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Bashing Barnes & Noble: Borders Comes to Town

It's probably the last thing the city's tweedy independent booksellers want to hear. After being bloodied and in several cases knocked out (Shakespeare & Company's Upper West Side store plans to close, and Endicott Booksellers on Columbus Avenue is gone) by Barnes & Noble's vast superstores – eight in Manhattan and counting – there's a new superstore in town.

After three years of being outflanked by Barnes & Noble, its main competition nationwide, Borders Group Inc. has finally planted roots in Manhattan. On September 3, Borders will open a 28,000-square-foot, three-level store at 5 World Trade Center – not the most auspicious of neighborhoods for a literary assault, but a respectable beachhead from which to launch an all-out superstore war.

The two booksellers have waged a competitive battle in cities nationwide for years. But now the joust has moved to very fertile turf – New York – ground zero of book chat and book buyers.

How will New Yorkers tell the two stores apart? After all, the downtown Borders will include a 50-seat Café Expresso, and more than 200,000 books, CDs, magazines and multimedia titles. Its press kit promises, “a warm and inviting atmosphere designed for hours of browsing.” There will be readings, seminars and discounts on selected books.

“We invented the superstore,” said Barnes & Noble chief operating officer, Stephen Riggio. “We are the preeminent prototype of the store with over 100,000 titles. We were the first to offer discounts, have TV ads and world-class author readings. Borders is a direct copy of Barnes & Noble.”

Borders barked back in a press release: “We were the first superstore to integrate coffee bars and the first to add a huge selection of music and CD-Rom titles.”

Their corporate style is different: Barnes & Noble's is aggressive. Borders is more laid-back. “We don't present ourselves as ‘It's the end of the world and you have to come here’,” said Marilyn Shankard, Borders' vice president of marketing.

BORDERS: SOLD KITES

Borders almost didn't make it to Manhattan. “Both Borders and Barnes & Noble were offered the space when it became available,” said C. Bradley Mendelson, the director of Edward S. Gordon Company's retail department who handled the World

Trade Center transaction. “Barnes & Noble initially turned it down, but when Borders pursued the contract, Barnes & Noble pursued it too.”

Immediately after Borders got the space, Barnes & Noble began investigating another location: a few blocks from the trader center, according to Faith Hope Console, senior managing director of Garrick-Aug worldwide. Indeed, Barnes & Noble has an offer pending for a 40,000-square-foot space at 100 Broadway.

Barnes & Noble has been trying for years—unsuccessfully until now—to prevent Borders from leasing space in New York. In 1994, *The Observer* reported the “possible arrival” of Borders in Manhattan. It never showed because that summer when Borders was about to sign the lease for a 60,000-square-foot space on Broadway between 66th and 67th streets, Barnes & Noble snatched the lease out from under them. Then Borders tried to lease the former site of Conran’s department store on Broadway and 81st street—only to find that Barnes & Noble had hastily bought the site as part of a seven-unit \$10 million deal.

“Barnes & Noble’s biggest concern is to keep Borders out of New York by buying up all the available 40,000-square-foot real estate space,” said Bob Contant, co-owner of St. Mark’s Bookshop.

Now Borders has broken through. Ms. Consolo said Borders has proposals pending on three Manhattan sites. “Fifth Avenue in the 40’s, right near the Barnes & Noble on 48th street, one on the Upper West Side, across the street from Barnes & Noble’s 81st street store and one at Sixth Avenue and Rockefeller Center. They’re waiting until they open their World Trade Center store before they proceed.”

While Barnes & Noble likes to romanticize its humble roots in Greenwich Village, Bill Kurland, co-owner of Shakespeare & Company, takes exception. “I remember when little Lenny Riggio, [Stephen Riggio’s brother, Leonard, the chairman of Barnes & Noble] was pretending he was a small-scale bookseller,” said Mr. Kurland. “It was all part of his public relations thing.”

Borders has somewhat more grassy roots. The original store was opening in 1971 by brothers Louis and Tom Borders, near the University of Michigan campus in Ann Arbor. Novelist Jim Hayes, who worked there, said “It was a funky little independent bookstore that sold kites.”

Kmart Corporation bought the chain in 1992 and combined it with shopping mall bookstore chain Waldenbooks. Border Group, which includes 900 stores of Waldenbooks. Borders Group was spun off as a public company in 1995. Marilyn Shankard, Borders’ marketing director, described the offices of Borders Group headquarters in Ann Arbor as “open, informal. We dress pretty badly. We’re more like a publishing company.” She added, “We have a comfortable feeling in our stores. We haven’t become a part of that monster corporate culture.”

Customers who have visited both stores often claim Borders’ staff knows more about books. “You know *The Shipping News*, by E. Annie Proulx,” said Paul Cohen, former book editor who was idling in Shakespeare’s lower Broadway store. “Someone came up to a Barnes & Noble employee asking where *Shipping News* was, and they took them up to the magazine rack.”

Lisa Herling, a Barnes & Noble spokeswoman, said the stores hire “outgoing, service-oriented people . . . the best booksellers in the business.”

But Mr. Kurland, whom, it should be noted, holds no love for Barnes & Noble, asserted that Barnes & Noble employees are retailers, not readers. "It's the philosophy of retailing deciding culture. It's as if Macy's decided to open an art gallery. I wouldn't want Macy's deciding and categorizing what gets displayed as art."

Borders hires mostly college grads and uses a book test to assess their knowledge of books. One customer said she called Borders after hearing about a book reviewed on National Public Radio. "I couldn't remember the title or author and I called with no information. The guy who answered the phone wasn't even in the right department but he knew what I was talking about. He had even read the book." Borders employees also review books for Borders year-old information site on the World Wide Web. (www.borders.com), and Borders underwrites the well-regarded literary Internet 'zine Salon (www.salon1999.com).

A source who knows both stores said Borders has more diverse, intellectual titles. While Barnes & Noble discounts bestsellers and hardback books, Borders also puts employee-selected books on sale.

"Barnes & Noble is focused on their stocks and the 'turn' of a book or how many times it sells and has to be replaced on the shelf," said an executive of an academic press who asked not to be named. "I had to prove Bell Hooks would sell big before the y took it."

Still, most readers want discounts, not dissertations. And Barnes & Noble's green signs have become ubiquitous, part pf the Manhattan landscape, and a synonym for discounted books. Mr. Riggio is known as something of a marketing genius. Borders' owners have their work cut out for them. Despite their appearance of Proustian lethargy, Border's isn't coming into Manhattan just for the thrill of it. "The expansion of Borders Books and Music superstore concept is the future," reads the company's annual report. Borders plans at least 40 new superstores in 1996.

"Borders will absolutely try to expand in New York City," said Ms. Console.

Said Shakespeare's Mr. Kurland, "Borders will be one more nail in the coffin for small bookstores." □