

**Book Expo 2018**  
**Javits Center**  
**Wednesday, May 30**  
**9:15 am**

**Thanks Oren, for your kind introduction. I am pleased and honored to be here to talk about Barnes & Noble, and more importantly, how I see the future of the book industry as we turn yet another corner in our dynamic marketplace. I am also here to talk about our mutual love of books, and our shared passion for bookselling.**

**Let me begin with a couple of thoughts I believe all in this room should agree upon.**

**There could never be too many bookstores in America. Bookstores of any stripe, including small and large independent stores; super bookstores and multi-unit organizations such as ours; specialty bookstores; book departments in chain stores; book racks in discount stores and book kiosks in airports. It follows we need to open more stores than we close. Barnes & Noble intends to do its part.**

**Individually and collectively, our bookstores are the place where demand is created because we are the showrooms for the publishing industry. More bookstores equal more demand, and**

**more bookstores lead to a more informed public, and a healthier and more upwardly mobile society. For those of us who own, operate, or work in bookstores, we are privileged to be participants in this important profession.**

**The more bookstores the better.**

**No one is more pleased than I am that independent bookstores are opening their doors again. I do not see them as being in mortal competition with Barnes & Noble any more than we were in competition with them when we were opening 50 stores each year. Opening bookstores is a good thing. Mortal combat it is not.**

**In 1958 my life changed for the better – and for good – when I walked through the doors of the NYU Bookstore. I’ll date myself by saying my pay was \$1.00 per hour, but what I made was totally beside the point. Starting in the school supply department, I loved the retail business because I loved to serve people, and I loved the action and sheer busyness of the task. I also loved the hustle bustle of the college book rushes, when you’d virtually need wall stretchers to accommodate all of our customers. Eventually I opened my own college bookstore called SBX – for Student Book Exchange – and that store immediately became the most popular store on the NYU campus. All I cared about was making a living in this one store, serving students and working joyously seven days a week. Never did I imagine what would happen once I crossed the**

bridge into my second store, never mind eventually opening more than 700 college and university stores.

By the early 60's the book industry, perhaps mirroring the radical movements of the times, was in the throes of the mass market and paperback revolution. It was this phenomenon which piqued my interest. Not having read much in my years studying engineering and business, our paperback buyer realized I was wet behind the ears and took me on as a personal project. He began giving me sample copies of books he got from publishers which I gobbled up as soon as I got them. The first book he gave me was *Siddhartha* by Hermann Hesse, which opened my eyes once and for all to the joys of reading. Here I was, a 17 year old who'd never even traveled once to New Jersey or Connecticut, traveling alongside heroic Siddhartha to foreign and exotic places. From then on the only thing I ever wanted to do was to sell books, because just being in a bookstore made me happy.

Back then you could buy a Folger Shakespeare for 45 cents, and a Penguin Classic such as *The Odyssey* or *Crime and Punishment* for 75 cents. Soon I began buying and reading books virtually by the shelfful: the point being that working class people like me could afford to buy books. Paperback books were my bridge to the future.

**Years later, I was accused of being a mass marketer, and even though we carried more than 100,000 titles, some said we homogenized bookselling, and thereby limited choices. I never did understand that logic.**

**Huge title selections are who we are. We will never deter from this, our core positioning as booksellers.**

**By the way, when we opened the doors, in our first retail bookstore, the Scribner Bookstore across the street on Fifth Avenue was run by a person who claimed to be the son of a Russian Prince. He swore they would never be so undignified as to sell a paperback book, and so they didn't. As well, the Brentano store across the street consigned paperbacks to the back of their basement. Although I like to consider myself a change agent, wresting this change in bookselling was one of the easiest undertakings of my career.**

**To be successful all we had to do was give customers what they asked for. They wanted paperback books. They still do.**

**The problem remains that today, the average paperback costs 2 ½ times the minimum wage as compared to ½ the minimum wage when we got started. How sustainable can this be when Google promises all the world's information for free? Can we afford to go**

**back to a time and place when physical books could only be afforded by the carriage trade? Have we already arrived at that place?**

**My dear publishers, serving the mass market is of critical importance to the future of our industry precisely because we need to attract more and more citizens – especially young people – to the joys of reading books. In other words, we need to serve the aspirants in this world, not just the already arrived. Books at mass market are their starter kit to a lifetime of reading.**

**And book prices are not inelastic, even to the carriage trade. The more prices go up, the less books are sold, and the more of those which are sold will be sold online.**

**By the way, the best search engine in the world cannot compare to the aisles of the nation's bookstores in terms of stimulating browsing and creating demand. Nor can the best search engine compare with the recommendation of a local bookseller.**

**At this point I'd like to expose the persistent mythology in our industry which holds that selling books is a zero sum game. First off, if we accept as axiomatic that two bookstores in a single market will create more demand than one, closing one of the two stores will surely reduce demand.**

**When Borders shut its doors Barnes & Noble did experience increased sales, especially when we were across the street, but not to the extent of Borders' loss of sales. In fact, of the hundreds of our stores which shared the market with them, we hardly picked up 30 - 40% of their lost business. Even adding online bookstores, the closing of Borders was a net loss to our industry, and not a cause for celebration.**

**Again, we need more bookstores - not less.**

**By the same token, when independent stores have opened in markets where we have stores, we have experienced a small loss in business, as compared to the business generated by their new store. But - no, I would not be happy with having competing stores exist in all of our parking lots. No bookseller would.**

**Enlightenment does have its limitations.**

**Over the course of my career, there have been many instances when bookstores and publishers were considered endangered. First there was television, once considered the biggest threat until we found out that television helped to promote books. Then there were movies, but then movie theaters were the best adjacencies for bookstores. Next came cable TV, and of course the internet and, later, digital books. All were seen to put an end to the age old joys of hefting and reading a real book, especially digital books, whose**

**sales were seeing meteoric rises. They would be our industry's final blow.**

**And then it happened. Readers began to yearn for the joys of reading physical books, and perhaps more importantly the ownership of a real library. In short, they realized that the physicality of a book is content in and of itself. Little by little, books are making a comeback and the market is showing signs of growth.**

**Nevertheless, I think we should keep the cork in the bottle of champagne for now because technology remains perpetually at its infancy. For example, audio books were by far the fastest growing segment of the market at 29% last year alone, as compared to physical books which barely grew on a unit basis. As soon as we think things have gotten simpler, they become complicated again.**

**Where do we go from here?**

**I believe we can say with certainty that the bookselling industry is not going away, any more than reading books will become a thing of the past. On the other hand, no one, including me, can predict how big it will be, for whom – and in what forms. The degree to which we grow and prosper will depend on how nimble we can be, and the degree to which we can create change. What is clear as a**

**bell to me is that the size, shape and location of tomorrow's bookstores has yet to be determined.**

**In closing I'd like to point out how privileged I am to have been engaged in a business which is consistent with my personal values and aspirations. Over the course of my many years in bookselling I have worked alongside some of the most talented and dedicated management people in the world and they, as much- or more than me, deserve credit for all we have accomplished.**

**But the real story of Barnes & Noble has not been written at the top, but by the great, great booksellers in the field. They provide the true genius of our company, and they do the lifting and the lugging for the literary marketplace. They are the part and full time professionals who localize Barnes & Noble in virtually every big and small city in America. They are our store managers, and their love of books is second only to their disposition to serve.**

**Without question, reading a single book has been known to alter a reader's life for the better, some profoundly so. You can see it from the mail I get almost daily, each letter complementing the good service they got, and many about the great books they discovered.**

**Over the past 24 years since we became a public company, Barnes & Noble has sold over 6.7 billion books. There is no question but that a huge amount of good has been done. There is also no**



**question that without our more than 600 stores a whole lot of books would have gone undiscovered, and thereby unsold.**

**So, too, have all the booksellers in this room, individually and collectively done a whole lot of good.**

**In the end it's not about me and not about you, and not about who owns the store. It's about the work we do. What we do is we help change lives for the better, and we help make the world a better place. Just being in a bookstore - any bookstore - is an education in itself.**

**Congratulations, and best of luck to all the great booksellers attending Book Expo this year. The work you do is so, so important.**

**We need more bookstores in this world.**