

Analysis on Value Creation Inherent Mechanism and Profit Model of Creative Industry in Jilin Province

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Abstract

Creative industry is a emerging industry of the 21st century, it is also a new growth point of regional economic development. In recent years, creative industry in Jilin has obtained a remarkable development effectiveness, and it play a great role in promoting economic growth. This paper, respectively, analyzes the value creation mechanisms of creative industry from the point of view of consumers and producers, further draws on the basis of existing profit model to actively investigate the profit model of creative industry in Jilin. Therefore, it can promote the sustained and healthy development of creative industry in Jilin.

Key words: Creative industry; Value creation; Profit model

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1. INHERENT MECHANISM OF CREATIVE INDUSTRY VALUE CREATION

Different from the traditional industries which is a value creation mechanisms of product-oriented, creative industry is oriented to the needs of consumers. Through satisfying the cultural needs of consumers, the value creation of creative industry can be achieved. Along with the raise in the level of economic development and

people's quality of life, the demand level of customer has also raised, which gradually transferred from the material needs to the level of spiritual and cultural needs. Not only they pursue the usefulness of goods, but also emphasize on the merchandise brand and design, the expression of taste and concepts of goods, pursuit of the value concept of goods. Value concept can be subdivided into three level of experiential value, information value and cultural value. Experiential value refers to under the same conditions of functional value of goods, people are willing to pay more because of the appearance or image differences, it mainly depends on the personal preferences; Information value refers to in the function value of the consumer goods, it can produce value-added parts due to its ability to pass information outwardly; Cultural value emphasizes that the value of a good is not in its functional value, it is not also in its messaging capabilities, it is in its inherent cultural property and its sense of belonging to the consumer. Creativity injects new cultural elements for traditional products, it gives the commodity some specific cultural connotations, it provides distinctive new experience for customers. Therefore, from the consumer's point of view, creative industry has created the concept value of goods and resonated the upgrade of consumption structure. Law of economic development shows that, the market value of a goods depend on its concept value. Concept value becomes the dominant factor in nurturing the sustained vitality value of the commodity, this is exactly the manifestation of the vitality of the creative industry.

From the producer's point of view, the creativity capital of impetus to economy from praising highly and emphasizing the cultural and creative has become the key factor of promoting the production efficiency in the era of knowledge economy. On the on hand, ideas can transform a variety of tangible and intangible resources into operating capital and generate economic benefits; On the other hand, the emergence of creative products can stimulate the potential market demand

and open up new space for economic development. The development of creative industry not only satisfies the growing of spiritual and cultural needs from people, but also discovers, expands and enhances people's spiritual and cultural needs, which has profound social foundation and broad market space. Creative industry as an emerging industry, the reason why it can cause highly concerned from governments, enterprises and societies, it is inseparable from its powerful functions of improving production efficiency, promoting the transformation of economic growth mode as well as comprehensive social and economic development. United Nations statistics show that, the total output value of the world's creative industries accounted for 7% of the global GDP, and it has a rapid growth rate of 10% per annum. The wealth of creativity of the creative industries is much higher than the manufacturing sector, which has become the main driving force of economic growth in the world today.

Creative industry has created the concept value of goods. Concept value has a strong subjectivity, which depends on the subjective feelings of consumers, it also has a process of its value connotation understanding too. For creative products, its realization of the value often requires the repeated promoting and publicizing through the media. Traditional creative product consumption shows a natural economic form of face-to-face exchanges, it does not require intermediate links such as planners, arts intermediaries, brokers, etc.. However, in this globalized consumer society today, careful design and well-planned creative product may be overwhelmed by the flood of information. People need the help of the media to get related information, the operation of the media helps to identify the value of creative products and promote the realization of the value. Therefore, from the point of view of value realization, media promotion is an important force to realize the value of creative goods excavation.

2. DRAWING ON THE PROFIT MODEL OF CREATIVE INDUSTRY

2.1 Brand Multiplier Mode

Brand multiplier mode refers to the brand as the multiplier, and it is multiplied by a variety of means of operation in the back to get the maximum profit. It is also the extension of the industry value chain, which utilizes the brand to develop a variety of derivatives and obtain a wider profit margins. Brand multiplier mode is a strong profit machine. Once invested heavily in building a brand, customers will recognize the brand in a series of products, enterprise can then use a different forms from a certain product, product image, trademark or services to harvest profits repetitively. Under the brand multiplier mode, source of profits is very extensive, a cartoon image, a great story, a valuable information, a skill, or even

any other assets can be as the profit factor of this model. For the profitable way, it is constantly and repetitively describing them, using them, it can also give them any kinds of different external image.

Disney is a successful creative enterprise which is using the brand multiplier profit mode, it use the brand of Disney as the multiplier. It added the complete commercial culture behind the happy culture, art is downright as commercialization completely.

2.2 Customer Solutions Mode

The adoption of this mode requires invested heavily in the early stage, which used to understand the customer's business characteristics. Then, it can design the product which is able to fit the customer's business needs; Or understanding how their customers to purchase and use the product, and then it can find ways to help the customers to overcome the difficulties and inconvenience. The early stage of this mode is very time-consuming, but the pre-excitation of customers will bring a high profit return for the company in late stage. Also, the cost of maintaining customer relationships is often lower in the late stage, and the customers have an extremely high loyalty.

As the model of successfully using customer solutions profit model to capture the market, Kingsoft Corporation first produces a network beta version of "Kingsoft Internet Security" and provides free download in the internet, as well as listen carefully to the comments and suggestions of the user and improves the products in a timely manner. After an 18-month market test, the mature "Kingsoft Internet Security" software made its formal appearance and the market response is impressive. Hereafter, Kingsoft Corporation is still trying to build the image of the professional anti-virus software vendors. When there is a new virus, Kingsoft will head start of it and alert users in the internet. At the same time, they will launch a dedicated anti-virus program in first time and it makes users has a strong sense of dependence on Kingsoft. This firmly occupies an important seat of the anti-virus software market.

2.3 Optimal Component System Mode

For most of the enterprises, their production and sales system is divided into a number of sub-systems, the profitability of each sub-system is completely different. Under the premise of full competition of maintaining a low-profit area subsystem, as far as possible to participate in the business of high-margin area subsystem can elevate the level of enterprise profitability rapidly.

Beijing Photoelectric Culture Communication Company is a typical representative of using optimal component system mode. This company produced and launched the program of "Chinese Entertainment Coverage". This program obtained a national average of 10% of the ratings, the broadcast advertising price is up to million per second and the production costs of the program in each phase

are not high, so that it can earn a lot of money in profits. Its success is to seize the high-profit area of television program production, which is advertising revenue. Also, through the broad coverage of the program to raise their social status, it can attract advertisers competing for ads, so that it can obtain high profits.

3. EXPLORING THE PROFIT MODEL OF CREATIVE INDUSTRY IN JILIN

3.1 Insisting on the Demand for the Supremacy

Consumer demand is the basis for the existence of the creative industry value chain. Fully discovering and completely satisfying customer's cultural needs in many aspects and the multi-levels is the key to the profitability of the creative industry. For the creative enterprises, discovering the customer's needs is essential. Now the customer wants high-quality products and services, fast response, innovative and low-cost. These requirements are not limited to the products and services itself. For the creative enterprises, this is not only a challenge, but also an opportunity, a customer demand-oriented creative enterprise will have a great development.

3.2 Emphasis on Original Content

The age of the Internet, under the premise of the speed and quantity of information provided becoming a secondary factor, originality of the information content and reconfiguration ability to integrate content resources is even more important. For example, many media have hotline no., tip lines no. and audience no., which is responsible for many tasks of collecting the information provided by the public, acquisition of enriching content becomes very easy. However, in a broad array of information refining to create valuable content is not easy, especially for the creative industry in the media, entertainment, arts and other industries. The Originality of the information content and reconfiguration ability to integrate content resources increasingly become the core areas of the value chain.

3.3 Effectively Grasping the Communication Channels

Due to inherent understanding of limitations, creative enterprises are often emphasizing on creative and design but underrating sales, and the channel sales exactly is the key link to achieve profitability. Communication channels of creative products include radio, television, newspapers, magazines, book publishing, network and some other traditional channels. Communication channels are an important link in the value chain of creative industry. If there is no smooth communication channels, even the best creative content cannot be converted into products or even making any profit. Utilizing modern marketing theory to carry out the marketing of the creative industry, it has a great significance of the pioneering and developing communication channels of creative products.

3.4 Establishment of Creative Industrial Park

Creative industry has the agglomeration features. In creative industry, collaboration between small businesses and its closely connection with local labor market encourages the polymerization of production system and geographic environment, the high-return effect produced from it has even increased this aggregation tendency. Establishing a creative industrial park and attracting customers with the whole creative industrial park, through agglomeration collaboration to satisfy customer's needs and demands, it can achieve the virtuous circle of mutual promotion between agglomeration collaboration and individual creative enterprises.

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