

# *Exploration of the Digital Transformation of New Complex Function Physical Bookstores*

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**Abstract:** With the issuance of the “14th Five-Year Plan” for the Development of Cultural Industries and the “14th Five-Year Plan” for the Development of Digital Economy, the development goal of deep integration of digital technology and the real economy was proposed, and the digital transformation and upgrading of traditional industries was promoted in concert. At present, the new business trend of the integration and development of the new complex function physical bookstores with the cultural and creative industries has prompted the creative planning of bookstores containing many fields such as book promotion, cultural and creative derivatives, event planning and creative marketing, which continues to activate the development potential of the bookstore industry with digital technology and creative thinking. The article explores the practical and theoretical aspects of digital media derivation of publications, virtual theme planning, book digital creative research and development, and publishing crowdfunding model innovation in new brick-and-mortar bookstores. It applies the new concept of digital creativity to all levels of innovative bookstore operations and enhances the impact of the transformation and development of complex functional bookstores in the creative economy and cultural communication.

## **1. Introduction**

The book industry used to refer to “the business of writing”, which has been the collective name for the publishing and bookstore industries in China for many generations, including state publishing and distribution institutions and private bookshops. Before the founding of the People's Republic of China, many large integrated publishing institutions were engaged in both book publishing and bookstore sales. However, after the founding of the People's Republic of China, state-run Xinhua bookstores and public-private publishing houses were rapidly established, and the business of publishing and bookstore industries were gradually separated and developed separately. After the reform and opening up, the publishing and bookstore industries have once again seen a trend toward business cooperation and investment as one, although there is still a clear division of labor between the two. In recent years, with the introduction of a series of policies to promote the integrated development of the publishing industry, support composite physical bookstores, and stimulate the integrated development of publishing, the concept of physical bookstores, a new spiritual consumption space that integrates publishing culture and creative economy into a whole category, has been given a new value connotation. In May 2021, the “14th Five-Year Plan” for the

*Development of Cultural Industries* clearly stated that the development of digital industry is conducive to the transformation and upgrading of traditional cultural industries, and the digital, networked and intelligent characteristics of new cultural industries will tend to be obvious. In this context, the new complex function physical bookstore design relies on digital media technology, digital culture and creativity, Internet economy and digital marketing and other innovative paths continue to explore, showing the cutting-edge trend of digital integration and development with the culture and creativity industry after the transformation of physical bookstores.

## 2. Publication-Based Digital Media Derivatives

Digital culture industry is fast becoming a new growth point of creative economy. China's cultural industry development plan for the next five years emphasizes the application and dissemination of technology in traditional industries and the digital transformation and development and utilization of industrial resources based on the original industries. In the field of publishing, digital creativity relying on traditional paper publications will become a new highlight. From material entities created by traditional media to digital virtual products built with new media technology, the creative design of the book industry covering bookstores, publishing, literary creation, digital platforms and other fields continues to move in the direction of media convergence and digitalization. Derivative design of publications is an effective way for the publishing industry to develop the cultural market. Since modern times, some large publishers have expanded the cultural market by designing and producing paper-based cultural products, stationery and instrument products, and educational and educational products. For example, Meisheng Printing House started to deal with stationery on the side in the late 19th century. Then, the Commercial Press, the largest publishing enterprise in China in the 20th century, once had more than 2,000 cultural goods on sale at the same time. These cultural derivative products launched by publishing institutions, with the advanced printing and production facilities of publishing units and professional human resources of independent departments, applied a variety of integrated media including paper, wood, metal, plastic, etc., both excellent creativity and quality, showing the ambition of the traditional publishing industry to expand the cultural goods market in the early days.

Modern publishing units focus their business on book publishing and distribution, and for quite some time, book publishing has been separated from other cultural product markets. However, with the proliferation of composite physical bookstores in recent years, publishing and creative derivative designs are once again receiving enthusiastic attention from the cultural market. On the one hand, the trend of boutique binding of books, various types of cross-border cooperation in personalized editorial creation, and the development of co-branded literature and creativity between publishing and other commercial brands are all driving the conversion of publications originally based on paper as the main medium to a more conceptually and creatively focused media convergence model. On the other hand, creative derivation of digital media based on the thematic content of publications has also taken a tentative step of exploration. In 2021, Shanghai SDX Joint Publishing Company premiered 17 digital book creations at the “Bookstore at the Foot of the Mountain” located at Sheshan Cultural Oasis in Shanghai, covering bestsellers, culture and academics. The novel digital media technology and the theme of the books were closely matched, and the unique creative connotation and audio-visual effect of the digital creations brought a fresh and different experience to the readers [1] [2]. After the launch, the project results were publicly displayed in nearly ten bookstore complexes and eight urban reading spaces in six cities (Shanghai, Beijing, Xi'an, Wuhan, Chongqing and Hangzhou), as well as on the digital platform of the Tmall store of Shanghai SDX Joint Publishing Company. Since then, Shanghai SDX Joint Publishing Company READWAY, located in the back street of Chongqing's Ciqikou, has generated renewed

buzz among readers and media with a digital book art exhibition, where readers can experience the novel world of book-themed digitization by scanning codes [3]. The creative interactive book digital products introduced a new concept of digital media transformation from people's previous perception of the physical form of cultural and creative products.

Compared with the physical cultural and creative products of traditional media, the digital cultural and creative products of publications have developed a new field of exploration in another dimension. The current online new economy, as an important force in the cultural and creative industry, has prompted the traditional cultural industry, including book publishing, to accelerate its digital transformation. The integration of publication literary creation and digital media from the conceptual and technical connotation, first of all, book digital literary creation is not equivalent to e-books, and does not directly transform traditional paper book content into digital format presentation, but is a dynamic creative display of publication content and its cultural derivation through the compilation and creation of interactive applets. The process requires the integration of text, pictures, audio and video, animation, games and other forms of media, including and not limited to the introduction of book content, publishing brand communication, immersive reading experience, interactive games, product creative marketing, etc. Secondly, digital literary and creative derivative products with the theme of the publication as the core are separated from the physical functional attributes of general physical literary and creative products, and therefore focus more on the expression of the spiritual quality of the book and the fitting of the ideological value. It can be argued that the virtual form of digital book creation is more concerned with whether the user's interactive experience meets a certain understanding and imagination of the book's connotation, and the aesthetic and spiritual attributes of the product itself are strengthened. A complete book digital creative derivative product should embody characteristics such as relevance to the subject content, rich and diversified forms, good interactive experience, mature technology use and wide dissemination impact, etc. These characteristics constitute the innovative advantages of publishing cultural and creative integration development and digital transformation.

### **3. Digital Creative Planning for Complex Bookstores**

In the current era of convergent publishing, the emergence of a new type of complex bookstore is a breakthrough for the traditional bookstore industry's single business image. The expansion of bookstore integration functions has become one of the key trends in the transformation and upgrading of the book industry. The business model of “bookstore +” includes a number of elements such as cultural and creative planning, space design, event services, special selections, catering and leisure, public landscape, etc. Digital innovation is becoming a keyword for the functional advancement of new physical bookstores, and its main features are reflected in two aspects.

#### **3.1 Digitalization of Marketing Channels**

By opening branded bookstore online stores, as well as digital mobile applications, the sales path for books and related derivative products is not limited to physical storefronts. The creation of digital sales channels not only provides convenience to readers and consumer groups, but more importantly, it broadens the marketing scope of bookstores while providing the most intuitive feedback on sales information. For example, brand bookstores such as Zhong Shu Ge and OWSpace have official online flagship stores. In addition to book recommendations and sales, the online bookstore platform has a space dedicated to bookstore-branded cultural and creative derivatives, which showcase distinctive cultural products related to bookstores and reading in a personalized manner. In the modern bookstore business concept, cultural and creative products have

become a new core component. These unique cultural and creative products of the bookstore industry are sold simultaneously on the digital platform, enhancing the attractiveness of branded bookstores to consumer groups. Not only that, online sales can obtain more intuitive purchase information, and through analysis of user purchase data, the types of preferences of different groups are discovered. Such information feedback helps adjust the production and R&D process of cultural and creative derivatives in the book industry, so that products and services can better meet the needs of the cultural market.

The impact of digital technology applications in facilitating the transformation and development of traditional bookstores is significant. The innovative digital book creations received high attention from mainstream media and professional groups in the industry as soon as they were launched. The book digital products do not occupy physical space and do not waste material resources, and can be interspersed with books and cultural merchandise in the display gaps of a composite bookstore, making full use of the effective space of the bookstore. They can also be placed on multimedia screens to present the creative charm of book products in a multi-dimensional and three-dimensional manner. In addition to this, the development of digital book creations also helps to build a digital composite bookstore reading atmosphere, where readers can selectively save, collect, and forward books and their peripheral derivatives by scanning the digital creations with mobile devices such as cell phones, expanding the dissemination channels of books and their peripheral derivatives. From the perspective of digital transformation and industry integration development, the future prospect of promoting the transformation and upgrading of traditional bookstore marketing with digital culture and creativity is worth looking forward to.

### 3.2 Cross-Border Cooperation with Digital Culture Industry

The digital transformation of the bookstore industry is not only satisfied with the expansion of digital marketing paths, but also cross-border cooperation with games, e-sports and other digital culture industry projects, transforming the public's stereotypical image of the business functions and event planning of physical bookstores. For example, the 1925 Bookstore, which opened in June 2021 and was formerly the Hongkou branch of the Commercial Press, has a deep red cultural heritage due to its location next to the former residence of Ding Ling, where Comrade Chen Yun worked for three years before joining the Party and where Mr. Lu Xun received his manuscript fees. Shortly after opening, the bookstore joined hands with the Social Reasoning App to plan a special edition of the “July 1” red-themed Live Action Role Playing (LARP) game, combining the study of Party history with the young people's favorite script-killing game, attracting more than 30 players to participate [4]. The bookstore grasped the psychology of young people and cooperated with digital game programs to plan thematic derivative projects, providing new ideas for the digital transformation and development of bookstores.

In addition, virtual reality and immersive experiences in the field of digital culture and creative industries have also brought new inspiration to bookstores. For example, Shanghai SDX Joint Publishing Company READWAY, which is dedicated to building a trendy cultural curatorship and modern living aesthetic space, is actively cooperating with “youthful” and “ecological” Internet brands. In January 2022, Shanghai SDX Joint Publishing Company READWAY and the highly immersive and interactive phone game “Love of Light and Night” will jointly plan a dream linkage, with the theme of the virtual protagonist's birthday party, and hold a bookstore event. The content of the event was planned closely around the bookstore and books, such as building the study of the virtual protagonist of the game in the bookstore space, inviting participants to read *Jane Eyre* together, and giving away customized bookmarks and coffee cup covers. At the same time, at the bookstore site and on the online public platform, participants were recommended classic books

published by Shanghai SDX Joint Publishing Company, including representative books by Shakespeare, Emily Brontë, Charles Taylor, James Joyce, etc., from a first-person perspective through the virtual protagonist of the game. This bookstore-themed event, which used the cultural content of games as an entry point to link up with virtual characters in the digital spiritual world, is a good promotion for both creative marketing and book promotion in bookstores.

Generally speaking, the core factor that drives the economic development of digital industry is the platform. Creating a large-scale digital cultural market requires releasing the creativity and imagination of more platforms, and composite physical bookstores, as the carrying platform for creative derivative design in the book industry, provide the infrastructure for digital creation, digital market, and digital consumption capacity, and the functional scope of the platform determines the size of the digital market [5]. Shanghai SDX Joint Publishing Company READWAY's "Love of Light and Night" immersive interactive phone digital activity project was launched in five cities, including Beijing Chaoyang Joy City Store, Chongqing Magzikou Store, Qinhuangdao Xinglong Guang Yuan Store, Shanghai Xintiandi Square Store and Wuhan Jiangnan Road Store. The cross-regional linkage effect of the bookstore's digital creative derivative platform has taken shape.

#### **4. Crowdfunding of Publications Based on Digital Platforms**

In the wave of the Internet economy, crowdfunding is a digital platform that connects investors with the demand for capital to raise funds for innovation and entrepreneurship, art and creativity, design and invention, scientific research, and publishing and distribution. The World Bank's 2013 Report on the Development Potential of Crowdfunding in Developing Countries outlines crowdfunding as "an Internet-based technology that uses the wisdom and judgment of communities and the public to determine how much market attention and financial support a venture or project should receive, and provides real-time feedback to projects in their infancy. [6]" In addition, according to the World Bank report, the total amount of crowdfunding is predicted to exceed \$96 billion by 2025, and the share of Asia will grow significantly [7]. The first crowdfunding digital platforms in China emerged in 2011, and by 2014 it was known as the first year of crowdfunding in China. Since then, the crowdfunding innovative business model has rapidly developed and influenced various industries, gradually changing the inherent mindset of traditional business operations. For modern bookstores, the crowdfunding business model has brought about a disruptive change in the concept of marketing and distribution, and the emergence of crowdfunding projects for bookstores and publishing is considered to be a new creative marketing approach.

##### **4.1 Creative Planning for Publishing Crowdfunding Projects**

The attraction of the publishing crowdfunding model is that readers can directly participate in the whole process of project promotion, including book design, cultural and creative derivatives, dissemination and sales, as well as after-sales operations, thus catering to the personalized needs of readers in the Internet era and prompting the market power to gradually incline towards consumer groups. Crowdfunding is not only a new online marketing model, but also an active exploration process for industry enterprises to build their brand image [8]. For example, Wenhui Publishing House launched a crowdfunding project for the publication of *Crafts and Zen Mind* on the China Crowdfunding Network platform, with a unique creative plan. In addition to the publication of the book, the project also includes a meeting between the participants and the craftsman in the offline bookstore, which triggers the enthusiasm of readers. The project raised 120,000 RMB in less than a month after its launch, successfully achieving the crowdfunding goal, while the publisher also used the digital platform to enhance the cultural dissemination of the publication and the brand's bookstore.

Considering the development of the industry and the social environment, the development of digital media technology has changed the way people obtain and disseminate information, and readers' choices have become increasingly diversified. Traditional publishing and distribution concepts can hardly meet the needs of digital transformation and upgrading, and they are prone to bottlenecks in resource expansion. Some scholars attribute the emergence of publishing crowdfunding to the growing public spirit of participation, the demand for publishing resources, and the development and improvement of the crowdfunding industry itself [8]. The current publishing crowdfunding consists of three parties: the sponsor (publisher), the backers (readers and consumers), and the crowdfunding digital platform. The operation process is basically a five-step process of planning and launching a project, evaluating the project on the platform, raising funds, implementing the project (or withdrawing the project if the crowdfunding fails), and evaluating the feedback of the project. Some crowdfunding digital platforms for individual freelance publishing will also provide supporting services such as proofreading, typesetting and printing. In the case of crowdfunding projects launched by professional publishers and branded bookstores, independent bookstores, etc., the publishers and bookstores will do all the work in the professional field. The creative planning of the publishing crowdfunding project not only reflects the creative strength of the team, but also makes full use of the communication characteristics of the digital platform, integrating the tripartite advantages of the book paper medium, the digital medium and the bookstore space medium, gradually becoming a highly potential development direction for the digital transformation of the publishing marketing model, opening up a new path in line with modern market demand.

#### **4.2 Digital Economy Leads Publishing and Creative Crowdfunding**

The digital economy can give more economic value to the publishing and bookstore industries, providing sustainable support for industry upgrades, brand IP shaping, and integrated development with cultural and creative industries. The emergence of the crowdfunding model is actually an innovative exploration of personalized publishing in the modern cultural market. The digital platform realizes the connection between industry development and consumer groups, solves the financing problem for publishers to develop creative products, eases the operational difficulties of physical bookstores due to the impact of the epidemic, and is an effective path to break through the bottleneck of traditional business development. At the same time, the joint expansion of the bookstore industry, publishing industry and other cultural and creative industries is influenced by the innovative model of crowdfunding, presenting a new stance of overturning the inherent thinking. The shift from the original B2C model (Business to Customer) of producing before promoting to the C2B model (Consumer to Business) of producing after the consumer public has accepted can be considered an innovative revolution in the traditional cultural and financial field. One of the reasons why traditional bookstores are urgently looking forward to the development of digital transformation is that they are facing the double oppression of digital publishing and e-commerce channels, which has led to a stagnant situation in which the more varieties of books are available, the higher the pricing and the larger the inventory. The new thinking of publishing crowdfunding model relying on digital platforms has changed the old model of distribution operation and fundraising, giving new value to the digital transformation of compound bookstores in the era of creative economy.

In late 2021, Shanghai People's Publishing House Guangqi Books and Zhejiang People's Fine Arts Publishing House successfully raised funds for “Between Light and Dark: A Biography of Lu Xun” and “The History of Meow Art” respectively on the crowdfunding platform “Modian”. The former raised over 100,000 RMB, 228.18% of the original target of 50,000 RMB, and 875 people

supported this publishing and creative crowdfunding project; the latter raised nearly 65,000 RMB, 324.53% of the original target of 20,000 RMB, and 456 people supported this crowdfunding project. Different crowdfunding digital platforms have different focuses and target audiences. Choosing the right crowdfunding platform can have a significant impact on the ultimate success of a publishing and creative project. “Modian crowdfunding platform is ranked fifth in the annual top 10 crowdfunding brands list by CN10/CNPP in 2021, based on the statistics and professional evaluation results of market and parameter changes. Founded in 2014, “Modian” initially focused on games and animation, and has since expanded to include original interaction and consumption, creative brand incubation and other areas, and is committed to building a cultural and creative crowdfunding community. In 2021, “Modian” has gathered tens of millions of young users with high stickiness, high consumption and high repurchase, achieving a high degree of aggregation of young culture and digital platform content. The ranking status shows the social influence and communication power, while the scope of focus determines the group characteristics of the crowdfunding target, obviously, the “Modian” crowdfunding platform meets the ultimate expectation of finding young consumers and enhancing the publicity and crowdfunding efficiency. With a good bookstore and publishing cultural and creative resources, combined with a matching crowdfunding platform, aspects such as project selection and planning, cultural and creative development, and performance of the expected product renderings are other factors that determine the success of a crowdfunding project.

The crowdfunding project “Lu Xun's Stationery Box: Special Edition of “Between Light and Dark: The Biography of Lu Xun” + 4 Life Accessories” was launched by Guangqi Books on August 5, 2021 at “Modian”, and took one month to complete. In this case, the design of the graded returns for the crowdfunding project was one of the key factors in the implementation of the project. The different return brackets should both make a certain difference and make the different brackets of supporters feel that the investment is worthwhile. The process needs to grasp the psychological expectations of consumer groups and not miss any level of target groups. The design of crowdfunding products should reflect the richness of the return, a variety of product choices and product mix and combination of grade design, can win the maximum probability of investment support for crowdfunding projects. On the other hand, since the traditional industry counterparts are generally cautious about certain innovative product forms, rushing into new fields may lead to higher costs or losses, the use of crowdfunding digital platform to design projects into grades can solve this problem. Finally, based on the feedback data of crowdfunding results, it can also help publishing planners accurately grasp the demand information of the publishing and creative market, understand the subsequent development direction of new industries in the context of digital economy, and effectively improve the success probability of publishing crowdfunding projects.

In the future, new complex bookstores are likely to develop their own independent crowdfunding digital platforms, establish their own virtual community resources, leverage online information distribution and dissemination channels, enhance the online credibility of project planners, and build a new kind of value norm for a credible ecological environment for the development of the publishing, cultural and creative industry and copyright economy. Although the crowdfunding digital platform does not have the authority to publish and distribute, it can provide a platform for publishers and physical bookstores to transform their resources and financial support.

## 5. Conclusion

The digital economy is considered to be the main economic form after the agricultural and industrial economies. Digital transformation, on the other hand, is an important driving force to promote the development of the digital economy. Faced with the digital transformation and

upgrading of new industries and models, the transformation and development of China's modern new complex functional physical bookstores will focus on the accelerated integration of digital technology with various fields of traditional industries. Through the existing case studies, it is found that the immersive experience and virtual theme scheme planning of complex bookstores relying on new media technology have demonstrated the in-depth penetration of the industry's development needs for digital transformation from various aspects. The digital media transformation and derivation of publications, research and development of digital creative products, and promotion of publishing crowdfunding project models involved in the field of new bookstores will explore new business practice models in the context of the creative economy with digital technology and innovative ideas, create bookstore cultural brands with contemporary influence, and become the main force in the development of the emerging digital cultural industry.

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