

# Symbolic Economy and Creative Management: Cultural and Creative Industries Urging for New Approaches

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## ABSTRACT

It is hard to apply empirical data to outputs of cultural and creative industries (CIs) due to their embodiment of aesthetics, taste, and experience. This article starts from the production side, showing the value chain model being inefficient to delineate the synchronical process and value accumulation of CIs. The article then refers to John B. Thompson's allusion to Pierre Bourdieu's concept of field and capital that defines the logic of the field and establishes a paradigm for CIs analysis. While it is inappropriate to use marketing strategies to decipher the consumption of outputs of CIs as symbolic goods, the examples of publishing industry and Broadway theatre industry explain that not only the consumption of outputs of CIs but also the way to consume such goods need to create experience and lead to accumulation of symbolic value. Therefore, though research on CIs has to consult marketing strategies and business models, it urges mostly a systematic sociology of culture.

### Keywords:

Symbolic goods

Social network

Experience  
marketing

Publishing industry

Performing arts

## Introduction

Cultural industry or creative industries (CIs) have been regarded as the major trend of the 21<sup>st</sup> century. Many political statements declare CIs as the answer to recession and key to economic revitalization, societal prosperity, local development, urban regeneration, and minority equity. However, as governments make policies to subsidize the CIs, the government funding and resources have drawn a variety of business such as food, clothes, accommodation, and transportation claiming themselves as part of the CIs and hoping to take advantage of this social trend. This makes the abstract scope of the CIs even harder to be defined. The ambiguity of terms like *culture* or *creative* then consumes the aesthetics and potential economic effects that the CIs can ignite. When the term “creative industries” becomes a vague slogan, it fails to serve as a national policy for citizens to recognize and identify with. In the end, the image of the CIs turns into some speculative businesses.

In fact, like other industries, the development of the CIs requires proper and systematic planning and business strategies. Before one can come up with any theories and models, it is necessary to figure out the scope and definition of the CIs. Since the scope of CIs usually changes along with different national policies and therefore contains a wide range of industries, it is hard to define what the term CIs includes and excludes. In this case, though there are many literatures and ongoing discussions regarding the concept, definition, and development models of CIs, scholars have not yet reached a general agreement.

In order to tailor proper policies to promote the growth of the CIs, *Creative Economy Report 2010*, published by UNCTAD, outlines several directions for researchers to gather information beforehand:

1. A systematic understanding of the structure of the creative economy, who the stakeholders are, how they relate to one another, and how the creative sector relates to other sectors of the economy;
2. Sound methods to analyze the functioning of the creative economy and to assess the contribution it makes to economic, social and cultural life;
3. Comprehensive statistics to quantify the analytical methods and to provide a systematic basis for evaluation of the contribution of the creative sector to output,

employment, trade and economic growth (2010: 73).

All the information is required for models designed to analyze the production organization and the potential output of the CIs.

What *Creative Economy Report 2010* reflects is that since the CIs is about production, business and profit, many people tend to borrow from and appropriate theories and concepts of business management to discuss the CIs. The *Creative Economy Report 2010* provides a variety of theories that have been designed, appropriated, and used for CIs analysis: basic industrial organization analysis, value-chain analysis, inter-industry analysis, locational analysis, copyright and intellectual property, and contract theory (UNCTAD, 2010: 77). Though these theories are widely applied, if

we examine the CIs closely, the CIs do not just produce “products,” the most distinguishing characteristic of the CIs is the experience created by their symbolic goods. To be more specific, instead of emphasizing functionality, the products of CIs provide symbolic meaning and experience for the consumers. The symbolic value plays a more important part than practical functionality in these services and products (Scott, 2000). It aims to evoke strong emotions related to certain experiences. Thus, appropriation of business management theories has its own limitations because these theories cannot fully explain the phenomena brought up by the CIs, such as the peer-to-peer relationship, the horizontal structure, the accumulation of experience, and the importance of weak-tie social network.

From what we have known, the CIs can be seen as a process of accumulation of capitals, production and dissemination of symbolic goods

through systematic organization and rational planning of its own. Based on the questions and observations mentioned above, this article examines whether or not the current theories of business management, concepts of cultural economy and cultural sociology can explain the unique features and phenomena of the CIs, and further to delineate a possible paradigm for industries that produce symbolic goods.

## The Practice of Production: the Value Chain

To understand an industry, it is necessary to understand the connections and relations between

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each department and sector in the production process. To analyze the relations, the most popular and widely acclaimed theory is the value chain theory published by Michael Porter in *Competitive Advantage: Creating and Sustaining Superior Performance* in 1985. The model is so popular as Chris Bilton describes that nowadays any management students will try to locate the target industry on the value chain in order to analyze potential competition among the rivals and upstream and downstream firms (Lee, 2011: 148). With the value chain model, one can efficiently examine the products or services provided by an industry as a series of activities. For example, Figure 1 shows how an industry gains profit by its support activities (firm infrastructure, procurement, human resources management, and technology) and primary activities (inbound logistics, operations, outbound logistics, marketing sales, and service). Porter's theory is flexible and therefore can be applied to both large and small-scale businesses. Both ends of the value chain can link to new chains: the value chain of a company links to its clients and its suppliers, and an industry links to the local economy of an area.

The value chain theory is most popular among policy makers and development strategy planners of each level of municipal governments in many countries. However, since the theory was designed to analyze traditional type of industries that have vertical structure and clear levels and divisions of responsibility, it shows deficiency when applied to the cases of the CIs. The value chain theory cannot deal with the situations and activities created by the horizontal structure. To be more specific, it cannot explain one of the most distinguishing features of the CIs – the “missing middle.” Looking at the current cases of western post-industrial cities, there are usually a few international corporations that microbusinesses and personal studios connect to and cooperate with. The series of activities and projects cooperated among small and large-scale organizations are described as “the new adhocracy strategy” by Bilton, and the mobility and peer-to-peer relationship are hard to find in the vertical industrial structures. The flexible and new cooperation mode can enhance many critical elements of the CIs, such as the originality, the creativity, innovation, mobility, and customized products. This is because the microbusinesses and personal studios are more sensitive to market trend and consumer taste than the large-scale businesses, and thus they can create

products that appeal to the market and consumers. Once these products are made, the international corporations are in charge of the marketing and promotion, making sure that these products can be delivered to consumers immediately.

The fluid organization re-constructs the value chain since the activities of CIs cannot be located at any certain spot on the value chain, and its production and distribution sometimes overlap and correlate (Lee, 2011: 148). In addition to the “missing middle,” Bilton categorizes three overarching phenomena of the CIs: self-management, re-thinking the value chain, and value and motives (Lee, 2011: 143). These phenomena can be seen as a response to the *project-oriented* characteristics of the CIs and therefore the flexibility, efficiency, and how the type of organization influences the workforce and market have been hot topics. In the project-oriented organization, it is common to transfer between jobs. A project would be handed to a group of creative workers who gather for this one and only case. After the case is completed, the group dismisses. The best example can be found in film industries. Usually a producer or a director establishes a production company and cooperates with large-scale distribution companies (usually a studio) to raise funds for the project and to strive for opportunities for the films to be distributed and played in theatres. When the company has enough funding and the film is ready to shoot, the size of the company would enlarge from a few people to dozens and hundreds (or thousands for Hollywood films) of people. But when the film finishes shooting, the group dismisses and the company “disappears”.

In order to cope with these phenomena and what Porter's theory cannot support, scholars endeavor to come up with new solutions. Among the many new models and theories, most of the scholars are prone to use the “Creative-industry value chain” model (Figure 2) created by British scholar, Andy C. Pratt to explain the organization of the CIs. In this model, the first stage is creation, which includes everything involved creating, including the raw materials and the earliest stage of intellectual property development. Any forms – from books to dance, architecture to fashion, digital arts to folklore, music arrangement to digitalized content, multimedia, software packs, video games, and trademarks – can be considered as creation. The second stage is to produce or reproduce what was created in the first stage, including any media, materials, final products,

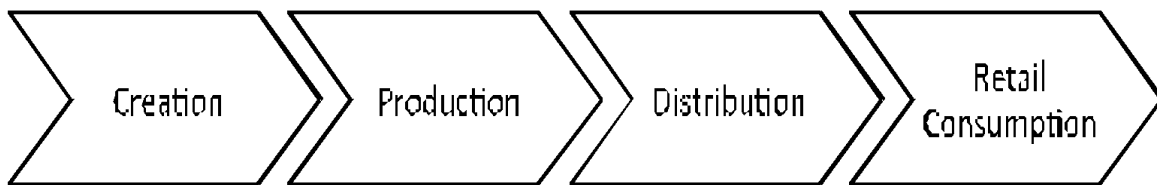


FIGURE 2. ANDY PRATT'S VALUE CHAIN MODEL

or models. The third stage is actually a series of activities, which means to deliver the creative service and symbolic goods to the hands of consumers by networking and retailing outlets. Mostly it relies on marketing strategies, and in the present time it involves the creation, innovation, and dissemination of new digital formats, too. The final stage is to display and sell the products of the CIs as a certain forms of commodity (such as books or CDs) in an exhibition space, no matter if real or digital (Lee, 2011: 64-65).

Pratt's model can best illustrate the audio/visual industries: producing contents of highly aesthetic quality in order to gain profits. The production begins with exploiting social and cultural resources (literature, drama, music, history, painting, etc.) and then uses technology to achieve mass production. The function of market then transforms the products into commodity. Finally, by marketing strategies and transportation system it gains economic profits throughout the world.

Many scholars believe Pratt's model explains the operation and the relationship between each organization of the CIs. However, though Pratt's model is regarded as universally applicable to the CIs, it is also regarded as too simple to illustrate

the vertical and horizontal integration, the flow of creative energy, and the conventions of practice of production.

### Accumulation of Value: the Logic of Field and the Concept of Capital

British scholar John B. Thompson discusses the concept of value chain and the difference between it and supply chain by a case study of publishing industry. By supply chain (Figure 3), Thompson means books (either in paper or digital form) as a cultural content and how it goes through a series of organizational links. The chain starts from creation (the writer), then to the agent, publisher, printer, distributor, and then to various retailing spaces, such as wholesaler, library, indi bookstores. This process can be seen as commodification that shows how "books" transform from a stack of bound papers to symbolic goods.

Looking at the supply chain from the perspective of industry management, it is almost the same as value chain because in such a process, every node (for example, signing contracts, editing,

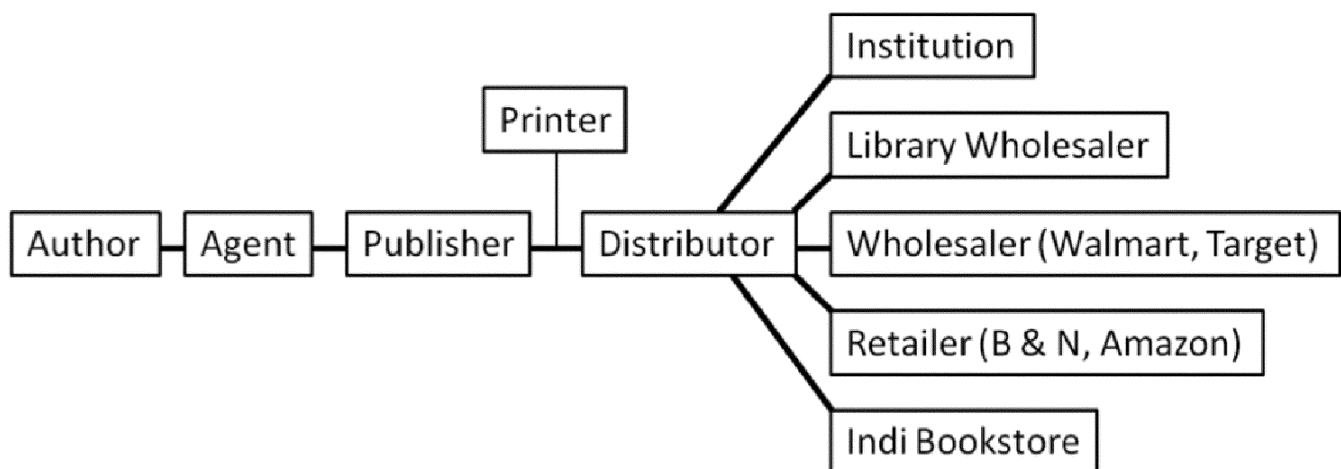


FIGURE 3. JOHN THOMPSON'S PUBLISHING INDUSTRY SUPPLY CHAIN



FIGURE 4. PUBLISHING INDUSTRY VALUE CHAIN

proofreading, etc.) adds new value to the final product (Figure 4). But if we examine it from the perspective of the CIs, there is still some difference between a value chain and a supply chain because the concept of value chain should be more than a process of value accumulation.

The value of a cultural commodity lays not in the vessel/container but in the signifying system it re/presents. For the consumer, a book, in terms of materiality, is a bundle of papers that have been printed with ink characters and bound together. This bundle itself does not contain too much value and meaning; instead, the value and meaning come from the content, such as intellectual thinking and the aesthetics (including editing, graphics, binding, etc.).

In order to observe and delineate the organization of publishing industry systematically, Thompson points out that though market is critical, the concept itself is too narrow to explain the whole publishing industry; rather, the publishing industry should be treated as many correlated worlds – or fields. To explain “fields,” Thompson alludes to French scholar Pierre Bourdieu’s concept, to define it as a space constituted by social statuses. Inside the space, there are agents and organizations, and the statuses of these agents and organizations are decided by the amount of “capitals” they possess (Bourdieu, 1993). Bourdieu’s concept of field can explain the complicated relationship, dynamic reciprocity, cooperation, competition, and

reliance among agents and organizations of each profession in a certain time and space. The scope of field is larger than the scope of market and it can illustrate the dynamic and correlative relationships. Therefore, it is more suitable to use the theory to explain the CIs rather than theories designed to explain vertical industrial structure. Since there is more than one field in the publishing industry, the statuses of each agent and organization in the industry will be decided by the capitals they possess or can manipulate.

Further, by explaining the production and dissemination of the signifying system, Thompson concludes the logic of field to delineate the inner energies, which is regarded as “capital” here, that agents and organizations need in order to run business and even succeed in the industry. Unlike the capitals required by mass manufacturing industries, the CIs are established upon symbolic meaning, and the economic effects of symbolic meaning are closely associated with taste, identity, aesthetics, and experience. By these factors, Thompson proposes that in the British and USA publishing industry (fiction and non-fiction but excludes the academic and teaching categories), the following are the major capitals: economic capital, human capital, intellectual capital, social capital, and symbolic capital (Thompson, 2010: 5). Any industries, and of course the publishing industry, need economic capital; human capital means writers and other human resources such as agents,

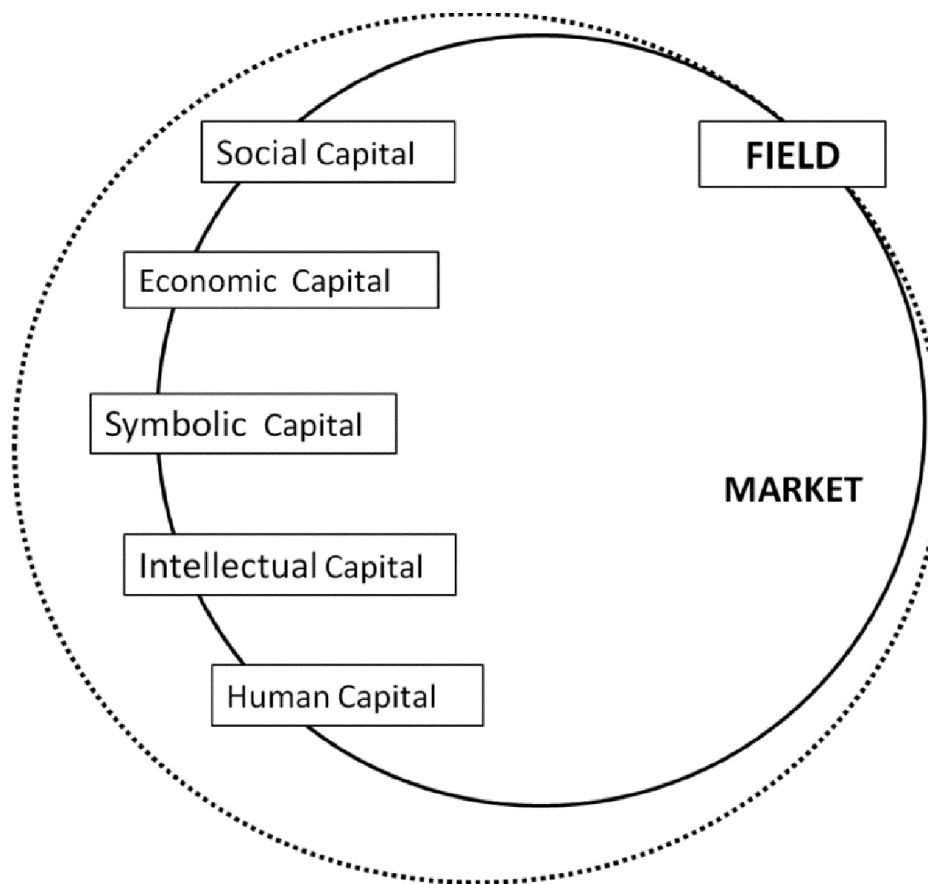


FIGURE 5. LOGIC OF FIELD OF PUBLISHING INDUSTRY

editors, project managers, graphic designers; and to be able to use these human resources requires social capital – the connection in social network. Then, most of the CIs rely on intellectual capital, because original creation is the foundation of products of the CIs. Finally, symbolic capital represents the taste and reputation of agents and organizations in the industry. Usually, possessing more symbolic capitals means higher possibility of possessing other capitals. For writers, agents, editors, graphic designers, publishers, printing factories, and distributors, each capital these agents and organizations possess influences the value of the products and the profits they can gain from market.

With Thompson's theory, it is able to examine the complicated practice and production of performance business. Take the Broadway theatre industries as an example. A production requires producers, managers, designers (costume, props, etc.), staff, artists (performers or orchestra), sponsors, and supporting trades at the pre-production stage. Except for the directors and the performers, at the production stage, the creative workers can be divided into divisions of set, light, props, sound, and costume. Many productions will have extra divisions when there is more technology involvement, such as video (including monitoring), automation, special effects,

puppets, and flying. In addition, during the whole process, there are people constantly paying attention to or in charge of public relations, making schedule, reservations, logistics (delivering sets, props, and costumes), and post-production staff. If it is a touring production, then it requires even more number and kind of creative workers.

For the production of Broadway theatre industry, it can be suggested that the following capitals are rather critical: human capital, economic capital, symbolic capital, intellectual capital, social capital, and audience/environment capital. Human capital represents all the creative workers involved in the production, and the production process described above relies on the cooperation among professionals, which means social capital. All business requires economic capital. The sponsors can be corporations, producers, or financial strategies. And like the other businesses of the CIs, the intellectual capital plays an important role. What makes difference is the audience/environment capital. In publishing industry, books are delivered to the target consumers after being "produced"; however, a performance needs to have audience come to watch and experience the production, and therefore makes audience capital rather critical. There should be an environment full of

potential audiences who are willing to consume the “products” produced by theatre industry or an environment the audience is willing to come to. When the performances are well acclaimed and receive positive reviews, it gradually accumulates symbolic capitals, including the reputation of the creative workers, the popularity of a production, the branding name of a theatre, or like the Broadway theatre industry: the industry itself and the whole area where the industry is located accumulate such a great amount of symbolic capitals that the image of New York City is coined with its theatre business.

The concepts Thompson proposes for the research on publishing industry can be applied to wider range of the CIs and the “missing middle” that business management theories cannot explain. It can delineate the dynamic organization and both tangible and intangible capitals of the CIs.

## Marketing Strategy: the Gap between Needs and Desire

As mentioned above, many scholars tend to use theories of business management to examine phenomena created by the CIs. In addition to the value chain model, the marketing strategies such as 4P or any 4P-related theories are often appropriated for the discussion of the CIs.

In the 4P strategy, the 4P represents price, product, place, and promotion. The earliest concept was proposed by Neil Borden, but it did not become a theory until Jerome McCarthy published *Basic Marketing: A Managerial Approach* in 1960. 4P strategy helps industries categorize and simplify all the factors in market to four major ones. In the 1990s, B. Booms and M. Bitner added the other 3P – people, process, and physical environment (refers to guarantee of high quality) – to the original 4P model to make it more suitable for analyzing service and knowledge industries (Hoffman & Bateson, 2011). Although the theory of 7P signals people started to be aware of human resources and the importance of interactions with customers increases, it still focuses on the supply side and how to sell products to customers from the industries’ perspective (Singh & Kumar, 2011), for example, providing free samples or advertising successful cases to customers.

Since the 4P model was originally designed for analyzing traditional mass manufacturing industries, focusing on the function of products and top-down management, the model cannot cope with evolvement of industrial type. Therefore, after the importance of customer increased in the 1990s, the discussion on 4C strategy started to take over the place of 4P and 7P strategies. 4C stands for consumer, cost,

convenience, and communication. This shows that it was no longer about selling products to customers from the industries’ perspective but about satisfying the needs of customers. For example, Microsoft used to follow the instructions of engineers and computer experts to design and decide their products, but in 1999, Microsoft officially adjusted their strategies to 4C and initiated customer survey projects, making the products designed according to the needs of customers.<sup>1</sup> However, though 4C model changed how the products are designed, the target is still to satisfy the needs of customer, and it is different from the core of the CIs – the symbolic value and desire of consumer.

Scholars point out that the fact that new models such as 6P, 7P, or 12P keep coming up to cope with the change of market and industries shows the deficiency and limitations of the original 4P model. In order to make up for the defects, the model has been revised from time to time. After the 4C model, there are more models revised according to similar rules, such as 4R or 4S (Diagram 1). 4R strategy emphasizes the market reaction, which means that, by observing and testing the market, the industry can response to the needs of market immediately (Ettenberg, 2001). By satisfying the needs of customers and ameliorating the products, companies that use 4R strategy are able to cultivate positive relation with customers. However, a positive relation does not equal to *identity*, which propels the consumption of products of the CIs. And as for the 4S model mentioned in the diagram, it is mostly designed for the online marketing and therefore not suitable for analyzing industries other than online trading (Constantinides, 2002). To sum up, if the model needs constant revision it is because it was designed at first for *selling products* and then modified to *satisfy the needs of customer*.

Understanding the feelings of customers, and building image and brand names are the highest standards of today’s business management and marketing strategies. Many people believe these standards are also applicable to the CIs since they also emphasize market and economic effects. However, when more and more “cultural” and “creative” statements make the definition and scope of the CIs obscure, and if even 7P, 4C, 4R, or 4S cannot suffice to explain the phenomena of the knowledge industries or service sectors, then how can these theories and models properly examine the operation, core concept, and characteristics of the CIs? After all, if we want to examine and analyze the CIs, we have to apply theories and models that can examine and explain the core of CIs: the symbolic meaning and desire that create both its uneconomic and economic values respectively.

<sup>1</sup> New Promotion Strategy, “The History of Promotion Strategy: the Era of Tools 1990~1999,” retrieved April 15, 2012 [on line] [http://huagw.blog.hexun.com.tw/23467141\\_d.html](http://huagw.blog.hexun.com.tw/23467141_d.html)

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## The Value: Experience and Desire

The scope of the CIs is hard to define, and the products vary a lot from the embodied to the disembodied, but no matter in what form, the value of the CIs always builds upon the symbolic meaning and consumer’s desire to experience. Therefore, we can divide the CIs into two categories according to how consumers can access and experience the products: one represents bringing the content to audience, and the other represents bringing audiences to the content (Centre for Urban & Regional Development Study, 2011: 18). The former category includes industries such as publishing, film, broadcasting, video game, or music. All the products of these industries can be delivered to the customers by relatively low cost for reproduction, distribution networking, and intellectual rights management. On the other hand, the audience to content type of businesses can be represented by performing arts, galleries, museums, and festivals/events. The productivity of these industries is limited to time and space, and therefore they rely on marketing strategies to create highly social expectation in order to attract consumers to a certain space during a certain time to experience their products.

Take the publishing industry as an example of “content to audience” type of business, the value of a book lies in the aesthetics it possesses, which represents and reinforces a belief and trend of society and from what it claims to represent it creates anticipation. Thompson marks several retailing outlets, such as wholesaler, library institution, retailer, online bookstore, or indi bookstore. These places are indeed where the USA citizens buy books nowadays. However, knowing the retailing outlets cannot explain how books gain economic benefits from uneconomic value. Some might say that people want to buy books at wholesalers or chain stores because the prices there are much lower, but discount can only be seen as a promotion strategy, and promotion strategies are not the keys to decipher the accumulation of economic and symbolic capitals that create the experience and anticipation. After all, the cost of book reproduction is relatively low, and it is different from luxuries. It cannot raise prices simply because of brand name or fashion trend. Books have fixed prices, and no matter if they are sold in wholesalers, chain stores, online bookstore, or indi bookstores, the price range won’t be too wide. In this case, the economic effects come from

the amount of products sold after creating a trend. In other words, cultural goods have to establish a myth, a connotative speech represents its value discourse (Sontag, 1988: 93). Through the system, anticipations grow, and from the anticipations, consumers become anxious and foster their desires.

The necessity of creating a myth is reflected by the *second commercialization* – the close relationship between publishing industry and film industry nowadays. A lot of people will watch a film adapted from a bestselling book or read the original novels after watching the film. To name a few, both films *The Girl with the Dragon Tattoo* and *Hunger Games* are adapted from hot sell novels, and though *Sherlock Holmes* series has been regarded as detective classics, it regained great popularity after the launch of a series of movie and TV adaptations. This phenomenon, called “mega-text,” shows that, in order to cope with the high-risk characteristic of the CIs and to establish consumer’s identity quickly, more and more products are adapted from consumer’s familiar topics or other products that have already created a trend. The new products then follow the precedent successful cases.

Looking at the “audience to content” type of businesses, the success also builds upon the anticipation of a society. Take the performance business as an example. Normally a performance in an area has its fixed price, too. For example, a ticket for the Broadway musical performance usually costs \$130, and off-Broadway tickets cost less than \$100. Only in a few situations the ticket prices would vary too much from the range. However, it costs a great amount of money, human resources, and time (from several months to years) to complete one production. The final product of the investment is a live performance, an experience which will vanish and disappear into the air after the performance. The disembodied cannot be kept in a form and traded as a tangible commodity. Therefore, if a production cannot create anticipation, it can hardly meet the ends with the investment. For example, there used to be a performing group in Taiwan whose mission was to promote the “original” Broadway musical performance in Taiwan. The performing group spent millions of NT dollars on their production, building sets, props, and costumes identical to the original Broadway production. However, the production was only performed for five days. There was no myth



or anticipation created beforehand and no second commercialization after the show closed, resulting in the bankruptcy of the performing group.<sup>2</sup>

In the era of globalization, it is not enough for a product merely possessing high quality. Since there are so many products of the same category in the market, it needs a power to propel the desire in consumers and make them willing to get away from daily works, to spare time, and to pay the money for the exchange value of the products.

## The Accumulation of Symbolic Capital and Physical Space

Not only the product itself needs to accumulate symbolic capitals, the shopping and exhibition spaces also need to create context and turn themselves into a space for experience. The more capitals the space accumulates, the more it might be able to ignite spillover effects. Just like the bookstores in the present time can no longer exist as merely bookstores, and movie theatres are constructed inside malls, and theatres are designed as part of the tourist destinations. John Hannigan mentions in his book *Fantasy City: Pleasure and Profit in the Postmodern Metropolis* that there are three common types that combine entertainment, tourism, and experience: *shoppertainment*, *eatertainment*, and *edutainment* (Hannigan, 1998: 76-95). This shows that it is not enough to offer just one service, such as shopping, eating, or education (visiting galleries or museums), to attract consumers; all of them have to combine with other kinds of entertainment. In this way, these spaces cannot be categorized as retailing or shopping spaces. It has to be seen as a space for experience. The spaces expand and then become nodes on the web/networking in a geographical area. If a space accumulated enough capitals, it might be able to turn the whole region, or even a city, into an experience space.

Take the Broadway theatre district as an example. If we exclude the actual profits earned from ticket sales, the economic effects brought by the

experience space and spillover effects are critical to the local economy. Elizabeth Currid points out in *The Warhol Economy* (2002) that people always consider NYC as an economic and commercial center, but according to the statistics, the ratios for commercial activities in NYC are lower than in other metropolis cities, such as Chicago and Los Angeles. In fact, the most energetic industry in the NYC is its CIs (Currid, 2002). For example, the performance business is not restrained in the Broadway, off-Broadway, and off-off Broadway theatre areas but has already expanded to Queens. A great amount of productions were staged in these areas, and a lot of creative workers flow in and out. Except for these creative workers, tourists flood in to NYC and make "watching a Broadway

production" as the priority on their must-do lists. When tourists come to watch these theatre productions, they do not stay for one production and then leave the city. Instead, they will stay in the city and therefore consume souvenirs, food, mass transportation, accommodation, etc. – all these spillover effects revolve around the performance business. In this way, the Broadway theatre area and even the New York City accumulate enough symbolic capitals that can create anticipations and turn "watching a theatre production in NYC" itself into a desire, a trend, an experience that is worth to savor slowly.

## Conclusion

The reason why it is hard to define the CIs is because its scope changes with different national policies. The products vary from one another and are associated with abstract factors such as aesthetics, taste, symbols, and experience. It is hard to be

examined with empirical methodologies and analyzed by business management theories or models. In order to appropriate the current theories, for example, the value chain model, for the analysis of the CIs, scholars keep discussing and searching for a more efficient way to delineate the production mode of the CIs. The model proposed by Pratt tries to explain the operation of the CIs. Then, Thompson alludes to Bourdieu's concept of field and capital to conclude the logic of field for the publishing industry. His theory

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<sup>2</sup> The discussion was based upon the case of Lan Creators, a Taiwanese performing group. The group staged *Into the Woods* in 2006. When it dismissed in 2008, the group was in a debt of more than NTD 7 millions. Chen, Jing-Hau, "The Broadway Musical of the Children Born in the 1970s: A Miracle After Lan Creator's 7 Million Debt," retrieved May 22, 2012 [on line] [http://www.gvm.com.tw/Boardcontent\\_14160\\_1.html](http://www.gvm.com.tw/Boardcontent_14160_1.html)

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offers insight and a paradigm for the analysis of the CIs.

It is conventional to think of and appropriate the current theories and models when discussing the operation of the CIs. Indeed, the production and consumption of the CIs is an integrated and diachronical process, and this easily makes us believe that the process is lineal and a one-way system. However, this is a fallacy that makes us overlook the relation between the cause and effect. The operation of the CIs relies on agents and organizations of all levels, scales, and professions to provide their services and contribute to each other’s production. The flexibility lowers the risk and evokes innovation. Thompson’s research proves that these interactions are diachronical, but they are also highly synchronical. Thus, instead of calling it a *chain*, it would be more suitable to say we are examining the *value web* of the CIs. As for the marketing strategies, the CIs require more than promotion strategies to gain economic profits. Though marketing strategies such as 4P or 4C model evolve along with time, they cannot fully explain the market and response of the CIs, which rely on symbolic content, anticipation, and experience.

The product of the CIs is a symbolic good which represents a system of symbols. It builds upon the consumers’ imagination but also requires their background knowledge in a certain structured social situations. For the CIs, the culture and history of a society is the raw material; the life style, value discourse, and taste are the guides for creation and production, and the members of the society constitute the market. Any creation, production, distribution, and consumption and accumulation of experience happen in the dynamic social networking space. This offers some insight as more and more governments and investors in Asia try to establish their own “Broadway,” “Hollywood,” or “Silicon Valley” while ignoring the historic context and socioeconomic development which construct the background in post-industrial western experiences. Therefore, though the research of the CIs has to refer to business management theories and models, it urges mostly a systematic sociology of culture.

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