Executive DBA, Université Paris Dauphine-PSL

PSL▪巴黎九大高级工商管理博士学位项目

Research on Revenue Management Model of Experience Marketing Enterprises in the Digital Context

（Thesis submitted for the degree of Executive Doctorate in Business Administration）

Cohort: 2017

Candidate: PAN Jun

Supervisor: NIU Zhanwen

July 7th, 2022

CONFIDENTIALITY AND AUTHORISATION

There is a need to protect the confidentiality of information provided by the interviewees and their organizations. For this reason, the data and other material included in the thesis have been presented in such a way as to protect the interests of the participants. This thesis has been accepted as confidential, and will be handled according to the Université Paris-Dauphine' confidentiality policy.

Furthermore, the writer fully understands the relevant policy of Université Paris-Dauphine, regarding to the reservation and usage of the dissertation, namely that the University has the right to retain copies of the thesis, allow the thesis to be accessed and borrowed; The university may publish all or part of the contents of the thesis, and can save the thesis by photocopying, microprinting or other means.

Signature：_____Signature of Supervisor：_____Date：_____

ABSTRACT

The progress of digital technology worldwide has provided technical support to experience marketing, extended and broadened the coverage of the experience marketing chain, and allowed numerous new models and paths to enter the picture. In the digitized context, carriers of experience marketing information have risen above constraints of traditional media and leverage diversified channels to get information across. New information delivered as a result of combining traditional media with digital technology has blazed a new trail to connect customers for experience marketing. However, in practice, experience marketing enterprises lack suitable revenue management models for them to scientifically and effectively manage revenue during operations. This thesis, based on the impact of digitization on experience marketing enterprises and main types of projects that they run daily, divides projects of experience marketing enterprises in the digitized context into three types, namely roadshow, store-fitting and promotional campaigns under the flow theory. Both the perspectives of experience marketing enterprises and other stakeholders are factored in, and mathematical modeling theories and methods are adopted to establish the revenue marketing management model for experience marketing enterprises undertaking different types of projects; also, multiple cases are analyzed to verify those models. This paves the way for coming up with the path of maximizing revenue for the enterprises. The main content and innovations of the research are as follows:

(1) The author makes a preliminary judgment on the influencing factors of the income of experience marketing enterprises based on existing literature and experiences. First, conduct a qualitative analysis and make a preliminary judgment on the factors affecting the income of experience marketing companies based on existing literature and experience; secondly, construct a system dynamics model from three subsystems of the companies of the clients, target consumer groups, and experience marketing companies. The relationship between different factors and variables in the income, establish the system causal loop diagram, and select the main factors among them for further research, and establish the SD model flow diagram that affects the income of experience marketing enterprises. Finally, the system dynamics software Vensim is used as an analysis tool to analyze the main considerations of the revenue management of experience marketing enterprises. The author identifies the factors that have a greater impact on the income of experience marketing companies in

different types of projects to lay the foundation for the construction of follow-up experience marketing enterprise income management models.

(2) After identifying the common factors affecting the three types of projects and specific factors affecting each type, this paper, guided by the model building principles and quantifying indicators and deploying theories and methods of mathematical modeling, establishes revenue management models respectively for roadshow, store-fitting, and promotional projects and applies data analysis to the models. This will provide a reference for experience marketing enterprises to scientifically manage revenue and efficiently allocate resources, thus justifying the value of the research.

(3) This paper studies the various stakeholders of roadshow, store-fitting and promotional campaign projects. It also elaborates on the various factors that affect the revenue of experience marketing enterprises undertaking different types of projects, and studies how to apply the revenue management model to maximize the revenue. The author, based on field studies, chooses the following six typical cases for analysis in this chapter: Innisfree “orchids in snow” pop-up store project and Zenith Defy Inventor Roadshow at David Plaza of Zhengzhou Stop, which are roadshows; Rolex store at Ginko Department Store at Kunming and Ulysse Nardin Xintiandi flagship store in Shanghai, which are store-fitting projects; “Piaget-Turn for the Better” new product launch and Lancome's sample-dispensing vending machines, which are promotional campaigns. To these cases the author applies the constructed revenue management models and explores their applications by experience marketing enterprises. The author analyzes from the perspectives of different stakeholders. Also, the thesis explores how such enterprises should adopt management measures such as revenue management and organization and management information systems to meet various goals set concerning project quality, safety, cost and progress and ultimately to maximize the revenue.

Keywords: Experience Marketing, Digitized Transformation, Revenue Management, Case Study, Flow Theory

ACKNOWLEDGEMENT

With the completion of my graduation thesis, my life as a doctoral student is coming to an end. I am very grateful and honored to pursue further studies at Paris-Dauphine University on the cause I dedicate my life to. At the end of my life as a doctoral student, I would like to express my sincere thanks to those who care, support and help me.

I want to extend my sincere gratitude to my tutor Professor Niu Zhanwen. As I often say, the luckiest thing in my life is being the student of Professor Niu. During the course of studying at Paris-Dauphine University, Professor Niu often gives me thorough guidance and encouragement on my study, life and work, elevating my thinking and broadening my vision in every way. Being erudite and visionary, kind and accessible, mild and calm, Professor Niu shows me what a true scholar is like and has left an inedible mark on my research and work.

Also, I want to thank Professor Fang for his guidance, encouragement and help on multiple occasions. Every time I run into problems in writing this thesis, he offers me guidance patiently. When I was hesitating about which topic to choose, Professor Fang told me which factors to focus on and pay attention to, preventing me from deviating. When I was having trouble writing the thesis, he proposed many enlightening points of view that shed light on my problems. I am impressed by his agile thinking and ability in extrapolation and I admire his rigorous and inquisitive approach to academic approach. Both Professor Niu and Professor Fang are beacons on my academic journey that benefit me enormously.

I am indebted to teachers of Paris-Dauphine University and Tsinghua University for their teachings in class that enrich my knowledge on the profession.

I am grateful to my classmates for their valuable opinions on my research that enable me to further improve my thesis.

I also want to thank teachers Mr. Zhang and Ms. Niu for their kindness and help in my studies and life and their guidance and help during my research.

Finally, I want to thank Class 2017 of Paris-Dauphine University, together we accomplish more and I have made true friends.

Table of CONTENTS

ABSTRACT I
ACKNOWLEDGEMENT III
Table of CONTENTS IV
Table of TABLES VII
Table of FIGURES VIII
Chapter I Introduction 1
1.1 Research Background 1
1.2 Research Significance 3
1.3 Literature Review 4
1.3.1 Relevant basic theories on revenue management 4
1.3.2 Relevant theoretical basis for experience marketing enterprises 10
1.3.3 Literature review and research innovation 13
1.4 Research Purpose 15
1.5 Research Content and Technology Roadmap 15
1.5.1 Research content 16
1.5.2 Technology roadmap 17
1.6 Research Methods and Framework 19
1.6.1 Research methods 19
1.6.2 Research framework 19
1.7 Summary 21
Chapter II Relevant Basic Theories 22
2.1 The Origin and Development of Marketing in China 22
2.2 Marketing Theories 25
2.2.3 The 4Cs marketing theory 28
2.2.4 The 4Rs marketing theory 30
2.3 Relevant Experience Marketing Theory 33
2.3.1 Experience 33
2.3.2 Experience marketing 34
2.3.3 Experience marketing theory --- 5Es marketing theory 35
2.4 “Flow Theory” in Experience Marketing 38
2.4.1 Concept and characteristics of “flow theory" 38
2.4.2 The application of “flow theory” 38
2.5 Types and Characteristics of Experience Marketing Projects 40
2.5.1 Types of experience marketing projects 40

2.5.2 Characteristics of experience marketing projects 41
2.6 Overview of Experience Marketing Enterprises 42
2.6.1 Tasks of experience marketing enterprises 42
2.6.2 Revenue of experience marketing enterprises 43
2.7 Stakeholder Theory 46
2.8 Summary 46
Chapter III Factors Affecting Revenue of Experience Marketing Enterprises 48
3.1 Introduction 48
3.2 Qualitative Analysis of the Factors Affecting Revenue of Experience Marketing Enterprises 48
3.2.1 Impact of corporate clients on the revenue 49
3.2.2 Impact of target customer groups on the revenue 51
3.2.3 Impact of internal factors on revenue 53
3.3 Quantitative Analysis of the Factors Affecting Enterprises' Revenue 55
3.3.1 Model construction theory and method 55
3.3.2 System dynamics model construction 59
3.3.3 System model simulation and analysis 89
3.4 Major Factors Affecting Revenue of Experience Marketing Enterprises 96
3.5 Summary 98
Chapter IV Revenue Management Model for Experience marketing Enterprises 100
4.1 Introduction 100
4.2 Model Building Theory and Methods 100
4.2.1 Model building principles 100
4.2.2 Dynamic games 101
4.2.3 Basic assumptions 102
4.3 Dynamic Game Model Building 103
4.3.1 Model building 105
4.3.2 Model solving 108
4.3.3 Equilibrium analysis 109
4.4 Revenue Management Models for Different Types of Projects 111
4.4.1 Roadshows 111
4.4.2 Store-fitting projects 114
4.4.3 Promotional projects 117
4.5 Summary 120
Chapter V Application Case Study on Revenue Management Model for Experience marketing Enterprise 121
5.1 Introduction 121
5.2 Research Samples and Methods 121
5.2.1 Case study approach 121

5.2.2 Research samples and data collection 122
5.3 Application Case Analysis of Roadshows 122
5.3.1 Case No. 1 122
5.3.2 Case No. 2 135
5.4 Application Case Analysis of Store-fitting Projects 142
5.4.1 Case No.1 142
5.4.2 Case No. 2 150
5.5 Application Case Analysis of Promotional Projects 162
5.5.1 Case No.1 162
5.5.2 Case No. 2 171
5.6 Summary 177
Chapter VI Conclusions and Prospects 179
6.1 Conclusion 179
6.2 Prospects 181
BIBLIOGRAPHY 183
APPENDIX A: Questionnaire of Factors Affecting Revenue of Experience marketing Enterprises 197
DECLARATION 203
RESUME 204

Table of TABLES

Table 2-1 Marketing strategy system 26
Table 2-2 Contents of the 4P in the "10Ps" marketing theory 28
Table 2-3 Contents of 4Cs marketing mix 29
Table 2-4 Four elements of 4Rs marketing mix 31
Table 2-5 SMEs of Bernd H. Schmitt 33
Table 2-6 Comparison of 4P strategy operation methods between traditional and experience marketing 34
Table 2-7 Characteristics of experience marketing projects 42
Table 3-1 Total number of respondents and the number of answering respondents for each question 77
Table 3-2 A breakdown by education background 79
Table 3-3 A breakdown by role 79
Table 3-4 Main categories of projects deploying digital experience marketing 80
Table 3-5 Main categories of products deploying digital experience marketing 80
Table 3-6 Main factors affecting the revenue of experience marketing enterprises undertaking roadshows and the proportion of respondents mentioning each factor 81
Table 3-7 Main factors affecting the revenue of experience marketing enterprises undertaking store-fitting projects and the proportion of respondents mentioning each factor 82
Table 3-8 Main factors affecting the revenue of experience marketing enterprises undertaking promotional campaigns and the proportion of respondents mentioning each factor 83
Table 3-9 Factors influencing experience marketing companies 84
Table 3-10 Statistics on roadshows 85
Table 3-11 Statistics on store-fitting projects 86
Table 3-13 Path coefficients and test results of the theoretical model 92
Table 3-14 Path coefficients and test results of theoretical models 94
Table 3-15 Path coefficients and test results of the theoretical model 95
Table 3-16 The degree of influence of stakeholders in different types of projects on revenue 96
Table 3-17 The degree of influence of factors on the revenue of different types of projects 97
Table 4-1 Description of economic parameter variables of the tripartite game model 105
Table 4-2 The gains matrix of the three parties under the two strategies 105

Table of FIGURES

Figure 1-1 Technology roadmap 18
Figure 2-1 The “4Rs” marketing model 32
Figure 3-1 System dynamics modeling steps 58
Figure 3-2 Relationship between the major factors affecting the revenue of marketing enterprises undertaking roadshow 61
Figure 3-3 The relationship between the main factors affecting the revenue of marketing enterprises undertaking store-fitting project 63
Figure 3-4 Relationship between the main factors affecting the profit of marketing enterprises undertaking promotional projects 65
Figure 3-5 System dynamics causal loop diagram of the influencing factors of marketing enterprise revenue 66
Figure 3-6 SD model diagram of factors affecting revenue of experience marketing enterprises 69
Figure 3-7 Subsystem diagram of corporate clients 70
Figure 3-8 Subsystem diagram of target consumers 71
Figure 3-9 Subsystem diagram of experience marketing enterprises 72
Figure 3-10 Geographic coverage of the questionnaire 76
Figure 3-11 Total number of respondents and the number of answering respondents for each question (WJX.cn snapshot) 77
Figure 3-12 Total number of respondents and the number of answering respondents for each question (WJX.cn snapshot) 78
Figure 3-13 Occurrence frequency of influencing factors 84
Figure 3-14 The theoretical result based on system dynamics model 89
Figure 3-15 Results of system dynamics simulation 90
Figure 3-16 Calculation results based on the system dynamics model 91
Figure 4-1 Framework of the dynamic game model 104
Figure 4-2 Revenue management model for experience marketing enterprises undertaking roadshows 114
Figure 4-3 The revenue management model for store-fitting projects 117
Figure 4-4 The revenue management model for promotional projects 120
Figure 5-1 Project stakeholders 123
Figure 5-2 Revenue management and organization system in experience marketing enterprises 129
Figure 5-3 Construction management measures of experience marketing enterprises 130
Figure 5-4 Preparatory measures by the design company 130
Figure 5-5 Measures for creative technology management 132

Figure 5-6 Project stakeholders 136
Figure 5-7 Project stakeholders 143
Figure 5-8 Execution management measures by experience marketing enterprises 148
Figure 5-9 Project stakeholders 151
Figure 5-10 Revenue management measures of experience marketing enterprises 157
Figure 5-11 Early-stage preparations 157
Figure 5-12 Stakeholders of the project 163
Figure 5-13 Stakeholders of the project 172
Figure 5-14 Path to maximize the revenue of experience marketing enterprises 178