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Managing Creative Entrepreneurship in the Arts: A Dual-Path Conceptual Model for Traditional Crafts and Short-Video Ventures in University Incubators (China with Global Relevance)

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KEYWORDS**ABSTRACT***Arts entrepreneurship;**University incubators;**Dual-path model;*

University incubators increasingly support arts-based ventures, yet these entities are often treated as a monolithic category. This approach overlooks critical differences in production systems, intellectual property regimes, and distribution channels. This paper proposes a dual-path conceptual model to explain how artistic creativity transforms into sustainable entrepreneurial value. It distinguishes between craft-based ventures (e.g., lacquerware, metalwork), which rely on material authenticity and tacit skills, and platform-based digital ventures (e.g., short-video studios), which depend on algorithmic attention and rapid iteration. Drawing on exploration–exploitation theory and the resource-based view, the model identifies distinct development mechanisms for each path. The study argues that effective incubation requires differentiated support structures rather than a uniform startup toolkit. While grounded in the Chinese university context, the model offers relevant insights for arts incubation globally.

INTRODUCTION

Arts-based entrepreneurship has shifted from the periphery to the mainstream of university incubation. Universities increasingly host student- and alumni-led ventures originating in artistic practice, design experimentation, and cultural production. However, incubation programs frequently apply standardized startup toolkits—customer discovery, lean iteration, and generic business model templates—under the assumption that "creative ventures" differ from technology startups only in branding or storytelling. This assumption masks a fundamental management challenge: arts ventures are not merely market-facing organizations but creative systems whose value hinges on aesthetic quality, symbolic meaning, and narrative coherence [1]. These features fundamentally alter the logic of innovation, the appropriability of intellectual property (IP), and the feasibility of scaling.

A critical issue is the heterogeneity within the "arts" category itself. Traditional craft ventures (e.g., lacquerware and metalwork studios) and digital media ventures (e.g.,

short-video content creators) operate under sharply contrasting constraints. Craft ventures face material limitations, require apprenticeship-like skill acquisition, and are highly sensitive to authenticity. Conversely, short-video ventures operate in algorithmically mediated markets characterized by rapid attention cycles and volatile platform governance [2]. Treating both types under a single incubation playbook results in resource misallocation: craft studios may receive social media growth training without access to necessary production mentorship, while short-video teams might be offered exhibition opportunities that fail to address their need for algorithmic compliance and pipeline governance.

To address this mismatch, this paper synthesizes existing literature to construct a dual-path conceptual model. This model elucidates how artistic creativity is converted into entrepreneurial value through distinct mechanisms while sharing a common entrepreneurial process skeleton. By identifying the specific managerial contradictions inherent in

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each path, this study provides a theoretical basis for more targeted and effective university incubation strategies.

1. Literature Background and Theoretical Lens

1.1. Arts Entrepreneurship and Dual Valuation

Arts entrepreneurship is characterized by the tension between "dual valuations": aesthetic/cultural value and economic market value [3]. Unlike purely commercial goods, art objects and cultural content often derive their price and legitimacy from symbolic capital rather than utility. Throsby [4] argues that cultural value is distinct from economic value, yet the two must be aligned for a venture to survive. For university incubators, the challenge is helping students navigate this duality without compromising the artistic integrity that differentiates their products in the marketplace.

1.2. Exploration – Exploitation in Creative Contexts

March's [5] exploration – exploitation framework explains the trade-off between experimenting with new possibilities (exploration) and refining existing certainties (exploitation). In creative industries, exploration is vital for novelty and differentiation, while exploitation is necessary for reliable delivery and cash flow [6]. The balance, however, is path-dependent. Craft ventures often require extended exploitation cycles to master tacit skills and ensure material consistency. In contrast, digital content ventures, operating in what Nieborg and Poell [7] term the "platformization of cultural production," must engage in rapid, continuous exploration to adapt to shifting algorithmic preferences.

1.3. Resource-Based View (RBV) and Dynamic Capabilities

According to the Resource-Based View (RBV), competitive advantage stems from resources that are valuable, rare, inimitable, and non-substitutable [8]. In arts ventures, these resources are often intangible—such as the maker's "touch," a distinctive visual style, or a community's trust. Dynamic capabilities extend this by focusing on a firm's ability to reconfigure these resources under uncertainty [9]. For short-video ventures, dynamic capability manifests as the agility to pivot content formats in response to platform rule changes [10]. For craft ventures, it involves balancing the

preservation of heritage techniques with the need for modern design relevance [11].

1.4. Platform Economy and Algorithmic Labor

Recent literature on the creator economy highlights the precarity of "algorithmic labor," where content creators must constantly align their output with opaque recommendation systems [12]. Unlike traditional cultural industries where gatekeepers (curators, editors) are human, digital ventures face automated governance. This creates a specific form of dependency risk that is structurally different from the material supply chain risks faced by physical craft producers [13].

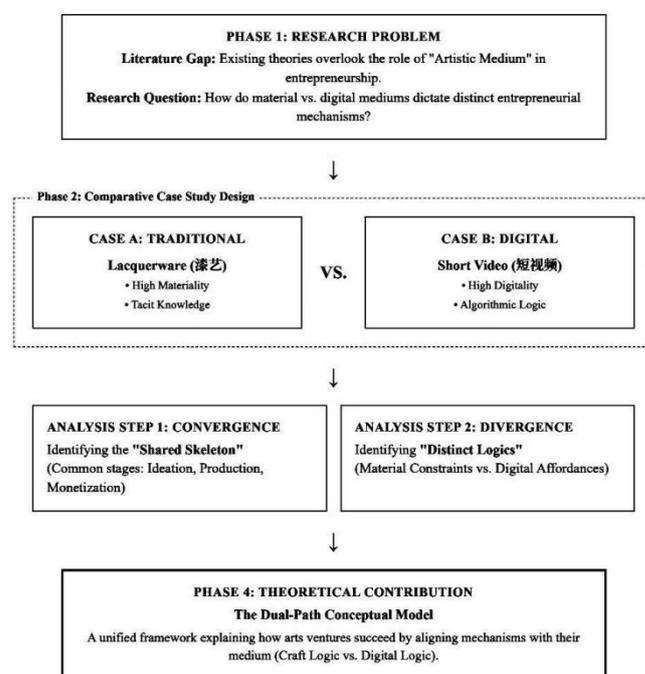


Fig.1. Logical Framework of the Study

2. Method: Conceptual Framework Development

This paper employs a theory-building approach through conceptual synthesis. The objective is to clarify constructs, specify mechanisms, and derive propositions for future empirical testing. The development of the model integrates the distinct operational logics of material-based (craft) and digital-based (short-video) production systems into a unified framework.

The logical flow of the research is illustrated in Figure 1. The framework begins by identifying the shared "skeleton" of the entrepreneurial process common to all arts ventures. It

then bifurcates based on the dominant constraint type: Material/Tacit Constraints for crafts and Algorithmic/Attention Constraints for digital media. These constraints dictate the specific mechanisms required for value creation and sustainability.

[Insert Figure 1 Here: Logical Framework of the Study]

(Description for Figure 1: A flow diagram. Left box: "Theoretical Inputs" (RBV, Exploration-Exploitation, Platform Theory). Middle box: "Context" (University Incubation). Arrows lead to two distinct boxes: "Path A: Material/Tacit Logic" and "Path B: Algorithmic/Attention Logic". Both converge on the Right box: "Sustainable Arts Venture".)

3.A Dual-Path Conceptual Model of Arts Venture Management

The core contribution of this paper is the Dual-Path Model, visualized in Figure 2. It posits that while all arts ventures traverse a shared lifecycle (the skeleton), the mechanisms for navigating that lifecycle diverge significantly.

[Insert Figure 2 Here: The Dual-Path Conceptual Model]

(Description for Figure 2: Top layer shows the 5 Shared Modules horizontally. Below this, the diagram splits into two parallel tracks. Track A (Crafts) highlights keywords: "Scarcity," "Tiered Offering," "Design Freeze." Track B (Short-Video) highlights keywords: "Pipeline Governance," "IP System," "Off-platform Assets." Arrows indicate feedback loops between Monetization and Ideation.)

3.1.Shared Entrepreneurial Process Skeleton

Regardless of the medium, arts ventures move through five fundamental modules:

Ideation and Curation: Strategic selection of creative concepts.

Value Proposition: Defining the audience and the nature of the value (aesthetic, functional, or emotional).

Production System: Converting ideas into deliverables.

IP and Governance: Defining ownership and identity boundaries.

Monetization: Creating a feedback loop to sustain future creation.

3.2.Path A: Craft-Based Ventures (Lacquerware and Metalwork)

Mechanism A1: Authenticity-Based Scarcity vs. Cashflow Stability

Craft ventures derive value from the "aura" of the handmade object [14]. However, the scarcity that drives premium pricing also limits volume, leading to "lumpy" cash flow. The managerial solution is a Tiered Offering Architecture: maintaining high-end "signature pieces" for status while developing simplified "diffusion lines" or workshops for steady revenue.

Mechanism A2: Tacit Skill Dependence vs. Organizational Scalability

Production relies on tacit knowledge that is difficult to codify [15]. To prevent the venture from being limited by the founder's own labor hours, successful ventures employ Selective Standardization. They standardize non-critical processes (prep work, finishing) while keeping the core artistic "signature" manual.

Mechanism A3: Material Constraints vs. Iteration Speed

Due to material costs and curing times, rapid iteration is often unfeasible. Craft ventures must rely on Planned Design Freezes, where exploration is front-loaded, followed by a disciplined period of exploitation (production runs) to recover costs.

3.3.Path B: Platform-Based Ventures (Short-Video Content)

Mechanism B1: High Iteration Potential vs. Creative Burnout

Digital ventures can iterate instantly, but the pressure to feed the algorithm often leads to burnout and quality drift. The counter-mechanism is Pipeline Governance: a role-specialized industrial workflow (writer, editor, shooter) that detaches the "venture" from the mood or stamina of a single creator.

Mechanism B2: Algorithmic Distribution vs. Strategic Autonomy

Reliance on platforms exposes ventures to "algorithmic volatility" [16]. To mitigate this, ventures must build Off-Platform Audience Assets (e.g., private domain traffic, WeChat groups, newsletters) to convert rented attention into owned relationships.

Mechanism B3: Low Marginal Cost vs. Weak Appropriability

Digital content is easily pirated. Appropriability strategies must shift from protecting single assets to protecting the IP System—visual identity, recurring characters, and format templates—which are harder to replicate than individual videos [17].

authenticity, which limits scale and creates cashflow instability. Expansion attempts often dilute artistic quality or leave ventures revenue-volatile.

Recommendation: Adopt tiered offering architecture: (1) high-end signature pieces; (2) design-led limited series; (3) experience-based offerings (workshops, demonstrations). This preserves authenticity while generating stable cashflow

P3: Tacit skill bottleneck
 Challenge: Craft ventures depend on founder's tacit knowledge, creating production bottlenecks and limiting scalability. Quality and delivery become fragile when orders increase.

Recommendation: Implement selective standardization — standardize non-core processes (preparation, finishing, packaging) while preserving artisanal freedom in signature stages. Enhances delivery predictability without losing distinctiveness.

P4: Content pressure and team instability in short-video
 Challenge: High-frequency updates cause creator burnout, quality decline, and team turnover. Lack of systematic production management leads to unstable output.

Recommendation: Establish content pipeline governance with standardized stages (planning, scripting, filming, editing, publishing) and role specialization. Reduces individual dependence and ensures consistency.

P5: Platform dependence and weak resilience
 Challenge: Short-video ventures rely heavily on platform algorithms and policies. Rule changes can sharply reduce traffic and revenue. Weak off-platform assets leave ventures vulnerable.

Recommendation: Build off-platform audience assets: private communities, email lists, offline events. Convert platform traffic into directly accessible user relationships. Multi-platform presence reduces exposure risk.

P6: Ambiguous IP boundaries
 Challenge: IP governance is weak across both paths. Craft ventures lack trademark/design protection; short-video ventures face account ownership disputes and unclear copyrights. This limits monetization diversity.

Recommendation: Establish IP clinics. For crafts: focus on trademarks, design patents, trade secrets. For short-video: clarify script/video ownership, account rights, and provide contract templates for collaborations. Clear IP enables diversified revenue (licensing, derivatives, partnerships).

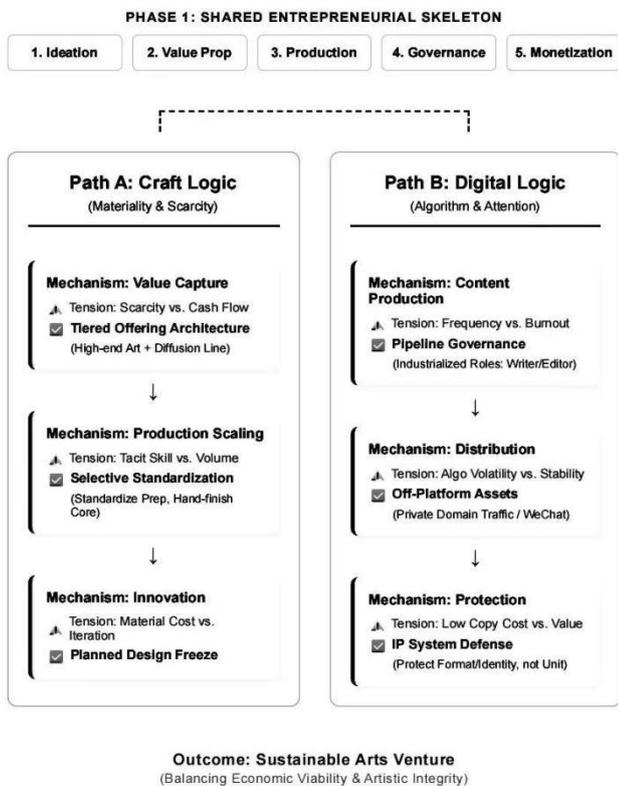


Fig.2. Dual-Path Conceptual Model of Arts Venture Management

4.A Current Challenges and Recommendations

The dual-path model reveals several structural problems in how university incubators support arts ventures. Key challenges and recommendations are summarized below.

P1: Homogenized incubation support

Challenge: Incubators apply standardized curricula to all arts ventures, ignoring fundamental differences in capability needs. Craft ventures require production and delivery capabilities; short-video ventures need channel and audience capabilities.

Recommendation: Establish differentiated support mechanisms. For craft ventures: production infrastructure, material sourcing, craft mentorship. For short-video ventures: platform policy guidance, content workflow optimization, analytics tools.

P2: Scarcity – cashflow tension in crafts

Challenge: Craft ventures derive value from scarcity and

5.A Implications for University Incubation

The findings suggest that university incubators must move beyond the "one-size-fits-all" model.

For Craft Ventures: Incubation should focus on infrastructure and legitimacy. This includes providing physical studio space, access to material supply chains, and mentorship on "pricing authenticity." Legal support should focus on trademarks and design patents.

For Short-Video Ventures: Incubation should focus on data and governance. This involves access to analytics tools, training on platform compliance, and legal support for commercial contracts and copyright.

Evaluation Metrics: Incubators should evaluate craft ventures based on unit economics and brand equity, while evaluating digital ventures based on audience retention and asset convertibility.

Conclusion

This paper addresses the heterogeneity of arts entrepreneurship within university incubators by proposing a Dual-Path Conceptual Model. By synthesizing literature on exploration – exploitation, the resource-based view, and platform economics, the study demonstrates that "arts ventures" are not a uniform category.

The analysis reveals that Craft-Based Ventures succeed by managing the tension between authenticity and scale through tiered product architectures and selective standardization. Conversely, Platform-Based Ventures succeed by managing the tension between algorithmic volatility and consistency through pipeline governance and off-platform asset building. For theory, this model contributes to the arts management literature by operationalizing the specific mechanisms of value creation for different artistic modalities. For practice, it offers a blueprint for university incubators to redesign their curricula and resource allocation systems. Future research should empirically test the proposed propositions through longitudinal case studies or quantitative analysis of incubator cohorts, further refining our understanding of how creative ideas survive and thrive in a market context.

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