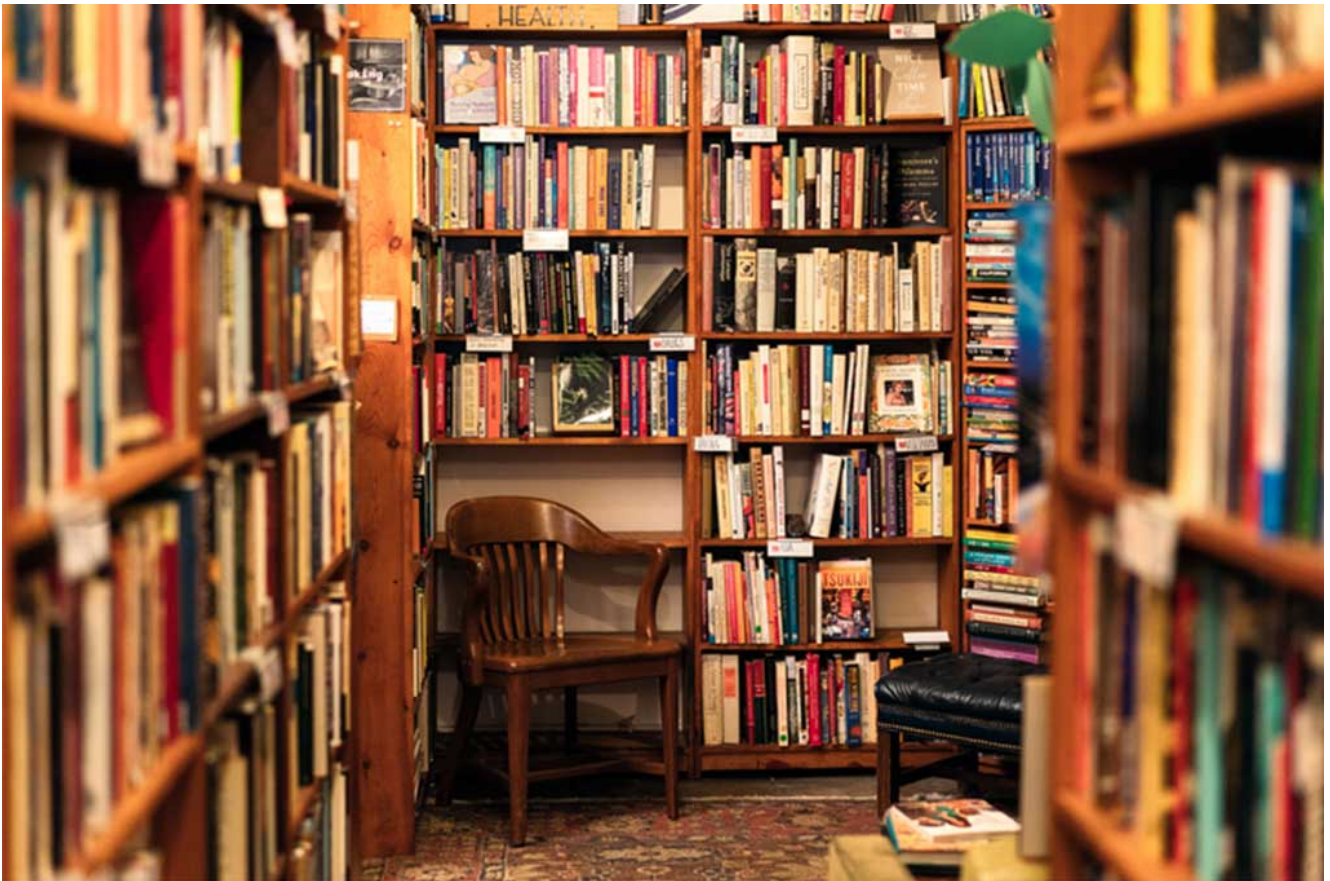


How did Barnes & Noble survive the threat of Amazon? It was all about opportunity framing

When Amazon disrupted bookselling in the '90s, many bookstores folded. But one persisted, turning the threat into an opportunity to innovate.



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By [Yuliya Snihur](#)

Mega bookstores were all the rage in the '90s. Customers could spend hours browsing the seemingly never-ending stock of books, asking booksellers for advice, attending author-signing events, sipping on a latte from the in-store Starbucks. But that all changed when Amazon came onto the scene in 1994, offering cheap books via its online-only catalog.

By the mid-2000s, bookstores were closing across the U.S. as customers preferred to buy online. Amazon had an even bigger stock than any mega bookstore in town. And its home delivery was fast and convenient.

At the time, Borders and Barnes & Noble were the leading bookselling companies in the U.S., each worth billions of dollars, with hundreds of stores across the country. But while both responded to Amazon's disruptive model by investing in e-commerce, only one survived.

In [research published in the *Strategic Entrepreneurship Journal*](#), my IESE colleague [Christoph Zott](#), Lehigh University's Andreea Kiss and I found that adapting to — and surviving — disruptive business models is more than about technology or budget. Rather, it's about how leaders frame the emerging threat as an opportunity and then sustain that narrative over a long period of time. Our analysis reveals that the words CEOs use to interpret change can make or break a company.

Lessons from Borders' downfall

Our paper looked at the U.S. bookselling industry between 1996 and 2011 — specifically, how the two dominant players, Borders and Barnes & Noble, responded to the rise of Amazon and the shift to online retail. While both incumbents saw Amazon's digital-only model as a major industry threat, Barnes & Noble was the only one to survive. To this day, the company operates [hundreds of brick-and-mortar stores across the U.S.](#)

That's because Barnes & Noble was quick to integrate its online operations into its store-based model, creating a blended experience where customers could search for specific items on kiosks and order anything that wasn't available in-store. Borders, on the other hand, treated online sales as a separate side project and eventually outsourced its e-commerce operations to Amazon. By 2007, Borders was no longer profitable, [declaring bankruptcy in 2011](#).

The way each company's CEO framed the digital transformation opportunity that Amazon presented was key in shaping their divergent paths. Through detailed analysis of shareholder letters, press releases, interviews and executive speeches, we identified four key qualities of

effective opportunity framing:

- **Intensity:** expressing enthusiasm, urgency and belief in the significance of the opportunity.
- **Concreteness:** clearly explaining how the new model will work and create value.
- **Future orientation:** looking beyond short-term uncertainty to long-term impact.
- **Inclusiveness:** engaging employees, partners and customers in the opportunity.

We found that Barnes & Noble's CEO used these levers consistently over more than a decade, describing the internet not just as a challenge but as a transformative force. The company introduced specific steps to blend its [in-store and e-commerce business models](#), such as merging inventory systems and tying staff incentives to both offline *and* online sales.

Borders, on the other hand, framed its presence on the internet more ambiguously, referring to e-commerce as adjunct to its core retail business. Even when the CEO did eventually acknowledge the opportunity Amazon presented, their framing lacked conviction, clarity and stakeholder engagement.

Language as strategy

Our research doesn't just apply to the business of books. These same dynamics can be seen across industries today, with the most recent major disruption being the introduction of artificial intelligence (AI), which is redefining the rules in fields like healthcare, communications and the arts.

For pharmaceutical companies, [AI is dramatically accelerating drug discovery and personalizing treatment approaches](#). These changes require not just investment in new tools but organizational alignment around a new vision of how the business works. That alignment starts with opportunity framing from top leaders.

Framing a new business model as an opportunity doesn't just shape perception; it mobilizes action. That's because when leaders speak consistently and compellingly about change, they guide how their organizations interpret risks, prioritize resources and commit to transformation. And it's about more than just making one inspirational speech and moving on; real transformation requires sustained and strategic communication over time. In the case of Barnes & Noble, its CEO continued to reinforce the digital opportunity for years through press statements, strategy updates and actions that aligned with this framing.

Company leaders facing disruptive business models (whether it's due to AI, new market incumbents or shifting [consumer behavior](#)) should consider the following questions:

- Are you communicating the opportunity with clarity and energy?
- Are you explaining not just *what* might happen, but *how* it will benefit the company?
- Are you bringing stakeholders into the conversation, making them part of the company's vision for the future?
- Are you doing all of this consistently and over time?

In moments of uncertainty, framing is a form of leadership capital. The narrative that leaders create can steer decisions, shape culture and ultimately [define whether their company reinvents itself or fades away](#). It's not just about what CEOs do, but about how they make sense of what's happening and how they invite others to act on it.

Another [version of this article was also published in Forbes](#). Read more insights from IESE Business School's global experts at [Forbes](#).

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