Editorial

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Biographical notes: Jason C.H. Chen is a Professor and the Coordinator of the MIS programme at Gonzaga University in Spokane, WA, USA. He received his PhD in Management Science and Information Systems from the University of Texas at Austin. He designed and implemented an MIS system for a Chinese Government agency to a World Bank project in 1992–1994. He taught in the Beijing International MBA programme in 1999 and 2003 at Peking University, China. He was a Senior Consultant for an e-commerce and knowledge management firm in Taiwan. His research interests include revenue management, mobile learning as well as the development of model and strategy of knowledge reuse to the enterprises. Professor Chen serves on many editorial boards and is the Editor-in-chief for three journals: *Int. J. Revenue Management*, *Int. J. Mobile Learning and Organization* and *Int. J. Business and Systems Research*. He has published numerous articles in journals such as *Management Science*, *Decision Support Systems*, *Industrial Management and Data Systems*, *ACM Transactions on Mathematical Software*, *Int. J. Technology Management* and *Human Systems Management*.

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1   Introduction

It is our pleasure to welcome all of you to the inaugural issue of the *International Journal of Revenue Management* (*IJRM*). The *IJRM* is an interdisciplinary and refereed journal that provides authoritative sources of reference and an international forum in the field of revenue management. The objective of the journal is to establish an effective channel of communication among business decision-makers, policy makers, government agencies, academic and research institutions and persons concerned with the complex role of revenue management. Specifically, the *IJRM* aims to promote creative, innovative concepts, strategies, theories and methodologies in the area of revenue management. The *IJRM* publishes well-written and academically rigorous manuscripts.

Though the *IJRM* is devoted to the main area of revenue management, it also expands its scope to broadly cover any issues overlapping or related to revenue management. The subject of coverage includes:

- Revenue or yield management

- Customer relationship management

- Knowledge management and value creation

- Cluster analysis

- Consumer behaviour

- Branding, segmentation and channel management

- E-commerce/e-business

- Strategy

- Supply chain and demand management

- Enterprise resource planning

- Production and operations management

- Business processes and management

- Forecasting

- Pricing/dynamic pricing/option pricing

- Database/data warehouse management

- Data mining and business intelligence

- Information technology/resource management and outsourcing

- Computerisation

- Decision support systems

- Software development

- Economics of revenue management

- Healthcare management

- Human resource management

- Strategic alliance

- Consulting business

- Accounting and finance

- Performance measurement and evaluation

- Any other interdisciplinary research across business functions

2   Inside this issue

This inaugural issue of the *IJRM* contains five papers that cover revenue management issues in different industries and one paper that reviews the most recent literature.

The first paper, 'Large scale entry deterrence of a low-cost competitor: an early success of airline revenue management' by Harris, analyses how Piedmont Airlines, a large regional incumbent, had deterred People Express, a low-cost discounter, in city-pair airline markets during 1984–1987. From the analysis, he argues that People Express chose the right strategy but for the wrong entry game and proposes that the best reply responses of incumbents should be determined by customer sorting in response to stockouts. The implemented real-time inventory management optimisation tools in Piedmont are proved to be crucial to Piedmont's success of deterrence.

The second paper, 'Revenue management for broadcasting commercials: the channel's problem of selecting and scheduling ads to be aired' by Kimms and Muller-Bungart, addresses a broadcasting company's planning problem of maximising revenues by choosing orders and scheduling spots from accepted orders. The authors use a mathematical model to represent the problem, and implement five heuristics – two general MIP-based heuristics (Dive-and-Fix and Relax-and-Fix), two heuristics based on the LP relaxation of the model and a greedy heuristic - to find the solution for the problem.

In the third paper, 'Bundling of information goods: a value driver for new mobile TV services', Rautio, Anttila and Tuominen present a conceptual model to show how many different characteristics of information goods support or limit the selection of bundling as a pricing strategy. Then the authors propose 14 hypotheses and test them with conjoint analysis in the context of a mobile TV service, which is expected to be launched in 2006. The results of this study suggest that bundling increases the demand in all cases and consumers strongly prefer two-part pricing and flat access rates.

The fourth paper, 'The optimal ratio between advertising and sales income' by Mangàni, presents a simple model to derive the optimal ratio between advertising and sales revenues for a publisher to maximise its profits. Furthermore, the author uses the same analytical framework to explore the optimal relationship between investments in quality, advertising revenues, and sales income. The authors' findings confirm previous empirical studies and stylised facts of the media industry.

In the fifth paper, 'Effects of experimental elements on experiential satisfaction and loyalty intentions: a case study of the super basketball league in Taiwan' by Kao, Huang and Yang, makes an empirical study on basketball games to investigate the relationships among experiential elements, mediating constructs and loyalty intentions. The authors

propose 9 hypotheses and use quota sampling to collect the data so as to test these hypotheses. From the research, they observe that sports industry should focus on consumers' experiential processes, enhance positive experiential stimulus in the game, and make the games more interactive and unique.

The last paper, 'An overview of research on revenue management: Current issues and future research', Chiang, Chen and Xu provide an overview of literature on revenue management. The overview focuses on recent progress of revenue management in different industries. The research of major revenue management issues, including capacity control, overbooking, pricing, forecasting, economics, implementation, performance evaluation and OR techniques are reviewed in this article. Based on the review, the authors present several promising areas for future research.

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