

Research on the Problems and Countermeasures of the Development of Commercial Complexes in Wenzhou

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Abstract: In recent years, commercial complexes have gradually become the new business card for the development of a city's trade industry. Wenzhou City is developing commercial complexes to improve the consumption environment, optimize consumption supply, enhance consumption services and promote consumption upgrading, so as to enhance the overall level of Wenzhou's modern trade industry, boost the construction of an important trade city on the southeast coast, and build Wenzhou into a consumption center city with regional influence, competitiveness and reputation. Based on the market survey, this paper examines the current situation and problems of commercial complexes in Wenzhou, focuses on the city positioning of "Millennium Commercial Port - Happy Wenzhou", and proposes that the development of commercial complexes in Wenzhou must optimize the layout of network, grasp the pre-construction projects, innovate commercial business, improve the commercial environment, optimize the traffic organization, and attract high quality people, The countermeasures and suggestions for the development of commercial complexes in Wenzhou must be optimized in terms of network layout, pre-construction projects, innovative commercial patterns, improvement of commercial environment, optimization of traffic organization, and attraction of high-quality talents.

1. Introduction

With the development of China's economy and the continuous improvement of people's lives, "experience consumption" is gradually being accepted as a new concept of consumption. According to the Harvard Business Review, its central idea is to separate the experience from the service and turn it into a commodity [1]. In November 2012, Longwan Wanda Plaza in Longwan District of Wenzhou City opened, marking the beginning of the first year of commercial complexes in Wenzhou. Wenzhou set off a boom of building commercial complexes and entered the golden development period of commercial complexes. In the past 10 years, with the development of Wenzhou's social economy, commercial complexes have been developed rapidly to enhance the quality of the city, improve the shopping environment and meet the needs of the people. By the end of 2022, 29 commercial complexes have been built in the city. This paper analyzes the current situation and problems of commercial complex development in Wenzhou, and proposes countermeasures on how to improve the development of commercial complexes.

2. Definition of the Concept of Commercial Complex and its Functional Role

2.1 Definition of the Concept of Commercial Complex

Commercial complex refers to the combination of commercial retail, catering, hotel, exhibition and entertainment functions, and the establishment of an interdependent and mutually beneficial dynamic relationship among the parts, thus forming a multi-functional, highly efficient, complex and unified complex. The commercial complex is derived from the concept of city complex, but there is a clear difference between the two. The city complex is a "city within a city" based on a building complex, integrating five core functions: commercial retail, hotel and restaurant, comprehensive entertainment, business office and apartment. According to the National Standards of the People's Republic of China - Standards for Retail Business, the area of commercial complexes studied in this paper is 50,000 square meters or more.

2.2 The Functional Role of Commercial Complexes

The completion of a commercial hub is of great significance to the city in which the hub is located, as it not only promotes the upgrading of the local city, which enhances the economy, but also enhances the quality of life of the people and the place of leisure and entertainment [2]. As a kind of intensive, comprehensive and high-quality urban function carrier, commercial complex is an effective tool to build a new urbanization platform, enhance and carry urban functions and build a modern metropolis. The high concentration and compounding of various business forms and functions in the complex not only makes the development intensity of urban land and space greatly improved, but also makes the value of the commercial complex itself significantly increased, and drives its surrounding properties and land value to grow simultaneously. The role of commercial complexes is summarized in three aspects: First, to expand new space for commercial development. Commercial complexes have huge space and convenient activity partitions, creating an indispensable new space for the development of new commercial formats. With the changing trend of urban and rural residents' consumption demand for quality and compounding, the experiential business with high requirements for commercial area, commercial space and accessibility has gradually become the focus and highlight of the development of trade circulation industry. Second, to establish a new image of urban business. The significance of landmark-level urban commercial complex is not only to provide commercial consumption places, its value lies more in maximizing the value of the city, is a city's commercial brand and image symbol. Third, to enhance the new quality of urban and rural business. The future trend of the retail industry is that enterprises will take physical stores, e-commerce and mobile Internet as the core, through the integration of online and offline, to achieve the integration and interoperability of goods, membership, transactions, marketing and other data, will provide customers with cross-channel and seamless experience, providing consumers with a more diversified, convenient and pleasant experience scene, and promoting the quality of urban and rural commerce

3. Analysis of the Current Situation of Developing Commercial Complexes in Wenzhou

3.1 Developed Local Consumer Market in Wenzhou

Commercial complex is the product of social and economic development to a certain stage. According to domestic and international experience, after a city's per capita GDP exceeds 0.8 million USD, the urbanization rate reaches 70%-90% (urbanization rate is an important indicator of the level of economic development, high urbanization rate of high level of economic development,

such as developed countries in Europe and America. But high urbanization rate does not mean high level of economic development) consumers' price sensitivity tends to decline, more tend to pursue personalized and quality consumption experience, the retail industry will also change, thus entering the stage of commercial complex development. 2022 Wenzhou GDP total of 802.98 billion yuan, ranking third in the province, of which: 2022 Wenzhou three districts and two cities (Lucheng District, Longwan District, Ouhai District, Yueqing City, Rui'an City) GDP reaches 568.11 billion yuan, the resident population is 5.909 million people, and the per capita GDP of the three districts and two cities has reached 13,000 USD (see Table 1). From the research of residents as well as trade enterprises, the affluent folk consumption and high-end consumption in Wenzhou have been outflowed to other places due to the lack of corresponding consumption places locally, while the mid-range consumption has gone more to Hangzhou, Shanghai, and other places. Wenzhou not only has not formed an inflow of foreign consumption, but also has a reverse diversion. Wenzhou is currently lacking in medium and high-end consumption carriers, and many important areas lack leading commercial facilities, making it difficult to support the city's development goals of being an important commercial city on the southeast coast and a regional consumption center city. It is urgent to scientifically upgrade and develop commercial complexes to meet the escalating consumption demand and the growing population scale.

Table 1: 2022 Wenzhou three districts and two cities GDP and resident population table.

District	Lucheng	Longwan	Ouhai	Yueqing	Ruian	Total
Total GDP (billion RMB)	1307.7	868.6	804.9	1502.0	1197.9	5681.1
Resident population (10,000 people)	119.2	73.9	98.3	146.7	152.8	590.9

Source: Data from Wenzhou Bureau of Statistics

3.2 Commercial Complexes have More Room for Future Development

By the end of 2022, Wenzhou City has built 29 commercial complexes with a single commercial area of 50,000 square meters or more (see Table 2), mainly in Lucheng, Longwan, Ouhai, Yueqing, Rui'an, Yongjia and Pingyang, etc. The number of commercial complexes and the total commercial scale are still a certain gap compared with Hangzhou and Ningbo City. Hangzhou, Ningbo City, the number of existing commercial complexes reached more than 60, respectively, and its per capita commercial area is much higher than that of Wenzhou City. Thus, compared with the advanced cities in the province, Wenzhou City has insufficient commercial facilities and the total supply of commercial complexes is small, which provides a vast construction space for the future development of commercial complexes.

3.3 Commercial Complex Volume Tends to Miniaturize

There are 11 commercial complexes with commercial area over 100,000 square meters in Wenzhou, such as Wanda Plaza, Impression City, Joy Plaza, Atlantic Yintai City, Yueqing Zhengda Plaza, Rui'an Xinhua Plaza, etc.; there are 18 commercial complexes with commercial area from 50,000 to 100,000 square meters, such as Wenzhou 5050 Shopping Center, Wenzhou Haowei Plaza, Yueqing Jiangnanli, Nanhong Plaza, Gangrui Xingyuhai Shopping Plaza, Zijing Holiday Plaza, Yongjia Victoria Plaza, Wanchao Plaza Shopping Center, etc.; commercial area of 20,000 to 50,000 square meters of commercial complexes have more than 10, such as Lucheng Mei Mei Fashion Square, Yueqing Park Plaza, Rui'an Wan Song Business Plaza, Yongjia Hengda Plaza, Wencheng Times Square, Pingyang Baiyue Plaza, Taishun Kai Tai Department Store, etc.. According to the industry connoisseur analysis, the future construction of commercial facilities to the direction of miniaturization, flattening, modernization, commercial complex construction scale development

trend for the overall miniaturization, basically the community residents as the main service object.

Table 2: Distribution of commercial complexes in Wenzhou at the end of 2022.

District	Number of commercial complexes	Name of commercial complex
Lucheng	3	Intime Shopping Mall, Wenzhou 5050 Shopping Mall, InCity Wenzhou
Longwan	3	Wanda Plaza, Wuyue Plaza, Haoyu Plaza
Ouhai	2	The Mixc Wenzhou, The Atlantic Intime City
Yueqing	8	Nanhong Plaza, Liushi Modern Plaza, Luzhiyao Outlet, Hongqiao Tianyuan Plaza, Yueqing Zhengda Plaza, Yueqing Baolong Plaza, ZJ Butterfly Plaza
Ruian	5	Rui'an Joy Plaza, Ruili Bund Life Plaza, Hong Kong Rui Xin Yuhai Shopping Plaza, Zijing Holiday Plaza, Xinqu Plaza
Yongjia	5	Yongjia Victoria Plaza, Chi-Cheng Plaza, Wanchao Plaza Shopping Center, Sanjiang Stereo City Shopping Center, Dayue Li Shopping Plaza
Pingyang	2	Wanda Plaza Pingyang, Intime Pingyang
Longgang	1	Longgang Xinhong Century Plaza

Source: Compiled by the author

4. The Main Problems in the Development of Commercial Complexes in Wenzhou

4.1 Spatial Distribution to be Optimized

Wenzhou commercial complexes are mainly distributed in relatively developed socio-economic areas, but there is an uneven spatial layout in the region, 2022 Lucheng District, the city's total retail sales of consumer goods accounted for 20.7%, while the number of commercial complexes is only 3, five horse neighborhood as Zhejiang provincial demonstration of intelligent business district, the lack of large commercial complexes to support the introduction of commercial complexes in the business district of Riverside Business District. It is still in the development and construction stage. Dongtou District, Cangnan County, Wencheng County, Taishun County and Rui'an City Tangxia and other key towns and streets have not yet a commercial complex. The arrangement of commercial facilities in S1, S2 and S3 lines of urban rail transit is still in a blank area, lacking systematic planning guidance.

4.2 Inherent Flaws in Project Development

Commercial complex construction project development there are inherent defects in the main performance: First, the project pre-planning deficiencies. For example, the Wenzhou Intime Department Store has a single function, with a retail area of 97% of the 50,000-square-meter commercial area, insufficient experiential consumption mode, and leisure and comfort to be improved. Times Square and Fortune Center, located on both sides of Station Avenue, are the two major mid- to high-end brand clusters in Wenzhou, but they operate separately, and the market and resources have not been effectively integrated. Second, there are not enough large commercial real estate brand operators. Although Wenzhou has introduced famous development operators such as Wanda Group and Yintai, the developers have not invested enough in the Wenzhou market, and no landmark commercial buildings and highlights have been formed. The above situation causes the

existing large commercial projects in Wenzhou to have insufficient brand influence and to fail to give full play to the pulling effect of regional consumption and business, and Wenzhou still lacks commercial complexes with market influence.

4.3 Severe Homogeneous Competition

Nowadays, commercial complexes are often the iron triangle model consisting of retail, food and beverage, and entertainment. In fact, major developers are aware of the benefits of differentiation, but also know the costs and risks that may be borne, the domestic commercial complexes currently do differentiation of successful cases, compared to spend a lot of money to do not necessarily successful differentiation, it is better to directly follow the success stories, using a mature model [3]. Wenzhou Wanda Plaza, Wuyue Plaza, Atlantic Intime City and several other large-scale commercial complexes, in terms of business mode, commodity distribution, commodity grade, service functions, business methods, etc. have similarity. On the whole, the retail industry is single, and has entered the homogeneous circle of "a thousand stores", which makes it difficult to meet the diversified consumption needs of the public and the multi-level consumption experience needs. The homogenization of existing commercial complexes in Wenzhou is serious, which leads to increased competition among them, and some of them have fewer innovative projects for experience consumption and lack of core competitiveness. According to the survey, Wenzhou Mixc City (business area of 91,000 square meters), which ranks first in the *PING Efficiency (business income / business area)* of commercial complexes in the city, will have a business income of 1.47 billion yuan in 2022, while Hangzhou WestCity Intime City (business area of 165,000 square meters) reaches 4.7 billion yuan, with a large gap [4].

4.4 Commercial Format to be Improved

Throughout the business positioning of commercial complexes in Wenzhou, the overall grade is not high, the gathering power is not strong, the lack of domestic and foreign high-end commercial brands and resources gathering, the market radiation ability is weak. Especially in the process of consumption of commercial complexes, experiential consumption is not enough. Experiential consumption means that consumers do not buy portable goods when they consume, but buy an experience. Experience-based consumption is consumption based on sensory experience, such as watching movies, playing video games, fitness, catering, etc. Therefore, it is difficult for Wenzhou commercial complexes to meet the consumption needs of residents in the context of the "big consumption" era.

4.5 Weak Service Functions and Supporting Facilities

The construction planning of a commercial complex, from the preliminary land grant, commercial positioning, residents' purchasing power to the subsequent details of traffic organization, storage and security, logistics and distribution, property operations, etc., are all subject to feasibility studies in the pre-construction project, and these basic elements, if not fully considered, will affect the benign operation of the commercial complex. Looking at the current situation of commercial complex development in Wenzhou, most developers or brand operators often have inadequate pre-preparation, resulting in commercial complex services are not in place, supporting facilities are not complete situation.

4.6 The Impact of E-commerce and the Epidemic Increase the Difficulty of Business

In recent years, China's e-commerce industry has seen rapid development, and the meteoric rise of e-commerce has had a significant impact on the retail industry, which lacks the ability to defend itself against risk. Although increasing the attractiveness in the form of complexes, the strong pressure of e-commerce still exists, and the impact of e-commerce has diverted the clientele of commercial complexes with offline operations as the main method, leading to a greater impact on the merchandise sales of commercial complexes. Coupled with the impact of the outbreak of the epidemic that began at the end of 2019, retail brick-and-mortar stores showed a precipitous decline in customer traffic, and although the epidemic eased and brought a rebound in customer traffic, the market rebound was not as optimistic as people expected. Since the epidemic, various types of merchants in Wenzhou's commercial complexes have seen a wave of closures, resulting in the frequent replacement of merchants in some of Wenzhou's commercial complexes over the past three years.

5. Suggestions for Measures to Enhance the Development of Commercial Complexes in Wenzhou

5.1 Strengthen the Planning of Commercial Complexes to Lead

With the scientific outlook on development as the guiding principle, adapting to the new trends and requirements of the current social and economic development of Wenzhou, and focusing on the city positioning of "Millennium Commercial Port - Happy Wenzhou", the "Wenzhou City Commercial Network Planning (2021-2035)" is formulated to guide the construction of a number of commercial complexes that adapt to the new trends of Wenzhou's consumption upgrade and digital transformation, highlight the historical culture and humanistic spirit of Wenzhou, and promote the transformation and upgrade of Wenzhou's commercial industry and the optimal layout of commercial network. It will guide the construction of a number of commercial complexes that adapt to the new trend of Wenzhou's consumption upgrade and digital transformation, highlight Wenzhou's history, culture and humanistic spirit, promote the transformation and upgrade of Wenzhou's commerce industry and optimize the layout of commercial network, provide solid support for the integrated development of Wenzhou metropolitan area and urban and rural modernization construction, and comprehensively improve the quality and image of Wenzhou's urban commerce. In the layout and development of commercial complexes, we should make full use of the visible hand of the government to create a good environment for commercial development, strictly implement the layout planning of large commercial outlets, and consult the commerce department when the project is established, planning approval and planning changes are made, and implement the use control. Commercial complex construction projects involve business, natural resources and planning, transportation, fire, comprehensive administrative law enforcement, market supervision and other departments, to strengthen departmental coordination, close cooperation, effective solution to the construction and development process of various issues, and cooperate to promote the development of the layout of commercial complexes in Wenzhou City [5].

5.2 Focus on the Construction of Commercial Complex Projects in Advance

In accordance with the requirements of commercial network planning, in the implementation of the construction of commercial complex projects, we must focus on the preliminary work of commercial complex construction projects. Different regions in Wenzhou City have different population numbers, population structures, commercial supply, consumption capacity, consumption

preferences, urban infrastructure construction, commercial atmosphere, etc. The specific needs of commercial complexes are also different. The local government and developers should work together to do a good job in the preliminary research of specific commercial complex development projects, widely collect the opinions and suggestions of experts, departments, people and other aspects, scientific positioning of commercial complex functional characteristics, around the main function supporting other functions, take the road of misalignment, to avoid homogeneous competition. At the same time, there should be planning to introduce financing, financing, construction and operation ability of the international famous brand commercial enterprises, drive the major commercial complexes in Wenzhou to enhance the operation ability and form a good business atmosphere. The commercial complexes in Wenzhou Haijing District, economic development zones, strong economic towns and newly opened urban areas should highlight the comprehensive area commercial, business, residential and other service functions; the commercial complexes in built-up areas and old urban areas should be reformed, integrated and upgraded, highlighting the functional continuity and quality improvement of the original commercial sites.

5.3 Innovative Commercial Complex Business Mode

Table 3: Wenzhou commercial complexes of various types of business system ideas.

Types of format	Development Orientation	Typical cases
Type of Urban International	It is located in the center of the city, integrating international top brand shopping, high-end leisure, boutique cultural exchange and display, meeting the public's demand for luxury shopping and enjoying exquisite life, and radiating the consumption of south of Zhejiang, east of Fujian and west of Jiangxi region.	Guangzhou-Taikoo-Hui, Nanjing-Deji-Plaza
Type of life quality	It is located in the residential areas of the city as well as the sub-centers of the city, where the economy introduces the development of service industries such as cafes, Chinese and Western restaurants, flower stores, bakeries, beauty salons, gyms, cultural theaters, etc., which are closely related to the daily life.	Brilliance West Shopping Mall, Hangzhou WestCity Intime City
Type of TOD	Focusing on the construction of urban metro (urban rail), the development of underground above-ground properties is utilized to dovetail with above-ground transportation facilities, especially metro (urban rail) interchange points. Make full use of urban space to achieve intensive development.	1234space, Raffles City Shanghai
Type of Theme-based Experience	Meet the needs of all types of experiential consumers, enrich thematic features around the positioning of the commercial complex, and increase visitor experience.	Shanghai K11 Shopping Art Center IAPM Plaza Shanghai
Type of entertainment	Meet the urban white-collar leisure activities, increase the rich high-quality urban leisure and entertainment space for the theme of leisure, entertainment, fashion shopping area.	Macau City of Dreams Shopping Centre Nanjing Aquatic City
Type of cultural tourism	A comprehensive tourist shopping place to meet the needs of tourists and local residents to experience local cultural characteristics and tourist shopping.	Guangzhou Zhengjia Plaza Chengdu Joy City

Source: Compiled by the author

With the steady and healthy development of the trade economy, Wenzhou residents' commercial consumption needs are becoming more and more diversified, and consumers' demand for commercial complexes is not only limited to single-purpose consumption, but also in today's

exceptionally developed e-commerce reality wave, consumers expect to realize the cultural life and quality of life experience needs in commercial complexes. The richness of the industry is also conducive to the part of the consumer groups "brought home" by e-commerce to "persuade" back to the commercial complex. In the new consumption era where urban residents are keen to "buy mood and circle", traditional commercial complexes should be guided to break through the traditional one-stop business layout of large retail anchor stores, restaurants, specialty stores, cinemas, etc. and turn to study the market characteristics, especially the new generation, young families, the middle class and the elderly population and other emerging market mental demand characteristics, improve the quality of operating goods, introduce domestic and foreign first-class brands, and cultivate the development of First-store economy [6] (First-store economy refers to a region's use of unique resource advantages to attract domestic and foreign brands to open stores in the region for the first time). The original 5:2:3 ratio between shopping, dining and entertainment in commercial complexes is no longer able to meet consumer demand, and commercial complexes should increase the proportion of dining, entertainment and other experience-based consumption. Innovative industry, through the integration and development of business and tourism, business and culture, business and entertainment, business and commerce and other industries, to achieve a differentiated and thematic business positioning of commercial complexes, forming a more complete business model system of commercial complexes in Wenzhou (see Table 3) [7]. In addition, shopping centers should also actively embrace the Internet. By effectively integrating the information flow of the platform to truly establish a digital operation model, establish an effective connection with consumers, and continuously meet consumers' expectations for convenient shopping and service experience, so that consumers can also enjoy quality services in parallel with offline consumption [8].

5.4 Improving the Business Environment around Commercial Complexes

To ensure that commercial complexes can have a good surrounding environment, the local government should strengthen the upgrading of the surrounding environment of commercial complex projects, set up leisure plazas, ecological greening, urban sanitation and other environmental support that is compatible with the development of commercial complexes. Strengthen the construction of intelligent business environment, support key commercial complex areas to provide free WIFI for the public, support the key commercial enterprises stationed in commercial complexes, build online information platforms, trading platforms, display platforms, develop online shopping malls, use the Internet to carry out marketing activities, explore new models of online and offline interactive development, and attract the attention of young consumers.

5.5 Optimize the Traffic Organization of the Commercial Complex Area

Improve the road network in the commercial complex area, optimize the traffic structure, and enhance traffic accessibility and static traffic capacity. Promote the intelligent development of static traffic infrastructure facilities, such as parking lots, signage systems, etc. Reasonably plan road parking spaces around buildings, grasp the construction of public parking lots and three-dimensional parking garages, and install additional parking space information signs. Newly built commercial complexes should be preceded by traffic pattern transformation, naturally formed with urban rail, subway and other traffic conditions and facilities to effectively enhance the traffic organization capacity of commercial complexes.

5.6 Introduce and Cultivate High Quality Talents

Commercial complex developers should have experience and performance in commercial development, experience and performance in property management, and knowledge and ability in business related to commercial operation. All over the city to develop preferential policies for the introduction of commercial talent, to create a career to attract talent, rely on the environment to retain talent, the mechanism to motivate talent work atmosphere and entrepreneurial environment. Strengthen the training of commercial complex operations and management personnel to create a team of modern circulation talents familiar with the business.

6. Conclusions

The rapid development of commercial complexes has penetrated deeply into the daily life of consumers. This paper composes the development status of urban commercial complexes in Wenzhou, summarizes the problems of uneven spatial layout, inherent defects in project opening, and serious homogenization, and proposes relevant countermeasures, including the need for the government to strengthen the planning of commercial complexes to lead and focus on the preliminary work of commercial complex construction projects and other specific initiatives. The healthy development of Wenzhou's urban commercial complexes requires appropriate macro-control by government departments and support from relevant policies to help Wenzhou's commercial industry flourish.

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