

Bandn case study

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Use the value chain and competitive forces models to evaluate the impact of the Internet on book publishers and book retail stores such as B&N.

Competitive Forces: 1) Competitors – old competitors like Borders is gone now and B&N is the only big player left in the physical book market.

However, new market has been created now.

Therefore, a new playing field now holds competition. 2) New Market

Entrants – new competitors like Amazon, Apple have entered the market and changed the playing field.

There is no barrier to entry.

However, tremendous capital is required for new entrants to make it big in this industry and also links with the publishers. Therefore, not many new entrants. 3) Substitute products and services – e-books and other digital media 4) Customers – are switching more towards e-books. However, B&N has no competition in traditional books market. 5) Suppliers – same suppliers or book publishers as before. Value chain for internet is improved a lot by fast outbound and inbound logistics through the internet only.

In case of B&N, it happens physically and is time consuming. Operations is prevalent in IS but it is taken care of through the logistics. B&N on the other hand has multiple modes of Sales & Marketing, web and traditional. Also, increasing the size of their play centers and adding services to their tablets that are only enabled through Wi-Fi in their building only. The Service part of B&N will be a lot more than its web-based competitors. How are B&N and the book publishers changing their business models to deal with the Internet and e-book technology? The book publishers require stores like B&N because they

provide a way to market their books due to the fact that they have such inventory and places to display books and for readership to view and browse through.

This is of benefits to publishers compared to the bad deals they have to go through with e-books giants like Amazon and Apple. 3&N is also improving its physical presence and is trying of new ways to in fact market its brick and mortar stores through its e-books.

Through the e-book advancement, B&N has been left as the leader in traditional style book stores with huge inventory. It is trying to use that to its strength. Nil B&N's new strategy be successful? Explain your answer.

3 has less market share compared to giants like Amazon and Apple. However, B NAS been considering terming a separate en o g TA easiness. Therefore, making two different entities – one traditional books and the other digital. Moreover, NinthMicrosoft' s involvement into the business and investing a good share brings promises.

With Microsoft going to add Nook app in its Windows 8 SO, it will increase the market for B&N and help with its' distribution.

However, Windows 8 SO also comes pre-loaded with the Kindle app from Amazon which is a wee bit of worry. 3 can become successful. However, it needs to adapt fast and use other competitive advantage methods that only it has – for example: the brick and mortar stores. It must find a way to use these to its advantage and work with its new investor, Microsoft to create

some kind of leadership in the still “ not so saturated” e- books and digital market.