

The Innovation Value System of Community Industries — The Analysis in the Perspective of an Actor

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Abstract: On one hand, community industries in Taiwan were based on community construction. On the other hand, the operation of industries formed the network of business operation through creativities and resources derived from the action of actors. Therefore, innovation values existed in the motives and sentiment in actors' mind. Consequently, in this research, the value-adding actors were interviewed and analyzed by using Means-End Analysis with the case study focusing on black tea industries developed at the Xi an-za-jiao community on Yu-chi Township, Nantou County. It was meant to values of various levels of actors in the network. Also, these values were connected in series to explore the overall innovation value systems and particularities of community industries. This article was concluded as below:

- (1) The values of community industries included satisfaction to the demands of lower levels, such as taste, providing job vacancies and local raw materials and some other satisfaction to the demands of higher levels like moral sense, reflection and self-esteem.
- (2) The subsidiary operators played important roles on community industries. In creativity value chains, something relevant to style, design and marketing were all proposed by subsidiary operators, especially the part of creativity propaganda.
- (3) The reflection of personal experiences, ideals and others' action outcomes in the environment were finally synthesized as the reference for action. Therefore, it resulted in unexpected value action at all times with the difference and supplementary effect to value actions and values of business operators. Resultantly, the innovation industry chains could be completely established.

Key word : *Community Industries, Innovation Value, Value Systems.*

1. Introduction

From 1994, the overall community construction was prompted in Taiwan. Local culture industries were proposed as a method to revive regional economic. The development aspects with culturing industries and industrializing culture were proposed to combine regional history, culture, industries and natural resources. Under the specific value fermentation of community construction, community construction was rooted gradually and even triggered to form the feature industries of communities further.

Therefore, community industries were meant to revive community industries based on the respect to culture

environment (Lin, Ru-e-mu, Chen, and Bi-lin, 2003) to prosper economic development of rural communities. Ma, Ming-yuan (2005) contended that community construction created was not only the value of culture products, but also “the road leading to i-mago” and “development of charm” to make traditional industries shining with added values. Therefore, creativities were required for community industries to create products and service.

In 2002, the Xiang-za-jiao community on Yu-chi Township of Nantou County started to promote community industries mainly composed of black tea. Due to special demands on culture and communities, the involvement and aids from fan-cies with the same ideals were attracted and gathered to form innovative value chains. Resultantly, innovation value chains were required to bring about creativities through actors' action to form the network for industry operation. Resultantly, this research was aimed to:

- (1) analyze what values in actors' mind could be meant to bring about action in community industries;
- (2) analyze how actors of community industries could be connected in series to create innovative value chains;
- (3) analyze the values for actors with various background and the features of value action.

2. Scientific Lecture Review

2.1 Community Industries

From 1994 when Taiwan started to promote the campaigns of overall community construction, one of the major ways to prosper local economic was to root in a region. Through the derivation from contexts of local culture, it was available to keep close interaction with communities continuously and the industries functioned with appropriate feed-back systems could be designed.

From the process of community industry operation, production process, commodity attributes, sales methods and even industry physique were vested with special features. There was difference from past production process emphasizing outsourcing and flexibility in middle and small enterprises in Taiwan to a certain extent. For example, in 2006, the workstation of homeland reconstruction on Shigang Township was operated with Internet, interpersonal relationship, media linkages and charity marketing. The distance from producers and consumers was shortened by using direct sales to reduce broking expenditures with more profit for farmers. The difficulty for the dull sale of bumper-harvested agricultural yields could be solved (Hwang, Shyh-huei, 2004).

2.2 Innovation Value

As the great Japanese ideologist, Kenichi Ohmae indicated in his book titled “The Thinking of an Innovator”, “all the unprecedented thinking ways and doings in the realms of business management can fall into the category of innovation.”. Therefore, all the affairs like business management systems, talent hiring and communication could be categorized as innovation. However, any existing industry could never escape from the supplementary combines of techniques and resources of both upstream and downstream supply chains (Ong, Chou-ang, 2006). The competition advantages of industries lied in numerous factors like the availability for product design, production, marketing, transportation and support to implement overall integration and recombination with the new value chain from a different supply chain established (Lu, Yu-wei, 2005).

The notions of innovation value chains included idea conception, transformation and propaganda, totally 6 steps for implementation (Fig. 1). The creativities were gathered internally, externally or across sectors; thereafter, the selection and development were completed and finally followed by creativity propaganda (Morten T. Hansen

and Julian Birkinshaw, 2007).

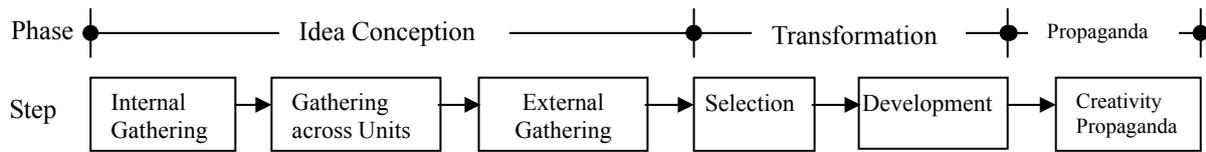


Fig. 1: The Phases and Steps of Innovation Value Chains

2.3 Means-End Analysis

The means-end analysis was an analytical way in response to the relations between demands and goals. It was supposed that based on personal values, the chasing goals could be set and the ways (or methods) to reach goals could be selected accordingly (Jiang, Jia-fang, 2003).

The means-end analysis was mainly used to deduce the values of various levels by laddering. It was frequently initialized from a direct guiding question “why it is so important for you?” to guide the answer for values in respondents’ mind. The question was repeated to reach the ladder levels for values in experimental respondents’ mind. The ladder levels of every experimental respondent were further compiled to delineate key factors and mutual linkages. The hierarchical value-level trees could be used for clarification (Kassarjian, 1977; Reynolds and Gutman, 1988). This method was mainly applied to consumer analysis with variables divided into 3 parts, product attributes, and sentiment after consumption and value sentiment namely composed of attributes, outcomes and goals (values). When values in actors’ mind were different, the hierarchical value level charts linked to methods and goals would be different.

3. Research Method and Case Study

3.1 Research Step

In this research, the case study was focused on the black tea industries operated by the Xiang-ja-jiao community on Yu-chi Township, Nantou County¹. The means-end analysis was used to analyze the actors of community industries and understand the relations of overall values (values) among industries. Also, the creativity innovation chains were further discussed. What values were used to establish creativity value chains could be well known. Therefore, this research could be divided into below steps:

Table 1: Basic Information of Respondents

Name Resp	Respondent Identities	Actor Attribute	ID Code	Interviewed Date
Yah, Jing-lung	Tea Farmer	Business Operator	M1	2008.01.24
Liu, Ming-seng	Tea Farmer	Business Operators	M2	2008.01.22
Wang, Yuan-sang	Community Worker/Tea Farmer	Business Operator	M3	2008.02.06
Chiu, Rue-terng	Tea Expert	Subsidiary Operators	A1	2008.01.28
Lin, Zong-seng	Community Worker/Poet	Subsidiary Operators	A2	2008.04.12
Yah, Li-hui	The General Supervisor of Enterprise Foundation	Subsidiary Operators	A3	2008.03.26
Jiang, Da-tou	The Officer of Enterprise	Subsidiary Operators	A4	2008.01.24

(1) From the interviews on major actors made in the period from January to March in 2008, these actors also

¹ Abbreviated as “Black Tea Industries”.

included business operators and subsidiary operators. For researching convenience, every actor was codified (Table 1).

(2) The hierarchical means-end analysis was used to analyze every actor.

(3) Through the analysis of innovation value chains for black tea industries, together with the positions of every actor standing in innovation value chains, the corresponding relations could be well known.

3.2 Case Introduction

The correlation between Yuuchi Township on Nantou County and black tea started from 1925. During the Japanese occupation period, Japanese started researches relevant to mountain tea farming at Yuuchi Township. The black tea industries at Yuuchi Township mainly focused on export. After 1974, due to increasing cost on tea farming to weaken international competence, black tea in Taiwan finally lost its competition strongholds on international markets (Lin, Mu-liang, 2003). The black tea industries at Yuuchi Township finally decayed.

The Xiang-za-jiao community was located on Dayan Village, Yu-chi Township, and Nantou County. There were actually 21 households and totally 60 residents. The ages of most residents were above 55.

In 1999, 921 Earthquake damaged the Zong-she community badly. The directions for community construction were conceived from leisure chatting. There were some affairs like environment beautifying, senior care, landscape plasticity and community industries proposed gradually.

In 2002, in view of the difficult economic conditions of mountain villages, triggered by the notion of “community industries”, the development directions mainly focused on community life and improvement of living quality. It was supposed “community value” would be helpful industry reconstruction. Therefore, in industry aspects, the economic recession of rural mountain villages was taken into consideration and the production-marketing squad for black tea was also established. Under residents’ common effort, the commodity was named as the “forest black tea”. It was aimed to revive community economic by promoting the forest black tea with high quality. The promotion campaigns were also under the guidance of some academic institutes like the Yu-chi Agricultural Improving Branch Farm and the Yunlin University of Technology. There were 4 business operators and 10 tea-plucking workers. Most of them were community residents.

In 2006, under the aids and sponsorship from various organizations, establishing websites, making propaganda films, hosting product press conferences, promoting enterprise sponsorship and propaganda activities were done to make forest black tea widely renowned and stable sales performance.

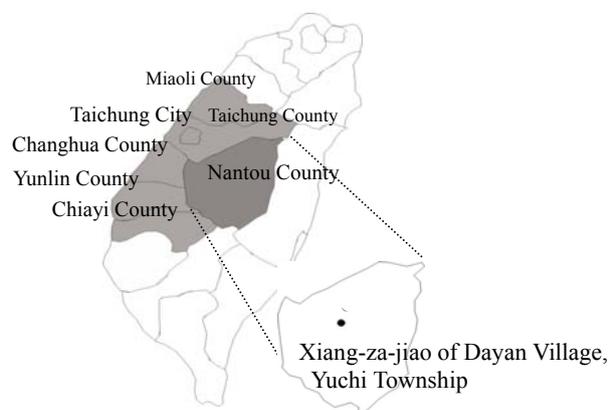


Fig. 2 921 Earthquake Ranges and Case Study Sites



Fig. 3 The Products of Forest Black Tea

4. Discussion

4.1 The Relations of Value Levels

(1) The Value Levels of Business Operators:

After 3 business operators were interviewed and analyzed by using the means-end analysis, all value levels of every business operators were compiled. Also, the value level charts of every business operator were combined to form the hierarchical value level charts for the business operators of black tea industries (Fig. 4). Among them, it was found taste and providing job vacancies belonged to the value of lower levels, but moral sense, reflection and achievement sense belonged to the value of higher levels.

Additionally, in view of 3 different business operators, on one hand, M1 expected to become a business operator to take care of community residents. On the other hand, he expected to run tea farms and factories with high quality tea. M2 was encouraged from community reconstruction and his achievement sense and moral sense were well satisfied because of his leadership for industry development. M3 joined the community industries due to the support from his friends. On one hand, he established external linkage and on the other hand, he revived tea farms. All these actions derived from his reflection on the experience of community construction.

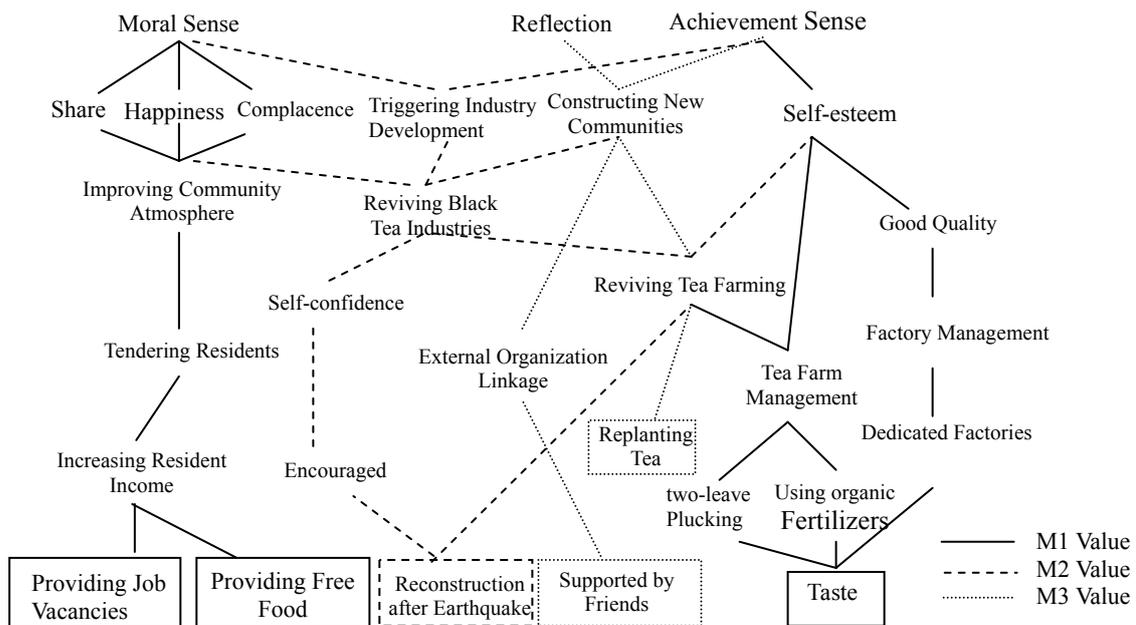


Fig. 4 The Hierarchical Value Level Charts of Business Operators

(2) The Value Levels of Subsidiary Operators:

After 5 subsidiary operators of black tea industries were interviewed and analyzed by the means-end analysis, all value levels of every subsidiary operator were compiled. Also, the value level charts of every subsidiary operator were combined to form the hierarchical value level charts for the business operators of black tea industries (Fig. 5). Among them, it was found taste and located raw materials belonged to the value of lower levels, but moral sense, reflection and sense of belonging were categorized in the value of higher levels.

Additionally, in view of different subsidiary operators, A1 became a subsidiary operator of black tea industries based the consideration of his own professional background. His industry suggestions made his moral sense,

self-esteem and professional reflection well satisfied. A2 was based on interpersonal relationship and reached his moral sense by means of story telling to improve Black Tea Industries. A3 became a subsidiary operator of black tea industries based on social duty and the affirmation on tea products. A4 got his pleasure and friendship through voluntary service and local raw materials to fulfill his sense of belonging.

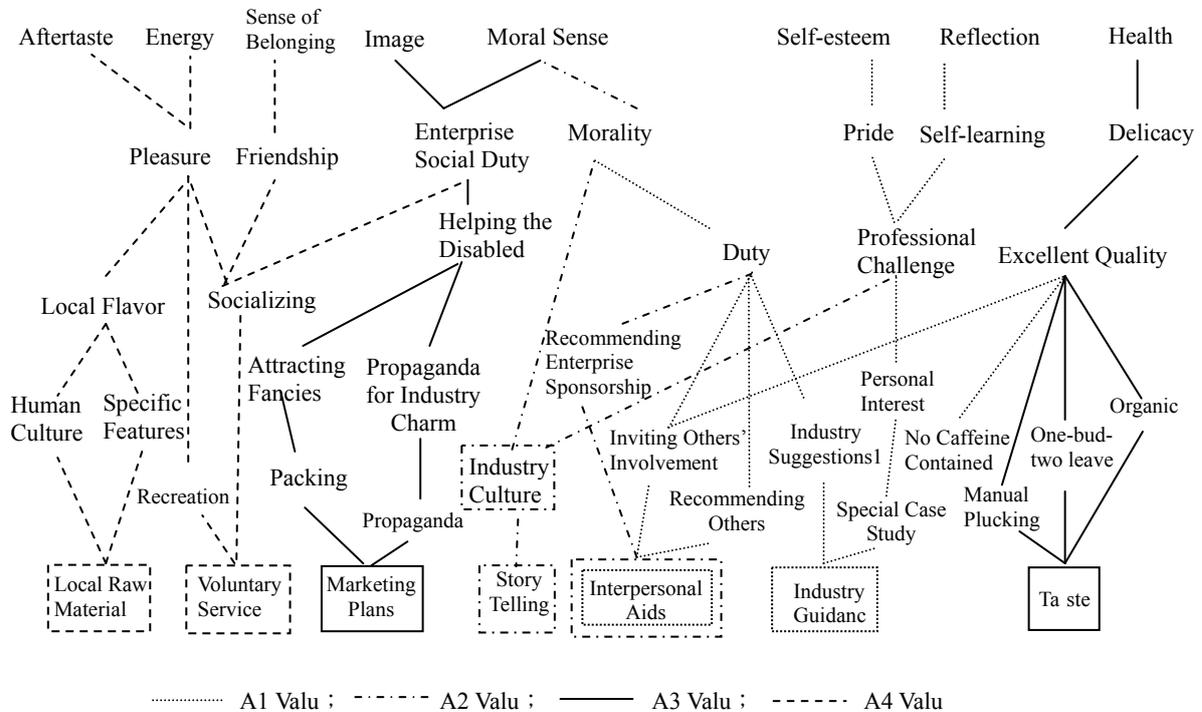


Fig. 5 The Hierarchical Value Level Charts of Subsidiary Operators

4.2 Innovation Value Chain

The values of aforementioned goals and attribute levels were put into the innovation value chains of black tea industries for analysis. The positions and roles of every value action in innovation value chains could be found.

Table 2: The Innovation Value Chains of Black Tea Industries

Idea Conception	Transformation	Creativity Propaganda
Internal, Across Units, External	Selection, Development	
<ul style="list-style-type: none"> ● <u>Providing job vacancies(M1); Providing free food(M1); Increasing resident income(M1);</u> ● <u>Seeking support from friends(M3); External organization linkage(M3)</u> ● Taste(M1,A3); One-bud-two-leave(M1,A3); Manual plucking(A3); Organic(A3); ● Dedicated factories(M1); Dedicated equipment(M1); ● Local raw materials(A4); Human Culture(A4); Uniqueness(A4); ● Voluntary service(A4); ● No caffeine contained(A1); ● Interpersonal aids(A1,A2); 	<ul style="list-style-type: none"> ● <u>Industry reconstruction for black tea(M2);</u> ● <u>Replanting(M3); Tea farm management(M3);</u> ● <u>Factory management(M3);</u> ● Tea of High Quality(M1,A3) ● Industry Guidance(A1) ● Local Taste(A4); ● Recreation(A4); ● Packing Design(A3); ● Story Telling(A2); ● Culturing(A2); ● Enterprise Sponsorship(A2); 	<ul style="list-style-type: none"> ● Marketing Plans(A3); ● Propaganda (A3);

(1) Idea Conception: Idea conception was done by either or both of business operators and subsidiary operators. Most ideas relevant to production derived from business operators such as providing job vacancies and dedicated factories. Instead, most ideas irrelevant to production derived from subsidiary operators such as local raw materials and voluntary service.

(2) Transformation: In the selection and development of idea conception, some were proposed by business operators and others were proposed by subsidiary operators. Identical to the phase of idea conception, most ideas relevant to production were proposed by business operators like reconstruction of black tea industries and factory management. Instead, most ideas irrelevant to subsidiary operators were proposed by subsidiary operators like enterprise sponsorship and recreation.

(3) Creativity Propaganda: The part of idea propaganda included marketing and propaganda campaigns. Both of them were proposed by subsidiary operators.

In view of aforementioned analysis, most ideas proposed by business operators for the creativity value chains in black tea industries were creativity action relevant to production. Most ideas proposed by subsidiary operators were creativity act relevant to style, design and marketing. Especially, all ideas of creativity propaganda were proposed by subsidiary operators. The importance of subsidiary operators in black tea industries could be clearly seen.

4.3 The Comparison of Actor Identities and Values

However, why every actor highly willing to promote black tea industries, especially various professional and non-professional aids offered by subsidiary operators under any perceived values for the development of black tea industries, would be worthy of further stepwise comparison among actor identities, values and action to understand value systems and factors of overall black tea industries.

Tab1 3: The Comparison of Actor Identities and Values

	Identity Explanation	Value Action	Value
M1	A neighborhood chief and sales-n-marketing squad chief	Providing job vacancies, providing free food, increasing resident income, one-bud-two-leave plucking, dedicated factories, dedicated equipment	Moral sense, achievement sense
M2	The wife of the sales-n-marketing squad chief and also a black tea vendor in the past	Reconstruction for black tea industries	Satisfaction sense
M3	A community worker professional in architecture and finally becoming a business operator of black tea after 2 years of touch experience	Seeking support from friends, external organization linkage, replanting, tea farm management, factory management	Reflection, achievement sense
A1	An expert in tea production retired from a black tea research institute	No caffeine contained, interpersonal aids, industry guidance	Moral sense, self-esteem, reflection
A2	A community worker, lecturer and poet endeavoring for the promotion of black tea industries	Interpersonal aids, story telling, culturing, enterprise sponsorship	Moral sense, reflection
A3	A general supervisor of non-profit enterprise organization and touched black tea industries through A2 giving aids for promotion	Taste, one-bud-two-leave, manual plucking, organic, tea of good quality, packing design, marketing plans, propaganda plans	Health, image, moral sense
A4	An enterprise officer and touched black tea industries through A3	Local raw materials, human culture, uniqueness, voluntary service	Aftertaste, energy, sense of belong

(1) Care Givers of Community: M1 and M2 were experienced tea makers and they led the community Black Tea Industries because of their leading places to take care of team farmers. In the promoting process, their moral sense and achievement sense were well satisfied.

(2) Professional Participants: M3 and A2 were experts in community construction. A1 was an expert professional in tea production with his professional knowledge and effort involved in black tea industries. M3 became a business operator to manage tea farms and factories. A1 and A2 became subsidiary operators to provide techniques. In the process, his reflection, achievement sense and self-esteem were well fulfilled.

(3) Capable Supporter: Although A3 and A4 had no professional techniques on community construction or tea production, yet they were vested with some important capacities lacked by business operators. Especially, A3 were professional in marketing and A4 were good at handling information, networking and resources. Through their aids to black tea industries, their health, image and moral sense were well materialized.

In view of aforementioned analogical comparison between actor identities and values, there some findings described as below:

- The community industries of black tea were mainly linked with the satisfaction of moral sense. Business operators' aids were given to economic-weak residents and subsidiary operators' aids were given to business operators, especially in sale of.
- The business operators in communities or relevant industries received professional verification due to actual promotion in black tea industries. The values of reflection were well satisfied.
- The different and supplementary effect on both action and values of business operators and subsidiary operators just formed innovation value chains well.
- When subsidiary operators viewed and reflected the reliance for action synthesized with action outcomes and personal ideal materialization, it frequently created unexpected values.

5. Conclusion

The innovation values of community industries existed in the motif and sentiment of action with valuable industry action formed. This research was operated with case study on the innovation value systems for the community industries of black tea with some findings described as below:

- (1) The values of community industries included the satisfaction to the demands of lower levels like taste, providing job vacancies and some others belonged to higher levels like moral sense, reflection and self-esteem.
- (2) Subsidiary operators played an important role in community industries with most effort made for the creativity action relevant to style, design and marketing. Especially, all the parts of creativity propaganda derived from subsidiary operators.
- (3) Therefore, in the reliance of resultantly synthesized action outcomes for subsidiary operators to reflect their own personal experience, ideas and others' action, subsidiary operators frequently created unexpected value action with the difference and supplementary effect to both action and values. The innovation industry chains could be well established.

It was known from aforementioned outcomes, the attraction derived by community industries through values could create supplementary effect for the involvement of subsidiary operators. It would be helpful to reach

more complete and wholesome innovation action and innovation industry chains. The operation of community industries could be well continued.

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