

# A Study of the Correlation between Aboriginal Cultural Merchandises and Marketing Channels in Taiwan

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**ABSTRACT---** *This study analyzed the types and characteristics of aboriginal cultural merchandises and their marketing channels in Taiwan and explored the correlation between the marketing channels and the cultural merchandises. In-depth interviews and the field survey approach were adopted to conduct the study. Study subjects, 18 in total, were store managers or producers of aboriginal cultural merchandises in the eastern part of Taiwan. Interview results were analyzed applying the grounded theory. Atlas.ti, the qualitative data analysis software, was used for encoding and analysis purpose to further render study results. According to the results of the study, marketing channels for aboriginal cultural merchandises in Taiwan can be divided into five types, namely, studio, market activity, retail, counter, and wholesale. Based on the production characteristics of the merchandises, on the other hand, the marketing channels for aboriginal cultural merchandises in Taiwan can be divided into artifacts, commercialized artifacts, artifact-based products, and products, four types in total. Artifacts that are primarily handmade are sold through studio, market activity, and counter-based channels. Products featuring mass production, on the other hand, are mainly sold through retail and wholesale-based channels.*

**Keywords---** Aborigines in Taiwan, cultural merchandise, marketing channel, artifact

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## 1. INTRODUCTION

It is indicated in related literature that indigenous peoples in Taiwan share the same origin as Austronesian-speaking peoples because of the geographical location, making Taiwan the northernmost region for the Austronesian languages. Thanks to their local environments and resources that are available, aborigines have developed unique culture, customs, and traditional craftsmanship. In the greater social and cultural context, the art forms, handicraft characteristics and aesthetic content of individual ethnicities determine the cultural value of indigenous peoples in Taiwan (Wang, 2001). In light of the fact that cultural and creative industries are one of the most popular industries around the world, Taiwan included cultural and creative industries in its Challenge 2008 -- National Development Plan that started to be implemented in 2002. In the Plan, a cultural and creative industry is defined as “one made possible by accumulative creativity or culture, carrying the potential of creating wealth and job opportunities as intellectual properties take shape and are utilized, and meant to advance national aesthetic attainments and improve the living environment for the people.” A total of 16 industries dealing with handicrafts, product design, and a creative life, among others, were included. In the early days, aboriginal art creations were meant to meet daily needs and directly demonstrated things coming to people’s attention and reflected the aesthetic experiences of the inventors (Suzuki, 1999). Each ethnic group had their outstanding craftsmanship. Craftsmanship emerged exactly to meet the self-sufficient daily needs in tribal society. Local natural materials, unique craftsmanship, and aesthetic presentation were combined in one to produce handicrafts that were both beautiful and useful. With the emergence of the cultural industry, the outstanding hand-made products of aborigines are now available in the creative life industry and handicrafts industry and are gaining prominence. As creative design and craftsmanship are combined and interlaced as part of the cultural commercialization process, traditional cultural handicrafts have become merchandises carrying the characteristics of aborigines in Taiwan.

The consumer market continues to transform, however. To meet the challenge of mass production and commercialization as well as the needs of marketing channels and competition on the market, the aboriginal traditional handicraft industry must take into account why cultural merchandises are created and also have clear insights of consumers’ demand through marketing channels in the sales of cultural merchandises. Not knowing that it is necessary to connect the channels with consumers, artisan will be in an embarrassing situation where the market demand cannot be met and it is difficult to sell their merchandises. How are artisans and inventors to find suitable marketing channels for their merchandises? Understanding the characteristics of marketing channels and cultural merchandises and selling merchandises through suitable channels so that the value of the merchandises can be communicated to the target market

will contribute to the cultural relay for aborigines in Taiwan and help create industrial value. On the basis of the said background, this study explored the different types of channels, characteristics of the channels, and merchandise classification through the correlation between aboriginal cultural merchandises and marketing channels in Taiwan to finally summarize the adequacy of the marketing channels and cultural merchandises. Findings in this study will serve as reference for designers, aboriginal artisans, and studios in terms of the correlation between cultural merchandises and marketing channels to hopefully enhance their competitive advantages in the development of aboriginal cultural merchandises.

## 2. METHOD

### 2.1 Subject and Scope

Indigenous people have settled themselves throughout Taiwan, particularly the eastern part of Taiwan, where the number and scale of studios and stores are also greater. In this study, the eastern part of Taiwan was set to be the sampling site. Producers or sales managers in stores of aboriginal cultural merchandises were interviewed.

### 2.2 Research Method and Tool

The field investigation approach was adopted to collect data on the characteristics of cultural merchandise marketing channels through participant observations and records. The recorded results are meant to examine the influence and factors between the channels and cultural merchandises. Interviews took place onsite with the subjects applying the semi-structured in-depth interview approach. There were open-ended questions and adaptive response procedures during the process in order to know the characteristics of the channels. Finally, ATLAS. Ti, the qualitative analysis software, was used as the research tool. The operator interface of the software is shown in Figure 3.1a. In the left column are word-for-word transcripts of interviews while the right column shows the encoding process. Then, through encoding and categorization, network mapping was generated as is shown in Figure 3.1b.

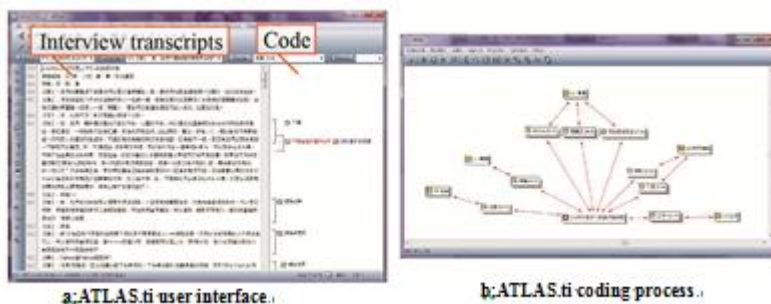


Figure 3.1 Illustration of the ATLAS. ti software.

Janrt M. Ruane (2007) mentioned that it is required to perform systematic analysis and observation at a specific site adopting a specific cognitive approach when it comes to field investigation. The researcher should begin with observation and gradually sum up to arrive at a theory based on the data obtained through observation. In other words, most field investigations are conclusive in nature. Experts and scholars also combined the development and establishment of the grounded theory in one (Glaser & Strauss, 1967). Strauss & Corbin (1997) believed that the grounded theory is the result of phenomena being analyzed and compiled in a conclusive manner. The theory is developed through systematic and innovative collection and analysis of data and is temporarily validated. With the grounded theory, the process of data analysis is referred to as coding. According to Strauss & Corbin (1990), coding includes (1) open coding, that is, interview data are dissected and reviewed and phenomena are named or analyzed as part of conceptualization and categorization; (2) axial coding, which occurs after open coding is completed and involves the requirements for, contexts of, and action taken or strategies adopted for or results of phenomena analysis that are deduced or induced to generate categories; in other words, it is a process where data are reassembled and re-linked; and (3) selective coding, which involves the selection of a core category and systematic validation of its integration with the other categories.

## 3. RESULTS AND ANALYSIS

### 3.1 Types of Marketing Channels for Aboriginal Cultural Merchandises

A marketing channel is the process where specific products or services are transferred from producers to consumers. It was found through field investigation that the structure of marketing channels for aboriginal cultural merchandises is insufficient in terms of the length and the width. Most of them are zero-level channels and only a few are one-level and two-level channels. A zero-level channel features producers of cultural merchandises selling the merchandises directly to consumers at their studios or through stands that they set up in marketplaces. A one-level channel, on the other hand, involves collaboration and sale of merchandises through platforms such as exclusive stores and retailers. With a two-level channel, wholesale stores sell merchandises to stores and the latter sells them to consumers. The following summarizes how aboriginal cultural merchandises are sold and the sale characteristics of individual channels:

## 1. Studio

As the name says, a studio-based channel uses studios as the sales premise. Most of the studios are located in townships and tribes. Producers make merchandises and display them directly at their studios. Consumers can choose the ones they would like to buy directly at the studio, as is indicated in Figure 4.1a. Producers, on the other hand, can introduce the characteristics of their merchandises in person. Their customers are primarily tourists and retailers. Mr. M says (55:55), for example, *“If they come to Taitung, they will make a special trip here (studio) to buy our products. Although we are located further away, the merchandises we sell are in fact more than those sold anywhere else in terms of the quantity.”* Ms. B also indicates (6:7) that *“Some of my buyers will come here to shop for goods. This offers the right aura. I like to arrange my house this way. It is pretty fun!”* Cultural merchandises sold at studios are mainly artistic and original ones featuring traditional craftsmanship. These merchandises are ideal collectables for appreciation purpose. There are also useful ones carrying traditional craftsmanship or cultural characteristics.

## 2. Market activity

A market activity-based channel sells through a stand set up by a studio in the marketplace. Based on the data collected, there can be two types of premises to facilitate the sales, the irregular mobile stands and regular marketplace stands. The former features shorter time and focused activity in around two to three days at a given site while the latter involves several sellers sell through aggregate stands at a given time and place. See Figure 4.1b. Inventers or artisans can communicate directly with consumers while selling merchandises. Ms. I mentions (16:16), for example, *“I myself has a stand in a marketplace at Tiehua Village. I goes there every Friday, Saturday, and Sunday.”* Most marketplaces are operative on the weekends or holidays as foreign tourists or those from metropolitan areas account for a majority of the consumer base. Most of the participants in this type of channel are artisans from local studios. They design primarily useful merchandises that combine both traditional craftsmanship and local cultural characteristics and are handmade or semi-handmade. Thanks to the stand-based distribution pattern, prices of the merchandises are relatively low as well. Mr. G mentions (71:71), for example, *“...the county government invited us and I figured that we needed to set up a stand...So, we made a batch of very simple ornaments that cost probably NT\$50 each. We also added some logos containing dancing Amis to mark the visit to Taiwan.”*

## 3. Retail

This type of channel features primarily collaboration between producers or artisans and retail shops and that the former have cultural merchandises to be sold at the latter. The retail shops can be ordinary retail stores, stores that only sell aboriginal cultural merchandises and museum gift shops. Retail shops are set up near sightseeing spots or traffic pivots. They sell primarily local specialties, including aboriginal cultural merchandises, of course, to facilitate purchase by tourists. Examples of such shops include Azhibao Handicraft Shop, the Taitung County Farmers' Association shop at the airport. See Figure 4.1c. Ms. O indicates (72:72), for example, *“there are the most tourists here “at the bus station” right? It is a focused spot. Here you see people from Singapore, Malaysia, and even blondes or Japanese.”* An exclusive store, on the other hand, is found in the metropolitan area or an aboriginal cultural park to sell only aboriginal cultural merchandises that come in a variety, including aboriginal cuisine stores and Ayui Aboriginal Store, for example. Just like Mr. C says (9:9), *“For the past few years, or rather, the past one to two years, one has been able to find a cuisine house in Taipei on the Internet. They are an ideal marketing channel.”* The diverse consumer base for retail-based channels contributes to a rich selection of merchandises. Among them useful merchandises symbolic of local cultural characteristics account for a main portion. Some of them, on the other hand, are artistic creations to be collected for appreciation purpose.

## 4. Counter

A counter-based channel targets hotels and airports as their sales premise, as is shown in Figure 4.1d. A summary of interview data shows that the distribution can be done through collaboration between studios or artisans and hotels or airports to facilitate sales by the latter or counters that are spontaneously set up. Mr. G indicates (53:53), for example, *“I want distributors with a cultural background. As such, I only let Hualien FarGlory Hotel sell my products”* and Mr. M says (55:55) *“My merchandises are also available at the Naruwan Hotel and the Luming Hotel.”* Most of the consumers in this area are tourists or business travelers with specific purchasing power. They are relatively demanding with regard to the requirements of merchandises. The sales premise and the requirements of merchandises, however, also contribute to a relatively higher price. Mr. G (42:42) describes, *“We made it into a cell phone pocket. Is it cheap? To be honest, it is not cheap. But let me tell you. It sells a big time at the airport!”*

## 5. Wholesale

This type of channel targets large warehouses, as is shown in Figure 4.1e. The customers are retailers or ordinary store owners. The purchase must reach a certain value or quantity in order to apply the wholesale price. The diversified merchandise styles come in the hundreds. They are mostly produced in a large quantity mechanically in addition to

outsourced processing and manufacture at a lower price compared to handmade merchandises in order to meet the demand of a large consumer base. Due to the mass production nature, however, the merchandises are not original and unique.



Figure 4.1 The different types of marketing channels

(source of Figures b and d: <http://summertsai000.pixnet.net/blog>, <http://blog.xuite.net/amis.kay/blog>)

### 3.2 Characteristics of Aboriginal Cultural Merchandises in Taiwan

Art creations among aborigines came from the needs to be met in daily life. They are the display of things that came to people’s awareness and directly reflect the aesthetic experiences of their inventors (Suzuki, 1999). The expression of tribal arts, on the other hand, is restricted by the usefulness in daily life. As such, tribal arts are referred to as craftsmanship (Wang, 2000). Cultural merchandises differ from ordinary ones in that they mainly emphasize the integral cultural elements, symbols, and codes. Their exteriors carry the cultural content and cultural value before they are passed down to consumers.

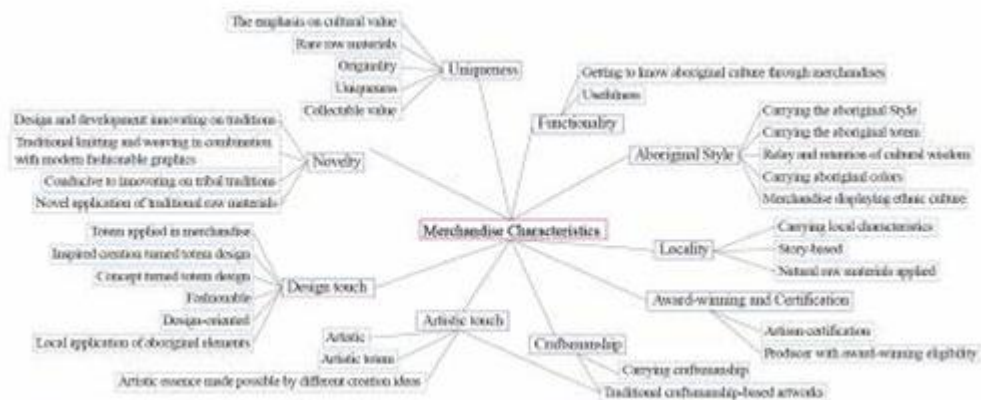


Figure 4.2 Network mapping of merchandise characteristics (prepared during the study)

The field investigation revealed that besides cultural merchandises made with traditional craftsmanship, artisans combine traditional craftsmanship and cultural symbols and codes in their novel design and mechanical production, adding to the diversity of the forms of cultural merchandises. By applying the grounded theory, characteristics of cultural merchandises can be summarized as follows: award-winning and certification, locality, aboriginal style, functionality, uniqueness, novelty, design touch, artistic touch, craftsmanship. See Figure 4.2. In terms of production, it can be handmade, semi handmade and semi mechanical, and mechanical, as is shown in Figure 4.3. This study followed the aesthetic content and production characteristic classification principles and summarized aboriginal cultural merchandises in Taiwan by their different useful functions. See Figure 4.4.

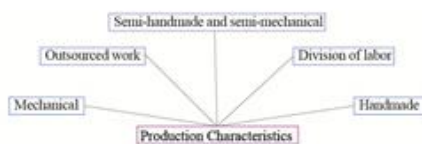


Figure 4.3 Network mapping of production characteristics (prepared during the study)

|                    | Production Characteristics |                         |
|--------------------|----------------------------|-------------------------|
|                    | Handmade                   | Mechanical              |
| Aesthetic Content  | Artifacts                  | Artifact-based Products |
| Design Connotation | Commercialized Artifacts   | Products                |

Figure 4.4 Classification of cultural merchandises (prepared during the study)

#### 1. Artifacts

All materials used artifacts of this type are natural or based on aboriginal traditions. The artifacts are made applying the aboriginal traditional craftsmanship and demonstrate artistic aesthetics of unique originality. Manual production is time-consuming and takes a lot of work. The products are available in an extremely small quantity. Most of them are



meant to be collected for appreciation purpose. See Figure 4.5-a.

2. Commercialized Artifacts

Merchandises of this type are semi-handmade and semi-mechanical. They come in a relatively small quantity and varied styles. The production features modern and traditional materials in combination with craftsmanship, such as traditional fishing net knitting, banana silk weaving, cross-stitching, ceramic craftsmanship, etc. Colors, totems, and styles are added to demonstrate the beauty of aboriginal culture. These merchandises are also useful when it comes to the functionality. See Figure 4.5-b.

3. Artifact-based Products

Artifact-based products are semi-handmade and semi-mechanical and supplied in a small quantity. Sometimes the production also involves outsourced processing or division of labor. The designer or artisan develops products from the design perspective and applying modern materials as well as mechanical technology. Totems and colors are the most frequently used to showcase aboriginal characteristics and cultural symbols. The merchandises are highly useful and can be used in daily life. See Figure 4.5-c.

4. Products

Designers of this type develop products from the industrial design perspective and apply modern technology to manufacture products mechanically in a large quantity. The merchandises primarily demonstrate local characteristics or traditional cultural symbols through the different styles, totems, and colors. The relatively large quantity produced contributes to a cheaper price and results in the absence of uniqueness and originality. See Figure 4.5-d.



Figure 4.5 Map of cultural merchandises(prepared during the study)

3.3 Correlation between Aboriginal Cultural Commodities and Marketing Channels in Taiwan

Discussions of the characteristics of aboriginal cultural merchandises and marketing channels in Taiwan as a whole and the summary of the adequacy of these marketing channels and cultural merchandises help with the understanding of which channel is suitable for which type of cultural merchandises in order to explore the correlation between aboriginal cultural merchandises and marketing channels in Taiwan at a greater depth. The analysis and descriptions are shown as follows in Figure 4.6.

Producers or artisans can directly introduce and explain the features of their merchandises and take customized orders as well with the studio or market activity-based channels while counter-based channels set higher requirements for the quality, workmanship, and characteristics of the merchandises. For these three types of channels, the merchandises are primarily artistic and original ones produced in a way resembling traditional craftsmanship, followed by useful ones reflective of traditional craftsmanship or cultural characteristics. Both are handmade or semi-handmade and supplied in a relatively small quantity yet varied styles. To meet the demand of different consumers, a variety of merchandises in enriched styles are sold through wholesale and retail-based channels. Most of them are useful merchandises symbolic of local culture. These merchandises are primarily produced in a large quantity mechanically or in combination with processing or outsourced work. The large production volume, however, results in the loss of originality and uniqueness in the merchandises. Depending on the sales premise, retail-based channels sell art creations in a small quantity, too.

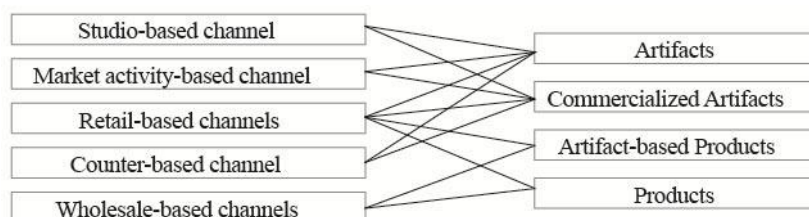


Figure 4.6 Correlation between aboriginal cultural merchandises and marketing channels

#### **4. CONCLUSION**

Results of this study show that marketing channels can be divided into five types according to the sales premise and sales pattern, namely studio, market activity, retail, counter, and wholesale. By applying the grounded theory, characteristics of cultural merchandises were analyzed to include the following: award-winning and certification, locality, aboriginal style, functionality, uniqueness, novelty, design touch, artistic touch, craftsmanship. See Figure 4.2. In terms of production, it can be handmade, semi handmade and semi mechanical, and mechanical. The classification followed the aesthetic content and production characteristic principle and rendered the four classes: artifacts, commercialized artifacts, artifact-based products, and products. We were able to understand the differences in the characteristics of the different types of channels and merchandises by exploring the correlation between marketing channels and cultural merchandises. Handmade artifacts are sold primarily through studio, market activity, and counter-based channels. Products featuring mass production, on the other hand, are sold mainly through retail and wholesale-based channels. Among the types of aboriginal cultural merchandises sold on the market at present, artifacts and commercialized artifacts are available in more channels while artifact-based products and other products are available in fewer channels. For artisans or inventors, producing suitable cultural merchandises in accordance with the channel characteristic helps not only increase economic benefits and glorify traditional cultural craftsmanship but also enable consumers to get to know aboriginal culture through the cultural merchandises, creating industrial value while promoting aboriginal culture in Taiwan.

#### **5. ACKNOWLEDGMENT**

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