

Analysis of the Commercial Value of China's Intangible Cultural Heritage Guangcai

- A Study Based on SWOT Analysis

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Abstract: The contemporary Chinese intangible cultural heritage industry, represented by Guangcai, has garnered considerable attention due to its distinctive aesthetic qualities and rich historical heritage. However, a comprehensive exploration of its commercial value remains a research gap. This study aims to address this gap by employing the SWOT analysis framework to comprehensively analyze the strengths, weaknesses, opportunities, and threats of Guangcai. Through an in-depth analysis, targeted recommendations have been formulated to facilitate the sustainable development of the Guangcai industry. The research findings highlight Guangcai's aesthetic advantages and geographical trade advantages in the international market, alongside challenges such as a shrinking labor market and limited visibility. Moreover, Guangcai faces opportunities arising from the increasing societal demand and the digitalization of the internet, as well as threats associated with the continuous substitution of foreign art and shifts in the international landscape. This study offers strategic and practical insights, providing valuable applications for the government, businesses, and practitioners, propelling the commercial development and cultural preservation of China's traditional intangible heritage industry.

Keywords: Intangible Cultural Heritage, Guangcai, Commercial Value, SWOT Analysis, China

1. Introduction

The term 'Guangcai' lacks a precise definition to date, but broadly speaking, it emerged in the late Kangxi period of the Qing Dynasty. It specifically refers to ceramic pieces produced in Jingdezhen and adorned with overglaze polychrome painting in the Guangzhou region. Originating to meet the demands of the European market, this category of ceramics was primarily tailored for export to various corners of the world. It stands as a ceramic classification named after its place of origin, characterized by its vibrant artistic attributes. Hence, 'Guangcai' constitutes an overglaze polychrome ceramic art form that emerged from the foundation of Jingdezhen's painted porcelain, skillfully blended with the distinctive features of the southern Guangdong region, as well as notable foreign influences. Over time, it has transformed into a widely accepted nomenclature for this specific genre of polychrome ceramics.

"Guangcai" represents a significant material conduit of Lingnan culture, embodying the continuous amalgamation and innovative interplay between Eastern and Western cultural influences. It possesses distinct temporal attributes. However, the contemporary significance and recognition of "Guangcai" remain inadequately acknowledged and comprehended. As a representative of intangible cultural heritage transmission, "Guangcai" exhibits traits of "customization, aesthetic elegance, and innovation." Moreover, it encompasses multiple dimensions of value, including artistic, cultural, and economic aspects. Nonetheless, the present era presents a series of challenges for "Guangcai," highlighting the need to comprehensively assess its commercial value from both historical lineage and contemporary perspectives. This assessment holds pivotal pragmatic implications and theoretical foundations for products within the realm of intangible cultural heritage.

This paper focuses on the development of China's intangible cultural heritage - Guangcai, utilizing the SWOT analysis method for research. Additionally, it offers pertinent policy recommendations aimed at facilitating the improved development of Guangcai, an intangible cultural heritage.

2. Literature Review

Relevant to the present study, the first category of literature centers on ceramic research in Jingdezhen. Zhao [1] delves into the scope of marketing and trade routes of Jingdezhen ceramics, exploring the sales market distribution of ceramics during the Ming and Qing periods on a global scale, as well as the marketing pathways by which ceramics were transported from Jingdezhen to various parts of the world. Additionally, in response to the distinctive cultural phenomenon of "stall economy" and individual ceramic brands in Jingdezhen, He and Li [2] conduct an in-depth analysis of the phased characteristics of the "stall" model and the developmental advantages of individual ceramic brands. Through methods such as literature research and comparative case analysis, they seek pivotal points for the transformation of the "stall economy" into the design of individual ceramic brands in Jingdezhen. Within the broader context of the digital economy, Yang et al. [3] posit that Jingdezhen's ceramic cultural and creative industry has long-standing issues concerning talent, marketing, channels, scale, and branding. Addressing these issues, they offer reasoned recommendations aimed at facilitating the long-term, sustainable development of the ceramic cultural and creative industry in Jingdezhen. However, Wang and Zhou [4] have observed in actual production that certain enterprises still possess defects in ceramic production, affecting the efficacy of low-carbon economic implementation.

Another category of literature relevant to this study involves the exploration of ceramics in Guangdong. In the context of the Chinese ceramic industry, Guangdong Foshan ceramics hold a pivotal position. As China's national economy transitions into the "new normal," Guangdong faces increased opportunities and responsibilities [5]. Despite Foshan Shiwang ceramics boasting a history of 5000 years in pottery production, the current Foshan Shiwang ceramic cultural industry continues to adhere to traditional developmental models, lagging in the modern market economy competition [6]. Thus, Gao [7] asserts that the Foshan architectural ceramics industry should comprehensively seize development opportunities brought about by initiatives like the "Belt and Road," "Beautiful Villages," and the "Guangdong-Hong Kong-Macao Greater Bay Area," while unearthing latent market spaces.

The implementation of the Guangdong-Hong Kong-Macao Greater Bay Area development plan holds significant implications. It not only initiates new economic globalization strategies since China's reform and opening-up, but also promotes the rational allocation of advantageous resources, capacity collaboration, and the extension of the industrial value chain. This plan profoundly impacts establishing a diversified development model for China's architectural ceramics industry, enhancing competitive advantages, fostering an intelligent architectural ceramics industry, and exploring innovative new formats and modes in architectural ceramics [8]. For ceramic cluster industries,

regional branding within industry clusters is one of the pathways to optimize corporate transformation and upgrading. Relying on brand operations to shift from low-end manufacturing to brand management, enhancing brand image, and establishing international significance for ceramic brands play a pivotal role [9].

Throughout the existing literature, this paper exhibits potential innovations:

First, the primary theoretical contribution of this study lies in the novelty of the chosen topic. Although research on the ceramic industry is relatively extensive, there is a notable dearth of in-depth exploration concerning the commercial value of China's intangible cultural heritage, Guangcai. This paper takes Guangcai as the research subject and delves into its commercial value from the perspective of SWOT analysis, filling a gap in existing research. The originality of this research not only highlights the distinctive status of Guangcai as an intangible cultural heritage but also provides new entry points for future studies in related fields.

Second, this paper employs the SWOT analysis method, which integrates considerations of internal and external environmental factors, enabling a comprehensive assessment of the strengths, weaknesses, opportunities, and threats of the Guangcai industry. The application contribution of the SWOT analysis lies in providing a systematic and scientific analytical framework for the Guangcai industry, offering decision-makers clear strategic directions and action guidelines.

Third, this paper transcends the realm of theory and endeavors to provide practical and actionable recommendations for the development of the Guangcai industry. These suggestions are targeted and practical, encompassing initiatives such as promoting cultural products, enhancing international marketing, and leveraging Internet technologies. These strategic and applied values can serve as references for governments, businesses, and practitioners, propelling the Guangcai industry toward a more prosperous and sustainable direction, bearing tangible policy and practical significance.

3. SWOT Analysis

The SWOT analysis method, proposed by scholar Albert Humphrey, serves to analyze the internal and external factors of organizations, offering strategic decision-making guidance. Through this approach, organizations can recognize both strengths and weaknesses, thereby identifying market opportunities and optimizing the use of available resources. This aids in formulating strategies that align with an organization's profile while facilitating its robust development. The significance of SWOT lies in its systematic linkage and alignment of disparate factors, allowing for comprehensive analysis and comparison. This, in turn, assists organizations in formulating plans and strategies with greater scientific rigor.

Within SWOT analysis, "Strengths" refer to the internal advantages and positive attributes of the subject under study, encompassing skills, resources, uniqueness, and more. "Weaknesses" pertain to internal limitations and constraints, potentially involving deficiencies in resources, technological weaknesses, and related aspects. "Opportunities" encompass external environmental factors that could bring benefits, such as market trends and advancements in technology. "Threats" indicate external environmental factors that could negatively impact the subject under study, such as intensified competition and regulatory changes.

3.1. Strengths (S)

Guangcai possesses internationally recognized aesthetic advantages. Guangcai porcelain is renowned for its vivid colors, intricate composition, and splendid brilliance, endowing it with unique aesthetic value that attracts numerous consumers in Western markets. Additionally, Guangcai porcelain effectively leverages its integrative and inclusive advantages to meet the demands of the Western market for high-quality, uniquely designed products. By blending traditional Chinese ceramic

craftsmanship with Western aesthetic trends, Guangcai porcelain creates captivating artworks, emerging as an outstanding representative of ceramics tailored for Western markets. This success has garnered widespread recognition on the international stage, granting it a distinctive position and commercial value in international trade.

Guangcai enjoys geographical advantages in international trade. Throughout millennia, Guangzhou in China has been a hub for international trade, serving as the gateway from China to the world. Even during the Qing Dynasty, all foreign trade, especially porcelain trade, had to pass through Guangzhou. Thus, being a traditional ceramic craft in the Guangzhou region, Guangcai holds a solid geographical advantage in international trade, presenting substantial commercial value exportable to any country or region.

3.2. Weakness (W)

Guangcai faces the detriment of a continuously shrinking labor market. This arises from the distinctiveness and complexity of Guangcai porcelain craftsmanship, as well as the long-term commitment required for nurturing successors. Specifically, Guangcai, being a precious treasure of traditional handicrafts, relies on the perseverance of multiple generations of successors for its continued legacy. Furthermore, Guangcai is an art that is easy to enter but difficult to master; an apprentice must dedicate a minimum of ten years to learning and perfecting the craft. This extended training period renders the cultivation of the new generation of successors complex and costly, diminishing the allure of potential inheritors. As the workforce possessing this traditional craft diminishes, it directly hampers the future sustainability and commercial potential of Guangcai.

Guangcai encounters the drawback of relatively low visibility. Primarily produced for export, Guangcai lacks substantial recognition among domestic consumers, especially among the younger demographic and those residing beyond the Guangzhou region. Consumers tend to gravitate towards familiar brands or products, and brand recognition is often closely tied to market share and sales volume. Consequently, Guangcai's modest visibility may impede its reception and trustworthiness in the domestic market, thereby directly affecting its potential for enhanced commercial value within the domestic sphere.

3.3. Opportunities (O)

The demand for traditional crafts like Guangcai is consistently increasing in society. Amid economic prosperity and social harmony, consumers are no longer satisfied with material products alone; they are shifting towards acquiring spiritual products. The development of the traditional crafts industry has become a topic of considerable consumer interest. Consumers now possess a deeper understanding of the value and uniqueness of traditional crafts, recognizing them as a part of cultural heritage, replete with historical, artistic, and craft-rich connotations. Consequently, an increasing number of individuals are opting to purchase traditional crafts, presenting a positive trend for Guangcai's traditional craft. This opportunity can facilitate a better inheritance and development of Guangcai's traditional craft domestically and internationally, injecting fresh vigor into its commercial value on the international market.

The digitalization facilitated by the internet advances the development of Guangcai. Digitalization through the Internet has pervaded various facets of people's lives, and the emergence of "Internet+" has brought forth more convenient and extensive means for the exhibition and dissemination of Guangcai. Through digital design and leveraging internet channels, Guangcai can attain broader promotion and publicity using tools such as AR, enhancing product visibility and attracting more potential consumers. This not only provides new pathways for expanding the market of Guangcai's

traditional craft but also reinforces its competitiveness in terms of commercial value, enabling it to better align with the demands and trends of the modern digital age.

3.4. Threats (T)

Foreign art is continuously replacing traditional Chinese art. With the advancement of globalization, the influence of foreign art and culture is steadily growing in China. This trend might result in a waning interest among the younger generation in traditional art. The impact of foreign culture and the rise of emerging media pose a threat to the preservation of traditional art. Younger individuals are more susceptible to the allure of fashion and popular culture, potentially overlooking the value and significance of traditional art. Foreign art and culture could adversely affect the market for Guangcai products, posing a threat to its commercial value.

Guangcai faces the threat of geopolitical dynamics. Events such as the 2003 Iraq War and the outbreak of SARS severely disrupted Guangcai's exports, plunging it into a price war that led many enterprises to collapse rapidly. In 2003, the export volume of Guangdong-colored porcelain plummeted from one container per week to just one per month. This highlights Guangcai's dependence on exports, making it highly susceptible to shifts in the international geopolitical landscape. Consequently, it may experience a decline in market share, impacting its commercial value in the international market.

4. SWOT Matric and Strategy

Table 1: Swot Matric.

SWOT	Content
Strengths	International recognition of aesthetics and geographical advantage in international trade.
Weaknesses	The shrinking labor market and low brand visibility.
Opportunities	The rising demand for traditional crafts like Guangcai in society, along with the digitalization facilitated by the internet driving the advancement of Guangcai.
Threats	The continuous replacement of traditional Chinese art by foreign art, and influences of changes in the international landscape.

4.1. Growth Strategy/ SO (strengths-opportunities) Strategies

Guangcai can leverage its already popular product features both domestically and internationally to innovatively develop personalized colorful porcelain products that meet the evolving consumption needs of different countries. Combining Guangcai's geographical advantage in international trade, it can promote culturally significant products needed by various countries for export.

Guangcai should focus on the international market's aesthetics and, leveraging the advantages of international trade, undertake digital brand promotion. This includes establishing a modern e-commerce website, utilizing social media for global marketing, offering online education and workshops, and creating a user interaction platform.

4.2. Transformation Strategy/ WO (weaknesses-opportunities) Strategies

Guangcai enterprises should actively adopt Internet digitalization technologies to address the challenges of increasing market visibility and the continuous shrinking of the labor market. On one hand, firstly, establish an online platform allowing consumers to browse Guangcai products, understand the craftsmanship process, and provide digital design tools to engage more young consumers in product innovation. Secondly, develop e-commerce channels, including establishing an

e-commerce website or strengthening social media presence to expand the domestic market scope of Guangcai products. Lastly, implement digital marketing and brand promotion strategies, including digital advertising through platforms like social media, to enhance Guangcai's visibility, guide consumers in understanding the product value, and enter the intangible cultural heritage preservation realm.

On the other hand, the government should cater to the consumption demands of society for Guangcai products and invest actively in Guangcai cultural preservation and education to cultivate a new generation of Guangcai craftsmen. This includes firstly establishing Guangcai craftsmanship schools or training centers to attract young students to learn Guangcai craftsmanship, and providing scholarships and training programs to ensure the preservation of the craft. Secondly, collaborating with other ceramic craft groups to promote skill inheritance and exchange of experiences, collectively advancing the development of traditional Chinese crafts. Lastly, organizing Guangcai cultural education activities such as craft exhibitions, lectures, and workshops to enhance public awareness and understanding of Guangcai, propagating traditional cultural values.

4.3. Longboard Strategy/ ST (Strengths-Threats) Strategies

By leveraging cross-cultural integration and cultural preservation, fully exploit Guangcai's internationally recognized aesthetic advantage and geographical trade advantage. Enterprises can actively collaborate with international artists and designers, and innovate traditional Guangcai craftsmanship to meet modern consumer demands while reinforcing the protection of local traditional culture. Utilize government support and policy formulation to promote cultural education, brand promotion, and international exhibitions, elevating the Guangcai brand on the international stage. This strategy also needs to consider the shift of Guangcai from external demand to internal demand, expanding the domestic market, mitigating the impact of potential international situation changes, and achieving long-term sustainable growth.

4.4. Defensive Strategy/ WT (Weaknesses-Threats) Strategies

Guangcai should focus on overcoming the disadvantages of a shrinking labor market and low visibility while proactively addressing the threats of substitution by foreign art and fluctuations in the international situation. This can be achieved through brand construction and promotion, workforce development, and the inheritance of craftsmanship. Additionally, diversification to develop international markets and strengthening cooperation and alliances with international brands, governments, and industry associations is crucial to enhance visibility. Based on these measures, Guangcai needs to establish an artistic ecosystem that integrates traditional and modern elements, local and foreign art, and fosters collaborative development.

5. Conclusion

This paper has expounded upon and analyzed the internationally acknowledged aesthetic advantages and geographical trade advantages possessed by Guangcai, a form of intangible cultural heritage in Guangdong province, China. However, it also recognizes the drawbacks of Guangcai, including the continual shrinking of the labor market and its limited visibility. Guangcai is currently facing an upsurge in demand for traditional crafts like itself due to the rising societal interest in such crafts and the digitization of the internet, providing an opportunity for its growth. Yet, it is under the looming threat of foreign art increasingly replacing traditional Chinese art and shifts in the international landscape.

Although this study has achieved a certain depth and insight into exploring the commercial value of Guangcai, an intangible cultural heritage in Guangdong province, China, it acknowledges some

limitations. Firstly, due to the relative novelty and uniqueness of the chosen topic, there were challenges in sourcing data, which limited the in-depth quantitative analysis of the Guangcai industry. Future research can focus on enhancing data collection and analysis related to the traditional craft industry to support more precise research conclusions.

Furthermore, this study predominantly emphasized the SWOT analysis method. However, it is also advisable to consider incorporating other classic analytical frameworks, such as PEST (Political, Economic, Social, Technological) analysis and Porter's Five Forces analysis, to provide a multidimensional analysis. The comprehensive application of these methods can assess the strengths, weaknesses, opportunities, and threats of the Guangcai industry in various aspects, offering a more targeted basis for developing strategic directions.

Lastly, while this study has provided an initial exploration of the development and business models of the Guangcai industry, a more in-depth investigation is warranted. Future research can focus on formulating more specific business models and exploring innovative business operation approaches to drive the sustainable development of the Guangcai industry. Additionally, delving into the industry chain through detailed research can explore collaboration and innovation opportunities at different levels to facilitate the coordinated development of the Guangcai industry chain.

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