

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## A Dynamic Perspective on Connotations Evolution and Classification Comparison of Creative Industries

**Ge Dongxia**

Ph.D. Candidate, Glorious Sun School of Business and Management,  
Donghua University, Shanghai, China

**Gao Changchun**

Professor, Glorious Sun School of Business and Management,  
Donghua University, Shanghai, China

### **Abstract:**

*Three development stages of creative industries are summarized based on literatures in this paper - fancy stage, stage of shifting to marketization and boom stage. Meanwhile, connotations evolution of creative industries is reviewed, all kinds of naming methods, definition methods and core contents are analyzed and compared, core features and classification principles of creative industries are defined and classified systematically from the view of value realization, which provides valuable references for specific field research and comparison analysis.*

**Keywords:** *creative industries, evolution, classification*

### **1. Dynamic Evolution Process of Creative Industries**

#### *1.1. Analysis of the Stage of Creative Industries*

The end of World War II marked the dramatic social, cultural, economic, political transformation. The rise and development of creative industries have close relation with these transformations, since being proposed in 1944, creative industries gradually developed into a comprehensive concept with rich tolerance in the dynamic evolution process. There are three development stages of creative industries.

The first stage was from 1945 to 1975, the progress of new copying technology made the media markets expand quickly (Hesmondhalgh, 2002). The concept of culture industry was formally proposed during this period. The major feature in this period was government interventions. The Europe and United States adopted government interventions and subsidies to support culture industry, but there were differences in ideas, properties and degrees.

The second stage was from 1975 to 1995, the development of creative industries started to shift to marketization (Hesmondhalgh, 2002; Murdock, 2003). Marketization had a huge influence on cultural production. Firstly, Neo-liberalism, privatization, deregulation and structures of ownership took effect together, making the rise of large scale cultural industry. Secondly, many researchers (Tunstall, 1986; Schiller, 1989; Murdock and Golding, 1990; Wasko, 1994; Alger, 1998; Bagdikian, 2000, Hesmondhalgh, 2002) thought that marketization made the cultural industry show diversity and centralization. Thirdly, the increasing demands of customers and the increasing refinements of market resulted in expansion and division, the increasing creation of companies, the development of cultural organizations, and the effects of creative industries on the increase of economy primarily showed up.

The third stage was from 1995 until present, during which creative industries got into a boom stage, which had been recognized as a creative increasing pattern. The basic characters for this stage contained digital technology, widely-used information network made cultural production change dramatically, factors of production covered resource capital and knowledge creativity, the center of market changed from utility to values. From the global view, the national recognition of the effects of creative industries' creative values and transforming the pattern of economy increase was deepened. In the production aspect, the relationship between privately-owned and public organization restructured, production went to centralization, business scope expanded and the types of production were rich. Consuming pattern showed likely two kind of self-contradiction: on one aspect, the industry of family entertainment increased rapidly; on the other aspect, people also were pleased to join live show for public groups, like sport matches, theme parks, concerts, etc.

Because of the effects of different historical environments, development stages, national policies, character of regions, cultural policies and trends, the concepts of creative industries showed changing characters based on dynamic society economy. Based on above analysis, the development of creative industries is the dynamic balanced result of many forces and is going through complicated transformation.

### 1.2. Concept Evolution of Creative Industries and Explanation for Related Terms

Based on reviewing literature, during the initial stage of creative industries, affected by the GATT, audiovisual industry (radio, film and television), publishing and recording industry were the key focusing points of international country, European countries and national aspects, the concept of creative industries was changed from audiovisual industry. Until present, these industries are still the core of creative industries. Audiovisual industry has the typical character of copyright, so the concept of copyright industry came after that. With the development of marketing economy, those industries which focused on the feeling of customers were also put forward. During the development of creative industries, the industries of multimedia and advertising showed up in the view of research and policies, the attentions on the values of entertainment and leisure experiences resulted in the birth of industries of leisure and entertainment. Creative industries showed up naturally because of its tolerance concept. With the expansion of creative industries, boom stage, all kinds of cultural apartments joined the research of creative industries, the merge character of creative industries further showed out. The rise of interactive media allowed people to pay increasing attention to digital contents. In information age, medium revolution made the economy pattern which attracted people's attentions popular. However, stepping into the 21th century, the development of knowledge economy made people pay more attention to the effects of creativity. Customers need those products and experiences which contains cultural and spirits experiences, traditional industries need creativity to inject vitality, the development of technology promoted the merge of industries, creative industries came into being based on the situation. Figure 1 illustrates the evolution process of concepts of creative industries.

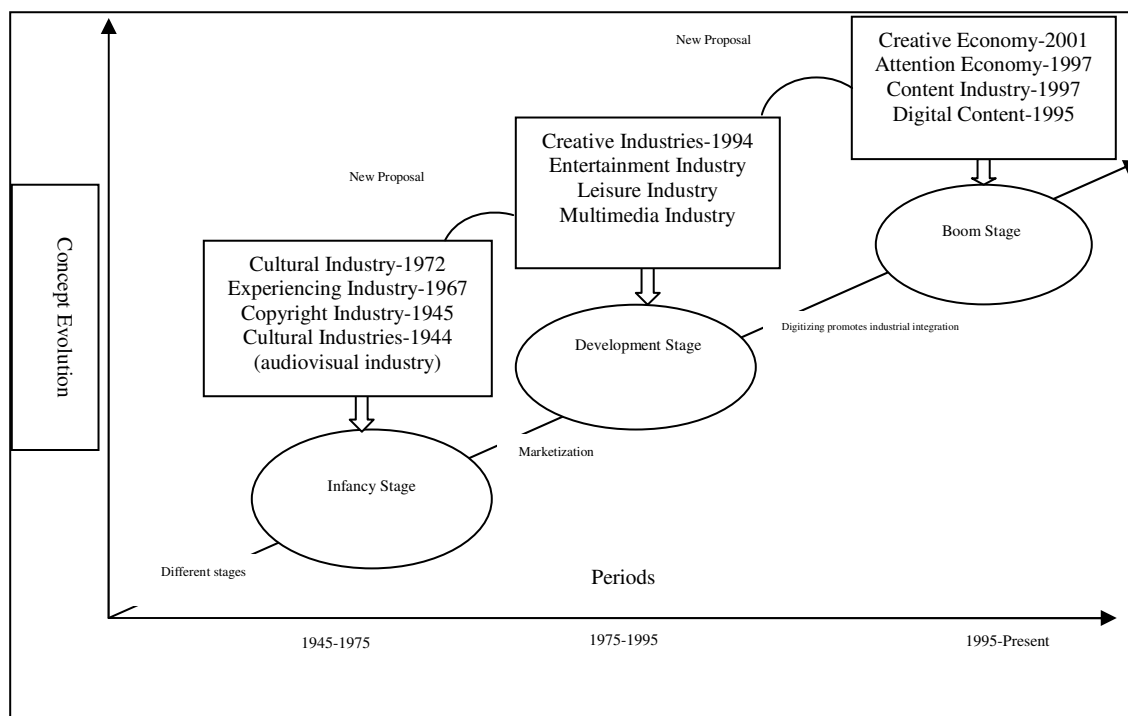


Figure 1: Concept Evolution of Creative Industries

Horkheimer and Adorno (1944) firstly proposed the term 'culture industry', but this opinion focused on the culture which cultural productions brought to people and the negative impacts. From 1972, some researchers like Huet, Miege, Girard called this term as cultural industries. This change indicates that cultural apartments can not be treated as a united one, it should be treated separately, and the complicated production process, consumption structures and aesthetic form need particular analysis methods (Miege, 1989).

The concept of copyright industry which was proposed in 1945 was taken as one factor of the most important industry composition in international trade by UNESCO, many economists took the value of copyright as the core of creative industries. Experiencing industry was proposed by Guy Debord in 1967, culture economist thought experiencing industry was the fourth household goods and proposed the concepts of experiencing economy and experiencing industry (Mommaas, 2000). Many researchers thought entertainment industry was part of experiencing industry. Leisure industry stepped into rapid growth stage in 1970s. These three concepts have the character of experiencing; the boundary is not clear. There are overlaps between cultural industry and entertainment and experiencing industry, but is different from the other two, because what culture industry produces contains cultural significance and particular production and consuming pattern, while production and service significance of the entertainment industry are related with the character of productions. In 1995, content industry was proposed by the information session of seven western countries. It is generally believed that content industry is the important part of creative industry, copying cultural productions based on digital technology, regeneration and spreads. Mommaas proposed that merging different entertainments into attention economy in 2000.

Current literatures seldom discuss the difference between creative industries and cultural industry. In research literatures and policies documents, both of the two concepts are often used. The academic circles think that creative industries and cultural industry show basic common characters in terms of production and sale process, status of artists, cultural mediator, macro structures, consumer

products and surplus value. The characters of creative industries summarized by Caves in 2000 and the characters of cultural industry summarized by Hesmondhalgh (2002), Murdock (2003) and Throsby (2001) are basically consistent with each other, which also explains the reason why they go hand in hand. But cultural industry has a longer history than creative industries. From 2005, driven by political factors, creative industry started to take the lead, being applied more widely than cultural industry.

In widely researches of creative economy, both of the two terms are treated as the same one, but actually they have different focus. Copyright industry focus on consumption features of copyright trade, content industry mainly defines in terms of macro policy, creative industries highlights the central role of creative class, digital content highlights technology for products support and integration. Table 1 compares the evolution of terms related to creative industry.

Despite the fact that all the different statements are associated with social economic and technological development, its core values are reflected in different dimensions, however, overall, creative industries contain more tolerance and integration, presenting a multi-level, multi-agent industry systems comparing with other terms. Among them, cultural industries, copyright industries are the core of the creative industries, the categories of creative industries contain entertainment, leisure, experience, and other digital content etc., just more emphasis on the realization of market value and the enhancement and contribution for economic transformation of creativity. Of course, these contradictions and conflicts resulted in complexity of creative industries connotation and characteristics.

Related Terms	Definition Views	Core Values	Evolution Process
audiovisual industry	product type	information volume	technology progress-change of communication-market expansion-focusing on market interests-sprouting of creative industries
cultural industry	macro policy	cultural capital	
copyright industry	market interest	intellectual property	
experiencing industry	customer needs	perceived value	market development-customer demand oriented-development of creative industries-rise of creative industries
entertainment industry		entertainment	
leisure industry		lifestyle	
creative industry	creative class	creative activities	
content industry	product content	spirit content	(coupled development of knowledge economy and digital technology-industrial integration, wake of public cultural needs-expansion of cultural market)—boom of creative industries
digital content	industrial integration	technology information	
attention economy	resources scarcity	public attention	
creative economy	economic transformation	market value	

Table 1: Related Terms of Creative Industries and Evolution Comparison

## 2. Connotation Definition and Characteristics of Creative Industries

### 2.1. Definition of Creative Industries on National Level

Different countries have different definitions for connotation and extension of creative industries. In America, creative industries are driven by consumers and markets, in Europe, national culture is subject to the limitations of the culture of citizenship rights. Currently, there are three categories of connotation definitions for creative industries with national views.

The first category gives the definition with the analysis form in the view of the development and use of intellectual property rights. The definition of creative industries of UK in 1998 in *Creative Industries Special Report*: the industry which is from individual creativity, skills and talents, through the development and use of intellectual property, with the creation of wealth and potential employments. This definition is recognized as the first authoritative definition of creative industries, which has a great influence in the international areas. The America calls creative industries as copyright industries which refer to the production and sale of copyright industries. This definition takes copyright as the core and expand, reflecting the importance of the value of copyright. Australia and New Zealand also pay great attention to copyright. In 2008, the Beijing municipal government held a special meeting examined and adopted the official definition: cultural and creative industries refer to the group industries which take the creation, creativity, innovation as the fundamental means, cultural contents and the creative outcomes as the core values, implementing intellectual property rights as trading or consumption characteristics, providing cultural experiences for the public. This definition emphasizes the trading characteristics of creative industries, which is theory summary and guidance of cultural markets.

The second category gives the definitions with enumerating methods in the view of integration of culture and business. Canada defines the arts and cultural activities which include the substance of cultural products, virtual cultural services and the definition of the basic concepts of intellectual property as creative industries. UNESCO also combines creative production and commercialization, thinking that cultural industries contain cultural products, cultural services and intelligent property.

The third category gives the definition with analysis and enumerating methods in the view of cultural value production. Finnish defines cultural industry as the production of contents of cultural significance. Korean defines cultural industry as associated industries which can create economic values and cultural production, sales and consumption are associated (Haksoo, 2005).

### 2.2. *The Definition of Creative Industries by Different Researchers*

Caves (2000) thought that creative industries provide wide products and services associated with cultural, artistic and entertaining values, and explained specific business activities of the creative industries referring to economic theory and the theory of contract interpretation. Because of its narrow scope and fuzzy standards in the specific operating, this definition was adopted by few countries and regions, but in terms of theoretical research, its unique point of view caused wide concerns in academic circles. Throsby (2000) took the creation of creative thinking as the core of creative industries, thinking that the creative industries were outward-expanding concentric circles based on traditional culture and art. Howkins (2001) advocated that creative industries should include apartments which protect intellectual property rights, pointing out that the importance of the creative economy was not limited to these industries, or a cluster, but based on a mode of operation, which exist in all industries. Florida (2004) thought that creative industries should not be treated as a single category of an apartment or one industry, the rise of creative industries in today's economy demonstrated the rise of an occupation class, creative talent existed in many sectors or industries, he valued innovation and personal creativity.

With development of interactive media and the promotion of SNS, definition of creative industries had new changes. Hartley (2005) thought that the fact that creative industries emphasized on theory and practice of creative arts combined new media technologies and new knowledge-based economy and cultural industries. Pottsetal (2008) gave the definition of creative industries from the view of social network, Creative industries was a group of economic activities which created and maintained social relationships, made production and consumption decisions in social network and made values, analysis of creative industries should not start from the industrial point of view, but from a market perspective. From the researchers' analysis of creative industries, creative industries are high form of market economy which has a dynamic development status, it relies on creativity and it is driven by consumption, at the same time changing and creating markets.

Based on above analysis, creative industries are concepts which are related with individual creativity and intellectual property, cultural creativity as a key factor of production, market value oriented, fully reflect the fusion of innovation and industrial development methods, not only focus on the industrialization of culture, but also focus on the culture of the industry, emphasize integration and penetration of inter industries. It can be seen from the creative industries' definition on national policy level and academic circles that, despite the different views and scopes, the nature of creative industries is the same. In general, three characters are shown by the definition of creative industries: first one is that cultural resource is the base of creative industries, creativity is the core of production factor, cultural content and creative results are core values. Second one is that intellectual properties are the core assets of creative industries, intellectual properties are formed through modern production system, creative values are obtained through the development and use of intellectual properties, the trade of intellectual properties is the significant feature. Third one is that creative industries contain three important elements of physical culture products, invisible cultural services and intellectual properties, reshaping traditional industries to implement commercial results of wealth creation.

### 3. Comparison of Classification Pattern of Creative Industries

Creative industries are dynamic and cross-apartments integration industries, contains many different types of industries, which make it hard to classify through traditional classification methods. At present, there are six typical classification patterns, which is shown in Table 2. DCMS originated from the UK, which was proposed with the situation that the government wanted to re-obtain its economic leadership by making creativity as the driven force of economy, so contained thirteen industries with creativity as the core. The pattern of symbols was proposed by Hesmondhalgh, in which, creative industries classification was achieved by the production, spread and consumption of culture, mainly in various forms of media. The pattern of concentric circles was firstly proposed by David Throsby, whose feature was to expand outward with the core of cultural and artistic value, treating cultural and arts industries as the core of creative industries. WIPO proposed the copyright classification pattern based on copyright, thought that intellectual property with copyright as the core was the specific manifestations of production and services, thus they achieved classification according to different content in different sectors of intellectual property, which was adopted by the America and Canada. The UNCTAD pattern merged those industries with same manifestations into a single apartment, whose scopes were wide and full. The UNESCO pattern classified creative industries into two classifications: cultural production and service.

On the whole, there exist shortcomings with regard to present classification patterns. Firstly, creative industries are one dynamic concept, which should be considered from multi-dimensions, not a single static dimension. Secondly, current classification patterns just consider the features of industries, make the classification on those industries with similar manifestations, but have not analyzed value features of all industries deeply. Thirdly, with the expansion of creative industries markets, current classification can not meet the demand of comparison analysis of industries research.

Based on above six classification patterns, considering the production and consumption features of creative industries, extracting from the complicated combination of productive and unproductive labor with values as the core, this paper classifies creative industries into the following five classifications:

1. Production creative contents provide productions which treat replicability intellectual property as the core. The market value is achieved mainly through the development and utilization of intellectual property, the value of its material carrier is negligible. Mainly contains: books and other publications, music, audio video, software, digital creative contents, animation, video games, radios, televisions, films.

2. Production creative contents provide unique creative works of art. The market value is achieved through the achievement of its art, history and scarcity. Mainly contains visual arts, arts, crafts.
3. Production creative experiences provide invisible products which generally focus on experiencing values. The market value is achieved through voluntary payments for the value of experiencing. Mainly contains performing arts industries, such as live music, theater, dancing, opera, circus, puppet shows, sporting events and so on.
4. Production creative experiences provide public products which focus on experiencing values. The market value is achieved through combination of government subsidies and public voluntary payments including buildings, sites, museums, libraries.
5. Production creative services provide invisible products which contains creative contents. The market value is achieved through the achievement of services values. Mainly contains advertising, design (interior design, graphic design, fashion design, jewelry design, toy design), management consulting.

This paper is one of the intermediate research achievement of National Natural Science Foundation of China (value network modularization design and value creation research of creative industries cluster, project number: 71373040).

#### 4. References

- i. Hesmondhalgh, D. *The Cultural Industries*. London: Sage. 2002:90-100.
- ii. Murdock, GO. Back to Work. In A. Beck (ed.). *Understanding the Cultural Industries*. London: Routledge, 2003:15-35.
- iii. Howkins J. *The creative economy: How people make money from ideas [M]*. Penguin UK, 2002.
- iv. Wolff, M J. *The Entertainment Economy: How Megamedia Forces Are Transforming Our Lives*. New York: Random House / Three rivers press, 2000.
- v. Throsby, D. *Culture and Economics*. Cambridge University Press, 2001.
- vi. Potts J, Cunningham S, Hartley J, et al. Social network markets: a new definition of the creative industries [J]. *Journal of cultural economics*, 2008, 32(3): 167-185.