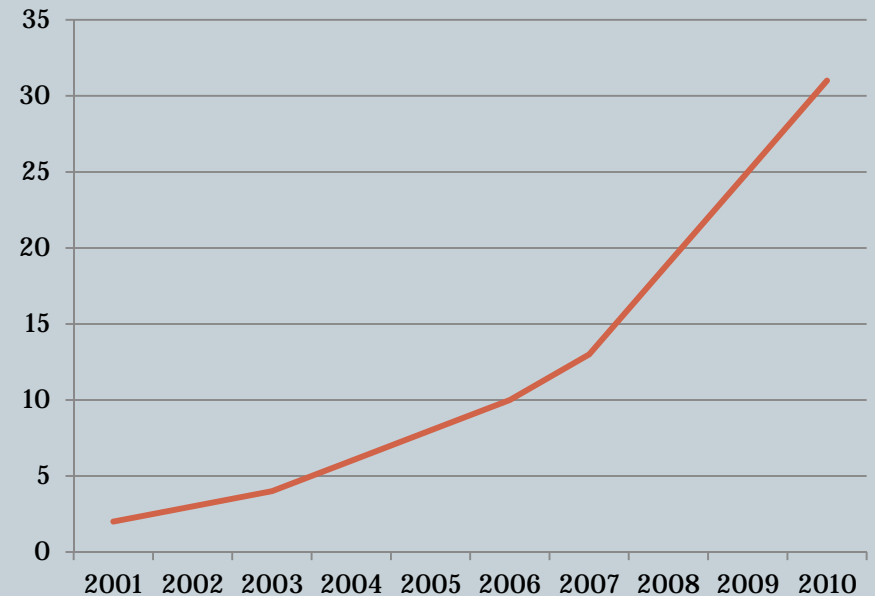
What we are solving for:

3

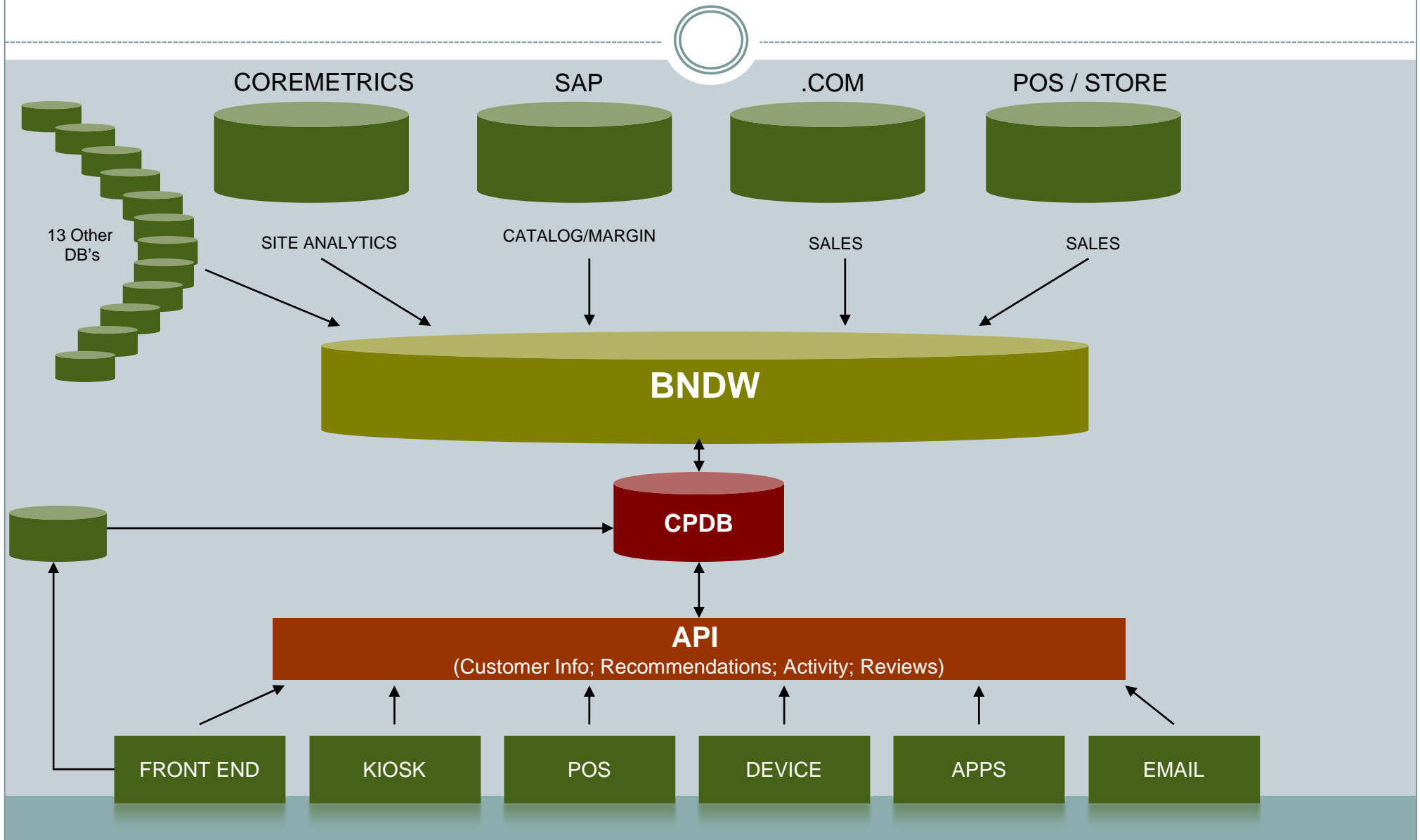
- **B&N has lots of data:**
 - Billions of rows of data annually
 - ✦ Customer
 - Members
 - Non-members
 - ✦ Product
 - Books, Toys & Games, Music, Video, Gift, etc
 - ✦ eBooks & Magazines
 - ✦ Devices
 - ✦ Sales
 - ✦ Inventory states..... etc!

- **How to store data that is useful to make decisions that matter?**

Data Growth



Customer "One View"

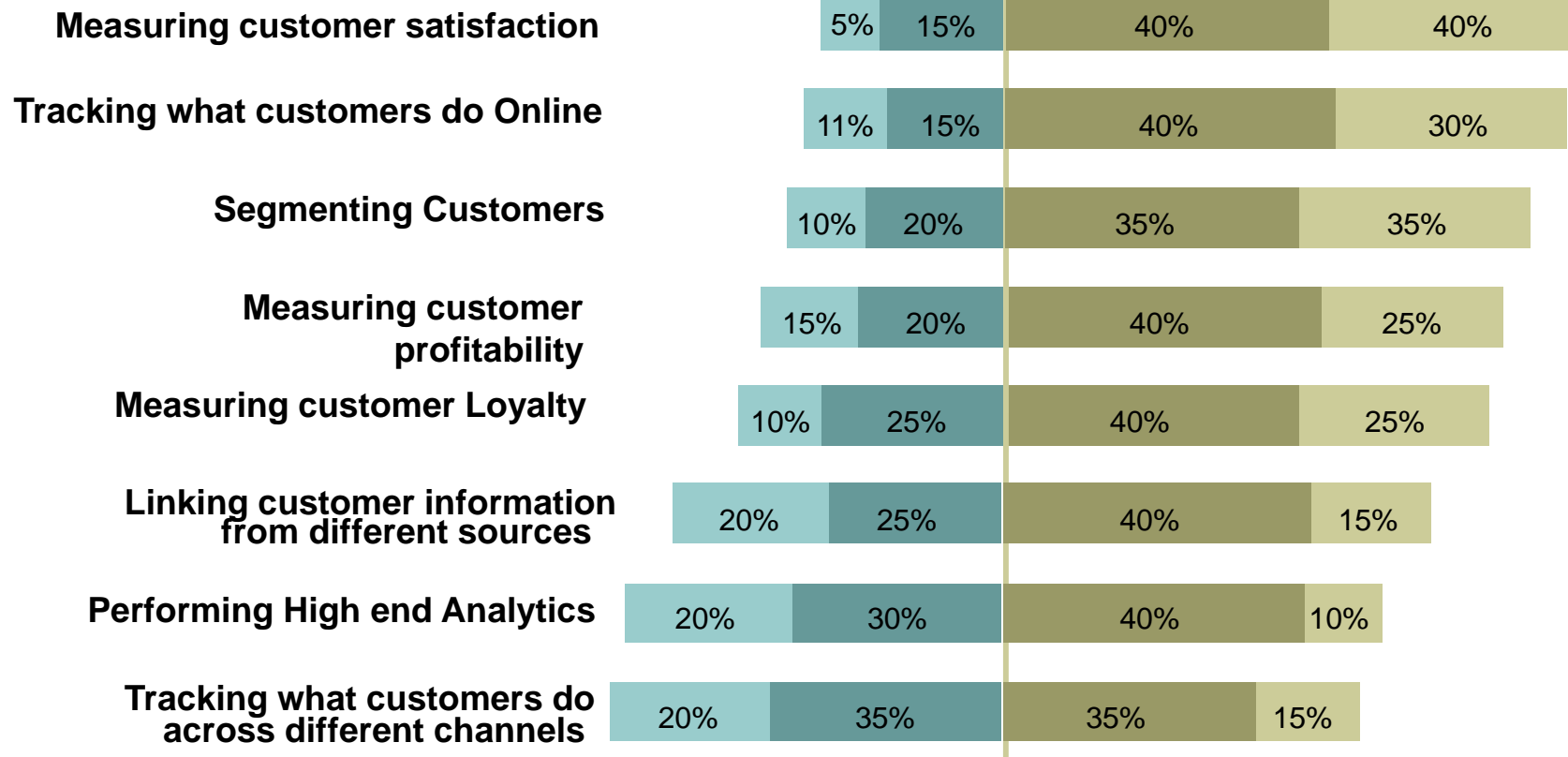


Thought Provoking Exercise:

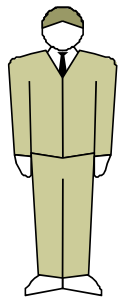
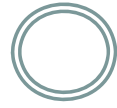
How effectively do we understand & manage aspects of a customer experience?



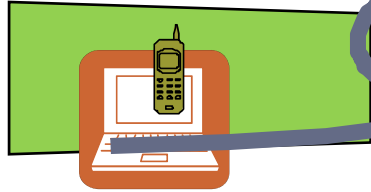
Haven't done Ineffective Somewhat effective Very effective



Scenarios span channels more than ever



Find products



Email

See options



Web

Purchase



Device

Service



Store



What are examples of Consumer Analytics?

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- With the proliferation of data taking place all around us, what are some examples of information that provide meaning to that data for average consumers?
 - Youtube's stats area
 - Interactive Data Visualizations (NYTimes)
 - Tweetmeme's "Analytics" tab
 - Housing sites (Redfin, Zillow, Cyberhomes, etc)
- What helps us as business people market better?

Facts that let you market better often are visually interesting

3 Examples of GREAT Consumer Analytics

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Youtube

LinkedIn

NYTimes

Interesting Facts

19 seconds The length of the first video uploaded to YouTube.

1.96 million The number of times the first video has been played.

185.39 million The number of times the most popular video on YouTube, Lady Gaga's "Bad Romance", has been played.

6.6 The factor by which YouTube's number of monthly video streams served (**4.67 billion**) exceeds that of the second-place site in that category, according to Nielsen.

\$1.65 billion In dollars worth of stock, the amount Google paid to acquire YouTube in November 2006.

51 The number of languages into which Google's automatic speech recognition technology can translate YouTube videos and create captions.

International



100 Million PROFESSIONALS

Stack of 100 million business cards ~ 98,425 ft

HOW MANY IS 100 MILLION MEMBERS?

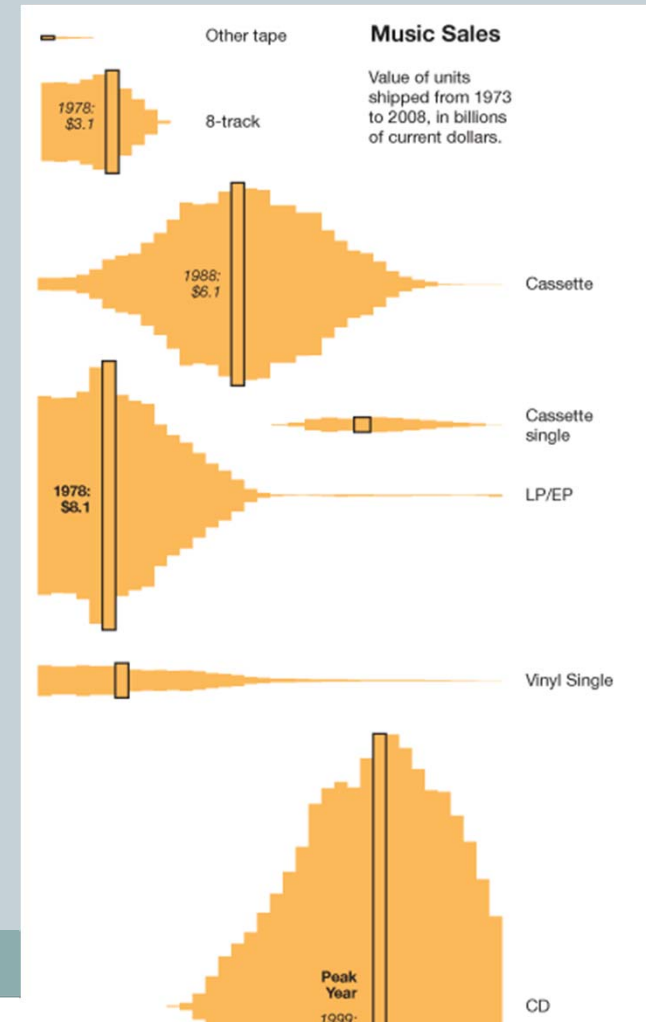


80M

WORLDWIDE PROFESSIONAL NETWORK



FASTEST-GROWING COUNTRIES*



Where does all this data take us in 2 years?

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- Tailoring technologies that will bring you closer to the customer
 - RFID
 - QR Codes
 - Dynamic content in Email

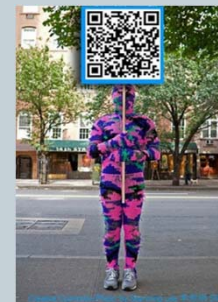
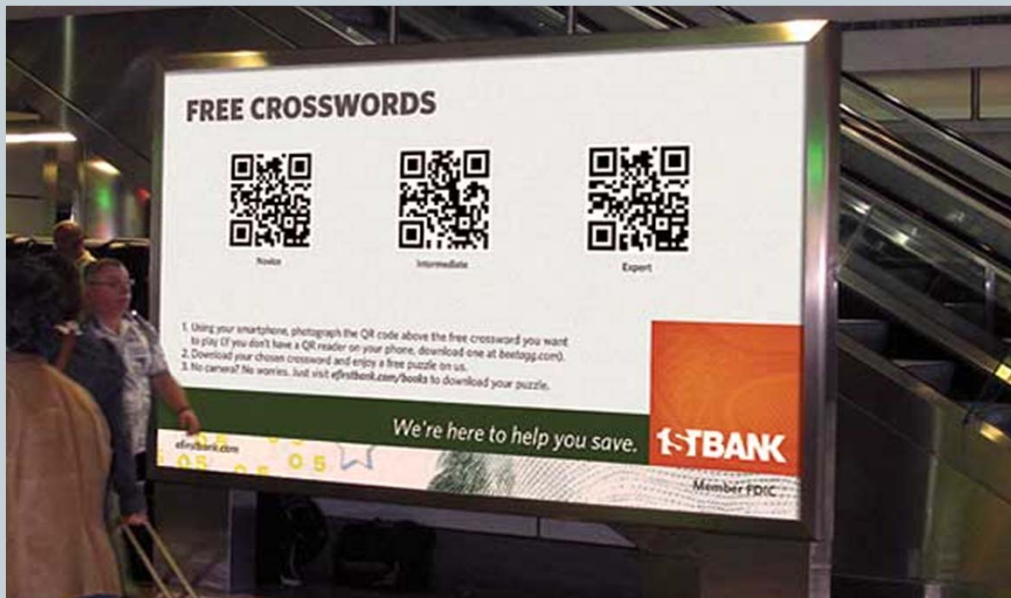
Coming soon to a retailer near you: RFID

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- Yet it has been here for 60 years.
 - British used it in WWII – “Friend or Foe” ID
- Now it's everywhere!
 - Cell Phones (Japan!)
 - Credit Cards
 - Car (and Home) Keys
 - Passports
 - Clothes
 - People?



QR Codes: How can they be used?



How this tech helps

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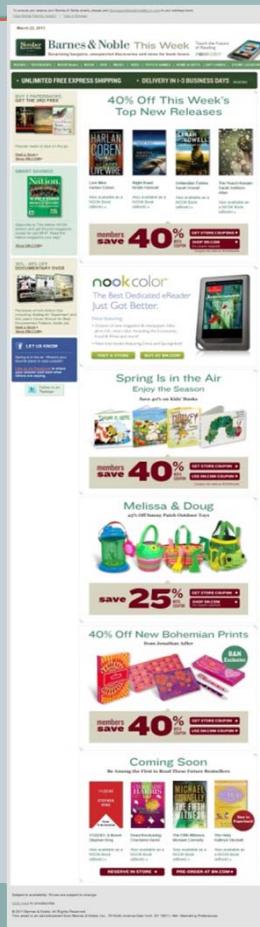
- **Both RFID and QF codes facilitate**
 - More data to be taken of the offline customer experience
 - Connection between the Online and Offline Experience
 - Social Media: Likes and Follows.
 - Supplements to your retail space.
 - Increase e-commerce sales.
 - Building your email subscriber list.
 - Getting the phone ringing.

Getting the data moving: Dynamic Email Content

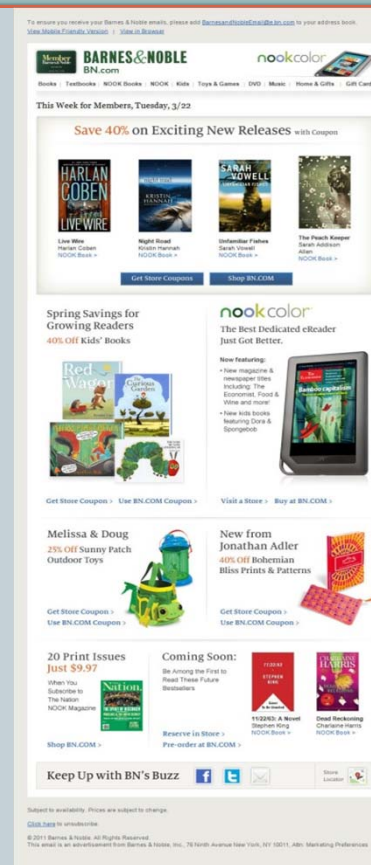
A move to 1:1

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B&N "This Week" Email



After "This Week Email"



How Direct Marketing in Email is Still Evolving

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Issues

1. Lengthy email template with 12+ content pods
2. Inconsistent visual design and branding
3. Template wider than industry standard (775 pixels) and not rendering properly across email clients
4. Limited targeting by segment or customer
5. Manual design and coding for each individual email

“One Size Fits All”

Solutions

1. Tightened templates – maximum 7 pods
2. Design consistency within and across emails
3. Template narrowed to best practice (630 pixels) and rendering optimized
4. Dynamic targeting to ensure relevancy for each customer
5. Increased automation and improved workflow efficiency

“One Size Fits You”

Dynamic Campaigns For a Dynamic Audience

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Customer 1
Default preferences

Customer 2
Mystery & Romance

Customer 3
Kids & Newsstand

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Mystery

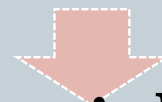
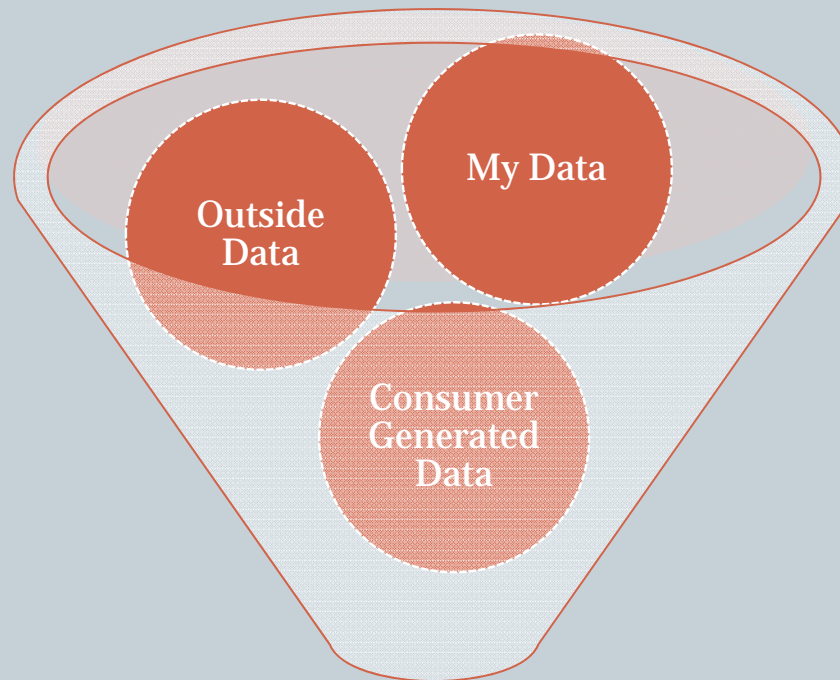
Kids

Newsstand

Romance

You take it from here....

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Insight?

Thank You!

MARC PARRISH
MPARRISH@BOOK.COM