The Survival of Physical Bookstore Under Digital Transformation

Mandi Li[1,†], Suyi Shi[2,*,†]

[1] Maple Leaf School, Tianjin Campus, Teda, Tianjin, China
[2] Kang Chiao International School East China, Kunshan, Jiangsu, China
20031175@students.mapleleafedu.com
†These authors contributed equally.

Abstract. Physical bookstores are gradually shifting from traditional book retailing to a cultural space that fulfills intellectual, emotional, and aesthetic requirements. However, there is increasing concern over how physical bookstores can transform and upgrade themselves with the assistance of technologies to match the current need of readers. This article uses textual analysis to identify the current situation of entity bookstores' management. The theoretical framework includes symbolic value, Goffman's frontstage and backstage theory, and Joshua Meyrowitz's medium theory. This study has examined the survival of the physical bookstores through different aspects. Online bookshops can provide good quality goods at low prices while offline bookstores can offer a wide range of cultural entertainment in which readers can engage. However, physical bookstores still face a series of problems, including interior design, readers' multiple requirements, and no subsidies. The insights gained from this study may be of practical significance for the transformation of physical bookstores.

Keywords: Physical Bookstore, Cultural Creativity, Online Economy.

1   Introduction

Due to the rapid development of Internet technology in recent years, online bookstores and e-reading have provided greater convenience and selectivity to the public, so the status of physical bookstores is in jeopardy and there is much concern about the future development trend and prospects of physical bookstores. Brick-and-mortar bookstores are not as popular as they were a few years ago, so making them viable in contemporary society requires methods of transformation, which are the key issues studied in this article.

Except for the economic theory proposed by several scholars for the operation of private entity bookstores, there is no analysis from the theoretical perspectives of sociology and communication, which are more relevant to bookstores as cultural industries [1]. In the current discussion of the future living space of private entity bookstores, there are no clear and complete arguments [2]. Exploring the business model from its irreplaceable functions and business practices is essential for a bookstore that is experiencing business difficulties. The reading habit in contemporary society is completely

different since people's time is taken away by busy work. Utilitarian reading and shallow reading are also the reasons for the reduced popularity of private entity bookstores This research first summarizes current research on physical bookstores 'management and further uses theoretical analysis. Since previous studies lack well-grounded theoretical considerations, this study draws on three theories to set up a new theoretical framework, namely, symbolic value, Goffman's frontstage and backstage theory, and Meyrowitz's medium theory [3-5]. Physical bookstores as landmarks generally have symbolic value. In the long process of historical inheritance, the private entity bookstores themselves have unconsciously instilled cultural signals to people and have become cultural representatives in people's minds. This essay uses this theory as the breakthrough point to analyze entity bookstores' management dilemma. Goffman's theory demonstrates why it is feasible to transform physical bookstores into gathering spots for online celebrities. Meyrowitz pointed out that different forms of media would determine various interactions in society [5]. It can give great enlightenment to the development of entity bookstores in reality. Zhong Shu Ge, a famous bookstore in Shanghai, is used as a case to explain the fundamental role of a cultural landmark. In summary, there are many ways to transform offline bookstores, including the combination of online and offline bookstores, the construction of a strong sense of participation, improvement of credibility, and closer contact with consumers. In addition, bookstores can give full play to the advantages of community construction by holding regular book exchange activities and reading groups.

2   Feasibility of Smart Transformation of Physical Bookstores in the Era of Big Data

In the era of Covid-19 and the prevalence of short videos, physical bookstores have a unique advantage in attracting users and selling books by conducting live-streaming activities. Live webcasts are conducive to broadening the way of promoting and selling books. Therefore, physical bookstores need to actively explore marketing strategies that cooperate with live streaming.

2.1   To Apply Live Streaming Strategies to Attract Users

On the one hand, physical bookstores have been in direct contact with users for many years, so they are more familiar with users' consumption needs and market trends. They can be more accurate in selecting topics for live streaming, which can more easily stimulate and satisfy readers' interest and curiosity in products. Specifically, when a physical bookstore uses a live-streaming platform for live marketing, it can select a live-streaming theme based on users' needs and provide users with a rich selection of books. Psychologically, most people interact more actively on the Internet, so salespeople can give feedback and satisfy readers' interest and curiosity in the products. On the contrary, few readers in offline bookstores consult the salespersons, and some of them prefer to search for a needle in a haystack of tens of thousands of books by themselves which proves that online interaction is easier to gather fans. On the other hand, the users of the live streaming platforms are young, highly educated, and active, which overlaps

with the target groups of bookstores. In addition, as a cultural brand of the city, the significance of the bookstores and their unique design styles can naturally attract a certain amount of audience traffic, which lays the user base for the webcast.

2.2 To Promote Offline Bookstores through Online Platforms

The live broadcast can take advantage of the advertising effect, inviting celebrities with their fan traffic and better promoting the brands while bringing goods to expand the influence. For example, through online or offline book reading activities initiated by celebrities, fans are invited to participate in online book punching, where the celebrities can share their reading experience. Moreover, signing events help bookstores to generate revenue. Bookstores can charge a certain amount of site fees by opening up areas for signing events and can drive sales of other products.

2.3 To Meet the Platform Consumption Habits

As people's consumption habits depend on platforms, physical bookstores should build book software systems. A good software system can not only improve the efficiency of book import and export management but also integrate online and offline management. It is convenient both for merchants to manage bookstores and for customers to buy and borrow products. People can set up online services such as book inquiries, activity recommendations, points mall, and reading forums. For example, by placing orders online, readers can enjoy the convenience of shopping while also enjoying member discounts, vouchers, full discount amounts, and other preferential policies; punch cards, sharing, and reviews can also meet readers' needs for self-expression and impression management. Movie tickets and other gifts can also be provided. Meanwhile, a software application will publish offline events in a timely manner and allow online registration and reservation to achieve online traffic attraction and offline conversion. In addition, bookstores can further integrate online and offline inventory resources by launching services, such as community lending cabinets and door-to-door book delivery to solve the problem of inaccessibility, busy work schedules, and bad weather. Therefore, more readers can enjoy reading anytime and anywhere. During the epidemic, some bookstores in high-risk areas also increased their online business, such as the launch of a microspore to sell books. Specifically, the vector coffee under the "Sisyphus Bookstore" enables takeaway delivery through Meituan in some cities.

3 To Develop Physical Bookstores as Cultural Symbols

The distinguished French thinker and semiotician Roland Barthes innovated and developed semiotics on the basis of Saussure's structuralist theory and the doctrine of linguistic semiotics. The idea of the structuralist theory is that cultural meaning is produced and reproduced through various practices, phenomena, and activities as ideational systems [6]. The core of Roland Barthes' semiotic theory is that there are two levels of ideational systems. In his view, Saussure's "energy + referent = sign" is only

the first level of semiotic representation, and when the sign of this level is used as the energy of the second level of the ideational system, a new referent is created, which Roland Barthes calls "metaphor" [7].

3.1   Physical Bookstores as Cultural Symbols

Physical bookstores have gradually become stages for people to perform on social media. They have become places of exhibition and landscapes of performance. People leave after taking photos and buying cultural and creative products, but not many people read books and buy books. Sociologist Erving Goffman's concept of "front stage" and "backstage" offers an explanatory theory for this specific behavior [7]. Some areas in the bookstores have a whole wall of books, but those books are not for sale or borrowing. They are just an exhibition wall for photographing, for people to shoot the reading moment in the bookstores and post the photos on social media. A high level of decoration is a fundamental way to gather customers on social media, but it is not the only sustainable path for offline bookstores. Physical bookstores are not visible but exist in people's minds in a highly abstract state after being packaged. However, it is this conceptual aspect that makes bookstores a symbol of communication, and through a series of activities related to books and culture, such as book sales, publishing practices, and meeting and talking, a specific imprint is formed in people's hearts. The bookstores in a city have a mission to spread culture and represent the cultural atmosphere of the city. For example, Shanghai's Zhong Shu Ge, San Francisco's City Lights, and Paris' Shakespeare Bookstore have become not only bookstores but also spiritual havens for many readers, and these bookstores have become cultural landmarks in the cities because of their irreplaceable significance. When one mentions these bookstores, the first thing that comes to mind is not buying books, but the promotion of culture. In the course of their long history, private bookstores have unconsciously instilled a cultural signal in people's minds and have formed a cultural representation in their minds, especially with the combination of books and physical storefronts. The meaningful symbols of private entity bookstores have been formed.

3.2   Zhong Shu Ge as an Example

Since its opening in 2013, Zhong Shu Ge has been a striking cultural landmark, known as the "most beautiful bookstore". It creates a good perceptual experience environment for consumers through the integration of cultural services and aesthetic ideas, fully reflecting the humanistic spirit. First, in addition to the "culture" and "creativity" reflected in the decoration design of the bookstore, it also combines book culture, coffee culture, and creative products. The most important point is that Zhong Shu Ge puts its own brand label on any products within its sales range, which means that the products are purchased at Zhong Shu Ge. It popularizes the brand to a large extent, because most people will forget the merchants and think that the products are from Zhong Shu Ge. This is a point that many bookstores miss [8].

Second, Zhong Shu Ge has implemented diversified operations to create a multifunctional reading space for readers, bringing them a variety of reading experiences.

With the physical bookstore as the carrier, it holds activities such as lectures by famous authors, themed reading sessions, book signings, and life salons to achieve a strong "cultural" cohesion. The bookstore also offers a variety of activities to meet the needs of readers while truly integrating book culture into people's lives. The establishment of private files for its members strengthens the management of customer and enhances the perception of customer value. Zhong Shu Ge has gained the intimacy and appreciation of the majority of consumers, significantly increasing the bookstore's customer loyalty and becoming a cultural landmark.

4   Suggestions

4.1   Location and Space Division

When people are reading in a well-prepared, convenient, and tranquil environment, they will give feedback with positive emotion to this space. In order to carry people's rich emotional world, physical bookstores should focus on the design of space emotion, such as rich visual effects and convenient function design. To allure customers, physical bookstores can create a different experience from other stores by designing aesthetic reading spaces. Bookstores need to consider readers' movement to avoid "route conflict". This will allow the readers to move naturally to the areas where the books are, not being distracted by other factors in the selection process. It is also possible to design the most convenient route for the customers who want to take a break and leave during the process and for those who want to check out after picking a book. Moreover, managers need to observe the products and customers' diversion in specific areas. The design of the route varies according to the bookshops' requirements and business concepts [9,10].

In addition, it is important to look at the division of the space to verify if a bookshop is properly constituted. Generally speaking, many bookshops nowadays have some subdivisions such as adult book areas, children's book areas, art products areas, drinks areas, and reading areas. It is easy to cause interference to the reading customers if the children's areas and reading areas are very close. Thereby, some bookshops will set up a sales area as a transition between the adult book areas and the children's book areas, which also meets the needs of the merchandise display. The cashier's counter is planned near the hot-sale areas to make it easier for staff to manage several areas at the same time. Some bookshops are unable to design a dedicated space due to space constraints. In the case of large bookshops, the lack of a professional design for the space may affect the customers' experiences and the revenue of the bookshops to a certain extent.

4.2   Government Intervention and Subsidies

The most important thing for bookstores to develop is the balance between cost and income and between new and used books. Government should intervene and provide some subsidies for bookstores according to the current situation to help them operate in a better way.

First of all, the government should be involved due to the decline of brick-and-mortar bookstores and the preference of people to read e-books in the contemporary era of rapid Internet development. If people want to support brick-and-mortar bookstores, then people should recognize the disadvantages of e-books and find the benefits of physical books. The national government should advocate the benefits of reading physical books while local governments can offer incentives. For example, a whole city can show the number of pages that its citizens have read every month and those who have read the most pages can be awarded. It will encourage people to read and buy paper books, thus stimulating the revenue of brick-and-mortar bookstores, which will allow them to develop in a good direction under certain circumstances.

Second, the government could not only intervene in the operation of physical bookstores but also provide subsidies for them. For example, in China, there are both state-owned and private enterprises, and the operation of brick-and-mortar bookstores could be based on the same concept of development. The government of each region could invest in the bookstores according to the popularity of the local brands, which would not only facilitate the development of the bookstores but also allow the government to receive a certain amount of return by helping the bookstores to develop.

4.3   The Street-Stall

In modern society, brick-and-mortar bookstores always face a lot of operational pain points, including the high cost of operating, rent, staff salaries, and utilities. The average gross profit from book sales in physical bookstores is only 30%, while rent accounts for 20%-30% of total revenue and utilities account for 10%. As a result, physical bookstores as a whole are in a loss-making situation and cannot cover their costs by selling books. Since brick-and-mortar bookstores spend so much on renting and hiring houses, people can choose to lower their costs by taking some of the books to the floor stalls, which can save both manpower and costs. At the same time, people can also take advantage of the ground stall economy and other types of businesses.

As digital reading is prevalent in daily life, people's habit of reading paper has a great degree of change. Some online bookstore retailers such as Dang Dang and Amazon with cheap prices and convenient delivery services have improved the popularity of paper books, which substantially eroded the profits of physical bookstores. In terms of the current book market in China, the network bookstores have an absolute advantage in the price, so the entity bookstore is very difficult to make a profit.

5   Conclusion

With the advent of the digital age, the development of electronic reading has flourished, so the operation of physical bookstores is becoming increasingly dismal and some bookstores even shut down because of Covid-19. Through the theoretical framework, this paper analyzes the importance of bookstores and provides corresponding suggestions. In summary, some bookstores can be digitized to make profits through live streaming and attract traffic through the network to increase the popularity of physical

bookstores. The diversification strategies may bring readers a variety of reading experiences, and the design of spaces should follow social needs and on-trend aesthetics to maintain popularity. Furthermore, the most essential way is to make bookstores cultural symbols. Finally, a reasonable amount of subsidies can be provided for some private bookstores that have cultural value. These suggestions have some implications for the future development of brick-and-mortar bookstores.

6 References

1. Wang, Y., Xu, D.M.: Research on the Business Model Innovation of Sisyphe Bookstore under background of New Retail. 2nd International Conference on E-Commerce and Internet Technology, 99-102 (2021).
2. Zhang, H.G., Liu, Y., Yu, C.: Research on Smart Transformation of Physical Bookstores in the Era of Big Data. Journal of Electronic Publishing (2), 26-30 (2022).
3. Goffman, E.: The Presentation of Self in Everyday Life. Doubleday, New York (1959).
4. Ryan., W.D.: Symbolic Values. Journal of the American Philosophical Association, 5(4), 449-467 (2019).
5. Meyrowitz, J.: Medium theory. In: D. Crowley & D. Mitchell (eds.) Communication theory today, pp. 50-77. Stanford University Press, California (1994).
6. Puech, C.: Saussure and structuralist linguistics in Europe. In: C. Sander (ed.) The Cambridge Companion to Saussure, pp. 124-138. Cambridge University Press, Cambridge (2004).
7. Allen, G. Roland Barthes. Routledge, London (2004).
8. Li, J.J., Zhu, Q.F., Fu, J.C.: Study on the mode and mechanism of Business Transformation of physical bookstores – A case study of Zhong Shu Ge Bookstore in Shanghai. PhD diss，Shanghai University of International Business and Economics, 2021.
9. Song, K. "Study on Interior Space Design of New Physical Bookstore". PhD diss., Universities directly under the Ministry of Education, 2019.
10. Yang, C., Qian, Z.: Research on Urban Reading Space Design under "Culture+ Mode. Municipal Engineering (6), 33-42 (2021).