

The case of barnes and noble bookstores

[Literature](#), [Books](#)



This paper will analyse the current stock performance of Barnes and Noble Bookstores which are based in New York. The company, which started more than a century ago started out as a printing press and turned out to be one of the largest bookstores in the world. Tracking the company's stock price performance in the New York Stock Exchange in a five-day period from August 6 up to August 10 for the current year as well as providing a forecast for its future performance can be attributed with several factors.

One of the factors that affect the stock price performance of the company is the internal decisions that guide the company. Currently, under Steve Riggio's term as CEO, the stock price of the company at NYSE has already soared to its current level of 30+- barrier through a lot of innovative as well as daring in-store offerings. In 2007, all of the Barnes and Noble Bookstores in the United States totalled to about 840 in all with average store openings of 30 to 40 every year. The stock price of Barnes and Noble has also been affected by the modern comfort offerings within all its stores which have Wi-Fi connections with modest separate fees.

The Barnes and Noble stores also have the cafe offerings such as Starbucks coffee which greatly provides convenience to its customers. This could probably be one of the reasons why the company has been enjoying a modest growth for the past years. In 2006, revenues for Barnes and Noble and its subsidiaries reached \$5.3 billion USD. It could then be said that the modern as well as cosmopolitan outlook of the bookstore company would keep its stock prices as well as revenues up or the next couple of years or so.

That is also according to the current figures provided by the company's solid 57,000 employees as of the 1st quarter of 2007. Explaining how these

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internal factors could affect the fate of Barnes and Noble stock prices, it would have to be attributed to the image that the company projects towards their customers as well as their investors. The offerings are the company's way of differentiating themselves from other conventional bookstores in the book retail industry.

And with a market as volatile as that of the United States, market differentiation is really important for Barnes and Noble to win market shares as well as investors who would finance their planned expansions in the future. This would have to be coupled by other aggressive marketing strategies for their books as well as other future offerings which investors will dig out as good investments. External Influences Another important aspect in determining the future stock price performance of Barnes and Noble in the New York Stock Exchange are the external factors or those that are way beyond the control of the company.

External factors may include the over-all performance of the retail industry, the situation of the US Stock markets as well as regional markets which may affect the company such their source of raw materials as well as major retail subsidiaries. In this case of Barnes and Noble, it can be said that the popular bookstore's stock performance may be at the mercy of the bearish US stock market which as Ben Bernanke announced, could lead to a slight slowdown in the US economy as the US real estate draws to a halt.

This could greatly affect Barnes and Noble which attributes most of its profits from high consumer spending. If and then the US economy would in fact be slowing down, the bookstore will experience a hard time making customers come back and purchase reading materials. Although the bookstore has <https://assignbuster.com/the-case-of-barnes-and-noble-bookstores/>

offerings which may still entice customers to come back without even buying a book or a magazine, this situation could still greatly affect the performance of not only the bookstore's stock price performance but for most American companies as well.