Analysing the model of "theme park & tourism performing arts": a case study on Songcheng Company

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Abstract. In recent years, with the increase in people's demand for tourism, the output value of the tourism performing arts industry has increased, and market competition has become fierce. In this case, Song Cheng Performing Arts Co., Ltd. (Songcheng Company) has developed faster than the average level of the industry since 2013 and has become a leading enterprise in the industry in recent years. The reason why the purpose of this study was to explore how Songcheng Company has developed rapidly in the past ten years and how the "theme park + tourism performing arts" model makes Songcheng Company successful. This paper finally analysed three reasons by using founding materials and data: This model was complementary. In future development, the company should integrate trend elements and join experiential projects; the model is highly replicable, but the company should strictly control product quality and reduce product homogenization. The model allows the company to build its own IP. Meanwhile, this paper suggests making more effective use of network resources. Through the study of Songcheng Company, this paper makes up for the gap in the study of this model and has a certain reference significance for the development of other tourism enterprises.

1 Introduction

1.1 Research background

In the past decade, with the continuous development of China's economy, people have not only been satisfied with their basic living consumption but also have an increasing demand for cultural tourism, which provides a good opportunity for the development of the cultural and tourism industries. There are broad prospects for the development of the cultural and tourism industries from 2012 to 2022. The added value of China's cultural industry increased from 1.81 trillion yuan to 4.5 trillion yuan, with an average annual growth rate of 12.1% [1]. Its proportion in GDP in the same period of each year increased from 3.36% to 4.43% [1].

During this period, the main participants in the market in the cultural and tourism industries have been expanding; the number of companies has increased from 36,000 to 65,000, and a number of leading enterprises that developed rapidly and had a significant industry influence have emerged [2]. Among them, the tourism performing arts industry, as a branch of the cultural and tourism industries, has also developed rapidly in recent years. Among these companies, Songcheng, founded in 1994, whose business includes theme park scenic spots, tourism performing arts, hotel theme parks, and resorts, has become one of the top 30 cultural enterprises in China, and many people call it "China's first stock in performing arts". Since 2010, the scale of the company has expanded rapidly, the annual revenue has been growing, and the growth rate is higher than the average growth rate of the industry.

1.2 Research gap

Policies with high operating risks, a short product cycle, and uncertain assets have a significant impact on the performing arts and tourism industries, making it challenging to develop new businesses and unable to realize long-term returns [3]. Especially during the epidemic period, most enterprises suffered serious losses or even closed down. In contrast, Songcheng Companies has maintained a leading revenue growth rate in the past decade; the business continues to expand, and its industry influence continues to expand. Moreover, it is still profitable during the epidemic, which is bound to have its unique advantages. The existing studies focus on the overall development plan and financial situation of the company, as well as the prediction and analysis of its future business situation. For instance, Zhang mentioned the model of "theme park + tourism performing arts" in exploring the replicability of Songcheng's development path but did not elaborate on this model [4]. In addition, Liao only analyses the financial situation of Songcheng Company from the aspect of light assets and does not mention this model [5]. Consequently, specific research and the practical application of a particular model or defining model have been studied infrequently. Among Songcheng Company's diverse business models, the "theme park + tourism performing arts" model is the most
representative. In its decade of rapid expansion, Songcheng has primarily utilized this business paradigm. The reasons why this unique business model has contributed to Songcheng Company's accelerated growth and the impact of this model are therefore worthy of study and discussion.

1.3 Fill the gap

This paper will use case analysis to explore the model of "theme park + tourism performing arts" adopted by Songcheng Company. Through the case description, this paper analyzes the reasons for the success of the "theme park + tourism performing arts" model and its influence, puts forward some suggestions for future development, and finally draws a conclusion. This article will provide a summary of the development of the performing arts in Songcheng as well as a reasonable speculation and analysis of this model based on the theoretical foundations and data statistics presented in prior articles. Simultaneously, the demonstration process will be compared to the business models of other companies in order to conduct a more thorough analysis of the "theme park + tourism performing arts" model.

2 Case description

The Hangzhou-based Songcheng Performance Development Co., Ltd. was founded in 1994 and listed on the Shenzhen Stock Exchange in 2010. The company's primary operations include amusement parks, tourism, and performing arts, and it is among the top 30 Chinese cultural enterprises. Songcheng Performing Arts currently manages eight significant asset projects: Hangzhou Songcheng Scenic Spot, Sanya Ancient Scenic Spot, Lijiang Ancient Scenic Spot, Jiuzhai Ancient Scenic Spot, Guilin Eternal Love Performance, Zhangjiajie Eternal Love Performance, Xi'an Eternal Love Performance, and Shanghai Eternal Love Performance. Songcheng Company is renowned for its unique series of performances, and the company's development strategy for the combination of theme parks and tourism performances is one of the primary reasons it has become an industry leader in recent years.

Since the listing of Songcheng Company in 2010, the company's revenue and net profit have maintained a high growth rate. From 2010 to 2019, as can be seen from Figure 1, the company's revenue has increased from 450 million yuan to 2.61 billion yuan, a cumulative increase of 4.8 times, and net profit has increased from 160 million yuan to 1.34 billion yuan, a cumulative increase of 7.4 times [6]. The company's average annual gross profit margin and net profit margin are 69% and 41%, respectively. Compared with ordinary performing arts enterprises, it overcomes the problems of high-performance costs and high drainage costs [6]. During the period from 2014 to 2018, the compound box office growth rate of tourism performing arts in theme parks reached 34.7%. In particular, in 2018, the tourism performing arts box office of the Songcheng Company reached 2.77 billion yuan, a growth rate of 20.4%, much higher than the 13.5% growth rate of the tourism performing arts industry as a whole [7]. In the same year, the Eternal Love performance series accounted for 67% of the theme park tourism performing arts box office, the industry's absolute leading position. Following this were the Huaxia performance series (7.0%) and the Changlong performance series (12.6%) [7].

Even during the epidemic, the growth rate of Songcheng Company revenue declined, but there was still no loss. In 2021, Songcheng realized revenue of 1.185 billion yuan, an increase of 31.27% over the same period last year, and net profit reached 315 million yuan, an increase of 117.98% over the same period last year [9]. By the end of 2021, the company will have total assets of 9.827 billion yuan and net assets of 7.645 billion yuan [9]. In order to further explore how it is successful, this paper will analyze the "theme park + tourism performing arts" model from three aspects: the complementarity of the "theme park + tourism performing arts" model; the replicability of the model and the rapid expansion of the model; the integration of local culture; and the creation of brand Intellectual property (IP).
3 Analysis on problems

3.1 Complementary model of "theme park + tourism performing arts"

In the past decade, the scale of the tourism and performing arts industries has expanded rapidly. The "theme park" type of tourism performing arts share continues to rise and has finally reached the first market share in several types of tourism performing arts. The following Figure 2 shows the box office share of various types of tourism performing arts from 2014 to 2018, which shows that themed park tourism performing arts will account for nearly half of the market share after 2015.

Compared to other theatrical and live performing arts models, the theme park performing arts model has distinct benefits. Live performance satisfies the visual enjoyment of the audience, allowing the audience to understand the local culture and customs while watching the performance, which is a unique immersive experience. Peripheral theme parks provide the audience with on-site interaction, dressing experiences, etc., coupled with the integration of local elements of architecture and scenes, so that the audience can more intuitively experience the living conditions of the locals.

Therefore, there is a strong complementarity between the theme park and the tourism performing arts; the tourism performing arts can make up for the shortcomings that the theme parks cannot bring sensory feelings, and the theme parks make up for the disadvantage that the tourism performing arts are not interactive, and the two complement each other. improve audience satisfaction.

3.2 Replicable ability of "theme park + tourism performing arts" model

The model of "theme Park + Tourism Performing Arts" is extensively used by Songcheng Company because it is highly replicable and suits the needs of the company's rapid expansion after 2013. The "Eternal Love" series of performances utilizes similar sound and optoelectronic technology; the contents of many performances are similar; and there is a well-established system for actor training. Based on this, Songcheng Company has effectively applied the design to over a dozen "everlasting love" projects and theme parks over the past decade. However, this model simultaneously led to the homogenization of performance initiatives at Songcheng Company. In terms of detail and quality, Songcheng's theme parks and performance ventures fall short of those of Disney and Universal Studios.

At the beginning of their development, tourism performing arts mostly rely on natural landscapes and
combine them with local folk customs. Among these, the products of the impression series are the most representative and influential. However, because this type of performing arts has a high demand for the environment and a strong dependence on natural resources, it is hard to copy in different places, which is not good for the growth of businesses [12]. In addition, the form of theatrical performance is relatively simple, which cannot meet the interactive needs of the audience. Therefore, performing arts in theme parks is a promising model, and Songcheng's implementation of this model has made it stand out among many tourism performing arts companies in the past decade.

3.3 Integrational "theme park + tourism performing arts" model with local culture

Tourism performing arts products have regional tourism attributes that are different from general theme parks (Happy Valley theme park, Fangte theme park, etc.). The core value of tourism performing arts projects is to integrate local characteristics and combine them with local tourism resources. The model of "theme parks and Tourism Performing Arts" can deeply explore the local tourism characteristics. For example, it is mentioned in this paper that the cultural and creative product design of Ganzhou Song City is based on cultural images. Ganzhou Song City is based on historical sites and integrates many local cultural images, such as ancient city walls, Bajing Platform, and other famous historical sites [13]. The practice of only revealing local cultural customs and historical stories on the stage is too flat for tourists to form a three-dimensional understanding of the local culture. After enjoying the experience of playing in the theme park, visitors can learn about the local culture through more channels.

This model helps Songcheng not only uncover local tourism resources but also strike a balance between developing its own intellectual property and integrating local culture. Allow tourists to discern not only the "local characteristics" but also the "Songcheng" brand products. In many tourist cities, the Song City tourism initiative has risen to the top of "must-see" lists.

4 Suggestions

4.1 Integrate trend elements and add experiential projects

According to the complementarity of "theme park + tourism performing arts", which can enhance the tourists' sense of experience, this paper suggests that the future development of the company can integrate more current trend elements and continue to increase the development of experiential projects. At present, the demand for national tourism is increasing, and young people have become the main force behind it. Compared with the traditional form of tourism, the younger generation pursues the "sense of experience" of tourism, such as the "physical stimulation" brought about by extreme sports and the "creativity" of manual projects, which make multi-dimensional tourism more popular. This is also the reason why the major tourist theme parks have become very popular in recent years. The complementarity of the model of "theme park + tourism performing arts" is beneficial for tourists to gain a "sense of experience" in play. In 2016, Anita and others found that tourists' sightseeing experiences are affected by four dimensions: smooth, social, emotional, and psychological [14]. The current "Park + Performing Arts" model in Songcheng can meet the needs of tourists in four dimensions to a certain extent, but it does not allow tourists to have a "smooth experience". Based on this, Songcheng Company should integrate the hot elements of the current society as much as possible under this model and create more experiential projects. For example, Happy Valley has built an AI human-computer interaction project in recent years, which has attracted many tech fans; it has created "Animation Festival" performances aimed at young customers, so that Happy Valley's night show income is increasing. Thus, it can be seen that rich and diversified experiential projects are an important factor in attracting young people to spend.

For Songcheng Performing Arts, the company can add VR elements and national tide elements while giving full play to the advantages of the "theme park + tourism performing arts" model. Because Songcheng's main projects are related to Chinese history and culture, Songcheng can create its own national products and integrate hot technologies. Rich experiential projects will spread a good reputation for the whole brand of Songcheng Performing Arts.

4.2 Control product quality and reduce product homogenization

Considering the model's replicability, it is crucial for Songcheng Company to rigorously control the quality of its work and reduce product homogenization in future projects. Currently, the outlook for the tourism performing arts market is positive, and overall industry income is on the rise, but the industry's growth rate has slowed considerably over the past few years, declining from 34.9% in 2015 to 13.3% in 2018 [11]. The reason is the high degree of homogenization of products in the industry and the occurrence of "similarity" in the work. The rapid expansion of Songcheng Company's business and construction projects will inevitably lead to a decline in product quality, and a large number of "copy and paste" attractions cannot effectively attract tourists, so the desire of tourists to return is not strong, which is not conducive to the company's long-term development.

After rapidly expanding the company's business and occupying the tourism performing arts market, Songcheng now needs to strictly control the quality of its products and pay attention to the characteristics and advantages of each "everlasting love" performance and theme park, form differential competition with other tourism performing arts products. The revenue of Disney and Universal Studios theme parks has always been at the top of the park industry, but there are no more than ten parks in the world. In addition to IP, the essential
reasons are high product quality, strong market competitiveness, and a good tourist experience. Therefore, focusing on quality is far more conducive to the long-term development of the company than blindly increasing quantity. Under the current circumstances, Songcheng Company can improve its performing arts products by more deeply digging into the stories behind each tourist city, innovating program arrangements, trying new stage technology, strengthening actor training, and so on.

4.3 Strengthen brand IP by exploiting network resources

The "theme park + tourism performing arts" model is conducive to strengthening the brand's intellectual property, and Songcheng can integrate Internet resources into this model in future development planning to strengthen IP. As a leader in the media and entertainment industries, the Disney Company, for instance, has always placed a premium on the development of brand IP. With the development and popularity of streaming media in recent years, The Walt Disney Company has devised its own brand promotion strategy. In November of 2019, Disney launched its own streaming service, dubbed "Disney+." Less than one and a half years after the March 2021 debut of the 'Disney Plus' platform, the number of global subscribers has surpassed 100 million [15]. This demonstrates that, in comparison to conventional propaganda, network propaganda has vastly increased the pace of propagandizing and enhanced its publicity effect.

In the past few years, online ticketing and new media systems to attract traffic have matured, and major travel and performing arts companies have gradually found that the online box office has become the key to revenue. Therefore, strengthening the network position and exploiting network resources is an important link for Songcheng Company to build IP. At present, Songcheng Company has begun to utilize the new media platform for drainage on the basis of combining local tourism resources, but it has not been able to skilfully utilize or even innovate propaganda methods. Based on this, Songcheng can exploit joint network bloggers to recommend products, live market products, keep up with social hot topics, and find other ways to increase the influence of performing arts products. At the same time, Songcheng can also join with other brands to create their own IP to attract traffic and attention to each other and be able to compete differently with other tourism and performing arts companies.

5 Conclusion

With the development of the national economy, the scale of the culture and tourism industries is expanding year by year, and the profits of the literature and tourism enterprises are growing. But at the same time, companies in the industry are also facing fierce market competition. Based on a large number of documents about Songcheng Company, this paper seeks the reasons why Songcheng Company developed rapidly and maintained its leading position in the industry from 2013 to 2023 and gives some suggestions for future development. In this process, the article makes a detailed analysis of Songcheng's iconic "theme park + tourism performing arts" model, which makes Songcheng stand out from many tourism performing arts companies.

Through the research, it is found that Songcheng's "theme park + tourism performing arts" model makes Songcheng successful for three main reasons: this model is complementary and can enhance the audience's sense of experience; this model is highly replicable and conducive to the rapid expansion of the company; and this model can effectively integrate local culture and help to build a brand IP. Based on the development status and existing problems of Songcheng Company, this paper also puts forward some feasible suggestions for its future development: integrate trend elements and join experiential projects; control product quality and reduce product homogenization; exploit network resources to strengthen brand IP.

This paper addresses a lacuna in the research on the "theme park + tourism performing arts" model, provides a detailed analysis of the model's benefits, and serves as a reference for other literature and tourism companies. Nonetheless, this paper has limitations in its analysis of the causes of Songcheng Company's rapid growth; there is only a comprehensive description of the reasons for the success of the main model and no detailed analysis of other factors. Therefore, it can also be said that the "theme park + tourism performing arts" model is the primary cause for the success of Songcheng performing arts, although this is not the only factor. It remains to be determined whether this model can lead to Songcheng Company's long-term development and whether it can be replicated by other businesses, but for the time being, the "theme park + tourism performing arts" model has strong market competitiveness.

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