

Model Innovation, Space Reconstruction, and Behavior Remodeling: Analysis on the Development of Physical Bookstores from the Perspective of Experience Economy Theory

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Abstract—Some brick-and-mortar bookstores have gained opportunities for transformation in recent years with the support of policies and funds, and their development has gradually picked up. But overall, they still face challenges. This paper analyzes the plights and challenges faced by physical bookstores, and puts forward that the bookstores should highlight their experience functions as knowledge and information education, entertainment and leisure, escape and immersion, and aesthetic perception given their characteristics and the attributes of consumers from the theoretical perspective of experience economy and with *Librairie Avant-grade* as a case. This paper also expounds the path of experiential development of physical bookstores from the perspectives of business model innovation, cultural space reconstruction and scene consumption behavior shaping.

Keywords: *experience economy, physical bookstore, consumer, experience*

I. INTRODUCTION

In the late 20th century, the American scholars B. Joseph Pine II and James H. Gilmore proposed the concept of "experience economy". They pointed out that "experience economy is an activity that enterprises create for consumers to participate in and worth consumers' memories by taking services as stage, commodities as props, and consumers as the center." [1] Experience economy is regarded as the inevitable mode of economic development after agricultural economy, industrial economy and service economy. In the stage of experience economy, consumers' demands are further explored and amplified. To achieve marketing goals, enterprises are required to provide consumers with comprehensive experience, including physical, mental, emotional, and spiritual, in response to changes in consumer demand.

Physical bookstores are not only important front to promote nationwide reading and build a society of readers, but also organizations that need to deal with market risks and operating pressure. Given the market changes and diversified

demands of consumers in the wake of experience economy, it is not enough for physical bookstores to merely provide products and services. They also need to make adaptations, cultivate consumer-centered concept, and create multidimensional experiences in physical space, so as to realize their own development.

II. PLIGHTS AND CHALLENGES FACED BY PHYSICAL BOOKSTORES

As mobile Internet booms, the traditional commercial formats such as physical bookstores have encountered an unprecedented crisis of survival. The entire cultural market is swept by the wave of digitalization, with consumers' reading habits and consumption habits being changed as digital publishing and digital reading pick up. After 2010, physical bookstores experienced a wave of closure, a number of private bookstores such as "O2 Sun Bookstore" and "Fengzhisong" have closed one after another. In recent years, thanks to support policies, some brick-and-mortar bookstores have obtained funding and transformation opportunities. However, the development of physical bookstores still faces many challenges overall.

A. Bricks-and-mortar bookstores are under great operational pressure and lack of attraction to consumers

In order to get more traffic, physical bookstores are mostly located in relatively densely populated places, which result in high rent costs. At the same time, the operation of bookstores needs to cover numerous expenses such as labor salary, water and electricity, taxes and so on. As a result, the physical bookstore under normal operation is facing huge cost pressure. According to surveys, the rent of some bookstores accounts for 30% to 40% of the total operating cost, some even higher, and there is a trend of rising year by year. Due to the unaffordable rent, many bricks-and-mortar bookstores have to move to remote locations. There exist other shortcomings in some bookstores: stereotyped business idea, mono-product, narrow space, insufficient facility, dated

decoration style, and lack of corresponding service consciousness of the owners. Some physical bookstores have succeeded in transformation and upgrading with hardware such as overall layout, space environment being better, but failing to turn traffic into tangible profits.

B. The Internet has shaped consumers' habit of buying books online

The in-depth development of mobile Internet has promoted the prosperity of online shopping platforms. Such platforms as JD, Amazon, and Dangdang provide convenient selling service towards abundant books. Based on the e-commerce marketing model, books on the network platform are cheap and fast in logistics, catering to the fast-paced life of modern society. Thanks to big data and cloud computing technology, online platforms can recommend books users may want based on their search and preferences. Such changes have fundamentally reshaped consumers' book consumption habits. The surge of online bookstore sales will further encroach the market share of physical bookstores. With consumers increasingly preferring online purchase for book, there exists fat chance that bricks-and-mortar bookstores will survive by relying only on book sales.

C. The rise of digital reading has impacted the sales of paper books

Recent years, many changes have taken place in the development trend of nationwide reading in China. Digital reading, including computer online reading and mobile reading has developed rapidly. [2] Data shows that the rate of digital reading has continued to rise for several years and has surpassed paper reading, becoming the mainstream way of nationwide reading. Digital reading is the product of the development of modern society, which conforms to the fragmented information consumption habits of modern people. Such faster and more fragmented way of mobile reading has become an indispensable part of people's life. It is necessary to reflect on the problems brought by digital reading, such as the lack of deep reading and the receding sense of reading ritual, and at the same time to recognize the fact that sales of paper books has been squeezed by digital reading and digital publishing.

III. EXPERIENTIAL DEVELOPMENT DIRECTION OF PHYSICAL BOOKSTORES

Physical bookstore is not only the space of cultural production and dissemination, but also the space of cultural management and cultural consumption. The experiential development of physical bookstores depends on the integration of multi-dimensional elements such as rich and diversified book cultural products, the construction of bookstore space landscape, and the shaping of cultural environment and atmosphere. The theory of "tourist gaze" proposed by John Urry states that "the reason why people leave their daily life and work place to travel to other places irregularly is that they hope to obtain pleasure, nostalgia, excitement and other travel experiences by gazing at those unique things and landscapes completely different from their

secular life." [3] When consumers come to physical bookstores, they expect to gain knowledge, entertainment, and leisure through their "roaming" in such cultural space. The consumption experience in physical space has obvious experiential characteristics. With the presence of physical body, behaviors like reading the text symbols on paper books, touching the texture of paper, scenting the fragrance emitted by books, and interacting with the service staff all constitute rich and subtle perceptual experience, which will impact people's cognition and emotion, and shape consumers' identification of space and self. According to the characteristics of physical bookstores and the attributes of consumers, the experiential development of physical bookstores can be divided into four directions: knowledge and information education, entertainment and leisure, escape and immersion, and aesthetic perception.

A. Knowledge and information education

Reading is an important way for humans to acquire knowledge and information, receive cultural education, and increase wisdom. It also serves as an essential means for a country and a nation to develop spiritually and inherit civilization. As the place where reading behavior occurs, the reading space of physical bookstores can attract readers, stimulate their interest and promote reading experience. Individual readers take their initiative to participate in to gain knowledge education experience in physical bookstores. Physical bookstores boast different types of books, such as humanities and social sciences, culture and life, and science and technology. It is an important reflection of the cultural transmission and cultural education function of physical bookstores that consumers seek and read books independently and enjoy the pleasure of acquiring new knowledge and wisdom.

B. Entertainment and leisure

The definition of entertainment in Oxford English Dictionary is as follows: activities that draw attention in a joyful way. Entering the physical bookstore, consumers can get rid of their daily anxiety and worry, relax their mind, and enjoy the pleasure brought by the environment and atmosphere. In modern society, leisure appears as a way of life and has become an essential part of people's daily lives. The phenomenon that physical bookstores provide consumers with entertainment and leisure is the trend of social development. In addition to various books and culturally creative products, the current physical bookstores also provide cafes, reading booths, salon lectures, sofa lounges, etc. Reading books in the bookstore, appreciating unique culturally creative arts and crafts, tasting the aroma of coffee, listening to the lectures of scholars and masters, and so on, make consumers feel happy and relaxed.

C. Escape and immersion

The physical bookstore is a spiritual home inhabited by poetry, which constructs a world in which readers are completely immersed in themselves as active participants. In modern society, people live in a fast pace and under great

pressure. Most people work and live in a stressful environment. Escapism sprouts in the hearts of urban people surrounded by anxiety and confusion. People hope to escape the hustle and bustle, to find their own spiritual harbor, so as to obtain spiritual comfort and pain relief. Every rover in the bookstore roamed in space, where they could temporarily set aside their mind's guard, accompany with books, and immersed in their own "small world" to realize their own exploration.

D. Aesthetic perception

The aesthetic perception experience enables consumers to experience the immersive feeling in physical bookstores, which also reflects the rationality of the existence of physical bookstores. Factors that affect consumers' aesthetic perception include the location of the bookstore, the surrounding environment, the decoration style of the bookstore, the distribution and design of each functional area, the packaging and display of book and culturally creative products, and so on. Consumers' perception of bookstores is omni-directional, which requires the operators of physical bookstores to have a holistic thinking on the design of bookstore space.

IV. THE DEVELOPMENT PATH OF PHYSICAL BOOKSTORES BASED ON EXPERIENCE

A. Establishing the business model of physical bookstore where experience first

According to David J. Teece, a business model is a way of doing business profitably by delivering value and making customers willing to pay for it. [4] Competition between business models has become the most essential competition between enterprises. Operators of traditional physical bookstores tend to have cognitive inertia, thinking that the business model of bookstores is to sell books. Later, with the development of the market, they began to implement compound operation method, covering more commodities and service like culturally creative products, coffee & snack. The logic behind such practice is still limited by product thinking. The experience economy resulted from Internet has overturned the original physical marketing model, and the industrial force between consumers and physical bookstores has been changed. It is the fundamental logic of the transformation and development of physical bookstores to restructure the business model according to the experience needs of consumer.

Under the experience-oriented business model, the physical bookstores should clarify their core value fundamentally. The value of bookstore itself serves as an essential dimension to attract consumers and win recognition. The humanistic spirit and cultural beliefs also permeate the bookstore business model. It focuses on providing books with rich humanity quality, and resolutely refuse learning aids with higher profit margins and more in line with the market.

B. Creating a physical culture consumption space where experience comes first

The trait that most distinguishes physical bookstore from virtual online bookstore is that the presence of the consumer's physical body realizes the actual connection between people, people and books, and people and bookstores. In physical bookstores, readers can feel the warmth and comfort of the space both physically and mentally. Readers can feel the texture of books at their fingertips and the fragrance of paper at the tip of their noses, which are all rich experiences that virtual space cannot provide. Therefore, the development of physical bookstores should be based on the experience that cannot be replaced by virtual shopping, and make it the best, to build bookstores into experience-oriented cultural consumption space.

The cultural consumption space not only has the function of economic exchange, but also carries rich cultural connotations. The cultural connotation results from the manipulation of cultural means by space developer, and the representation of cultural reproduction through the perception, experience, and identification of consumers. [5] The construction of bookstores' cultural space should be carried out from the aspects of environment layout, brand recognition, commodity display and regional cultural presentation, aiming at the mobilization of consumers' visual, auditory, olfactory, tactile and other all-round sensory experience, so as to realize the dissemination of bookstores' cultural connotation and the cultivation of consumers' recognition. In the consumer society, cultural space has become an important "container" to shape experience and promote consumption.

C. Reshaping scene consumption behavior based on experience

"The bookstore is the fusion of business behavior and knowledge transfer, which can present the reading atmosphere with humanistic spirit and public cultural space to readers. In this sense, the more influential the physical bookstore, the likely it becomes a city's cultural landmark." [6] Librairie Avant-grade, a cultural landmark in Nanjing, has achieved a balance between commercial operations and cultural dissemination during its more than two decades of history. In the face of complex market changes, the key to the survival of Librairie Avant-grade lies in its conscious use of experience in commercial operations to shape consumers' consumption behavior.

In recent years, many brick-and-mortar bookstores have been exploring ways to encourage readers to pay for experience. Librairie Avant-grade has adopted the path of "culture-led experience and creation of consumption scenarios". First is culture-led experience. With "academic, cultural, creative and life" as theme, the bookstore holds academic salons, cultural lectures or book sharing sessions every week, invites cultural celebrities to share, and organizes book sale and signing from time to time, which readers can participate in for free. Such activities are often popular and fruitful. Consumers' desire to buy is easily stimulated in scene where cultural activities lead to

experience. The second is "the creation of consumption scenarios." With the increasingly obvious trend of consumption scenario, the bookstore constantly analyzes the scenarios in which consumers use products and their personalized demand. At this time, the consumption is not only aimed at products, but also includes more dimensions and deeper added value such as experience, feeling and atmosphere building.

V. CONCLUSION

Since 2016, governments at all levels, from the state to the local level, have taken a number of measures to support the development of bricks-and-mortar bookstores, including financial subsidies, tax relief, and the provision of venue. *The 2018-2019 Industry Report on Physical Bookstore in China* shows that thanks to the strategy of nationwide reading, the physical bookstore is picking up, and the Chinese bookstore industry is entering a new stage. The development momentum of the industry provides opportunities for the transformation and development of physical bookstores. With the "blood transfusion" of policies and funds, the operators of physical bookstores should actively change their thinking, take the path of experiential development to conform to the experience demands of consumers in the new era and to form their own "haematogenous mechanism", so as to further realize the self-salvation of physical bookstores.

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