

Microsoft and Barnes & Noble in Joint Venture

Written by Marco Attard
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Microsoft invests \$300 million in a strategic partnership with Barnes & Noble-- forming a subsidiary with plans to take on Amazon by spinning off B&N's Nook and College businesses.



The new subsidiary will focus on eReaders and tablets and retain close relationship with the B&N bookstore company.

The first result of Microsoft's investment is a **Windows 8 Nook app**-- a move making plenty sense, seeing how Windows 8 is tablet-ready while Microsoft lacks an eReader strategy.

B&N is also a contender in the low-price consumer tablet market with the Nook Tablet. *Will the partnership with Microsoft result in Nook ditching Android in favour of Windows 8 or RT?*

For now the Nook sells only in the US. According to *Buchreport*, B&N has plans to enter the European market, starting from Germany (where it recently founded

Barnes & Noble Digital Media GmbH

). It also aims to enter the British market through partnership with another bookstore chain, **Waterstones**

Investors seem unimpressed with Microsoft's investment but **this deal has several plays for Microsoft**. It lets Microsoft buy into the consumer eReader market but it also brings them into the content business and into the university textbook market (soon to undergo major disruption as Apple plots its digital textbook strategy).

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Suddenly, the Microsoft involvement makes even more sense...

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Go [Barnes & Noble to Enter German eBook market \(Buchreport\)](#)