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## KEY SUCCESS FACTORS IN THE DEVELOPMENT OF CULTURAL AND CREATIVE INDUSTRIES

*In the paper Delphi method is utilized to determine the evaluation criteria and dimensions for cultural and creative industries, and analytic hierarchy process (AHP) is then applied to determine the weights and correlations between dimensions and criteria to establish an appropriate indicator model for evaluating the factors in cultural and creative industries. With questionnaires, the overall weight of the evaluation indicators for key success factors in the development of cultural and creative industries are organized. Within 17 evaluation indicators, the top 5 indicators are (1) media propaganda, overall weight 0.207, (2) activity innovation, overall weight 0.129, (3) activity information enquiry, overall weight 0.106, (4) tourist interaction, overall weight 0.102, and (5) activity subject, overall weight 0.094. This study expects to provide reference for relative sectors promoting the development of cultural and creative industries and supply relevant information for further research.*

*Keywords:* AHP, analytic hierarchy process, key success factor, cultural and creative industries.

Ин-Цзе Ли

## КЛЮЧОВІ ЧИННИКИ УСПІХУ В РОЗВИТКУ ГАЛУЗЕЙ КУЛЬТУРИ ТА ТВОРЧОСТІ

*У статті застосовано метод Дельфі для визначення критеріїв оцінювання і вимірювання для культурної і творчої індустрії, а потім використано аналіз ієрархії для визначення ваги і кореляції між вимірами і критеріями, побудовано відповідну індикаторну модель для оцінювання чинників у культурній і творчій індустрії. Методом анкетування виділено показники ключових чинників успіху в даній індустрії. З 17 виділених показників головними є 5: медіа-пропаганда (питома вага 0,207), інновації (0,129), активність інформаційних запитів (0,106), взаємодія з туристами (0,102), суб'єкти активної діяльності (0,094). Це дослідження забезпечить інформацією галузі, які сприяють розвиткові культурної і творчої індустрії, і представить відповідні дані для подальших досліджень.*

*Ключові слова:* метод аналізу ієрархії, ключові чинники успіху, культурна і творча індустрія.

*Таб. 1. Літ. 11.*

Ин-Цзе Ли

## КЛЮЧЕВЫЕ ФАКТОРЫ УСПЕХА В РАЗВИТИИ ОТРАСЛЕЙ КУЛЬТУРЫ И ТВОРЧЕСТВА

*В статье применен метод Дельфи для определения критериев оценки и измерений для культурной и творческой индустрии, а затем использован анализ иерархии для определения веса и корреляции между измерениями и критериями, построена соответствующая индикаторная модель для оценки факторов в культурной и творческой индустрии. Методом анкетирования выделены показатели ключевых факторов успеха в данной индустрии. Из 17 выделенных показателей главными являются 5: медиа-пропаганда (удельный вес 0,207), инновации (0,129), активность информационных запросов (0,106), взаимодействие с туристами (0,102), субъекты активной деятельности (0,094). Это*

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*исследование обеспечит информацией отрасли, способствующие развитию культурной и творческой индустрии, и представит соответствующие данные для дальнейших исследований.*

*Ключевые слова: метод анализа иерархии, ключевые факторы успеха, культурная и творческая индустрия.*

**Research background and purpose.** Civilization evolved in time from agriculture to industry, then to commerce, and now to popular industries. High-tech products have swept across the world in the past decades, but technology industry is compressed in profits and growth because of technological progress and fierce market competition. In the new century, "content" being the core industry is emphasized by governments and enterprises globally. Cultural and creative industries could be regarded as the economic engine in the new century. Culture industry shows higher proportions in national economies and has become one of the supporting industries for them. Both developed and developing countries have sensed the importance of cultural and creative industries.

Culture stands for the characteristics and accumulation of art and life experiences in a country, which combines new inspiration and creativities with culture to facilitate new development potential and commercialization and further create work opportunities. Resources for creative culture represent the cultural content and characteristics of a country and cover great commercial value, showing the importance and essentiality locally. To develop cultural and creative industries becomes a primary issue in the new century. In comparison with other industries, not until recently have cultural and creative industries been focused and discussed and the operation knowledge is insufficient. Learning by doing therefore can be commonly observed. To have tourists notice the specialties of Taiwan beyond the presently famous touring spots, local culture in counties and cities are developed in depth. With the distinct natural resources and human characteristics, it aims to establish regional development objectives and strategies and combine the strengths to enhance tourism in Taiwan. Based on such planned activities to develop cultural industry in the counties and cities in Taiwan, diverse cultural promotion can be held, resources and experiences are shared, personnel for cultural activities are cultivated, and interpreters' experiences are cumulated. With well-planned cultural and creative industries with local characteristics to create international activities, it not only could enhance the popularity of Taiwan, but also attracts tourists traveling to Taiwan. Looking for key successful factors in the sustainable development of cultural and creative industries for the reference of governmental subsidies is regarded as a challenge, which is also the discussion in this study.

#### **Literature review.**

*I. Cultural and Creative Industries.* When cultural and creative industries are largely promoted, the correlations between culture, creativity, and industry are considered that culture is the content, creativity is a type of performance, and industry is an approach to enhance yields or a consumption style (Lan & Chiu, 2010). Nonetheless, how do culture and industry combine? Wang (2009) indicated that cultural and creative industries were created by the mixture of art and industry, where the former stepped from individuals towards the integration of interdisciplinary resources and the performance of teamwork, while the latter focused on the development and

design. Cheng (2009) concluded the identification of cultural and creative industries as creative industry, which stressed economic benefits in cultural industry and social benefits from employment, such as the Great Britain, New Zealand, Australia, Hong Kong, and Taiwan, and cultural industry, which did not present consistent definition but was changeable, such as the USA, Mainland China, and Finland. Ministry of Culture (2005) pointed out the characteristics of cultural and creative industries as "aesthetics, value, and story". Aesthetics is the first impression of people. Combining it with product contents and acquiring consumers' identity with value and stories, they were regarded as the attractions of creative products. The consumption idea was then simulated to enhance high value-added. Lin & Wang (2010) considered the production value of cultural industry as all types of media, entertainment, art, architecture, relics, publications and exhibitions which were regarded as cultural and creative industries. In terms of the market, cultural industry requires constant innovation that cultural art is an experience and a valuable product in an industry. United Nations Educational, Scientific and Cultural Organization (UNESCO) defines cultural industry as the combination of creation, production, and commerce, which essentially is intangible asset with cultural concept, protected by intellectual property, and presented as products or services. Cultural industry could be regarded as creative industry, future-oriented industry in economic field, or content industry in technological field (Council for Economic Planning and Development, 2005). Hesmondhalgh (2002) indicated that the core of cultural and creative industries is the industrialized text, distribution and marketing of which highly depends on symbol inventor; different from other non-core cultural industry, the reproduced symbol inventor products could be produced merely by semi-industrialization or non-industrialization (Liao, 2006).

*II. Key Success Factors in Cultural and Creative Industries.* In the research on key success factors in cultural and creative industries, Chen (2009) considered that a successful China brand required the presentation of the unique cultural spirit; such spirit often showed the historical background that it could hardly be imitated or replaced. Cheng (2010) discussed key success factors in 12 cultural and creativity companies in Taiwan and concluded the success factors for Dragonfly Gallery being (1) the personality trait of not being afraid of failure, (2) promoting the popularity of Dragonfly with exhibitions, and (3) more functional and creative design of Dragonfly products.

Lin & Wang (2010) discussed the key success factors for tittot, Franz Collection, and PILI from the management of production, R&D, marketing, human resource, and finance and concluded the following key factors. (1) Leading and innovative technology and favorable quality and proper cost control were the production strategies, and the combination of creativity and culture was the key. (2) When establishing a brand, attending exhibitions and building the image of boutique were the major factors in the development. For transforming a studio into an enterprise, the adjustment of organizational structure and the change of management and personnel were necessary; otherwise, industrialization and corporatization would not be easy without a brand or unique technology. (3) The marketing strategies of restraining quantity with price and maintaining the image of boutique with rich cultural contents and creativities could create international channels. Cultural creativities could be mass produced so that the created product could share the value and meaning with more people, pre-

senting larger influence. Besides, the standardized production procedure allowed all customers receive identical product contents.

**Research design and method.** *I. Delphi Method.* Delphi method, also known as expert investigation approach, distributes problems to various experts to retrieve the opinions for analyses. The comprehensive opinions and predicted problems are feedback to the experts for more opinions, when the experts revise their original opinions according to the comprehensive opinions, and reorganize. After repeating the steps several times, the comparatively consistent predicting outcomes are acquired. With the system program, the opinions were published anonymously; in other words, the experts do not discuss and contact with each other, but merely with the investigator. After repeated requests, conclusion, and revision, the consistent opinions among the experts are regarded as the predicting outcomes. Such an approach is considered reliable with the broad representative.

*II. Analytic Hierarchy Process.* AHP, proposed by Saaty, has been developed for more than 30 years and is widely applied. In this chapter, the applicability, the applied fields, and the application procedure for complex problems are discussed. AHP is mainly applied to decision-making problems. Saaty (1980) and Vargas (1991) indicated the applications to (1) setting priorities, (2) generating a set of alternatives, (3) choosing the best alternative, (4) determining requirements, (5) allocating resources, (6) predicting outcomes, (7) measuring performance, (8) designing systems, (9) insuring the stability of a system, (10) optimization, (11) planning, (12) resolving conflict, and (13) risk assessment.

*III. Establishment of evaluation indicator.* The first questionnaire was titled "What are the factors in cultural and creative industries development", which was e-mailed to the experts in various fields. From the first feedback, the considerations for the development of cultural and creative industries were analyzed, further classified and returned to the experts for further opinions. Several discussions were made through e-mails. For the final classification, the expert conference was held; and the experts were invited to summarize the key factors in cultural and creative industries development, including activity substance, activity design, activity relevance, advertising campaign, and activity support. With AHP, the correspondent classification was established in AHP questionnaire for the criteria. Having 5 major cultural and creative industries parks as the samples, managers, manufacturers, and visitors of parks were distributed questionnaires to understand the weight of each factor in the development of cultural and creative industries. After being revised with Delphi method, the evaluation indicators were: 1. Activity substance, including type of activity, activity subject, and activity word-of-mouth. 2. Activity design, such as activity innovation, planning of expert participation, and tourist interaction. 3. Activity relevance, covering transportation convenience, accommodation convenience, surrounding touring spots, and interpretation. 4. Advertising campaign, containing media propaganda, activity information enquiry, collaborative promotion of industries, and combination of local industries. 5. Activity support, covering government subsidies, enterprise sponsor, and autonomic participation of citizens.

*IV. Research subject.* Having 5 major cultural and creative industries parks as the samples, managers, manufacturers, and visitors were distributed questionnaires to understand the weights of factors in the development of cultural and creative industries.

5 cultural and creative industries parks included Huashan Park, the combination of cultural industry, interdisciplinary art presentation, and life aesthetic styles, Hualien Park, an experimental field of cultural art industry and tourism, Taichung Park, the center of architecture, design and art in Taiwan, Chiayi Park, a traditional innovation center, and Tainan Park, the media center for creative life in Tainan. Total 250 questionnaires were distributed; 192 valid ones were retrieved, with the retrieval rate of 77%.

**Questionnaire data analysis.** Having completed the weights in all the hierarchies, the relative importance of the indicators in each hierarchy showing the importance of the indicator in the entire evaluation system was allocated and the overall weight for the development of cultural and creative industries was evaluated, Table 1.

**Table 1. Overall weight for the development of cultural and creative industries**

Dimension	Hierarchy 2 weight	Hierarchy 2 sequence	Indicator	Hierarchy 3 weight	Hierarchy 3 sequence	Overall weight	Overall sequence
Activity Substance	0.159	4	Type of Activity	0.125	3	0.027	11
			Activity Subject	0.527	1	0.094	5
			Activity Word-of-Mouth	0.348	2	0.002	17
Activity Design	0.251	2	Activity Innovation	0.493	1	0.129	2
			Planning of Expert Participation	0.120	3	0.046	9
			Tourist Interaction	0.387	2	0.102	4
Activity Relevance	0.206	3	Transportation Convenience	0.413	1	0.068	7
			Accommodation Convenience	0.124	4	0.009	15
			Surrounding Touring Spots	0.268	2	0.031	10
			Interpretation	0.195	3	0.020	12
Advertising Campaign	0.327	1	Media Propaganda	0.352	1	0.207	1
			Activity Information Enquiry	0.288	2	0.106	3
			Collaborative Promotion of Industries	0.117	4	0.011	14
			Combination of Local Industries	0.243	3	0.075	6
Activity Support	0.057	5	Government Subsidies	0.527	1	0.052	8
			Enterprise Sponsor	0.314	2	0.014	13
			Autonomic Participation of Citizens	0.159	3	0.007	16

From Table 1, the following conclusions were summarized.

Within the dimensions in hierarchy 2, advertising campaign was mostly emphasized by the experts, and the weight was 0.327, 32.7% of the overall weight, followed

by activity design (weighted 0.251), activity relevance (weighted 0.206), activity substance (weighted 0.159), and activity support (weighted 0.057). Apparently, advertising campaign was particularly emphasized for the development of cultural and creative industries.

Among the evaluation indicators in hierarchy 3, the weights were sequenced as 1. Activity subject, activity word-of-mouth, and type of activity in activity substance, 2. Activity innovation, tourist interaction, and planning of expert participation in activity design, 3. Transportation convenience, surrounding touring spots, interpretation, and accommodation convenience in activity relevance, 4. Media propaganda, activity information enquiry, combination of local industries, and collaborative promotion of industries in advertising campaign, and 5. Government subsidies, enterprise sponsor, and autonomic participation of citizens in activity support.

**Conclusion and suggestion.** The development of cultural and creative industries could enhance literacy, promote local industrial economy, and increase the popularity of local tourism. According to the empirical analyses, the following conclusions are proposed for the guidance and directions of domestic cultural and creative industries development.

From the overall weight of the evaluation indicator of key success factors in cultural and creative industries, the experts focus on (1) media propaganda, the overall weight 0.207; (2) activity innovation, the overall weight 0.129; (3) activity information enquiry, the overall weight 0.106; (4) tourist interaction, the overall weight 0.102; (5) activity subject, the overall weight 0.094 within the 17 evaluation indicators.

The above analyses show that media propaganda, activity innovation, and activity information enquiry are the top 3 evaluation indicators, showing that the development of cultural and creative industries not only requires modernization, but also retains the essence of activities; with constant innovation and diverse leisure trend, interaction with visitors should be increased to enhance the attraction. Moreover, the introduction of media, newspapers, and magazines could enhance the popularity of activities and attract more visitors. With the prevalence of network, visitors could enquire activity information and share touring experiences through the Internet and word-of-mouth could be established through the share of favorable touring experiences, which could not only promote the popularity of the activity, but also attract more visitors.

In the future, cultural and creative businesses would not merely depend on the support of governments, but be independent so that they could survive without governmental resources. Cultural and creative industries should look up for standardization, mass-production, modularization, cost reduction of local industries, while the latter could refer to the reproduction ability in creating high value-added with authorization of the former. With collaboration, culture can be included in industry, or industrial entities could be decorated with culture.

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