

RESEARCH ON PRODUCT INNOVATION OF CHINESE TRADITIONAL CRAFT ENTERPRISES BASED ON CREATIVITY



¹Xiao Zhang

Panyapiwat Institute of Management, Thailand

¹252416007@163.com

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Abstract

Chinese traditional craft enterprises have lost a large number of consumers in today's market because of the traditional characteristics of their products. In order to survive and develop, they need to innovate their products. The previous research on product innovation can not open the "black box" of product innovation in traditional craft enterprises by analyzing the connotation, strategy, mode, success or failure factors and so on. Based on creativity, this paper analyzes the value of creativity, the generation of creativity, the diffusion of creativity and the commercial transformation of creativity.

Keywords : Chinese traditional craft enterprise, creativity, product innovation

Introduction

The development of Chinese traditional craft enterprises mostly relies on the industrialization of traditional crafts, first of all, the traditional crafts and products owned by traditional craft enterprises have been recognized and welcomed by the market, such as Chao embroidery, purple clay pot, Xuan Paper, etc. After being recognized and welcomed by the market, there will inevitably be a large number of enterprises in this field. For example, Yixing has nearly 10000 purple sand enterprises, Jingxian has nearly 1000 Xuan Paper enterprises, Jingyang County has hundreds of Fucha tea enterprises, etc. With the accumulation of quantity, it will begin the process of big waves washing sand, through fierce market competition, complete the process of quantitative change to qualitative change, so the Xuan Paper industry has appeared. The formation of leading enterprises in the field of traditional crafts, after the formation of leading enterprises, the next step such leading enterprises

¹A doctoral candidate in Business Administration of Panyapiwat Institute of Management.

will inevitably go to mergers and acquisitions of related traditional crafts enterprises, such as Song Jin leading enterprises will go to mergers and acquisitions of Yunjin Shujin enterprises, Xuan Paper leading enterprises will go to mergers and acquisitions of Hui Mohu pen enterprises, etc. This is also the inevitable path for the development of traditional craft enterprises. From the current situation of the development of traditional craft enterprises in China, most of them are still in the second stage, that is, they are still in the stage of big waves washing sand.

With the increasing support of the state for the development of traditional crafts in the past two years, some enterprises rely on policies to eat the old capital, while others explore innovative ways to find new directions for enterprise development. Taking Guizhou batik as an example, Fuyuan Batik Factory is one of the few batik enterprises in Anshun, Guizhou, which still persist after experiencing the rise and fall of the industry. Most of its batik products are ornamental canvas, which was popular in the 1990s and is now out of touch with people's daily life. Batik Factory still insists on artistic creation relying on the policy support of the government. However, the market feedback is flat, and the development of enterprises is difficult. Similarly, another enterprise with batik products as its business, Wutu Wusheng Folk Art Workshop, is totally different from most batik enterprises on the road of innovation. This enterprise, founded in 2012, continuously introduces batik products that fit the current life of young people, constantly adjusts its product style, and adopts diversification at the marketing level. Online stores, communities and circles of friends made its brand quickly occupy a place in the market, and as a representative of folk art innovation, it was invited to participate in the exhibition of Beijing Design Week twice.

For Chinese traditional craft enterprises, in order to cater to the functional needs and aesthetic tastes of contemporary people, it is necessary to seek innovation in order to survive and develop. As the core competitiveness of these enterprises and the lifeblood of development, product innovation is essential. Among the numerous traditional craft enterprises in China, there are many representatives who rely on product innovation to break a new path, but more of them are conservative and follow the trend of imitation.

Product Innovation Theory

Schumpeter, a famous Austrian economist, was the first scholar to put forward the word "innovation", and he used the word "innovation" for the first time in his related works. He believes that innovation refers to the "new combination" of production conditions and other related factors. Technological innovation means commercialization, an activity in which the market first recognizes new products, processes, and designs. The basic motivation for entrepreneurs to innovate is that related operations can bring them much higher benefits and profits than traditional operations. Therefore, the industry calls the process of obtaining corresponding products through such operations as product innovation, and agrees that it is the source of the company's basic competitiveness and a higher-level business activity and development strategy of the company.

Product innovation refers to the use of innovative operations in relevant technologies to provide relevant services and products based on the analysis of consumer demand and the judgment of relevant market environment, so as to meet the

actual needs of the market and customers, while ensuring the realization of enterprise benefits. Wu Guisheng said in related articles that product innovation is usually achieved through the combination of various elements, including new methods, new elements, new organizations, new conditions, new processes, new materials and new applications. These new methods, new elements, new organizations, new conditions, new processes and new materials come from economic and commercial efforts. Product innovation is different from technological innovation. The two are related and different. The first is derived from the second. The relationship between the two is not complicated, specifically, the former is supported by the latter, which is the purpose and original intention of the latter, while the latter provides technical conditions for it, which is a means and method. Product innovation is a highly purposeful operation carried out by enterprises in order to maximize business value and effectively meet customer needs. If the relevant demand analysis and market positioning are accurate enough, it will bring a strong impact on the old products, once put on the market, it will trigger a strong pursuit of consumers, thus forming a new market competition pattern, changing the original competition mode, and creating further monopoly profits.

Product innovation has the following main characteristics: First, dual value, specifically speaking, it includes two types of attributes, one is to meet the needs of customers, and the other is the many operations carried out by enterprises, that is to say, it is of great significance to both enterprises and customers, reflecting the efforts and actions made by enterprises. Second, product innovation activities are more complex. Product innovation covers complex activities in many processes, such as requirements, preliminary concepts, design and development, marketing, etc. Third, product innovation is uncertain and full of risks. Product innovation is faced with uncertainties, such as price risk, failure risk, market risk and so on. Fourth, it has certain compatibility. Specifically speaking, enterprises are not free to carry out this operation, they must fully consider the market demand and their own related capabilities, only to find the best combination of the two, in order to ensure the success rate of the operation. Moreover, there are many factors affecting it, whether internal or external factors, or the external environment may have an impact on it, so in the process of carrying out this operation, the effective combination of internal and external is extremely critical, it can be said that, to a certain extent, determines its success or failure. In addition, it involves many fields and the mastery and utilization of related theories, in order to ensure that the risk of this operation can be controlled and the benefits can be expected.

Hu Shuhua (1999) summarized foreign product innovation management research from five aspects: new product strategy and evaluation theory, new product success or failure, product development performance, innovation organization theory and product design function cost. Rothwell (1994) summarized the five-generation innovation model. Klepper (1996) believes that with the evolution of different life cycles of products from gestation to maturity, in the allocation of innovation investment by enterprises, the investment in process innovation will be gradually strengthened, while the rate, types and number of enterprises of product innovation will continue to shrink.

Gobeli and Brown (1993) and Weiss (2003) put forward the innovation social network model. There are three foundations of social innovation network: research

and development, inter-organizational interaction process and knowledge. Knowledge is the production factor and important determinant of innovation. Rosenkranz (2003) understands process innovation as reducing the marginal cost of products, and product innovation is to reduce the possibility of product substitution.

Lukas et al. (2000) proposed that product innovation is the innovation activity of improving, improving or inventing the products produced or operated by enterprises in the process of product production and operation. Ulrich (2011) emphasizes that product innovation is an artistic creation in the process of product development and should become an important tool for enterprises to compete. Nixon (1999) believes that product innovation is the exploration of unknown areas and unknown results in product production, which means the change of products. Successful product innovation is not a spontaneous or random result, but comes from effective management and control. Chandy and Tellis (1998) proposed that product innovation includes two dimensions of innovation: technology and market. Technological innovation represents the technological state of the new product that is significantly different from the original product, and market innovation represents that the new product can better meet the market demand than the original product. In 1971, the SAPHO research project led by Rothwell of Sussex University in the United Kingdom put forward 122 hypothetical variables related to the success or failure of product innovation, compared 43 pairs of successful and failed product innovation projects, and found that 41 of them were statistically significant.

Cooper (1950, 1985, 1989) found eight factors that affect the success or failure of new products, among which the three most critical factors are product advantage, proficiency in pre-development activities and project plan. Gobeli and Brown (1993) investigated 116 product innovation projects and found that the shortage of resources was the main reason for the failure or delay of new product development projects. Thomke and Reinertsen (1998) proposed the concept of agile product development and pointed out the importance of enhancing the flexibility of enterprise product development under uncertain environment. Stanford University's Innovation Project (2003) identified 27 variables significantly related to product innovation success through a statistical analysis of 158 product innovation projects in the U.S. electronics industry.

Combing the past product innovation theory, scholars have studied the connotation of product innovation, product innovation strategy, product innovation organization, product innovation mode, and the influencing factors of the success or failure of product innovation, but seldom touched on the research of creativity to product innovation. However, for traditional Chinese craft enterprises, the impact of creativity on product innovation is very important.

Product Innovation Based on Creativity

To explore the mystery of product innovation from the perspective of creativity, we need to explore four levels of issues. First of all, the value of creativity. Is there any value in creativity? How to judge and measure the value of creativity? In fact, we can understand creativity as creating value and another way of expressing value. The reason for creativity is that creativity has value. Since creativity has value, what is the value of creativity? How to judge and measure the value of creativity? In the traditional sense, creative research is more focused on culture, media, journalism,

art and other disciplines, and its research methods are mostly qualitative, lacking quantitative methods. However, the field of management pays attention to methodology, has measurement methods and tools, and is likely to better solve the value problem of creativity. So the first thing to be solved is the value of creativity. The second thing that needs to be clarified is the generation of ideas. How are ideas generated? Is there any rule to follow in the formation of creativity? The third question is how to spread the idea after it is formed? For example, in the organization, after the design department has formed the idea, does the production and marketing department understand it? If not well understood, there will inevitably be bottlenecks in the process of transforming creativity into value-creating products and commodities. The last point is the commercialization of ideas. What are the rules of the transformation process from ideas to specific products and services? What is the mechanism of action? Through this system, we can spread out the corresponding problems of creativity, and then open the vague and uncertain "black box" of product innovation.

The value field of creativity mainly involves the composition of value and the evaluation method of value. With regard to the composition of value, we can construct a value model containing three dimensions, namely, functional value, the physical expression of creativity, symbolic value, the social expression of creativity, which can connect and present social emotions and belonging through symbols; Creative experience value, experience value is the embodiment of creativity in the contemporary development, it is more a reflection of people's spiritual demands for self-actualization, through the experience of creativity, to achieve the needs of self-actualization. Therefore, creative value is mainly composed of these three dimensions. In terms of evaluation methods, two kinds of representative methods are summarized and sorted out. One is the market-oriented method, which is mainly based on the specific data of the market, such as the value of a creative idea, which is expressed by a specific value; the second is the non-market-oriented method, which mainly obtains indirect data through the market and measures it through a relative value, such as the Yachang Art Index, which measures the value of creativity through non-market-oriented. Market-oriented and non-market-oriented methods have their own characteristics. When evaluating the value of an idea, we should adopt appropriate methods according to the different characteristics of the functional value, symbolic value and experience value of the idea, and obtain them through method integration and method innovation.

The generation of ideas. There are three main channels for the generation of creativity, one is through the formation of creativity within the organization, the other is through users (customers) to form creativity, and the third is open creativity. Open creativity means that the organization obtains creativity from the public through an open form. Therefore, the generation of creativity is no longer the stage in which only geniuses can be creative in the 20th and 19th centuries. Now it has entered an era of mass creativity and social creativity, and the use of resource sharing to achieve creativity has become a normal way. This creative form is not only applied to the traditional cultural industry, but also involves manufacturing, technology, services and many other industries, such as Dell, Starbucks and other well-known enterprises have used the form of crowdsourcing creativity, through an open user information collection platform to obtain ideas, and to transform the ideas obtained into products

and services. Different from the competition mode in the past, crowdsourcing creativity advocates the community mode. The public can share their suggestions and ideas in a more tolerant and relaxed environment without subject restrictions and time restrictions. Relevant enterprises can also obtain more valuable innovative ideas and ideas related to products and services through this open way. In this regard, based on the theory of value co-creation, this paper explores the ways and rules of co-creation between organizations and external enterprises and consumers. For example, a pair of shoes can be decomposed into functional co-creation and aesthetic co-creation from the perspective of creativity. So, what impact will these two kinds of co-creation have on consumers' perception of product quality? What impact will it have on consumers' intention to pay? Is there a mediating role of co-creation satisfaction in this process? Will product expertise and involvement moderate this process? Will these internal mechanisms affect the overall quality of external open co-creation? The study found that the above mechanisms exist. In addition, in the functional co-creation dimension, consumers need professional knowledge, and the system solves functional-related problems through professional knowledge. In the aesthetic co-creation dimension, there is no need for professional knowledge. For participants, as long as they are interested, they can participate in it, and they do not need to learn aesthetics-related knowledge. The findings of such related research are helpful to improve the efficiency of creative value generation.

The diffusion of ideas. After the formation of creativity, it faces both internal and external diffusion problems. The internal diffusion problem means that the creativity generated by the design department may not be recognized by the production and marketing departments, mainly because the production and marketing departments will pay more attention to the process and market. When they do not understand the "creativity" of the creative department, they will think that the creative department is "indulging in self-admiration". Therefore, there is a problem of creative diffusion within the organization. Similarly, there are also issues of diffusion of ideas outside the enterprise, such as whether ideas will be recognized by business partners. One of the important directions of diffusion is the inheritance and innovation of creativity. If an organization wants to develop, it needs both inheritance and innovation. Innovation means both the generation of new ideas and the challenge to previous ideas. Therefore, within the organization, it is necessary to effectively balance and solve the conflict between the inheritance of creativity and innovation. Related issues have also aroused widespread concern in the field of management. Some scholars have put forward the idea of "creative heritage". There is a kind of heritage within the organization that is creative and creative. For example, Yunhua Bamboo Weaving, as a traditional craft enterprise, has developed new products such as fitness Taiji balls based on the "Qingshen Bamboo Weaving" culture under the long-term and repeated background of the epidemic. In the process of product exploration, it not only inherits the existing technology, but also integrates new ideas. Through research, it is found that the inheritance and innovation of creativity not only need to rely on internal forces, but also accept external mechanisms, including the government, industry associations and so on. Through internal and external joint management, the effective expansion of creativity within the organization can be realized, the conflict and contradiction between inheritance and innovation can be effectively balanced, and the development of enterprises in recent years can be realized.

The commercial transformation of ideas. The so-called commercial transformation of creativity is to transform the conceptual value of creativity into commodity value. If the value, generation and diffusion stages of creativity are understood as the basis of creativity, then the commercial transformation of creativity determines the realization of the value of creativity. From the perspective of product innovation, this stage is very important, because product innovation is results-oriented, and without results, innovation will be considered ineffective. This part can be divided into creative human design transformation (including virtual human), physical design transformation (including scene transformation), transformation process, and the mechanism of action in the transformation process. Through the observation, investigation and research of related events to explore the commercial transformation process and its rules of creativity, compared with the value, generation and diffusion of creativity, the commercial transformation of creativity is more closely related to product innovation.

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