Study on the Marketing Mode of Cultural and Creative Products of the Palace Museum

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Abstract. The sales of cultural and creative products of the Palace Museum have increased sharply in a short period of time since they became popular. As a new direction of museum development, how to develop and operate culture creation products well has become an important topic of museum construction. This paper takes cultural and creative products of the Palace Museum as the research object, using the methods of literature research, case study and questionnaire survey. Through the research on the development status and marketing mode of cultural and creative products of the Palace Museum, the problems in the marketing strategy and profit model of which are found, and the countermeasures and suggestions are given from different angles. The purpose of this study is to provide some theoretical guidance for the development and marketing of cultural products in the Palace Museum and other museums.

Introduction

With the establishment of the "Palace Museum Cultural Creative Center" in 2008, the cultural and creative products of the Palace Museum (hereinafter referred to as ‘CCPPM’) began to enter people's vision[1]. Because of the rigorous positioning and rigid design at that time, sales were not ideal. In recent years, the Palace Museum has developed a new marketing mode based on the background of "Internet + Culture", and has been developing the cultural and creative products by all-media, so as to enhance the brand influence of the Palace Museum culture.

This article will study the marketing mode of the CCPPM, in order to provide effective suggestions for promoting the development of the Palace Museum brand and improving the commercial value of Chinese cultural and creative industries.

Analysis on the Marketing Mode of CCPPM

This study uses questionnaire survey, literature research, network data collation and other methods to conduct a survey on the marketing strategy and profit model of the CCPPM. The results are as follows.

Product Strategy

Based on the protection and inheritance of traditional handicraft, the Palace Museum combines its culture, the wisdom of the creators, with contemporary design to create unique creative products. The product type, product characteristic, target population and product list of the existing CCPPM are shown in Table 1.

Through the analysis of the CCPPM, we can find that: (1) The target market is widely distributed, spanning all levels, with young female consumers as the mainstream. (2) Consumers' purchase motives mainly include preference-driven, souvenir collection and gift-giving. (3) There are various types of products, mainly cultural life and tourist souvenirs. (4) Design elements are younger and more diversified.
Table 1. Classification Table of the CCPPM.

| Product Type | Product Characteristic | Target Population | Product List |
|--------------|------------------------|-------------------|--------------|
| Creative Life | Life allusions | consumers at all levels | notebook, U-pillow, carved paper lamp, audio, glasses cloth |
| Palace Museum Doll | the germination of the mascot of the Palace Museum | consumers at all levels | royal cat series, imperial concubines series |
| Clothing Bag | the Palace Museum colors and patterns | female consumers at all levels | silk scarves, headscarves, handbag |
| Ornament and Colorful Makeup | the Palace Museum's characteristic craft | female consumers with middle and high income | key chain, earrings, bracelet, hand rope, lipstick, eye shadow, blush. |
| Furnishing | high imitation of paintings in the Palace Museum as a creative point | consumers with middle and high income | ceramic cup, small vertical shaft, decorative painting, tea set, ornament |
| National Ceremony | Chinese characteristics | high-income people, consumers with the need to donate to others | jade pendant, white porcelain |

Price Strategy

The price of CCPPM is divided into low-end, middle-end and high-end (as shown in Table 2). As can be seen from the table, the price difference of the products in the Palace Museum is huge.

Table 2. Product Price Classification.

| Classification | Price Interval | Product List |
|----------------|---------------|--------------|
| Low-end products | 0.8-579yuan | greeting card, bookmark, heat insulation pad, paper tape, gift bag, hanging |
| Mid-end products | 580-2879yuan | brooches, teapot, cup, tray, gift box, decorative painting, art towel |
| High-end products | 2880-16800yuan | dehua white porcelain, lady's handbag, white jade Ruyi, advanced teaware set |

Channel Strategy

The Palace Museum establishes sales channels online and offline at the same time. The contents, characteristics and functions of different sales channels are analyzed below (as shown in Table 3).

Table 3. Analysis of the Sales Channels of the CCPPM.

| Type | Name | Subordination | Main Product | Channel Function |
|------|------|---------------|--------------|-----------------|
| Online | gugong1925.taobao.com | Beijing Palace Museum Cultural Service Center | palace doll, folding fan, stationery. | Committed to displaying Palace Museum cultural relics in a relaxed fashion way, promoting Palace Museum culture. |
| | palacemuseum.tmall.com | Palace Museum Press | creative household goods | Cooperate with the exhibition of the Palace Museum to excavate thematic culture. |
| | detail.youzan.com(mirco shop) | Palace Museum Management Office | the Palace Museum publishing, ticketing and various cultural products of the Palace Museum | Responsible for the online exhibition of the theme venues of the Palace Museum, taking the high-quality route. |
Through comparative analysis, we can find that the above four business entities face different groups of people in society, and their product styles have their own characteristics, so as to realize differentiated management and jointly shape the overall image of the CCPPM.

Promotion Strategy

The CCPPM not only have their own characteristics in the appearance quality of the products, but also have their own unique ideas in the way of promotion.

(1) Limited special supply. Limited reservations are made for the creative products launched in the TV program Shangxin Palace Museum. They are sold in the name of public welfare, such as the Mercer in the first issue and the Fuga Jiayin pajama suit in the second issue. This limited booking promotion method is used to attract a large number of consumers to purchase in conjunction with the program effect.

(2) Full reduction of sales. The Palace Museum Taobao would launch a full sale of its products on a specific date, which can attract consumers, increase the unit price of customers, and give back to the old customers.

(3) Special commodities. The sales platform of the Palace Museum has launched a series of special commodities, which are purposefully sold to drain and stimulate sales.

In the process of promoting its own creative products, the Palace Museum adopts various methods to develop the market of creative products[2].

Profit Model

(1) Selling Products. The most direct way for the Palace Museum to make profits is to sell its own design of CCPPM. In 2016, the Palace Museum launched 9,170 creative products, with business revenue exceeding 1 billion yuan. By the end of 2017, the Palace Museum has broken through 10,000 kinds of CCPPM, with a total annual income of 1.5 billion yuan.

(2) Creating IP Traffic. The Palace Museum not only creates the Palace Museum's cultural products, but also pays attention to the creation of the Palace Museum's IP. It launched the idea of Internet traffic, implemented "Palm Palace Museum", "Palace Museum Community", "Emperor's Day" and other mobile apps to promote the life style of the Palace Museum. The Palace Museum microblog became popular in one day, and Yongzheng Emperor's various expression packages on the Internet became popular, showing the Palace Museum to the public in different ways.

(3) Achieving Cross-border Cooperation. The most direct manifestation of the application of the Palace Museum IP authorization to cross-border goods is the reuse of design language and symbols. In recent years, the Palace Museum has achieved cooperation with traditional brands such as Baigei, Starbucks, KFC, Cartier, Nongfu Mountain, Tencent, Alibaba and Google. It is involved in food, fashion, games, design, and make-up and so on. The super IP value of Palace Museum cultural relics and cultural carriers is equivalent to the value of China's top cultural matrix.

Problems Existing in the Marketing Mode of CCPPM

Lack of Core Cultural Elements and Unreasonable Price Setting

More than 1.8 million cultural relics and cultural symbols of the Palace Museum have brought us rich cultural treasures through the accumulation of historical relics over 2000 years in China, but at the same time, they have also led to the decentralization of product design concepts and the lack of core representative images.

According to the needs of consumers of different strata, it is found that for the low-end products of the CCPPM, the consumers are mostly young, female and fashion groups, whose price setting is not close to the people, which exceeds the consumption intention of these groups and hinders the
consumption desire of the mainstream people. For high-end products, the consumer intentions are mostly gifts or collections, but product design lacks elaborate work and cultural depth, price and product quality do not match, user experience is general.

**Chaos in Channel Supply Chain Management**

In the era of consumer upgrading and aesthetic demand together, a large number of IP operators have entered the field of culture creation. "Internet Sensation" Palace Museum is the object that all operators want to contact, which means cooperation with top-level content. But on the other hand, the relatively complex architecture and too much corporate involvement also create management chaos. According to the Annual White Paper of China's Authorized Industry in 2017, Museum authorization accounts for only 2% of China's IP authorization market at present, which means that most museums are not clear about the concepts of property rights, copyright and other intellectual property rights, and do not know the ownership of property rights and the content of copyright proceeds. Taking the on-line stores of CCPPM as an example, there is overlapping in sales channels and product design, which results in intense internal competition and difficult choices for consumers.

**Incomplete Industrial Cooperation and Limited Regional Opening**

The Palace Museum cooperates with other industries in the process of developing cultural creation, but it involves fewer comprehensive and less extensive cooperative industries.

It is understood that the earliest open part of the Palace Museum was only 30%, while 65% was opened by 2015 and 76% by 2017. Up to now, the Palace Museum as a world-class cultural IP still has 24% of the open areas. Because some areas of the Palace Museum are not open to visitors or designers, their understanding of these areas is unknown. It is difficult for creative designers to design new creative products according to these areas.

**Optimization for the Marketing Mode of CCPPM**

**Pay Attention to the Core Value Building of Creative Products and Improve Product Quality**

Product value is the core of product development and operation. In the process of creating product value, the CCPPM should pay attention to the following aspects.

1. Create product ideological power and explore the core cultural elements of the CCPPM. All the creative products are thoughtful, and the thought of the products reveals the culture behind them. The CCPPM should be explored continuously to improve the product's ideological power and lay the foundation for the future development of culture creation brand.

2. Arouse users' emotional resonance. In the era of Internet economy, consumers pay more attention to the sense of identity[3]. The Palace Museum can design products that can resonate with users on the basis of hundreds of years of Palace Museum culture and deep feelings of consumers.

3. Guarantee the quality of products. In the production of products, first of all, accordance with the requirements of national quality supervision, the products should be produced qualified and controlled strictly. After the completion of the product, multi-party quality inspection is carried out on the products, and rejection of unqualified or defective products is carried out.

**Conduct Market Segmentation to Improve User Experience**

At present, the development of the CCPPM is subdivided according to the product types, not oriented by consumer demand, resulting in unclear product price and applicable crowd boundaries. Therefore, it is necessary to conduct market segmentation.

1. Group segmentation. According to the Internet survey, people of different genders and ages show obvious group differences in purchasing creative products. Based on this, we can consider dividing the market of creative products according to demographic characteristics. For example, jewelry, clothing, make-up, pendants and furniture can be divided into women's market; digital, electronic and collection products are suitable for men; some small items and creative products are
suitable for children. The group division of culture creation market is helpful to clarify the development style and sales direction.

(2) Price segmentation. The survey shows that consumers generally believe that the price of products is on the high side. The CCPPM can subdivide the price of products according to the characteristics of consumer groups and economic strength. The product design for each consumer class is based on the coverage of the whole category, and highlight the main consumer preferences of this class of consumers. Satisfy a wide range of consumer needs with a perfect product system, and distinguish consumption differences among different strata at the main product and price levels.

Define Authorization of Culture Creation and Standardize Sales Channels

According to the Museum Ordinance of 2015, authorization of culture creation is conducive to inspiring the deep value of museum cultural collections, opening up ideas, enriching the types of culture products, broadening the channels of culture creation sales, and expanding the social influence of museums. In the process of brand operation of the CCPPM, the Palace Museum needs to pay attention to the issue of authorization of culture creation and standardize sales management channels.

(1) Improving the copyright management system of the CCPPM. The State Administration of Cultural Relics needs to continue to promulgate and firmly implement the copyright management system for cultural creative products, attach great importance to the protection of relevant intellectual property rights, strengthen supervision and guidance, and ensure that the authorization work is carried out in a correct direction and in an orderly manner[4].

(2) Adjust the organizational structure of the Palace Museum's culture creation and introduce relevant talents. The Palace Museum has more than 150 staff specializing in culture creation. They are distributed in the planning, design, production and marketing of cultural and creative products. Due to the interlaced departments and vague responsibilities, the management of foreign cooperation is confused. Therefore, it is necessary to adjust the structure system and restructure the personnel of the Palace Museum's culture creation department, introduce a composite talent team that understands not only the museum's cultural collections, but also the development and operation of culture creation products, establish a mechanism of institutional management and operation that is in line with the market, and open the way for the Palace Museum's external cooperation.

(3) Strengthen the selection and management mechanism of cooperative enterprises. As a representative of public cultural brand, the Palace Museum needs to carefully examine authorized units, such as enterprise background, sales experience, brand development ability, production quality and reputation, select partners matching its own positioning, verify and file authorized qualification documents, sign contracts and clarify the rights and obligations of both parties. Sales behavior and channels, profit sharing, etc.

(4) Establish effective supervision process. In order to maintain the brand image of the Palace Museum, it is necessary to establish effective supervision and approval procedures for each link of product design, production and sales, perfect punishment mechanism for breach of contract, and establish a reasonable, standardized and effective authorization and supervision process for cooperative enterprises.

Open IP Authorization and Multi-party Cooperation

The Palace Museum has entered a more open and free stage of culture creation. It excavates, produces and operates the content IP of the Palace Museum together with market-oriented enterprises, which means the embodiment of greater cultural value and the development of commercial liquidity.

(1) Expand the authority of regional development and draw lessons from foreign experience in the development of cultural and creative industries. The IP of the Palace Museum is authorized to open, and the undeveloped areas of the Palace Museum are opened based on the protection of cultural relics[5]. Learn from the experience of foreign cultural resources development, and make supplements and improvements in cultural IP mining, management planning, implementation and supervision.
(2) Combine brand marketing and IP traffic, release maximum value of the CCPPM. The cultural products of the Palace Museum are the extension of Museum exhibition and educational function[6]. Their value is not only reflected in the commodity itself, but also playing a guiding role in people’s aesthetic trend and values. Therefore, on the basis of the consistent core concept of the brands, the CCPPM should cooperate with various industries to realize the leap from quantity growth to quality improvement and from the world of museums to the world of thousands, and realize the win-win situation between the enterprise brand and the IP value of the Palace Museum.

**Conclusion**

The development of the CCPPM can not only achieve the necessary economic benefits, revitalize the operating mechanism of museums, but also enhance the brand image of the Palace Museum and achieve cultural export. Through the analysis of the present situation of the marketing mode of the CCPPM, the excavation of the problems and the provision of solutions, this paper hopes to provide some reference value for the development and marketing of the culture creation products of the Palace Museum and the same type of museums.

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