Research on Experience Marketing Strategies for Traditional Chinese Medicine Enterprises from the Perspective of Value Co-creation

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Abstract

With the change in economic model and consumer behaviour at present, the experience economy, a new form of consumption that encourages people to take part in various activities and feel emotions by participating in these experiences, has gradually spread in recent years. The new demands of consumers are to be more personalised, diverse and emotionally satisfying. The Value Creation Models of Traditional Chinese Medicine (TCM) Enterprises are Changing. In light of the above, this paper will integrate value co-creation theory and pharmaceutical marketing strategies to review previous research on pharmaceutical marketing and investigate how the role of consumers in brand interaction, product experience and emotional resonance has evolved. Research has been carried out to explore how traditional Chinese medicine (TCM) enterprises can shift from "one-way marketing" to "two-way value co-creation" by building consumer participation mechanisms, strengthening sensory experiences and reconstructing brand identities; at the same time, it has provided theoretical support and practical guidance for marketing innovation in the TCM industry.

Keywords

Value Co-creation, Experiential Marketing, Marketing Strategy, Traditional Chinese Medicine Industry.

1. Introduction

With the emergence of "Internet+", the structure of the economy and people's consumption patterns have been changing gradually. Consumers are no longer satisfied with basic products and services; instead, they want customised and differentiated consumption experiences, and the experience economy is now the main trend of our times. Therefore, consumers are increasingly seeking products and services that offer all-encompassing integration of experiences; they are no longer satisfied with passive services but want to show value through higher engagement. Therefore, the old way of doing business should be changed; new technologies can be applied to build new business models and a customer-oriented approach needs to be taken. Address the demands for experience and value creation that consumers have put forward in recent years in the course of the marketing plan. At the same time, consumer participation in value creation will also help meet people's high expectations for consumption experience to some extent.

As the country has developed, the demand for health and a good life has been increasing. Traditional Chinese Medicine is a part of Chinese culture and has gained the attention of both the government and the public. The report to the 20th National Congress of the Communist Party of China has set the strategic goal of "promoting the inheritance and innovative development of TCM", and the industry is entering a period of fierce competition. With the characteristics of a pharmaceutical market that has aged, more people in their 20s and 30s are

becoming consumers; they seek personalized services, live more experiences, and demand rapid service. To improve the customer experience of TCM enterprises, introduce the idea of value co-creation and drive development. In this way, consumers will also gain some functions and enjoy some emotions and social benefits of the products. The above multi-dimensional enhancements in customer experience will motivate them to purchase and spread positive word-of-mouth.

Therefore, in light of the trend of development in the experience economy, this study will be based on a consumer-oriented marketing philosophy to put forward strategies for experience marketing from the perspective of value co-creation, thereby strengthening market competitiveness and promoting profit growth.

2. Current Research Status

2.1. Research on Value Co-creation Theory

In the early 21st century, Prahalad and Ramaswamy put forward the Customer Experience Value Co-creation Theory and proposed that value is co-created through the joint participation of enterprises, consumers and other stakeholders. Customer Involvement Value Theory refers to the extent of the participation of customers in the co-creation of customer experience by customers and enterprises [1].

There are many good results of research on value co-creation in recent years. Zhang Ying is one of the scholars in China who has studied the mechanisms of user behaviour in online clothing personalisation from the perspective of value co-creation, and proposed that at the core of value co-creation is the joint creation of consumer experiences and the understanding of users' interests and personalised needs through continuous interaction between enterprises and users [2]. Jiang Xiaowei and others carried out multi-case studies to address the limitation of existing research, which has focused only on the theoretical aspects of value co-creation; therefore, they have provided an in-depth analysis of the value co-creation process among various stakeholders in participatory events and highlighted the role of event attendees in value creation[3]. Sun Ping and others have proposed that in building the brand ecosystem of a non-traditional tourism city, we should move away from the traditional concept of marketing and instead foster value co-creation among government departments, local residents and tourists, enhance synergistic effects, and promote the sustainable development of the urban brand[4]. Jason Amorim has applied the theory of value co-creation, stakeholder theory and shared decision-making theory to study rare disease patients abroad to explore how value is jointly created by patients and other stakeholders in a new healthcare model; however, this work remains purely theoretical at present [5]. Michael S. Taccone and others collaborated with four patients and their caregivers and researchers to develop strategies for the Canadian Cancer Society to have patients share their experiences and ideas to build stronger patient partnerships that can help the whole community of patients [6]. Scholars Xiaofang Yi and Junaid Ui Haq surveyed 490 hotel customers on the effect of customer engagement and employee behaviour on value co-creation. Research by these people has shown that the motivation for value co-creation is customer engagement, and both customer engagement and employee behaviour positively impact value co-creation. Staff behaviour in the service area should be good, and more value can be provided for consumers [7].

2.2. Research on Experience Marketing Strategies

In 1999, Bernd Schmitt put forward the idea of "experience marketing" and believed that the results of experiences were emotions aroused and senses stimulated in consumers; they did not need to be benefits, quality or satisfaction [8]. Jiang Lujun and other scholars in China have studied the implementation path of library services on the Bilibili video platform from the

perspective of experience marketing. By integrating the characteristics of current short-video development and the unique advantages that Bilibili has over other platforms, five types of experience marketing have been proposed: sensory experience, emotional experience, action experience, reflective experience, and contextual experience, which are practically feasible[9]. Zhao Yi chose retail enterprises as the research subjects, and through empirical investigation, found that experience marketing can improve the supply-demand coordination and psychological contract. Add a user profile and increase the sense of experience for consumers[10]. Dong Yuanyuan believes that by promoting consumer creativity and autonomy, more people will be willing to purchase and spread the information[11]. Qi Yuanyuan has studied the application of audiovisuals in retail and found that, with high-quality AV experiences, consumers' participation in experience marketing activities and, as a result, their purchase intention, will both increase[12]. Foreign scholars have been conducting research on experiential marketing for some time now. Charles Spence has been studying how to use multiple senses in the design of hotels and believes that in addition to sights, emotions and other feelings caused by senses such as hearing or taste will also affect guests[13]. Iuliana Raluca Gheorghe and other scholars have conducted research on how to apply the concept of experiential marketing in clinical ophthalmology departments and have published some findings abroad. By improving patients' experiences, they will be able to learn about the ideas of experiential marketing through experience[14]. According to Charles Spence, the multiple sensory systems are activated simultaneously in situations to affect emotions and behaviour in various ways during situation marketing [15].

2.3. Research on the Integration of Value Co-creation and Experience Marketing

In China, Huang Jiatao studied enterprises in the Guangdong area of China and investigated the relationship between marketing collaboration and customer value in the digital age through co-creation experiences. Research shows that a particular form of customised experiences for the company and the consumer provides the intermediary link for the above connection[16]. Liu Xiaoli studied Lin's Wood Industry and found that the new marketing model helps build value; thus, to improve the new marketing model, one should first enhance the mechanism for building value [17]. Xiong Huayong and other scholars have conducted empirical studies to examine the relationship between value co-creation and customer satisfaction in tourism origin experience marketing, and found that the five dimensions of experience marketing (sensory, emotional, action-oriented, reflective, and relational) are all positively influenced by the promotion of value co-creation to enhance customer satisfaction[18]. However, in recent years, foreign scholars have done relatively little research on the integration of value co-creation theory and corporate experience marketing strategies. Yuanle Chen and his colleagues have built on previous studies to explore the reasons behind the value co-creation in entertainment experiences, and found that marketing strategies for entertainment experiences promote consumer participation in value co-creation [19].

2.4. Research on Marketing Strategies of Pharmaceutical Enterprises

In China, Cui Rui has proposed that in light of the world's supply chain, China's pharmaceutical industry needs to address the current problems and innovate in the form of pharmaceutical product trade and marketing to be fully integrated into the global supply chain [20]. Jiang Zhimin thinks that different sets of consumer experiences can be built based on knowledge of people's minds, and new marketing models for pharmaceuticals can be developed through these experience nodes [21]. Based on empirical studies of the patterns of consumer behaviour and decision-making psychology in pharmaceutical marketing, Zhang Xiaojie believes that pharmaceutical enterprises can understand how consumers behave and think better; thus, they will be able to meet the real needs of the people and develop marketing strategies that align

with changes in the market[22]. Sun Lijie has pointed out that with the increase in competition in the pharmaceutical industry, strengthening corporate competitiveness is now required; thus, pharmaceutical companies need to form all-round marketing strategies for product design, pricing, distribution channels and promotion tactics based on market research data[23]. Research on the marketing strategies of pharmaceuticals abroad is scarce, but scholars such as Erin Willis have noted that, in recent years, the pharmaceutical industry has been applying social media marketing more frequently and cooperating with influencers to reach more patients through communication platforms, as well as monetising people's disease experiences [24].

2.5. Literature Review

Through a review of the previous studies, both at home and abroad, research on value co-creation theory and experiential marketing theory has accumulated a large amount. Research around the world has shown that scholars have redefined the relationship between producers and consumers in value co-creation and are now paying more attention to it. Based on the above analysis, most researchers have focused on the sensory and emotional experiences of consumers in the context of the experience economy to enhance marketing effectiveness through increased sensory stimulation and emotional engagement. The above research has provided the theoretical foundation for this paper. However, relatively few studies have been conducted on how to apply value co-creation theory to corporate experiential marketing strategies, and most existing research is focused on education, environmental protection, and public relations; care services have received very little attention. Marketing strategy research by pharmaceutical companies currently only follows the 4Ps of marketing. Research on how to apply value co-creation theory to experiential marketing in the pharmaceutical industry has not yet been done specifically for traditional Chinese medicine (TCM). Therefore, this paper will expand the scope of research to include interactive stakeholders such as consumers and enterprises, explore how TCM companies can shift from "unidirectional marketing" to "bidirectional value co-creation", establish consumer participation mechanisms, optimize sensory experiences, reshape brand images, and thus enhance customer satisfaction and provide new ideas for corporate marketing strategy.

3. The Necessity of Marketing Transformation for Traditional Chinese Medicine Enterprises

3.1. Digital Transformation of Consumption Patterns

With the progress of digitalisation, young people have become the main consumer group and show new forms of consumption that are more digital. This group of people is more likely to share their shopping experiences online and is more in touch with the brand. Now, the demands of the public are to expect that a brand is also deeply meaningful and valuable. Given the new behaviour of the public, a modified approach to public relations will be adopted by the company.

Traditional Chinese Medicine enterprises that are still attached to the brand advantage of "time-honored brands" and have failed to promptly understand and adapt to the value preferences of younger consumers will face serious market risks. In recent years, the market share of some such brands has been decreasing year by year due to their inability to connect emotionally with young people. Brand storytelling should not be the company disseminating information to consumers, but a process of value co-creation with consumers. Neglect to place consumers at the centre of brand-building efforts, and you will not be popular with the people.

3.2. Efficiency Bottlenecks of Traditional Marketing Models

In the past, the marketing of Chinese medicine mainly focused on establishing distribution networks and improving the perceived efficacy of the products. Product-oriented thinking does

not consider people's emotional and experiential needs. With the spread of many channels, information is now widely available to the public, and one-way dissemination no longer suffices. A change in strategy needs to be made by shifting the focus from being "product-oriented" to "consumer experience-oriented", and therefore both marketing methods and the fundamental business model need to change. To build an open ecosystem for value co-creation, all consumers need to be involved in the brand's development. Continue to communicate with the public, adjust the value proposition of the brand according to actual demand from the people, and win their trust.

4. Current Status of Experience Marketing in Traditional Chinese Medicine Enterprises

4.1. Insufficient Depth in Cultural Marketing Results in Weak Brand Recognition

At present, most traditional Chinese medicine (TCM) enterprises lack the depth of cultural marketing in their experience-based marketing plans. Many enterprises have only added simple elements of traditional Chinese medicine (TCM) to the packaging and promotion of products for cultural marketing without further exploration or systematic dissemination of TCM culture. Such superficial cultural marketing is unable to create a strong emotional connection and brand loyalty with consumers, especially young people, and therefore does not meet their expectations for the depth of culture and spiritual values in brands. Some enterprises have failed to effectively integrate the cultural features of different areas and ethnic groups in their marketing, and thus the campaigns lack differentiation and newness; as a result, they have not been able to boost market competitiveness sustainably.

4.2. The Development of Digital Experience Scenarios Lags Behind, with Insufficient Interactivity

With the deep integration of "Internet+" and the experience economy, people's demands for immersive and interactive experiences have been rising steadily. Traditional Chinese Medicine (TCM) enterprises have not been actively introducing digital experience scenarios yet. Although some enterprises have been attempting to spread knowledge and product experiences of traditional Chinese medicine (TCM) via online platforms, the sensory richness, interactivity and immersion of these digital scenarios are still lacking, and they have not fully met the demands of consumers for all-round TCM products and services.

4.3. The Consumer Participation Mechanism is Inadequate, and the Awareness of Co-creation is Weak.

Deeply engage consumers in experience marketing to achieve value co-creation. However, most traditional Chinese medicine (TCM) enterprises lack a system for consumer participation and have had little involvement by the public in product design, brand communication and service optimisation. Some enterprises conduct brief surveys of the public only at different times throughout the production cycle, failing to establish a stable user co-creation mode; as a result, these events have had limited long-term public support. TCM enterprises have not fully used consumer feedback and ideas to develop brand assets and services innovatively, and thus the depth and range of experiential marketing are limited.

5. Improvement Strategies for Experience Marketing in Traditional Chinese Medicine Enterprises

5.1. Building a Full-Chain Value Co-creation Ecosystem

Traditional Chinese Medicine enterprises should dismantle the traditional departmental division system and adopt the idea of value co-creation throughout the entire life cycle of products in R&D, packaging design, marketing promotion and after-sales service. A digital co-creation platform can be built to lower the entry threshold for consumers and make value co-creation a normal business model. All-in-one co-creation models will strengthen the company's innovation strength and enhance the growth momentum of the brand. The company will be able to collect feedback on the function of the product, packaging Design and service experience through online channels, use the collected information to improve the product and services, and form an ecosystem of shared value with consumers.

5.2. Deepening the Sensory and Emotional Dimensions of Experience Marketing

Marketing in practice should also promote the integration of senses and emotions organically. Build immersive brand experience scenarios that can make consumers feel in a state of "flow", thereby raising the functional value of traditional Chinese medicine products to an emotional level. The above marketing innovation will increase the popularity of the brand among the public and promote steady growth in brand equity. Virtually reconstruct the historical environment of traditional Chinese medicine culture using virtual reality technology, or hold offline experience events for consumers to directly feel the therapeutic effects and cultural value of traditional Chinese medicine. The above novel methods will increase the awareness of the brand and extend its appeal.

5.3. Data-Driven Precision Co-creation Strategy

Leverage big data analytics to collect a large number of consumer feedback data and identify the specific needs of different groups of consumers. Individual plans for the creation of joints have been developed across all areas to maximise the use of marketing resources. The Data-Driven Precise Marketing Model is High-Efficiency and Brand-Building. Based on analysis of consumer behaviour data, identify high-potential groups of consumers and develop personalised product experience campaigns or personalised service solutions. The above data-driven precision marketing model can boost the efficiency of marketing and increase the value of the brand.

6. Conclusion and Prospects

As the idea of value co-creation in marketing gradually spreads, Chinese medicine (TCM) enterprises have begun to need to strengthen their brand competitiveness by establishing new marketing models. At present, the mechanisms for consumer participation are still in their early stages, brand cultural expressions are relatively limited, and the development of digital experience scenarios lags behind; therefore, the full potential of experiential marketing for traditional Chinese medicine enterprises has not yet been realised. Based on the systematic review of theories on value co-creation and experiential marketing, this paper studies the necessity and feasibility of implementing marketing innovation for traditional Chinese medicine enterprises. Based on the above results, we have built a mechanism that encourages the public to engage in value co-creation, boosting the life force and loyalty of brands to some extent, providing support for long-term brand development.

However, this study is also limited in terms of research methods and data support. Currently, most of the research is qualitative in nature, lacking quantitative data on consumer behaviour

and co-creation results; thus, a systematic model linking the various links of co-creation mechanisms to purchase intention has not been established. Moreover, there was a lack of consideration for factors such as the policy environment and industry standards in the study, and thus the impact of the external environment on the construction of value co-creation mechanisms could not be comprehensively examined.

In the future, a larger range of data will be collected, and all types of co-creation behaviour on how they affect consumer purchase intentions will be empirically analyzed in more detail. Comparatively research can be conducted to examine the differences in marketing innovation strategies among domestic and foreign traditional Chinese medicine companies, and from this study, value co-creation models suitable for local development in China can be explored.

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