

On the Survival of Personalized Physical Bookstores Under the Development of Online Economy

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ABSTRACT

With the rapid development of the Internet and digital technology, offline physical bookstores are gradually becoming the focus of attention. Traditional and old business models have become "time of the past", new business models are being explored, and physical bookstores are facing a "painful period" of transformation. Physical bookstores are now in urgent need of transformation in order to find a way to survive. The rapid development of electronic information technology is in sharp contrast with the downturn of the paper publishing industry. This article analyzes the current predicament of physical bookstores from an objective perspective. Through data collection and data investigation, the author found that the physical bookstore will eventually move towards the development of diversification and individualization.

Keywords: *Bookstore, physical bookstore, path selection, online economy*

1. INTRODUCTION

In recent years, the rapid development of the Internet has promoted the development of online economy. With the improvement of people's living standards, the demand for spiritual culture is also increasing. People's consumption demand gradually changes from necessities to more personalized and convenient spiritual culture demand. Books have been an important part of people's daily recreation and learning since ancient times, and they are still an indispensable part of people in today's rapid economic development. However, the rapid development of online economy promotes the rise of online reading, which makes offline physical bookstores suffer a huge impact, and the popularity of E-books has an inevitable impact on paper publications. Today, with the low income of physical bookstores, the traditional business model makes the physical bookstores unable to adapt to the market demand and fall into the passive situation of forced transformation.

Satisfying the diverse and personalized consumer needs of consumers and adjusting the physical bookstore's own marketing strategy in a timely manner is the key to promoting the development of physical bookstores. This article analyzes the current situation of bookstores to understand the operating costs of bookstores and the impact of digital reading on paper

publications. In addition, the author will also propose ideas for bookstore transformation based on the current situation of the physical bookstore.

2. CURRENT SITUATION OF PHYSICAL BOOKSTORES

In recent years, the decline in sales revenue of physical bookstores has become an inevitable trend. The high rent of stores and the decreasing sales profit make the survival of physical bookstores more difficult. In 2011, Borders, the second-largest bookstore chain in the United States, formally filed for bankruptcy protection [1]. In Japan, the number of physical book stores decreased by 8353 in the 15 years from 1999 to 2014 [2].

According to the three quarterly reports of publishing listed companies in 2020, as of September 2020, the average sales revenue of 26 publishing companies listed in the A-share market has decreased by 1.46%, which is close to the same period of last year, while the average growth of net profit has reached 20.73%, which is significantly higher than the same period of the past year. However, according to the open book monitoring data, in the first three quarters of 2020, the channel of physical stores of publishing enterprises decreased by 37.43% year on year. Although the decline of retail sales of physical bookstores in the first three

quarters is smaller than that in the first quarter, the decline is still noticeable [3]. Therefore, in the overall good publishing industry today, the development situation of physical bookstores is still worrying.

2.1 High operating costs

High operating costs are often a major obstacle to the development of physical bookstores, especially private physical bookstores. In today's increasingly rising house prices, high rents tend to grow faster than the income of physical bookstores. In order to meet the demand of passenger flow, physical bookstores often locate their stores in prosperous areas, including residential areas and commercial blocks. This part of the area in the flow of people, many consumers at the same time, also means high shop rent. In the publishing industry, the channel economy of physical stores is increasingly sluggish today. The declining profits of physical bookstores are inversely proportional to the rising high rents. This inevitably makes many bookstores unable to bear such high rent, so they have to choose to move to more remote areas or even suburbs. However, this makes this part of physical bookstores, especially private physical bookstores, inevitably enter another "unable to afford the currently high rent - moving out of the downtown - declining flow of people-declining profits-unable to afford the currently high rent" The vicious circle of "low rent", which also makes the physical Bookstore more difficult.

In addition to the high cost of housing rent, the growing cost of human resources has gradually become a heavy burden of physical bookstores. The inflated house price, the increasing education cost and the increasingly heavy living expenses promote the growth of human resource cost, which also means that the additional cost of human resource cost is gradually increasing. Nowadays, with convenient transportation and a developed economy, the mobility of the population is gradually increasing. The mobility of staff increases the cost of placement and training, increases the burden of physical bookstores, and makes the operation of physical bookstores more difficult.

Compared with physical bookstores, online bookstores benefit from convenient, fast and cheap logistics, lower operating costs and human resource costs, and quickly occupy the market because of cheaper and more convenient reasons. While earning a higher income, it inevitably causes a lot of impact on physical bookstores. This also makes the market share of physical bookstores in the publishing industry less and less.

2.2 The influence of digital reading on paper publications

In recent years, the rapid development of Internet

and electronic products provides people with more diversified and personalized choices. At the same time, portable electronic products and almost ubiquitous network make the development of digital reading more powerful.

For example, the popular e-book reader Kindle. The Chinese homepage of Kindle has its advertising slogan: Massive choices, ultra-low prices; Buy once, read anywhere. It can be seen that light and convenient electronic digital reading will have much impact on traditional paper publications.

Compared with bulky and clumsy paper publications, small, light, large capacity and personalized electronic products are more popular.

Because of the lower cost, the price of digital reading is far lower than that of physical bookstores and online bookstores, which makes the audience of digital reading more extensive. With the development of network literature, digital readers can have more and more choices. At the same time, the progress of the search engine also makes it easier for consumers to find the content they want to read, which makes the customer group of digital reading more and more strong. At the same time, because the paper is not used as a medium, so relatively speaking, digital reading will be more environmentally friendly and convenient.

3. TRANSFORMATION OF PHYSICAL BOOKSTORES

In such an economic and market environment, it is urgent for physical bookstores to change the traditional business model and establish diversified and personalized physical bookstores. Online and offline integration has become a trend, how to develop strengths and avoid weaknesses and establish the irreplaceable particularity of physical bookstores has become the top priority.

3.1 Establishing a diversified and personalized entity Bookstore

At the moment when the profit of paper publications is decreasing day by day, physical bookstores can add other elements in order to add industry and create certain income. Additional industries, including coffee shops, flower shops, cultural and creative products, can be combined with bookstores to bring new vitality to bookstores.

For example, cat's Sky City bookstore is a concept bookstore with cultural creation and handicrafts as its main revenue source [3]. Through postcards, paper tape, bookmarks and other cultural and creative products and other additional industries, the profit of additional industries of physical bookstores have been realized.

This comprehensive and diversified business model breaks the traditional business model of traditional physical bookstores, brings more diversified and novel experiences and choices for consumers, and makes consumers more willing to try and feel this sense of experience.

3.2 Establishing the irreplaceable particularity of physical bookstores

With the rapid development of economy and the development of science and technology, consumers have a wider choice of ways and scope, which is not only the reason for the impact of physical bookstores, but also the opportunity of physical bookstores.

The biggest advantage of the physical Bookstore lies in its sense of experience. Unlike other ways, most physical bookstores can read the full text and then choose to buy, and the quiet and atmosphere filled environment is also beyond the other ways.

According to the annual development report of the publishing industry in 2019 issued by the State Administration of press, publication, radio, film and television in January 2020, physical bookstores in 2019 will pay more attention to business districts, downtown areas, campuses and tourist attractions with a large flow of people. In the design, the designer pays more attention to the pursuit of personalized design, creating an elegant, refined and quiet reading space. The readers are further subdivided to provide direct services for parent-child reading, campus reading and community reading. In terms of attracting readers, more attention should be paid to holding lectures, exhibitions, salons and other activities. In the aspect of integration with new technology, we pay more attention to the construction of self-service bookstores. Especially in the creation of a cultural complex, each has its own creativity. For example, Yan JiYou village capsule Bookstore integrates the functions of bookstore, coffee, country house and so on, and becomes a cultural and creative complex of country house to show the rural culture of Tonglu. There is also a "lovelorn healing room" in the middle of the bookstore, with warm words written on the wall and soft music played [4].

From the perspective of interior decoration and architectural design, space design can bring people a better sense of experience. Broad and bright space can better relax people's body and mind. The unique design of each physical bookstore will bring a different experience to consumers.

Compared with online bookstores and digital reading, physical bookstores have the advantage of better interaction with consumers. For example, Japan's well-known mooya bookstore, behind its success, there is one thing that can not be ignored is that it comes from the unique professional book selectors of mooya

bookstore. When they interact with customers, they also enhance the customer experience, so that customers can get a better service experience that can not be obtained in other ways.

The sense of atmosphere is also what many people pursue now. Offline physical bookstores have a better sense of atmosphere, which makes it easier for consumers to feel the immersion experience and enter the reading state, so that their mentality will be more peaceful.

3.3 Integration of online and offline

When the physical bookstores are impacted by online bookstores and other aspects, they are not waiting to die. Xinhua bookstore has already started the attempt to establish an online bookstore. Correspondingly, dangdang.com, which is famous for its online sales, has established a number of physical offline stores, which means that the integration of online and offline has been carried out unconsciously. There are more and more new media companies, new media e-commerce companies and knowledge service providers opening physical bookstores from online to offline. Their online business also extends to physical bookstores, and the integration of new media and physical bookstores is getting closer and closer [4].

One of the mainstream social software in China, Qq, part of tencent, cooperates with jd.com books, which is owned by jd.com, an e-commerce giant, to recommend and sell books on the Qq view platform, which is based on the QQ chat software, jd.com, on the other hand, has entered into cooperation with hundreds of brick-and-mortar bookstores across the country to form an industry chain from promotion to sales. And boe also believes that enabling offline stores is essential, offline business can solve the online business pain point, that is, consumers can not see the physical transaction, and no matter how fast the logistics is not as quick as spot transactions. JD.com believes that the online and offline business resources sharing, jd.com books will be able to achieve user innovation and breakthrough.

In recent years, the rise and development of new media industry has also brought new vitality to physical bookstores. Sales tiktok selling books by shaking is starting in 2018. By 2019, the number of marketing accounts of recommended books will continue to grow and play a huge role in many times. Corresponding to the marketing number and short video, it is live selling books. Depending on the live broadcast platform such as fast hand, fighting fish and Taobao live broadcast, the wave of selling books and buying books is quietly Kwai ting. Leading online or offline bookstores such as dangdang.com and Xinhua Bookstore have all participated in it, and achieved great achievements. Among them, Star Live selling books is more

concerned. TV host Li Xiang personally recommended the stereoscopic book "Little Prince" in the live network, and the sales revenue was 288000 yuan in only three minutes [4].

Besides, the Chinese government is constantly encouraging the innovation and attempt of the operation mode of the physical bookstores, and the local governments are constantly introducing various policies to encourage the operation of the physical bookstores. Physical bookstores can really achieve o2o (online to offline) mode operation by giving full play to their incomparable experience advantages, and closely connect information and physical objects, online and offline. In the current situation that physical bookstores are increasingly becoming free exhibition halls of online stores, physical bookstores can push the information of offline bookstores to Internet online shopping users, so as to effectively achieve scale and transform online customers into offline customers [1].

COVID-19's attack has also made the traditional publishing operation mode suffer heavy losses, and the single production and operation mode directed by the sales of the ground entity bookstore has been impacted, which has accelerated the pace of book stores' integration and development.

3.4 Location and customer positioning

Nowadays, most of the physical bookstores are open in downtown or prosperous districts, bearing high rents and many competitors. Private physical bookstores are often unable to support such expenditure pressure, so they are forced to close down because of poor management. However, there is often a lack of physical bookstores near residential and school districts. Housing rents in these areas are still high, but they are much cheaper than commercial markets.

Today, more and more parents pay more attention to children's education. Most parents think that children should be properly away from electronic products and read more extracurricular books. A diversified and personalized entity bookstore can not only increase the cultural atmosphere of the community, but also get the favor of parents more easily. Looking for a compound business model and creating a three-dimensional cultural business model. Adding cafes and flower shops on the basis of bookstores can not only beautify the internal environment of physical bookstores, but also create profits of additional industries to feed back physical bookstores. Setting up a book corner can increase the humanistic atmosphere, increase the interaction between physical bookstores and consumers, and promote consumers to form a community, which is conducive to the development of long-term purchasing relationship.

According to different location, the paper subdivides the consumers of physical bookstores, and on this basis, improves the system and business model of physical bookstores. For example, in the physical bookstore near the school district, the main customers are students. Therefore, the book content of the bookstore should take teaching materials and exercises as the main source of goods. Thus, the self-study room can be developed to increase the income and increase the income of additional industries.

At present, the audience segmentation of physical bookstores mainly focuses on children, the elderly and women. Dolphin Media Co., Ltd., located in Wuhan City, Hubei Province, takes children as the target audience, and takes "bringing health, happiness and knowledge to children, so that every family in China has dolphin media products" as the declaration. Its main business is children's books and digital products. The dolphin International Children's home has 10 direct stores and 15 branches To become a leading enterprise of children's books in China

One of the bookstore for the elderly, also known as "time bookstore", is also located in Wuhan. It is jointly built by Wuhan University for the elderly and Wuhan Publishing Group Co., Ltd. It covers current affairs, history and literature, and is specially for the elderly. In addition, Yufeng bookstore, which was founded in Beijing in 2007, as the first female reading library with membership system in China, also provides a good experience for physical bookstores. There are three kinds of books in the store: "books written by women", "books women need to read" and "books for women", which meet the reading needs of different female readers.

4. CONCLUSION

Nowadays, with the rapid growth of online economy and science and technology industry, the business model of obstinately adhering to the traditional entity bookstore will not be able to undertake such a heavy task. This article discusses the development status and transformation of physical bookstores. The author finds that the profitability of pure physical bookstores is declining. Digital reading is frantically occupying the living space of physical bookstores. The disappearance of self-proclaimed physical bookstores is a foregone conclusion. Jincan will not be overwhelmed by the torrent of the times. The survey believes that the market share of paper publications is declining. This is the general trend. Only more diversified, personalized and flexible management methods can make physical bookstores glow with new vigor and vitality. Although the timeliness of the materials and the cultural peculiarities of the region itself make this article have limitations. However, the author clearly realizes that the rise of physical bookstores cannot be achieved

overnight. The future physical bookstores will pay more attention to the integration of online and offline, and be more flexible without losing their unique cultural meaning and influence. . Such a physical bookstore can provide consumers with a better reading environment and survive better.

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