Charting the Course for Waldenbooks

Harry Hoffman, president and CEO of the largest bookselling chain in the nation, talks in an exclusive interview about changes at his company and the need for more within the industry.

BY MAUREEN J. O'BRIEN

Harry Hoffman has been dreaming... about boats and the beach and all the books he’s going to sell.

Called a visionary by many, and “Houdini” by a few, Hoffman launched a retail revolution 11 years ago when he began to send a fleet of 800 bookstores sailing into shopping malls. The president and chief executive officer of Waldenbooks since leaving Ingram Book Company in 1979 (where he was CEO of one of the largest book distributors in the country), he’s been making waves in the industry ever since, and when he dreams he is wide awake.

Today, with over $1 billion in annual sales and more than 1,300 locations nationwide—including the remaining pioneer stores opened in the 1960s and 1970s, the acquisition of the U.S. outlets of the Canadian-based Coles chain and the recent revival of the more upscale Bryn’s stores—Waldenbooks is “positioning itself to be in position” as one of the most powerful booksellers in the world, says Ron Jaffe, the chief spokesman for the retailer’s in-house public relations department and senior director of marketing.

But it hasn’t been smooth sailing for the big chain lately. Two Christmas seasons have come and gone without a mega-bestseller in sight, and the cachet of mall shopping is lessening as over-leveraged anchor department store owners scramble to raise capital to avoid bankruptcy court. Meanwhile, independent booksellers are cashing in as readers in record numbers are returning to their neighborhood merchants for enhanced service and literary selection. All this is not to mention the fact that Barnes & Noble/B. Dalton—Waldenbooks’ closest competitor—is giving the company a run for its money by going after market share in a big way; its national ranks have swelled to more than 1,000 stores with the recent acquisition of the Scribners, Bookstop and Doubleday chains.

Like his retail rival Len Riggio, the guiding spirit behind Barnes & Noble, Hoffman has kept a relatively low profile in the year since both were widely attacked in the consumer press for their shared position on The Satanic Verses. (Hoffman still maintains that he got “a raw deal” for temporarily pulling Salman Rushdie’s controversial novel from the shelf of every Waldenbooks store in the country.) So it was with considerable interest that we recently accepted the offer of an extended, exclusive interview with the Waldenbooks CEO.

Lured by the promise of “huge publishing news” about a “major competitive advantage,” we boarded the train to Stamford, Conn., and then hailed a taxi for the quick trip to High Ridge Road. “Oh, you’re going to that nice new Waldenbooks building, eh?” asked the cabbie. And in less than 10 minutes we pulled into the tree-lined driveway.

The complex is just as the driver described. Multi-tiered and tastefully decorated in shades of seafoam green, teal blue and a touch of cinnamon, the building was completely renovated and expanded more than 165,000 sq. ft. last fall and the 750 employees now enjoy or tolerate—a totally smoke-free environment. Arriving 30 minutes early for our 1 p.m. meeting, Hoffman barely had time to grab a seat at the lobby when a series of enthusiastic “Hi, Harrys!” could be heard drifting down the hallway as Hoffman—smile on his face and shirt sleeves rolled up to the elbow—strode into the waiting room to welcome his guest.

The man has been busy, and pacing suits him well. Even though he later admits that “it’s been a rough year” in the retail business, the strapping 62-year-old CEO has never looked better. A sales and marketing whiz since his days with Procter & Gamble in the mid-1970s, Hoffman—the son of a kindergarten teacher and a door-to-door salesman who peddled Encyclopedia Britannicas to support his family—is also an FBI man who once major track record for tackling challenges.

Cards, Wands & 100,000 Books

First, the news: “What we’re going to do is a Frequent Buyer Program he says as he behind his desk, pressing a button on the wall to electronically close the heating curtains that he so carefully appointed. “All the elements are very interesting, for the future and for our customers. We’re calling it the Preferred Readers Program, and think it’s got some real magic terms of target marketing.”

Launched this week, the progr (see News of the Week, p. 9) may be “huge” publishing news, but evidence that Waldenbooks is moving ready to make waves again.

The chain is hoping that the program, promoted in the store without any outside advertisers will boost consumer loyalty by warding “Preferred Readers” with 10% discount on every item in store, including already marks...