



## The 29<sup>th</sup> STAG Board Meeting

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# Topic 3: The Cultural and Creative Industries

## Discussion 3: The Craft Industry Flagship Plan

**Presented by: National Taiwan Craft Research Institute**



# Outline

- **I. Preface**
- **II. Current State of Affairs**
  - **Visions, goals, development strategies**
  - **Industry profile**
  - **Competitiveness analysis**
- **III. Implementation Strategies**
  - **Strategic framework**
  - **Assessment standards**
  - **Budget**
  - **Projected Results**
- **IV. Achievements**
- **V. Conclusions**



# Preface

Global competition means Taiwan must accelerate the process of industrial upgrading. Among the tasks to be completed are boosting our innovative capacity to create items that are aesthetically appealing, improving the product experience and expanding the market for Taiwan-made items. Only by developing new products and fostering cross-sector cooperation can goods made in Taiwan enjoy a greater share of the global market.

The aim of the Craft Industry Flagship Plan is to assist crafters as they integrate design, innovation, technology and products and develop crafting into a knowledge-intensive, creative industry. Innovative R&D and multi-channel marketing are also needed. We must make the most of the opportunity presented by the growth of the creative economy by marketing outstanding Taiwanese brands and products to the world.

## A. Industry Profile

	2002	2003	2004	2005	2006	2007
Production Value (NT\$100 million)	581	635	667	674	675	717
No. of Firms	10,540	10,614	10,676	10,892	10,714	10,437

- Data courtesy Ministry of Finance's Financial Data Center, "Survey on Wage by Occupation" and "2009 Taiwan Cultural & Creative Industries Annual Report."

## A. Industry Profile (cont'd.)

### Distinguishing Features of the Craft Industry

- ◆ **Sole Proprietorships: 68.68%**
- ◆ **Years in Business: 29.54% between 10-20 years**
- ◆ **Low Capitalization: 71.48% below NT\$1 million**
- ◆ **Low Turnover: 86.03% below NT\$5 million**

Data courtesy “2009 Taiwan Cultural & Creative Industries Annual Report”

## C. Competitiveness Analysis: Weaknesses, Threats

### Weaknesses

- Deindustrialization
- Talent shortage, insufficient production capacity
- Insufficient skill to establish own-brand products
- Intellectual property not protected comprehensively
- Lack of transformational enterprises, skill in developing multi-channel marketing and expanding at home and abroad
- General public not sufficiently interested in aesthetics, artistry and creativity

### Threats

- Low labor costs in and low-priced products produced by China and Southeast Asian nations
- High-end products produced by brand-name firms in Japan, the US, and EU nations



## C. Competitiveness Analysis: Strengths, Opportunities

### Strengths

- Skilled crafters
- Variety of craft skills and cultures
- Ability to produce high added-value products
- Ability to integrate community resources and enhance local cultural industries
- Abundance of natural craft materials
- Diligent, adaptable and strong people
- Taiwan-made products praised worldwide

### Opportunities

- Integration of design and crafts will create knowledge-intensive creative industries
- The “Cultural and Creative Industry and Development Act” and relevant regulations will help promote the cultural and creative industries (CCI)
- A pluralistic society
- Emergence of the Mandarin-speaking market and the rise of the mainland Chinese consumer
- Our young people, who will make up the core of the CCI
- A well-educated workforce

## Visions

1. Localized, community-based craft culture
2. Innovative, higher-value craft industry
3. Craft brands with a strong image known globally
4. Taiwan as a craft center connected to the world

## Goals

1. Develop innovation & incubation mechanism, bolster R&D
2. Organize a “modern craft industry network” and an “innovative modern crafts R&D alliance”
3. Promote a “local craft industry counseling mechanism”
4. Mold brands for outstanding crafts, develop licensing mechanism and expand domestic & foreign marketing
5. Incorporate aesthetics and the experience economy into Taiwan's Craft Cultural Park

## Strategies

1. Improve innovative R&D and industry competitiveness
2. Expand marketing channels and introduce Taiwan's craft brands to the world

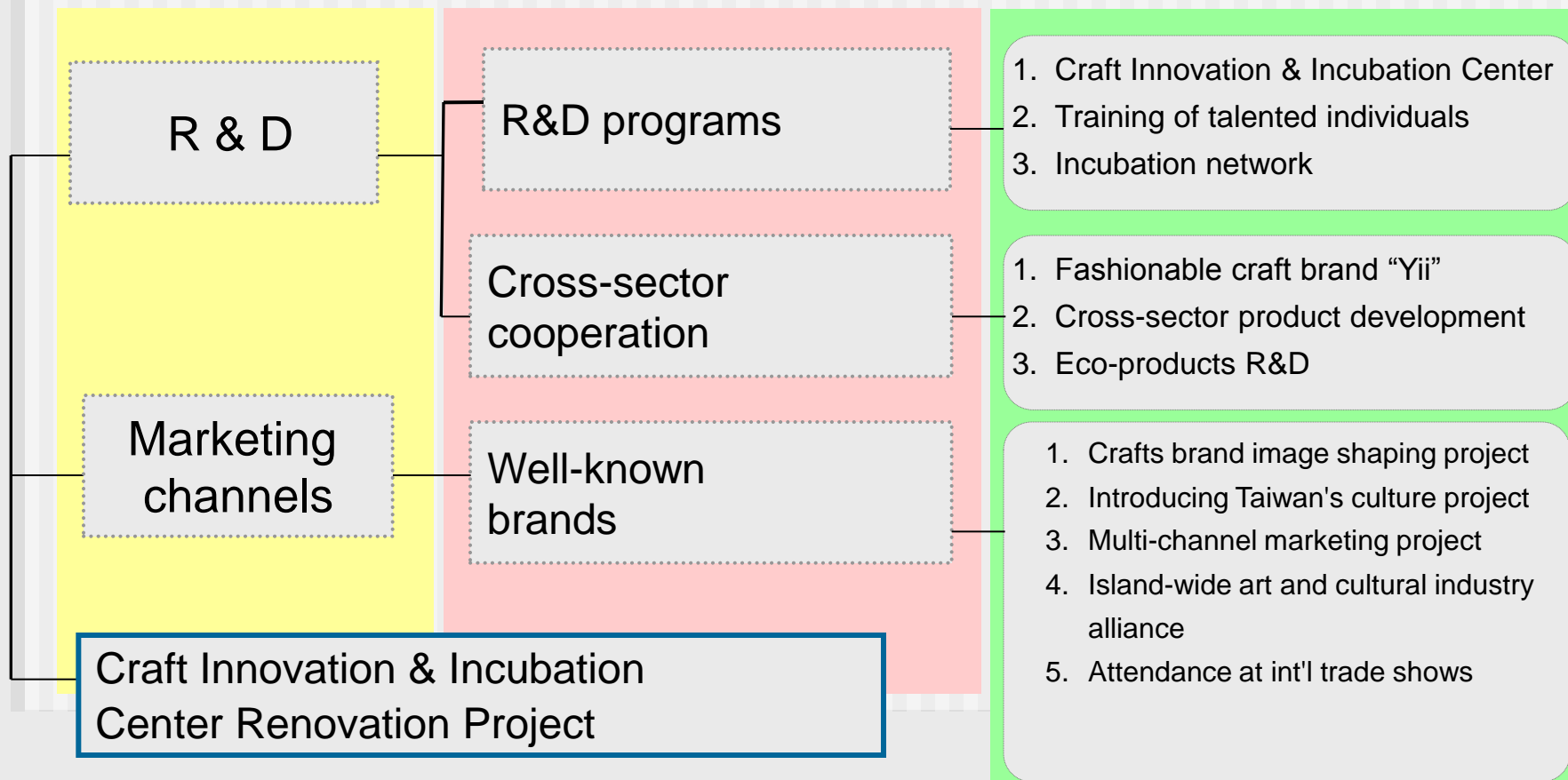
# Framework

2 Major Strategies

3 Major Plans

11 Projects

## The Craft Industry Flagship Plan



# R&D Programs



## Set up Innovation & Incubation Center

1. Create counseling mechanism at the Center
2. Establish craft IP licensing services and maintain related database
3. Attract young designers to do R&D on crafts
4. Display products benefiting from the Center

## Train talented individuals

1. Marketing strategists
2. Innovative designers
3. Technicians
4. Skilled crafters
5. Craft designers
6. Crafters working with innovative materials

## Establish an incubation network

1. Create craft industry database
2. Keep craft industry inventory data
3. Study crafts and establish an archive

# R&D Programs

## 1. Establish an Innovation & Incubation Center

### Goal

Set up service platform to coordinate and manage one-stop service counters, provide IP licensing services, and maximize benefits to the industry.

Plans	Measures
Set up craft innovation & incubation center consulting mechanism	Consult on and fund innovative industrial transformation enabling long-term operations and use of resources as well as creating jobs.
Establish craft IP licensing service and maintain IP archives	Set up sustainable development research and matching-up mechanisms, provide craft-related IP information and establish consulting platforms.
Attract young designers to conduct R&D on crafts	Inspire young design students to learn the art of crafting and encourage their creativity.
Present incubation center achievements	Host CCI presentations to inspire more creation and the further development of crafts.

# R&D Programs

## 2. Training Talented People

### Goals

Train talented, contemporary-minded crafters to generate additional added value for CCI.

Who Will Be Trained	Measures
Marketing strategists	Offer advanced classes to expose students to international perspectives and multicultural experiences.
Innovative designers	
Technicians	
Skilled crafters	
Craft designers	
Crafters working with innovative materials	

# R&D Programs

## 3. Establish an Incubation Network and Information Service

### Goals

Set up a comprehensive archive for crafting techniques and make it available to crafting professionals. Keep information up-to-date to encourage exchanges.

Projects	Measures
Set up craft industry archives	Collect information and enrich the crafting “gene pool,” materials library, talent bank and business directory.
Keep craft industry inventory data	Work to garner more industry information and increase the number of firms surveyed.
Establish a craft archive	Set up archives on pieces based on or employing techniques that use Taiwan's image.

# Cross-sector Collaboration



## Collaboration on the “Yii” brand

1. Create a new image of crafts through the cross-sector creation project
2. Meld fashion and crafts through the international marketing and promotion project

## Joint development of craft-linked products

1. Consumer electronics cooperation program
2. Leisure and tourism industry cooperation program
3. Museum products development program
4. Tourist hotel cooperation program

## Development of eco-products

1. Professional exchanges and canvassing project
2. Lifestyle proposal and design workshop
3. Cooperation on innovative materials R&D
4. R&D on environments and spaces



# Cross-sector Collaboration

## 1. “Yii” Craft Brand: The Marriage of Crafts & Fashion

### Goals

Carry out cross-sector collaboration via a combination of crafting and design to transform traditional crafts and build and market the “Yii” brand abroad.

Plans	Measures
Cross-sector creation, cooperation and R&D	Match crafters (producers) with designers to initiate cross-sector collaboration. In doing so, make products more competitive.
International marketing and promotion	Invite internationally renowned designers to act as consultants and provide guidance on expanding the international presence of Taiwan's craft brands.

# Cross-sector Collaboration

## 2. Cross-sector Product Development

### Goals

Bring together firms across sectors and industries to design and perform R&D on products so as to increase added value.

Plans	Measures
Consumer electronics R&D cooperation	Match crafters with Taiwan's renowned computer manufacturers to co-create a series of products
Leisure and tourism industry cooperation	Help design tableware and decorations that bear their own own distinctive style.
Museum product development	Use museum pieces as the themes around which to develop marketable items.
Tourist hotel cooperation	Assist tourist hotels to develop their own unique craft products as a selling point.



# Cross-sector Collaboration

## 3. Eco-product Development



Employ the latest trends to create new, economical and user-friendly products

Plans	Measures
Professional exchanges and canvassing	Develop artistic pieces that incorporate international perspectives and a contemporary lifestyle, modern Taiwan or future trends in lifestyle and culture.
Lifestyle proposal and design workshop	Hold classes on domestic and foreign design exchanges and encourage creative dialogue and build a new model of a 21st-century lifestyle.
Cooperation on innovative materials R&D	Encourage development and fabrication of mixed-media, multi-functional, personalized eco-products.
R&D on environments and spaces	Invite experts from government, industry and academia to conduct topical research projects that are then integrated into policy.

# Brand Creation Projects



- Shape craft brands' image
- Introduce Taiwan's culture through crafts
- Multi-channel marketing
- Island-wide art and cultural industry alliance
- Attendance at int'l trade shows

# Brand Creation

## 1. Shaping Craft Brand Image

### Goals

Help crafters establish their brands, implement business strategies, create brand image and brand value, and become more competitive.

Plans	Measures
Help Craft Families develop their brands	Commission design teams to provide consulting, create brand identity and package design, and carry out product development; brand management, trade show attendance and marketing.
Brand strategy and shaping of Taiwan crafts	Use crafters' personal image to create their brand image to build their brand image and operational strategy. This will develop brand value and boost product competitiveness.

# Brand Creation

## 2. Introducing Taiwan's Culture

### Goals

Encourage crafters to participate in international competitions and exhibitions, as this will enable Taiwan to become more well-known among the international cultural community and help local crafts sell.

Plans	Measures
International museum exhibition exchanges	Draw up plans to establish sister-museum relationships with major art museums abroad, build intra-museum cooperation and enact a variety of collaborative plans.
International art festival exchanges	Organize domestic craft exhibitions to introduce Taiwan's extraordinary crafts to the world, increase crafts exchanges with mainland China and work to expand international sales opportunities for Taiwan's crafts.



# Brand Creation

## 3. Multi-channel Marketing

Goals

Foster multi-channel marketing, generate profits, and cooperate with local industries to set up stores selling crafts.

Plans	Measures
“Taiwan Good Craft” certificate for outstanding crafts	Hold contests for outstanding crafts in order to improve craft brands' image, increase product visibility and pave the way for participation in large sales events both at home and abroad.
Taiwan Living Crafts Center	Set up large integrated-market platforms to boost sales and attract private investment in the industry.
Multi-channel marketing	Work with tourist hotels to sell products and encourage further collaboration with different industries.
Virtual sales channels	Create virtual stores on the Web and add store locations to increase points of service.

# Brand Creation

## 4. Island-wide art and cultural industry alliance

### Goals

Develop the market for cultural tourism with experience marketing at the core.

Plans	Measures
Multi-pronged approach to boost production capacity	Develop marketing channels for crafts and train crafters about the importance of packaging.
Improved display space for and services to Craft Families	Design and build a display space and a visual identity model for Craft Families.
Regional alliances between Craft Families	Develop a model for Craft Families to grow together and design travel packages for visitors.
Marketing Craft Families	Set up a service window to promote activities and plans in the media.
Guidance to Craft Families	Consult with the Craft Families Association on hosting work exchanges and public displays.

# Brand Creation

## 5. Encouraging Int'l Trade Show Participation

### Goals

Utilize academia-industry cooperation and private-sector resources to diversify distribution channels. Encourage attendance at int'l trade shows to boost visibility.

Plans	Measures
Encourage attendance at key int'l trade shows	Inspire crafters to forge creative links with their foreign counterparts and attend int'l trade shows. Have the works of promising crafters displayed at such shows. Increase foreign sales through marketing and brand image promotion.
Encourage exchanges with and sales to foreign CCI firms	Seek out new business opportunities through cultural exchange at exhibitions.

## Craft Innovation & Incubation Center and Other Infrastructure Projects

### ◆ Nantou County:

- Improve Displays and Encourage the Passing on of Talent: Craft Culture Hall & Display Hall
- Innovative Design & Creation of Teaching Spaces: Design Hall, Craft Information Hall, Daily-use Crafts Hall, Local Craft Hall
- Craft Spaces: Craft Hotel for Older Visitors, Parking Lot, Seniors' Craft Hall, Walking Paths

### ◆ Taipei City: Contemporary Craft Design Center

### ◆ Taipei County: Yingge Multimedia Crafting Center

### ◆ Miaoli County: Miaoli Handicrafts Park

# Norms

Performance Indicator	Norms (Goals to Reach)					
	2008	2009	2010	2011	2012	2013
<b>Incubation Guidance (cases)</b>	30	30	40	50	60	60
<b>Promising Crafters Trained</b>	250	300	350	400	400	400
<b>Cross-sector Development (cases)</b>	15	18	18	22	25	25
<b>Visits to Craft Parks and Activities (in thousands)</b>	600	600	600-800	800-1,000	800-1,000	800-1,000
<b>Craft Families Provided Guidance</b>	25	25	25	25	40	40
<b>Craft Family Brands Created</b>	5	5	5	10	15	15
<b>Int'l Expos &amp; Competitions Attended</b>	2-3	2-3	2-5	2-10	5-10	5-10
<b>Value Generated at Int'l Trade Shows</b>	NT\$70 million	NT\$70 million	NT\$80 million	NT\$100 million	NT\$150 million	NT\$150 million
<b>Integrated Markets Advised</b>	1	1-2	1-2	1-4	1-4	1-4

# Expenditures

(2010-2013 figs. subject to change)

<b>Project/Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total (million NT\$)</b>
<b>1. Outstanding R&amp;D</b>	<b>24.811</b>	<b>48.912</b>	<b>19.855</b>	<b>47.000</b>	<b>70.000</b>	<b>70.600</b>	<b>281.178</b>
<b>2. Cross-sector Cooperation</b>	<b>25.386</b>	<b>15.702</b>	<b>34.532</b>	<b>92.000</b>	<b>120.000</b>	<b>121.028</b>	<b>408.648</b>
<b>3. Creating Leading Brands</b>	<b>162.393</b>	<b>101.973</b>	<b>137.753</b>	<b>295.400</b>	<b>258.000</b>	<b>310.638</b>	<b>1,266.157</b>
<b>4. Building Infrastructure (Innovation &amp; Incubation Center)</b>	<b>121.073</b>	<b>167.624</b>	<b>219.860</b>	<b>456.900</b>	<b>432.300</b>	<b>363.084</b>	<b>1,760.841</b>
<b>Subtotal</b>	<b>333.663</b>	<b>334.211</b>	<b>412.000</b>	<b>891.300</b>	<b>880.300</b>	<b>865.350</b>	<b>3,716.824</b>



## Innovative R&D and Design

- ✓ Help more traditional firms refocus on design.
- ✓ Train 1,500 innovative craft designers and researchers.
- ✓ Conduct 80 cross-sector cooperation activities; focus on innovation, dynamism and international exchanges.
- ✓ Aid cross-sector cooperation capacity; boost production value; oversee 80 plans to jointly develop 1,000-2,000 items.

## Expanding Markets

- Provide guidance to 100+ firms; help 45 firms develop brands; improve industry differentiation and competitiveness
- Increase distribution channels by overseeing the setup of 5 to 10 markets. Projected sales: NT\$1 billion.
- Connect crafters with design firms; develop copyrights. Projected sales: NT\$400 million.
- Attend trade fairs. Projected sales: NT\$800 million.

## Anticipated Results

## 1. Taiwan Craft & Design: “Yii” Brand Goods

- **The origins of “Yii”**

Under the “Yii” project, the nation's finest crafters and designers have collaborated to produce innovative items employing local techniques and materials.

Our vision is for the “Yii” brand is to introduce practical, upscale craft items designed in Taiwan and marketable around the globe. Participation in international design shows will further help turn the spotlight on Taiwan's talented designers.



## Success Story 1

### “43” (Cantilever chair)

- Made of 43 bamboo slats; granted new utility model patents in Taiwan and Japan
- Salone Internazionale del Mobile 2009 (Milan, Italy)
- Maison & Objet (Paris, France)



## Success Story 2



### “Bambool”

- 2008 Coup de Couer Award, Maison & Objet show (France)
- 2009 Red Dot Award (Germany)
- Designer: Zhou Yu-run
- Creator: Su Su-ren

## Success Story 3



### Bamboo Flashlight

- 2009 Red Dot Award (Germany)
- Designer: Wu Dong-zhi
- Creator: Lin Chun-han

## 2. Brand Strategies for Works by Craft Families

- 14 Brand Development Plans
- Central Taiwan Craft Families Film



## 2. Brand Strategies for Works by Craft Families (cont'd.)



- The Taiwan Living Crafts Center in central Taiwan hosts displays of beautiful crafts and promotes crafting.



## 2. Brand Strategies for Works by Craft Families (cont'd.)



Before

臺在漆花燈工藝藝術-改善前



Before

黃安福-安福玻璃藝器室-改善前



After

臺在漆花燈工藝藝術-改善後



After

黃安福-安福玻璃藝器室-改善後

Twenty spaces  
have been  
refurbished to  
display crafters'  
pieces

# 2. Brand Strategies for Works by Craft Families (cont'd.)



## Craft Tourism: Travel with Craft Arts



## 3. Communities, crafts and education

- Funding production by community crafters



### 3. Communities, crafts and education (cont'd.)

- Training professionals





# 1. Conclusion

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## ■ Driving Innovation

The NTCRI is developing strategies to the craft industry transform during this time of structural transformation to help crafters make their creations more beautiful, encourage innovation, boost sales, establish a crafting incubation network, and turning more crafting businesses into design-oriented firms.

## ■ Expanding Abroad

Employing the two strategies of R&D and Marketing channels, we are developing local craft brands and forging our international image so that we may create internationally recognized brands. Meanwhile, participating in more international competitions and expos will help drive foreign sales, increase the international fame of Taiwan's crafts, and add to the bottom line.

## ■ A Bright Future

We are working not only on the training of people, but also, at NCTRI's home in Nantou County, on creating a home for crafters. Here, crafters can learn from one another, crafting resources can be brought together, and new crafters can learn about crafting trends. Through a government-private sector partnership, the competitiveness and sustained development of the industry can be ensured. 38

## 2. For Discussion

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- How can crafters expand domestic and foreign distribution networks? How can artisans fetch better prices for modern, creative pieces useful in daily life?
- How can we develop a positive image of Taiwan's CCI so as to expand our global presence?
- How can we develop our management skills, encourage private investment and boost craft production capacity?

Thank you!



## ■ **Flagship Plans for the TV Content, Film and Pop Music Industries:**

Finding ways to effect convergence and resolve issues related to market share, capital inflows and training up large enough numbers of talented individuals are the major issues faced by the TV, film and pop music industries. In seeking solutions to these dilemmas, the GIO proposes the following issues for discussion:

1. **Convergence:** How can the strengths of each of the three industries be combined, and overall production value boosted, by employing digital and internet technology?
2. **Market share:** How can the longstanding problem of low domestic sales be overcome? And how can industry players best make an entry into the world market?
3. **Capital inflows:** How can private investment be spurred? And how may the National Development Fund be best utilized toward this end?
4. **Personnel:** How can the educational system provide the talented people in the numbers needed in an effective and sustainable way?

## ■ **The Digital Content and Design Industry Development Flagship Plans :**

1. How can Taiwan transform its Chinese culture related collection assets into innovative application elements for the digital content and design industries?
2. How can Taiwan leverage its strength in information and communications technology (ICT) hardware manufacturing to strengthen the digital content and design industries in those areas where they are currently weak (i.e. software, content, and human resources)?
3. How can Taiwan make effective use of international collaboration and exchange to make the digital content and design industries truly world-class?
4. How can the division of labor and coordination of resources between government agencies be improved to effectively promote the development of the digital content industry and design industry?

## ■ **The Craft Industry Flagship Plan**

1. How can crafters expand domestic and foreign distribution networks? How can artisans fetch better prices for modern, creative pieces useful in daily life?
2. How can we develop a positive image of Taiwan's CCI so as to expand our global presence?
3. How can we develop our management skills, encourage private investment and boost craft production capacity?