Article

Sustainable Competitive Advantage of Cultural Heritage Sites: Three Destinations in East Asia

Wai-Kit Ng [1], Fu-Tien Hsu [2], Cheng-Fu Chao [3] and Chun-Liang Chen [1,*]

1   Graduate School of Creative Industry Design, National Taiwan University of Arts,
     New Taipei City 22058, Taiwan; 10935905@ntua.edu.tw
2   Department of International Business, National Taiwan University, Taipei City 10617, Taiwan
3   National Association of Small and Medium Enterprises, Taipei City 10646, Taiwan
*   Correspondence: jun@ntua.edu.tw

Abstract: Cultural heritage plays an important role in the creation of creative cities, giving them a new lease of life and generating employment opportunities and local economies in the process. The revitalisation and development of cultural heritage and intangible cultural heritage have become a major part of national development policies worldwide. This study adopts a multiple case analysis approach. Four cultural heritages of three destinations in East Asia (Hong Kong, Macau and Taiwan) were selected as case studies because they have all adopted a public–private partnership approach to the conservation and reuse of historic buildings. In this study, semi-structured interviews were conducted and secondary data collected from a variety of sources to bring the findings of this study closer to the practical development of cultural heritage. Base on Five Forces analysis, we propose an "Extended Five Forces" model of cultural heritage. The new component, i.e., historical landscapes and cultural sustainability, is proposed to expand the theoretical foundations of the sustainable management of cultural heritage. The findings show how they can collaborate with communities to create value and gain a sustainable competitive advantage on a global scale and contribute to the sustainable management of cultural heritage in Asia.

Keywords: cultural heritage; sustainable competitive advantage; East Asia; five forces analysis; case studies

1. Introduction

From 2020 onwards, the global tourism industry could lose 174 million jobs and up to US$2.1 trillion in GDP due to the epidemic [1]. Tourism is an important economic sector for many developed and emerging economies, and attention is being paid to Asian markets, particularly China. Tourism creates millions of direct and indirect jobs and is an important component of the GDP of many economies around the world, with Macau accounting for the largest share [2].

Taiwan, Hong Kong and Macau have the historical advantage of being economic, political and cultural capitals and the matching heritage and complex urban fabric and activity base to develop cultural and creative industries well. Cultural and creative industries can highlight tangible and intangible cultural resources as well as local history, and the cities' own cultural resources can be made more competitive and attractive through creativity [3].

Recent research has found that collaboration between public institutions, creative companies, non-profit organisations and citizens is a key success factor in the management of cultural heritage [4]. Cultural and creative industries can increase profits while maintaining local cultural values [5]. Cultural heritage can maintain a connection with consumers and bring jobs to local artists and craftspeople, creating a stabilising force in society. The focus of the arts is shifted from cultural and historical values to materials and goods that are accessible in everyday life. Reorienting traditional art and culture in relation to society, it can become a new cultural medium for consumers and producers, reaching into the

daily lives of individuals and connecting whole industries [6]. Increasing inspiration and engagement through interaction, it is conducive to increasing interest in new knowledge and attracting younger generations and potential customers [7].

The sustainable development of cultural heritage and intangible culture has responded to UNESCO's initiatives, and governments have included it as an important direction for future development. Academic research on this topic has increased in recent years, particularly in Asia. Conservation and maintenance of cultural heritage are proposed to contribute to the sustainable management of cultural heritage (e.g., Dameri, 2019).

This study uses the Five Forces model to analyse five key dimensions of the sustainable competitive advantage on cultural heritage as sites of the four case studies. The selection of cases was conducted using purposive sampling. They all adopted a public–private partnership approach to the conservation and reuse of historic buildings and have won government or NGO or industrial association awards. Also, we used a product life cycle (PLC) tool to represent the development path of cultural heritage, to provide us with a more in-depth understanding of the industry's development.

Current research on cultural heritage focuses mainly on the heritage itself, such as heritage maintenance and heritage management, with relatively little research on cultural heritage in relation to local craft development and sustainable competitive advantage. The findings of this study contribute a new direction for tourism research and a new approach to sustainable development strategies for cultural heritage sites by Five Forces Analysis. Specifically, this article also points to how cultural heritage can collaborate with communities to create value and gain a sustainable competitive advantage on a global scale.

Based on above motives and research gaps, the purposes of this study are as follows.

(1) Understand the competitiveness of cultural and creative industries in cultural heritage sites in Taiwan, Hong Kong and Macau.
(2) Understand how the sustainable competitive advantages of cultural heritage impact the tourism destinations in East Asian.
(3) Propose strategies and recommendations for the development of cultural and creative industries in cultural heritage sites.

The remainder of this paper is organised as follows. Section 2 focuses on the trends in research to define the research topic. Section 3 explains the research design and methods. Section 4 is a five-force analysis of the current situation of cultural heritage in Taiwan, Hong Kong and Macau. Section 5 addresses research findings. Section 6 discusses the interviews and secondary data collection research findings and establishes the model. Finally, Section 7 offers conclusions and suggestions for future research.

2. Literature Review

2.1. Research Priorities and Trends in Cultural Heritage

Regulations governing the transition to new uses of cultural heritage sites vary greatly from country to country. There is limited exchange between countries that have undergone similar experiences, and the process remains poorly researched. More research is needed to share good practices in this most important change for cultural heritage. As more and more tangible and intangible cultural heritage is incorporated into tourism itineraries, more people are becoming concerned about the sustainability of cultural heritage [8].

Research on the sustainable competitive advantage of cultural heritage is gaining academic attention. Cultural heritage is currently receiving attention in academic research, where sustainable strategies such as cultural and creative industries and integration with local community development have been proven. Guo [9] quantified the important role of sustainability in urban renewal. The discussion of the product life cycle is a relatively new issue. Sanchez [10] points out that cultural heritage professionals want to better assess sustainability in order to make environmentally conscious choices in the conservation of art and historic object. The life cycle has been used for the restoration and renovation of a building since 1887 [11]. Increased competition in tourist destinations and the recent economic crisis directly affect various institutions that manage cultural heritage. Both

from a theoretical and practical point of view, there is a lack of strategic thinking within the cultural sector about the competitive advantage offered by stakeholders. Cooperation between the management of cultural heritage sites and other stakeholders as a competitive advantage plays an important role in creating or improving cultural heritage products as well as helping to develop responsible tourism [12]. Recent studies indicate that the use of technology [13] and the linking of local cultural tourism [14] are being used as ways for cultural heritage sites to gain a competitive advantage. Consequently, this research focuses on the importance of stakeholders to create and manage sustainable competitiveness of cultural heritage.

2.2. Sustainable Competitive Advantages of Cultural Heritage

UNESCO defines cultural and creative industries as "those whose primary purpose is the production or reproduction, promotion, distribution or commercialisation of products, services and cultural, artistic or heritage-related activities". The *Age of Culture: A Global Overview of Cultural and Creative Industries* report shows that the Asia-Pacific region is the most prosperous region in the world for cultural and creative industries (with a total revenue of US$743 billion). Adaptive reuse of historic cities and districts includes not only conserving substance and buildings as is but also requires sustaining all the values and traditions that people are attached to [15]. A balanced approach between economic and cultural forces can provide avenues to improve the historic built environment, while not threatening its place identity. Both cultural and economic forces need to be kept in view, and not hived off into different areas of inquiry [16].

The product life cycle model can help to analyse the maturity stages of products and industries [17]. Organisations' biggest competitive advantages result from the use of the intellectual potential and their competitiveness in corporate governance, innovation management, and PLC management [18].

Landscape is defined as the expression of a unique identity of a region or country shaped by people who live there. Landscape thus refers to a home of a community [19]. Landscapes are part of the cultural heritage of humankind and heritage is considered as a sort of intellectual capital. Although no economic production is considered here, sustainable preservation of these landscapes is often based upon developing new functions that have economic significance. Thus, cultural tourism is a growing sector, and monuments, sites and landscapes are the main attractors [20].

The competitiveness of a destination refers to how it provides a tourism 'product' or experience. Competitiveness is achieved by promoting the features, products, services and experiences of a destination in order to maintain a sustainable competitive advantage in the marketplace [21,22].

2.3. Five Forces Analysis

Porter [23,24] suggests that the competitiveness of an industry can be analysed in five forces, i.e., threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products, and existing industry rivalry. Managers and academicians can use Porter's Five Forces analysis to determine the competition level and attractiveness of the analysed industry, evaluate its position, and construct strategies to gain a competitive advantage. Threat of new entrants refers to how easily new competitors can enter the market. Bargaining power of suppliers refers to the power of suppliers to drive up the prices of your raw materials, supplies, tools or inputs. Bargaining power of buyers represents how easily the buyers can bargain to lower the price [25]. Threat of substitute products studies how easy it is for consumers to switch from a business's product or service to that of a competitor. Existing industry rivalry refers to the industry's existing competitors. Companies that have already established positions in a specific industry must protect themselves from potential competitors and maintain their market share [26].

Wu et al. [27] employed the criteria under the structure of Porter's five forces model. The criteria that meet the requirement of this research are below.

(1)　Barriers to entry: economic of scale; product differentiation, capital requirement and government policy.

(2)　Bargaining power of suppliers: it is commanded by several organisations and is more concentrated than the business. It offers to the supplier group's products are differentiated.

(3)　Pressure from substitute products: these are subject to trends improving their price–performance trade-off with the industry's product. For the criteria of this research, the industry is competing with substitutes according to trends in terms of experience.

(4)　Bargaining power of buyer: the products it purchases from the industry are standard or undifferentiating. It faces few switching costs.

(5)　Intensity of competitors: numerous or equal or balanced competitors, slow industry growth, high fixed or storage costs, diverse competitors.

Porter [26] provides further clarification and illustration of the five forces analysis, which mentions that the configuration of the five forces varies from industry to industry. In particular, the fact that the industry has a similar structure in each country (competitors, buyers, etc.) will allow for insights with generalisability. The original description of the five forces is, in essence, a list. Granted, the list is not simple, but there are extensive lists of the sources of threats within the five forces. The primary purpose of the framework is how a firm can compete more effectively within its industry [28].

Gordana Dobrivojević [29] used a five-force analysis to assess the competitive environment of tourism destinations, focusing on how to attract foreign direct investment in tourism. Dulčić et al. [30] empirically analysed the concept of the five forces analysis and suggested that it could be improved by adding additional dimensions to reveal the potential positive impact of industry structure provides insight into the positive relationships between firms and the determinants of industry structure that interact with each other. Research on competitiveness is now increasingly shifting toward systematically operationalization and testing of developed conceptual frameworks [31]. Cultural heritage management needs to rethink the positioning of the heritage site and what the customer desires, innovation needs to be integrated with the internal environment in order to improve customer satisfaction as the process changes, considering the importance of local traditions and culture in service development to increase profits while maintaining local cultural values [32,33]. For this study, the five forces analysis is not sufficient to cover the cultural heritage industry, so historical landscapes are added to further analyse the sustainable competitiveness of cultural heritage.

3. Research Methods

3.1. Case Study

This study adopts a multiple case analysis approach, where case studies examine and understand current situations and practical phenomena in real-life settings, using multiple data collection methods to obtain information on one or more case entities (people, groups, or organisations) [34]. This study is a "how to" type of research question and it is appropriate to adopt multiple cases as the method of research analysis [35]. Multiple case studies are seen as multiple experiments that allow for iterative observation, analysis and comparison of the phenomena one wants to understand in order to derive or extend theories. By participating in observations and interacting with members of the organisation, the meaning of the change process is immediately captured [36]. As a result, the evidence from multiple case studies is often considered to be stronger, more robust and more convincing [37]. Ozcan and Eisenhardt [38] suggest that case studies can be theoretically based on cross-case comparisons of multiple cases to identify possible relationships between cases, which not only makes the findings more convincing but also allows for generalisation to the industry as a whole [39].

3.2. Case Selection

In this study, the selection of cases was conducted using 'purposive sampling', which is usually used in qualitative research, where the researcher selects subjects with relevant knowledge or experience to provide information according to the purpose of the study [40].

Four cultural heritages in Hong Kong, Macau and Taiwan (Table 1) were selected as case studies because they have all adopted a public–private partnership approach to the conservation and reuse of historic buildings. It is hoped that the introduction of arts and cultural activities and also cultural creative industries will serve as a means of revitalising the buildings and sustaining the legacy of arts and cultural education. There are still in businesses under COVID-19 that have a creative department. The main consumer groups are tourists. All four cultural heritage sites have won government or NGO/industrial association awards. On this basis, they are representative as local examples of practice.

Table 1. Data information.

No.	Case	Position	Type	Date
I1	The Red House	Director	phone interview	28 June 2021
I2	Hayashi	Head of Marketing Planning Department	online meeting	6 May 2021
I3	Hayashi	Deputy head of marketing Planning Department	online meeting	6 May 2021
I4	Albergue SCM	Staff	Face-to-face interview	1 February 2023
I5	Taikwun	Staff	Face-to-face interview	13 February 2023
I6	Tourists	Taiwan residents	Phone interview	17 May 2021
I7	Tourists	Hong Kong residents	Phone interview	15 May 2021
I8	Tourists	Macau residents	Phone interview	7 August 2022 and 16 August 2022
I9	Tourists	Macau residents	Face-to-face interview	1 February 2023

Sources: compiled by this research.

This study adopts a multiple case study approach to analyse the competitive situation and future business strategies of cultural heritage. Comparative methods have been used to observe and analyse social phenomena, and mutual policy learning and introduction across national boundaries is an important area of research [41]. Countries characterised by cultural similarities have comparable isomorphic pressures to compare [42].

3.3. Data Collection and Analysis

In this study, semi-structured interviews were conducted between 2021 and 2023, with a total of nine informants, including the manager, staff and shops of cultural heritage in Taiwan, Hong Kong and Macau, and six tourists (Table 1). We conducted 20–30 min interviews with online and face-to-face interviewees respectively. The details of data collection procedures are as follows. We contacted the management, staff and visitors of the study to enquire about their willingness to be interviewed. Before conducting the actual interview, the interview was outlined to the interviewee. Due to the impact of the epidemic, phone interviews, face-to-face interviews and online meeting and text modes were used for this study. The interviews were recorded in an open audio format.

The interview questions included questions about the company's positioning plan, service design and experience innovation, the challenges they encountered in the heritage environment and epidemic, and the feedback from their guests. In addition, secondary data were collected from a variety of sources, including interviews with newspapers and magazines, corporate organisations, government departmental reports and web-based audio-visual materials, to bring the findings of this study closer to the practical development of cultural heritage.

For the purposes of data accuracy, the triangulation method is used to reconcile the contradictory differences in the third dimension, including theories, managers and interviewers, in order to achieve data diversity and objectivity. The results of the analysis are used to understand the competitiveness and sustainable competitive advantage of the cultural and creative industries in Taiwan, Hong Kong and Macau. Finally, in order to ensure the soundness of the data analysis, the findings are discussed with the interviewees and revised according to their opinions, in the process identifying and eliminating methodological flaws, data or surveyor bias [43].

3.4. Case Description

In this study, four heritage sites were selected for case analysis. To ensure internal validity, each case firm was categorised on the basis of the uniqueness of cultural heritage. They are iconic buildings of the area and have won a number of awards, which are internationally popular with domestic and international tourists. The four heritage sites' backgrounds are described in Section 3.4.

3.4.1. Hong Kong—Taikwun

This was the first police headquarters in Hong Kong, and the complex also includes a restaurant and shops (Figure 1). With 120,000 to 150,000 visitors a week, it is the most visited heritage building in Hong Kong. In 2019, the museum was awarded the United Nations Educational, Scientific and Cultural Organisation Asia-Pacific Heritage Awards for Excellence in Cultural Heritage Conservation.
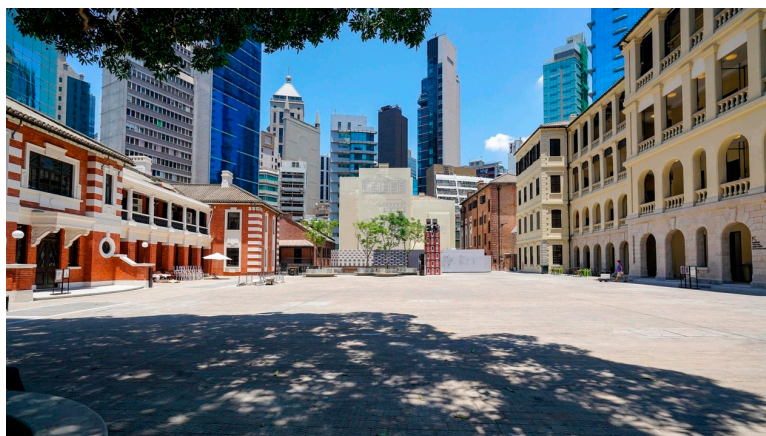

Figure 1. Taikwun.

3.4.2. Macau—Albergue SCM

The house was once used as a refuge for refugees and the poor, and as a home for older women (Figure 2). Located in the Historic Centre of Macau's World Heritage Site, it has a restaurant, shops and exhibition space, and regularly hosts exhibitions of art and original product design, talks and arts and cultural courses. The Portuguese restaurant, Brazilian House, was named one of the World's 50 best discovery restaurants.

3.4.3. Tainan—Hayashi

This was the first department store in southern Taiwan and the only one with a shrine in Taiwan (Figure 3). With a monthly footfall of over 100,000 to 200,000 people, it is the highest-earning heritage site in Tainan. In 2016, it was awarded the DFA Design for Asia Award.

3.4.4. Taipei—The Red House

Taipei's only remaining public market building from the Japanese rule period has a monthly footfall of 800,000 and will fall to 200,000–300,000 after the start of the epidemic in

2020, ranking fourth in the number of visitors to Taipei City's major tourism and recreation areas from 2017–2021 (Figure 4). As an international cultural tourism landmark, it won the seventh Taipei City Urban Landscape Award for the revitalization of historic spaces.

Table 2 summarises the characteristics of the cases, including their establishment and reopening years, original use, events and main consumers.

Figure 2. Albergue SCM.

Figure 3. Hayashi.

Table 2. Case descriptions.

| Company	Established	Reopening	Original Use	Events	Consumers
Hong Kong Taikwun	1864	2018	Police HQ	Heritage appreciation, contemporary art and performing arts, workshops	Sightseers, locals, family oriented mostly
Macau Albergue SCM	1930	2009	Homes for the Poor and the Elderly	Weekend and holiday activities, exhibitions, wishing tree program	Sightseers and locals, half-half. The event is mainly attended by locals
Tainan HAYASHI	1932	2014	Department Store	Parades, seminars, press conferences and presentations	Foreign tourists, mainly Japanese tourists
Taipei TheRed House	1908	2007	food market	Outdoor tours, exhibitions and branded cultural and creative experiences	Young people, tourists, LGBT community

Source: Public information.
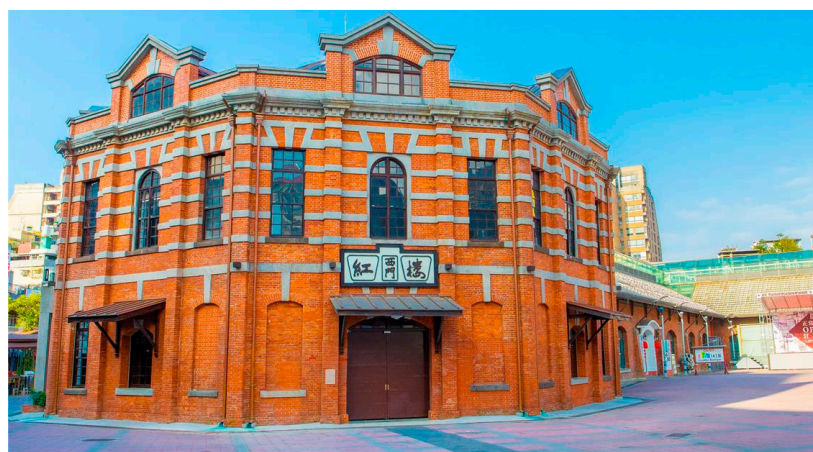
Figure 4. The Red House.

4. Five Forces Analysis of Cultural Heritage in Hong Kong, Macau and Taiwan

4.1. Current Status of the Industry

There is a wide variety and number of cultural heritages in all three locations and types of cultural and creative industries that are unique in the local area (Table 3). Hence, this research focuses on three sites (destinations) in East Asia (i.e., Taiwan, Hong Kong, and Macau).

Table 3. Cultural and creative industries category in the three districts.

Location	Same	Different
Hong Kong	Art/Performing Arts/Film, Video and Music/Television and Radio Publishing/Computer Games and Interactive Media/Design/Architecture/Advertising	Antiques and Crafts Cultural Education and Library/Archive and Museum Services/Amusement Services/Software
Macau	Design/Performing Arts/Internet Audio and Video/Film/Publishing/Television and Radio/Anime Games/Arts and Culture Services	Culture+ Sports/Culture+ Festivities/Culture+ Exhibition/Culture+ Education
Taiwan	Visual Arts/Music and Performing Arts/Craft Industries/Film/Television and Radio/Publishing/Pop Music and Culture content/Advertising/product design/visual and communication design/Architecture	Cultural assets application and exhibition facilities industry/Design Branding Fashion Industry/Creative Living Industry/Digital Content Industry/Industry designated by the central government

Source: Government Public Information.

In Taiwan, cultural heritage includes nine types of tangible heritage, including 2795 national monuments, historical buildings, memorial buildings, settlement complexes, archaeological sites, historical monuments and cultural landscapes. Hong Kong's cultural heritage includes four categories of tangible monuments, 1444 buildings of high heritage value and 132 declared monuments. Macau's cultural heritage consists of four categories of tangible monuments, including 107 monuments, monuments, buildings of architectonic interest, building complexes and venues.

4.2. Five Force Analysis for Cultural Heritage

4.2.1. Rivalry among Existing Competitors

Hong Kong has a total area of 1106 square kilometres, Macau has a total area of 6 square miles and Taiwan has an area of 36,197 square kilometres, approximately three times the size of Hong Kong and 306 times the size of Macau (Table 4). Taiwan has a large area, a large number of historical heritage sites, and a high degree of repetition in terms of location and type. Interviewees revealed that there are many reused heritage sites in Tainan,

with the first one being a more topical title, and the historical depth and sophistication of the building also influence the willingness to visit. Hong Kong's cultural heritage sites are gradually emerging, with social media and other publicity creating a buzz around them. The purpose of the visit is to take photos, visit specific exhibitions and events, and not much attention is paid to the buildings themselves. Although the Cultural and Creative District is one of the 12 buildings in the Historic Centre of Macau, it is not as popular as tourist attractions such as the ruins of St Paul's and the Rosarium. Visitors have only a vague understanding of the World Heritage Site, and it is not their main motivation for visiting, but they show a high level of interest in iconic sites such as the ruins of St Paul's [44]. Cultural heritage sites rely heavily on exhibitions, arts and cultural events to attract visitors, with a fluctuating clientele, and interviewees revealed that cultural heritage sites in Macau are not well known and may only become known after a few years of residence.

Table 4. Sustainable competitive advantage comparison.

Taiwan		
	(1)	The ecosystem of cultural and creative industries has been formed, and Taiwan's cultural brands are already well known
	(2)	Cross-industry cooperation between the cultural heritage industry and local industries has begun, which is conducive to the development of the cultural economy
	(3)	The cultural and creative industries have a regular consumer base, and local spending on leisure, culture and education is increasing year on year.
	(4)	Heritage tours are one of the main objectives of tourists visiting Taiwan
	(5)	The supply of domestic design talent has increased significantly, and with policy encouragement and training in cultural and creative industry-related courses, there is a reserve of talent in design and management.
	(6)	Taiwan's cultural and creative industry is dominated by small and medium-sized enterprises.
	(7)	A place that is free and allows for a diverse presence, making it easy to attract creative talent.
Hong Kong		
	(1)	The local community is already multicultural, with a diverse mix of national talents. The high level of education and general use of English facilitates the exchange of services and knowledge in cross-country cooperation.
	(2)	The university is ranked among the top 100 universities in the world and is able to provide quality personnel.
	(3)	Strong shopping demand from visitors to Hong Kong, which will attract traffic to the cultural heritage through publicity and promotion
	(4)	The overall GDP ranking is high in Asia, which can provide a higher budget for cultural heritage. The government's efforts to develop the cultural district provide a platform for development.
	(5)	Young people show a strong demand for entrepreneurship and the cultural and creative industries have potential to develop as an emerging industry in Hong Kong.
Macau		
	(1)	The Historic Centre of Macau is a World Heritage Site and will attract visitors interested in historical buildings.
	(2)	The brightly coloured, concentrated and exotic architecture of the heritage buildings will meet the needs of young people who want to take pictures on social media and have the photo experience of a European town in Asia.
	(3)	Smaller areas and a strong demand from visitors for fresh experiences, with cultural and creative activities being the new trend.
	(4)	The creative sector has a good level of education for professionals and needs further improvement and experience.
	(5)	There are a wide range of representative events, such as the Water Dance Theatre, which are conducive to cultural dissemination.

Source: Compiled by this study.

4.2.2. Bargaining Power of Suppliers
Uniqueness of Cultural Heritage

In Taiwan, for example, there are the Songshan Cultural and Creative Park, the Huashan Cultural and Creative Park, the Si Nan Village, the Red House, and the 16 buildings of the Old House Revitalisation Project. In the practice of heritage preservation, the revitalisation and regeneration of heritage spaces are often linked to cultural businesses, and the cultural uniqueness of their products can give them a market advantage [45]. Hong Kong's revitalised heritage is a combination of cultural and creative industries and art museums, with exhibitions and art and cultural activities being the main promotional items.

"I passed by and was attracted by the exhibition" and "I visited the exhibition and took photos" were the reasons given by our interviewees for their visit.

Macau is currently run mainly as a tourist attraction. The development of arts and culture in the community is mainly carried out by community organisations. According to information from the Macau Government Tourist Office (MGTO), there are five Cultural and Creative Industries Districts in Macau, of which the Association for the Promotion of Creative Industries in the St. Lazarus Church District and the Albergue SCM are relatively large-scale, both of which are located in Portuguese buildings and include gardens and courtyards. They hold regular exhibitions, art workshops, open-air concerts, film screenings and other events. The planning of experience management and the development of customer-oriented activities contribute to the active participation of visitors [46].

Collaborators

According to the Ministry of Culture of Taiwan, as of 2019, there are 65,687 cultural and creative industries in Taiwan, 662 cultural assets and exhibition facilities, and 4569 new cultural and creative companies operating for less than one year. The 2019 overall turnover reached NT$912.41 billion, and total employment in the cultural and creative industries was about 276,000, accounting for 2.40% of the total employment in the country. The capital size of the cultural and creative industries in 2019 will be NT$5 million. Taiwan's cultural and creative industries are divided into 15 industries, and from 2002 to 2012, there were 45 related courses, including three doctoral courses.

There are about 39,200 cultural and creative industry-related enterprises in Hong Kong, employing over 200,000 people, and cultural and creative industries account for about 5% of Hong Kong's Gross Domestic Product. Hong Kong has a workforce of 3.824 million people, with 23.4% of them working in finance, insurance, real estate and professional and business services. Hong Kong's cultural heritage sites are currently operated in partnership with large private companies, such as the Hong Kong Jockey Club (a joint conservation and revitalisation project with the government, the largest single taxpayer in Hong Kong, the largest charity funder in Hong Kong and one of the largest horse racing organisations in the world).

Hong Kong's cultural and creative industries are divided into 11 sectors, according to the latest information in the Hong Kong Monthly Digest of Statistics, June 2018, the value added of the cultural education and library, archival and museum services sectors was $1.4 billion in 2016, accounting for 1.3% of the total value added of the cultural and creative industries. The first programme on cultural and creative industries was launched by Hang Seng University in 2017.

The total workforce in Macau is 391,400, with the gaming industry being the most popular industry with 76,500 employees. The cultural industry generated $5.0 billion in service revenues and contributed $2.14 billion in value added to the economy. Macau's cultural industry is made up of four major sectors: "creative design", "cultural exhibition", "art collection", and "digital media". The "creative design" sector covers services such as brand design, cultural and creative product design, exhibition design, fashion design, advertising design, industrial design and architectural design. At present, the "digital media" sector accounts for 52.6% and 63.0% of the total value-added of the cultural industry in terms of service revenue and value-added respectively (Table 4). Since 2013, Magnetic has been offering a vocational course on "Cultural and Creative Industries Practices", and all four universities in Macau offer bachelors, master's and doctoral degree programmes.

In both Hong Kong and Macau, there is a restriction that the applicant must be non-profit-making, and the scheme only mentions funding support without any subsequent support, while in Taiwan, the scheme emphasises the need to link up with local industries to achieve a revitalised economic effect, deepening the link between cultural and creative industries and the local community.

4.2.3. Threat of New Entrants

Heritage sites are expensive to maintain and can easily fall short of budget. Cultural heritages are of great concern to the community and are subject to public pressure if they are not carefully maintained. The proportion of heritage sites that can be commercialised is limited to around 30% in each of the three regions, so although this is still an attractive sector for small and medium-sized enterprises and new brands, some changes are recommended for the betterment of the sector.

The Ministry of Culture provides a wide range of policies and subsidies, such as subsidies for creators and industry clusters, tax incentives for operators, and one-stop services and advice for operators. According to the interviewees from the operators of our heritage in Taipei City, local tourists tend to travel to the central and southern parts of the city after the epidemic, with spending power going to other counties and cities, and local spending power decrease in the absence of international tourists. In the interview, the director of the Red House said that they were applying for government funding schemes because of the impact of the epidemic, but there is a lot of information to be reviewed and no timely relief is possible.

At present, only eight of the 11 cultural and creative industries clusters in Hong Kong are subsidised. The Home Affairs Bureau is responsible for cultural-related matters, and there is no department to promote the development of the industries. The unpredictable state of heritage buildings adds to the high cost of maintenance. Many private organisations are also reluctant to participate, and the returns do not cover the costs.

The first case of revitalisation of a cultural heritage site in Hong Kong triggered a wave of lease surrenders due to operational difficulties and poor prospects, as well as criticisms of high rents, inadequate publicity support and lack of respect for the creators, which eventually escalated to a motion in the Hong Kong Legislative Council [47]. The general public perception in Hong Kong is that heritage sites should not be commercialised, leaving Hong Kong heritage sites in an ambiguous position between charity and commerce. The performance of heritage sites is influenced by the objectives of the management [48].

4.2.4. Threat of Substitute Products

Cultural and creative clusters and creative markets will divert audiences from cultural heritage sites, which are beginning to attract attention as a result of local tourism and the epidemic, away from the natural environment in urban areas. Newly constructed cultural venues with better facilities and technology can provide a modern visitor experience than traditional cultural heritage sites, and cultural heritage sites with natural resources have a unique advantage and a high return rate.

The history and local characteristics of a cultural heritage site will influence consumers' choice. Interviewees said they have been to the site many times before and would not be aware of a new brand unless it has a strong local cultural identity. In recent years, Hong Kong has been actively building new cultural and creative venues such as the M+ Museum and the National Palace Museum, and developing the West Kowloon Cultural District. One of our interviewees explained that the M+ museums, such as the Taikwun, are all unintelligible exhibitions, and that the art-appreciating public in Hong Kong is a niche group of people who are mostly interested in novelty and are less likely to return. Newly built arts and cultural venues lack cultural history and nostalgic emotional memory and need special exhibitions and events to attract people.

Creative markets have a long history in Taiwan, and they are one of the operating modes of the cultural and creative industries. They are organised by creators of the same type in a specific location and are essentially a way of selling unique goods created by the creators themselves.

Away from the natural environment of the city, the number of visitors continues to rise during the epidemic, local tourism is on the rise and local culture is gaining importance. Taiwan's outlying island city of Taitung saw a 24.78% increase in tourism during the 2021 epidemic. The former site of the Taitung County Council, built in 1964, will become a

base for artistic creativity in Taitung by creating an experimental theatre, rehearsal space, workshops and a teahouse. Hong Kong people have also responded enthusiastically to the local tours, with nearly 100 local tours departing daily for festivals such as Labour Day and Mother's Day. The Pok Fu Lam Farm is part of Phase IV of the Development Bureau's Revitalising Historic Buildings through Partnership Scheme, which will commence trial operation in April 2022, bringing in artisans and villagers to create artwork together to create local economic synergy.

The public response was overwhelming, with the first two weeks of the tour being fully booked within four hours of opening. The Macau 2020–2021 programme offers a "Heart to Heart- Visit Macau" and "Macau People's Food and Accommodation Tour", with each tour participant receiving a subsidy and discount to experience local tourism and hotel accommodation. In just two weeks, 6854 people have signed up for the programme, with the highest number of participants for the 25 local tours in 2020, including the "TeamLab Supernatural Space Tour", a large-scale interactive exhibition visit, and new attractions in 2021, such as a sea tour, buffet, motor racing museum and VR. There is a strong appetite for travel, particularly for new experiences, and innovations in both products and technology have been well received by visitors.

4.2.5. Bargaining Power of Buyers

The predominance of new designer brands and small business brands in cultural heritage sites does not translate into value, and the site is not the only sales channel, with high substitutability of goods. Cultural heritage sites are mostly tourist-oriented and do not have economic value.

For cultural heritage, the purchasers are tourists and partners. For tourists, their bargaining power is high. There are many cultural heritages on the market, and many cultural goods with the same function, which reduces the bargaining power of cultural heritage.

In an interview with the media, the Hong Kong local heritage brand said that although cultural heritage sites are promoted by the government and the media to attract a lot of people, they are all sightseeing in nature and cannot generate business. Most of the shops in the Square are unable to make ends meet and do not renew their leases when their contracts expire.

In Macau, there are too few cultural and creative shops in the heritage, and the lack of government policies and publicity has led to a lag in development. For example, the Taiwan Hayashi Department Store also encountered problems in the early stages of its operation. At the beginning, they invited manufacturers to move in like any other department store, but later found that it was impossible to showcase the uniqueness. it was decided to collaborate with old local shops to create products related to historical buildings and local culture. Consumers did not feel the value and functionality of the cultural and creative products, resulting in a lower willingness to buy [49]. Our interviewees at the heritage site in Taiwan indicated that they had purchased cultural products as souvenirs, and the management revealed to us that they had made a lot of efforts to integrate the history of the heritage and local culture into the environmental design and products. Consumers who visited the heritage in Macau and Hong Kong only took photographs and generally found the products to be uninspiring and expensive.

4.2.6. Historical Landscapes and Cultural Sustainability

Physical features are the historic districts and monuments, while the observable activities are the everyday use and the meanings related to identity and memory, which form the cultural forces [50]. The preservation and maintenance of cultural heritage help to enhance the visibility of cultural heritage and increase the desire of visitors to visit them.

Local and multinational artisans and expert teams in Taiwan, Hong Kong and Macau play an important role in the revitalisation of heritage and cultural and creative industry practices. The Macau government is actively shaping the city's image as a multicultural and historical city, developing more sustainable forms of tourism to offer tourists with-

out sacrificing the quality of life of local residents [51]. Pratt [52] addressed the value of cultural products comes from the meaning they carry, and cities are using the combination of tangible assets and culture to express urban uniqueness and enhance urban competitiveness.

Both Hong Kong and Macau have received international recognition for the maintenance of their cultural heritage, which will benefit the development of urban tourism. Taiwan's Ministry of Culture has been promoting projects related to cultural heritage and local connectivity. Our interviewees from Taiwan's sites said that they often collaborate with the territory to conduct local cultural tours and walks through historic districts. The need to adapt to time in the period of globalisation requests commitment with the rational economic forces towards protecting the cultural attributes related to history, memory, tradition and identity of cities. These two forces shape the cultural landscape of the place [53].

4.3. Government Role

The government provides cultural heritage resources to private enterprises, and although the government has set some regulations (such as the maintenance of heritage), it does not take the lead from the top, but adopts a collaborative approach. They have each other's key resources and specialist competencies that the other lacks, and the relationship they form can be seen as a fundamental interdependence of resources [54]. In addition to the direct operating organisation, the linkage, communication, negotiation and interaction between stakeholders such as neighbouring businesses, visitors, occupiers and artists is also influenced by the direction of government development, including the government's expectations of performance. The government in this study also includes the tourism development department and other management units, which have the objective of revitalising heritage sites to promote urban tourism development. Although the government has offered concessions on the amount of heritage rental, the cost of maintaining heritage is a huge pressure on the private sector, which requires subsidies from the government to operate cultural heritage. The private sector needs commercial activities such as rents, tickets for exhibitions, cultural and creative activities and the sale of merchandise in order to operate sustainably.

5. Research Findings

5.1. Sustainable Competitive Advantages and Positioning of Cultural Heritage in Three Destinations

Although there has been significant growth in the cultural heritage industry in Hong Kong, it does not dominate the cultural and creative industries. Hong Kong residents generally tend to work in the high-yielding financial and commercial sectors, with manufacturing and arts, entertainment and recreational activities experiencing lower employment levels and losing employment over the years. Macau and Hong Kong share the same problem of a single industry and a lack of human resources, with the cultural industries being dominated by digital technology and audio-visual. The second major problem in Hong Kong and Macau is the scarcity of land and a large number of people, which makes it easy for cultural and creative industries to disperse and high rents becoming unaffordable. The local manufacturing capacity of cultural and creative goods is insufficient, but with the help of government policies, the economic value of cultural and creative goods has increased. Compared to Hong Kong and Macau, the economic value created by cultural industries in Taiwan is very significant. Taiwan was the first region to develop the revitalisation of heritage with sufficient local human and industrial resources, and a variety of sales channels. The sustainable competitive advantages of cultural heritage in the three locations are listed below (Table 5).

Table 5. Cultural heritage in Taiwan, Hong Kong and Macau gaining a competitive advantage.

Cultural Heritage Advantages	Ways of gaining a sustainable competitive advantage
Multicultural Environment	It is very conducive to the development of cultural and creative activities.
Asia's most popular tourist city	Cultural tourism has potential for development.
Education Resources	The establishment of corresponding courses and the focus on talent development have helped to create a talent pool.
Technological trend	The creation of digital platforms and the use of technology and the increased demand for experiences from visitors will help the industry to grow rapidly
Government	Administrative leases and work co-ordination

Source: This study.

5.2. Strategic Ways in Which Cultural Heritage Sites in Three Destinations Have Gained Sustainable Competitive Advantage

The three destinations of Taiwan, Hong Kong and Macau all share similar cultural backgrounds and colonial heritage and linguistic and cultural diversity. All three destinations have an important economic base in tourism and government departments have adopted proactive strategies to develop cultural and creative industries. With tourism currently being hit hard by the global epidemic, Taiwan, Hong Kong and Macau need to be fully aware of the pressing challenges and opportunities they face in terms of sustainable development and future competitiveness [55].

All three governments are concerned about the role of heritage revitalisation for the community. For example, the Hong Kong Government's operational approach to heritage revitalisation has the following descriptions and provides a one-off grant to cover part or all of the cost of major building renovation works:

> "Non-profit-organizations are invited to submit proposals on how to use the above buildings as social enterprises to provide services or run their businesses, detailing how the historic buildings can be preserved and their historical value effectively utilised; how the social enterprises can operate in terms of financial viability; and how they can benefit the community."

According to the management of the heritage site, they have spent a lot of time and money on the renovation of the site and need to maintain it on a daily basis. The director of the Red House told us that they are seeking government funding as they are unable to operate due to the epidemic. During the three visits, the researcher actually observed that some of the heritage buildings in the case were under routine maintenance. The government also has requirements any demolition, addition, installation, alteration, repair or any other works to a historic building shall require the prior written approval of the government. The conservation of heritage is therefore an important aspect for all stakeholders.

In particular, the shift in tourism towards local tourism, the needs and expectations of local tourists and how to maintain relationships with international visitors will increase the desire to travel once the epidemic is over. The visitors interviewed in this study agreed that the heritage buildings were the most distinctive feature and that they were different from the surrounding modern buildings. Management interviewees emphasised the uniqueness of the historical and cultural aspects of the building and the innovation of the experience based on this:

> "At present, the most important feature of the building is its heritage and the history, culture and creativity that it embodies, which we believe is the most visible part of the HAYASHI department store (I2)."

While Hong Kong's economic base is built on the financial sector, Macau and Taiwan rely more on tourism. Cultural tourism is seen as an important means of shifting the

focus of tourism in Macau away from gambling or gaming. The UK was one of the early proponents of the economy. Economic value of cultural and creative industries, with two of the world's ten most visited museums in London, and the cultural and creative industries are the UK's second industry, after finance. Both Macau and Hong Kong have adopted the UK model, with some modifications to suit local conditions. Cultural and creative industries can be used as a complement to the gaming, tourism and financial sectors, enhancing the structure and sustainability of urban planning and local cultural development. As destination management organisations form strategic partnerships with other organisations, a collaboration between them can provide sustainable competitive advantage for destinations [22]. Visiting heritage, and cultural landmarks, attending special events and festivals, seeing street performances or visiting museums are seen as activities that make up the entire tourism experience [56]. Based on the results of the aforementioned five forces analysis, how cultural heritage in Taiwan, Hong Kong and Macau have gained sustainable competitive advantage can be summarised as follows (Table 6).

Table 6. Summary of the sustainable competitive advantages of cultural heritage sites in the three districts.

	Hong Kong	**Macau**	**Taiwan**
Rivalry among existing competitors	Hong Kong is a small and densely populated city with an increasingly homogenous shop type, mainly in the financial sector, with no local factories	Macau is mainly engaged in the gaming industry and lacks financial and human resources support, and the marketing and export channels for cultural and creative products are narrow	Management and practical experience with a large number of skilled craftspeople and design talent and a well-established business
Threat of new entrants	A growing industry with high potential for future market growth, with a number of heritage sites already undergoing revitalisation	It is a growing industry, with government policies in place and little local competitiveness, with plenty of opportunity to develop the industry	A mature industry with a saturated market, where service and local culture are the main competitive strategies
Bargaining power of suppliers	Related infrastructural development is underway, with frequent disputes among internal manufacturers	Related infrastructure is not yet in place	Robust and well established industry supply chain
	Government grants rent reductions and grants to private enterprises through public tenders	The government is responsible for the physical management of the site and for providing technical and economic support to the owner of the heritage or to the enterprise for the conservation and restoration of the built heritage	Through open tender, Fee waivers to private enterprises for restoration works and routine management and maintenance expenses
Threat of substitute products	Local heritage sites are competing with each other, new buildings are being built and the Park is a new competitor	The main competitor is Observation Point	Cities and counties are competitors to each other
	In the last two years, the government has been actively building new cultural districts and opening new cultural venues	The iconic cultural heritage sites have been designed to meet the needs of tourists for a cultural experience	Too many cultural heritage sites of the same type of operation and new ones are emerging all the time
Bargaining power of buyers	The visitor base is Chinese tourists, with shopping and consumption as the main objective	The main customer group is mainland Chinese tourists, who are mainly interested in shopping and gambling trips, but not so much in heritage tours	The main customer group is Japanese tourists, with heritage tours at the top of the agenda

Table 6. *Cont.*

	Hong Kong	Macau	Taiwan
Historical landscapes and cultural sustainability	Collaboration with non-profit organisations, international architectural teams and experts in heritage conservation	Operates as an architectural and artistic team	Working with organisations, businesses, designers and academics. Runs mainly as a commercial team
	A permanent exhibition of the building's history and local culture, with more than half of the shops in the building being local brands	Commercial section for Portuguese restaurants and Portuguese cultural products	Collaborate with long-established local shops to launch co-branded merchandise to help local young brands
Government	Funding and Operating Policy (Entry requirements and commercial ratios)	Development Policies and Promotion	Provide professional assistance, technical support and Promotion

Source: Compiled by his study.

5.3. Three Destination's Cultural Heritage Practices for Sustainable Competitive Advantage

In this study, the results of the five forces analysis of the three places are collated in Table 6 for comparison. At present, cultural heritage sites in Taiwan, Hong Kong and Macau all possess heritage resources with cultural and historical characteristics, and the maintenance cost of heritage is currently the main factor affecting the sustainability of cultural heritage sites. The bargaining power of tourists and the threat of new entrants are high, so measures must be taken to achieve a sustainable competitive advantage.

Macau's cultural and creative districts have been established, but the number of distinctive cultural and creative shops is not large enough to create a clustering effect. Tourists are interested in the architecture and streetscape, but they are limited to taking photos. The actual visits and spending are oriented towards specific shops, which do not lead to the development of the industry.

Cultural heritage sites in Taiwan and Hong Kong have sufficient footfall, but the conversion of the actual economic benefits of cultural goods has not yet been realised, and visitors need to improve their perception and experience of the characteristics of cultural heritage sites. Macau's cultural heritage currently relies on arts and cultural exhibitions, restaurants and festive fairs to generate footfall, with restaurants and arts and cultural events scattered, and culture and commerce not integrated to create a cycle.

In Taiwan, Hong Kong and Macau, cultural heritage development strategies and institutions are not yet well developed and face public criticism and a lack of resources. In the UK, the Creative Industries Council has been established to identify barriers to the development of creative industries and to develop measures to remove these barriers and monitor their implementation on an ongoing basis. If the infrastructure is in place, the social impact will be reduced, but this will only be facilitated, and innovative services and experiences will be needed within the industry to gain an edge over the competition.

6. Discussion

The mission of traditional cultural heritage is to preserve culture and history for the community, including the collections and the buildings themselves. Sustaining culture may be central to the work of cultural heritage sites [57]. Cultural heritage sites have recognised their positive role in improving society through their efforts to address contemporary issues and use their expertise to make a positive impact on communities [58].

As the country begins to focus on the development of cultural and creative industries, cultural heritage should break free from the shackles of tradition and seek a new direction of cultural sustainability that is not only embedded in old objects and practices but is a living history that incorporates continuity and changing social processes [59].

In this study, we have identified two other influences on the sustainable competitive advantage of cultural heritage in addition to the five forces (Figure 6). Firstly, due to

the traditional mission of cultural heritage, the preservation and maintenance of cultural heritage should be an important latitude in the advantage, The level of maintenance of heritage sites will affect the willingness of visitors to visit them. Then, although the government is not the main operating team, it is an important potential influence due to the partnership.

The Circuit of Culture has proved useful as a conceptual tool, conceptualising cultural heritage as the processes of its construction are discussed. The Circuit of Culture incorporates the interrelated elements of representation, production, identity, regulation and consumption as processes through which cultural phenomena may be analysed [60].

Inheritance of culture and history are represented, these characteristics as symbols that provide the necessary foundation communicate to society. Identity is further defined by the population: they participate and create meaning for themselves and the area. The special meaning produced by cultural heritage runs through the whole process, and the cultural commodities and shops of create consumption.

The rules emphasize the impact of cultural heritage on the connection between traditional heritage and society. Technology and experiential innovation play an important role in the relationship with modern society. The five interrelated processes implicated in the production and circulation of meaning through language thereby form a useful framework to consider cultural meanings of commodities holistically [61].

To this, we have added the processes of heritage into four different stages in the product life cycle (Figure 5), including the introduction period, the growth period, the maturity period and the decline period, which reflect the competitive position of the product in international markets [62]. We focus upon the role of design in this process, and bring together or articulate two key moments in the cultural circuit—production and consumption [63]. Therefore, different strategies at different stages of the product life cycle attempt to gain sustainable competitive advantages. The influencing process is dynamic and is involved the manager's experience of innovation [31].
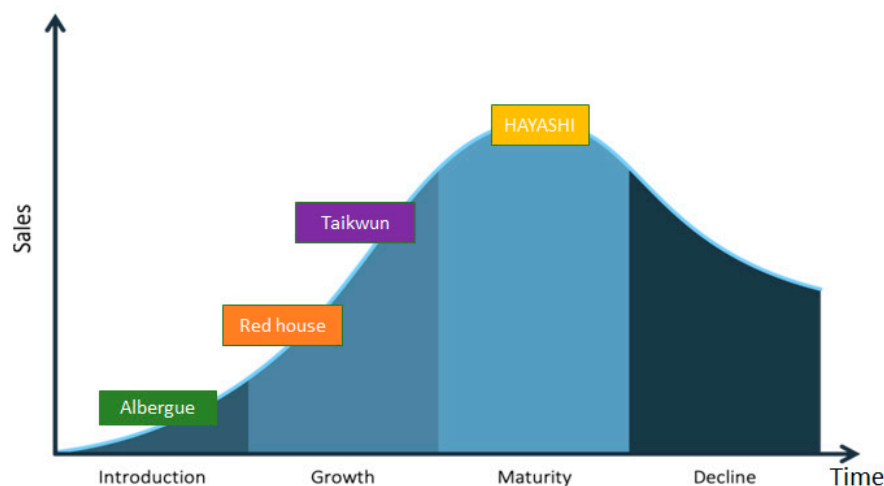

Figure 5. The product life cycle model for the Taiwan, Hong Kong and Macau heritage sites. Note: Describe the stage at which cultural heritage is located and the methods used.

Cultural heritage in Taiwan, Hong Kong and Macau are all collaborating on public–private partnerships (PPPs), which are a form of a commercial partnership between the public and private sectors in which the government provides public assets or services to a private entity. The private sector agrees to assume risk and management responsibility in exchange for performance-related rewards. Partnerships are formed to complement each other's resources and capabilities to leverage their respective strengths and collaborate in the creation of urban spaces [64]. The concept of a cultural and creative industry axis is used to link up the regional industries, thus achieving excellent results in the overall

development of the cultural and creative industry and the city's location, as well as the overall enhancement of talents and production value [65].

Base on the five forces analysis, we propose an "Extended Five Forces" model of the cultural heritage, i.e., threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products, rivalry among existing competitors and historical landscapes of cultural sustainability (Figure 6). The historical landscapes and cultural sustainability of cultural heritage are mainly in the form of adaptive reuse of buildings, which in turn leads to homogenisation within the industry and competition from the same customer base. Macau is at the introduction period of introducing products to the market: there are no competitors in the market, and there is a need to build awareness among visitors. The bargaining power of suppliers (cultural heritage sites) is influenced by the character of the buildings, the popularity of the destination, and the companies and service providers that are present. The emergence of new cultural venues, new trends and the creation of new parks threaten cultural heritage. The growth period is for rental shops and exhibitions. Both of which are due to attract people in the early stage and reducing operational risk. The bargaining power of buyers comes from the expectations of visitors to cultural heritage and products, and whether the uniqueness and historical and cultural value of cultural heritage and products are felt by visitors. When it comes to maturity (due to both popularity and public praise), it is possible to increase the proportion of counter positions for self-operated product sales (such as Hayashi Department Store) to create new markets. Newly revitalised cultural heritage sites need to meet government regulations and conditions in order to gain access, and although funding is available, the cost of maintaining the site is a key factor in sustainability. As the site is home to a diverse group of actors, including commercial and artistic teams, experts in heritage maintenance, and incoming manufacturers, it will be a challenge for new entrants to integrate effectively and create a cluster effect. In the midst of this, we find the power of the government to educate, integrate and co-ordinate, to provide financial assistance to new entrants, to provide policy and planning for the development of the industry in conjunction with the city. Although the government is not the main operations, its power affects the whole industry. In strategic management perspective, it is often mentioned that the critical success factor [66] of a first mover in a market is often reduced to a 'critical survival factor' as competitors upgrade. With this view, the historical landscapes and cultural sustainability is a critical survival factor for cultural heritages. Services and experiences offered by cultural heritage are easily replicated in the industry, so continuous upgrading is the only strategy to achieve sustainable competition.
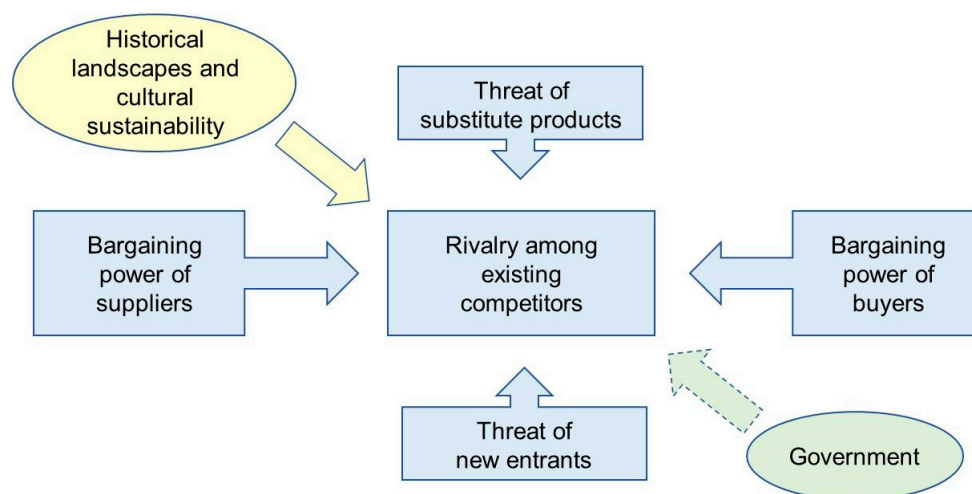

Figure 6. The "Extended Five Forces" model of cultural heritage. Note: The sustainable competitive advantage of cultural heritage can be explored along these dimensions. Source: Compiled by this study.

6.1. The Use of Technology Can Help Cultural Heritage to Interact and Communicate with the Public

The attention given to cultural heritage can easily lead to social discontent. For example, the newly opened M+ Museum in Hong Kong sparked controversy within a week of its opening, which was covered by both domestic and international media such as the New York Times, Taiwan's TVBS news and Hong Kong's Ming Chow Culture, which showed that the attention given to cultural heritage can bring in footfall and can easily have a negative impact [67]. The use of technology and innovation in cultural heritage has been reported by TVBS News in Taiwan and Ming Chow Culture in Hong Kong). The importance of experiencing innovation and the use of technology in cultural heritage is beginning to be recognised as a key objective in annual and subsequent national policy plans. There is an urgent need for cultural heritage sites to establish a channel of communication with the public to facilitate engagement and satisfaction. The epidemic has led to the further introduction of technology in cultural heritage, and live streaming is a new form of interaction that is still in its initial stages of development in cultural heritage, mainly in Asia and particularly in China. The interactive format of live streaming provides a new channel for cultural heritage to reach out to consumers. The input of live streaming can help to generate more interaction between cultural heritage and society, as modern audiences require new experiences and services, and local communities are partners in the industry needing to pay more attention to community grievances, issues and concerns [68].

6.2. Partnerships Help to Create a Clustering Effect

In all three cases in this study, cultural and creative industries have been used to revitalise heritage. By inviting cultural and creative brands to reside in heritage sites, the cost of maintenance can be reduced and a clustering effect can be created through value creation.

In Macau, the cultural and creative industries have been established in terms of policies and resources, but they have not been able to form a follow-up industry, and it is difficult to develop a complete industry chain by relying on the business sector and the private sector alone. In Hong Kong, although the industry is on the rise, there is a lack of policy and talent resources, but nowadays young people have diversified careers and are eager to realise their own values. Taiwan's cultural and creative industries are managed by a separate department, with adequate policies, human resources and follow-up measures. It is necessary to break away from the current framework in order to drive consumer demand and achieve growth.

6.3. The Importance of Linking Cultural Heritage to Local Tourism Development

Protecting historical heritage, exploring and highlighting local characteristics of resources, improving the competitiveness of the city, linking historical and cultural tourism with economic development and creating a clustering effect on all sides, Taiwan Heritage mainly operates local, Taiwan's young and second-generation operating brands and local food depth of cooperation and exchange with the community, coalescing local cultural forces to form a cultural brand. The heritage sites in both Hong Kong and Macau are dominated by local independent designers and artists and do not have the depth of connection with the heritage to bring about a virtuous business cycle. For example, the Taikwun is positioned as a heritage and art museum, with two directors of management and art, one a local manager and the other a foreign artistic director who has held senior positions in major music and art organisations in Australia, Europe and Asia who have organised over 750 events covering heritage appreciation, contemporary and performing arts, and forums are regularly organised with the participation of both local and international artists.

Macau is now mainly an arts and cultural space, with occasional exhibitions of art and original product design and lectures and arts and cultural courses. The success of the entertainment industry in South Korea has attracted a large number of international tourists to the country. South Korea is rich in historical sites and heritage and its cultural

tourism is growing rapidly in Asia [69]. Cultural dissemination and exchange can help to promote the understanding of local culture among tourists and create a desire to visit heritage, especially among young people who only think of heritage sites as historical relics. The Ministry of Science and Technology of Taiwan also has regular programmes for scholars to visit and exchange with international cultural heritage sites, such as in the United Kingdom and other successful developing countries, to establish cooperation and learn from the cultural and creative industries. This facilitates local and international exchanges, traditional and contemporary dialogue and various human resources. This will provide a platform for cross-border collaboration and social needs such as parenting, youth development, senior living and lifelong learning [70].

7. Conclusions and Suggestions

7.1. Conclusions

Cultural heritage plays an important role in the creation of creative cities, and its new vitality generates employment opportunities and enhances the local economy in the process. This study has developed a five forces model as an analytical framework to study the competitiveness of cultural heritage, focusing on five key stakeholders, namely, competitors, suppliers, buyers, potential competitors, and substitutes, and has proposed a new dimension—historical landscapes and cultural sustainability of cultural heritage—to empirically construct an analytical framework that is applicable to the sustainable advantages of cultural heritage. The new dimension, historical landscapes and cultural sustainability, empirically constructs a framework for analysing the sustainable advantages of cultural heritage. The findings of this study enrich the empirical evidence of the five forces analysis [31] and fill the research gaps of the cultural heritage industry [28].

The model clearly describes the current state of cultural heritage in Hong Kong, Macau and Taiwan, their competitive environment and their position in that environment. This provides a better understanding of how the various aspects of the cultural heritage industry interact with each other and provides a reference for decision-making in the pursuit of sustainable competitive advantage for cultural heritage.

Based on the findings of the study, the following dilemmas are identified as being currently encountered by cultural heritage in Taiwan, Hong Kong and Macau, and the findings of this study are discussed in general terms, considering the similarity of the global cultural heritage structure and visitors' bases.

(1) Homogenisation is a serious phenomenon and with similar business model.
(2) The product is out of touch with the market, and tourists have a low desire to buy.
(3) Lack of interaction and communication, leading to social and internal conflicts.
(4) Inadequate infrastructure and incomplete policies, management and publicity.

Strategies for achieving a sustainable competitive advantage for cultural heritage can be summarised as follows.

(5) Integration of cultural resources with commerce.
(6) Community involvement.
(7) Arts and culture education.
(8) Cultural tourism promotion and local cultural branding.

7.2. Theoretical Contributions

Current research on cultural heritage focuses mainly on the heritage itself, such as heritage maintenance and heritage management, with relatively little research on cultural heritage in relation to local craft development and sustainable competitive advantage. Hong Kong and Macau have seen significant growth in tourism, but comparative research is still limited [22]. The revitalisation and development of cultural heritage and intangible heritage has become a major part of national development policies globally, and the existing literature is dominated by rural, rural and backward areas [71–74]. This study analyses the cultural services of cultural heritage sites in popular cities with a focus on the

tourism industry. Specifically, the findings of this study provide a theoretical basis for the development of culturally sustainable services for cultural heritage sites in the context of using cultural heritage sites to develop cultural and creative industries and how they can collaborate with communities to create value and gain a sustainable competitive advantage on a global scale.

The findings of this study provide a new direction for tourism research and a new approach to sustainable development strategies for cultural heritage sites, as the five forces analysis has not yet been applied to the cultural heritage industry. UNESCO has advocated for the safeguarding of intangible cultural heritage through tourism. Tourism is an important tool for economic development in Asia, and cultural tourism, a form of sustainable tourism, is gaining popularity and will become mainstream within a decade. Cultural tourism can be a way to preserve cultural heritage and create a sustainable competitive advantage.

7.3. Practical Implications

Based on the current problems and barriers that need to be addressed for cultural heritage sites, this study offers the following recommendations.

(1) Geographical differentiation strategies. As the source markets for cultural heritage sites overlap and competition in the tourism industry is fierce, a staggered development strategy can help to improve homogeneous competition. For example, cultural heritage sites in the city centre of Hong Kong have the advantage of being conveniently located, while cultural heritage sites in the suburbs have the advantage of being ecologically located. Macau adopts a clustering strategy to develop the historic city as a whole. Taiwan can adopt the strategy of clustering development by separating the land areas, taking advantage of the unique resources of each county and city to promote cultural tourism and reduce the problem of homogeneous competition.

(2) Enhance the education of tourists in arts and culture and improve the product structure. Provide staff with training on the history of heritage and buildings, language skills, and organise cultural activities related to local culture and history, such as tours of the neighbourhoods, which provide an insight into the history of the neighbourhoods and the surrounding businesses, from heritage and buildings to local culture. The study found that products with cultural and architectural identity are more popular with tourists and that expanding the range of products can help to meet the diverse needs of tourists.

(3) Increase community involvement in cultural heritage. An important factor in maintaining the sustainability of cultural heritage is community involvement. By making communities aware of their culture, more development is possible. Social media is currently the most engaged platform, and there is a growing interest in promoting cultural tourism on social media. Future research could focus on how to get tourists to pay attention to intangible cultural features other than heritage and buildings through interaction.

The government should provide more proactive strategies to create an environment for the development of cultural heritage. For example, implementing policies to the relevant departments, improving internal management and increasing publicity to address the image of the operators will help boost the confidence of talents and businesses wishing to invest in the development of cultural heritage and create a sustainable competitive advantage. In addition, enhancing and facilitating visitor experiences achieve a high-quality visitor experience and reduce negative social impact.

7.4. Limitation and Future Research Recommendations

With the boom in tourism in Asia, cultural tourism has the potential to gain a sustainable competitive advantage and contribute to local development, innovate new industry chains, create employment demand and increase regional income. Therefore, there is a need to increase the sample size in follow-up studies to investigate different

countries and different forms of cultural heritage reuse. This study adopts a multiple case analysis approach, so the theoretical generalization of the resulting opinions and conclusions may be somewhat limited. In addition to the use of cultural heritage and the development of cultural and creative industries, it is also worth considering the problems and difficulties of cultural heritage and traditional crafts in the context of the global epidemic, which could be explored in depth with an increased sample size in future studies.

Social and cultural aspects: The competitiveness and value of cultural industries of cultural heritage sites have unlimited potential, and government policies and subsidies, manufacturers and human resources will influence the development of cultural creativity. The cultural and creative industries of cultural heritage are growing in all three regions, with Taiwan, Hong Kong and Macau all having rich cultural heritage resources, and the cultural and creative industries of cultural heritage have the prospect of increasing community cooperation, public education and participation, and the development of local culture.

Policy and management: The development policies of the government and the Cultural Affairs Bureau have contributed to the creation of homogeneous cultural and creative heritage. The historical value and architectural features of cultural heritage are key strengths, but there is a need to develop cultural and creative products that match the corresponding characteristics. The continuous creation of new cultural and creative heritage in the short term may not be conducive to the development of cultural and creative industries for heritage. The government and management need to provide adequate publicity, planning and forward-looking policy support to facilitate the development of in-house manufacturers and talent resources.

Cultural heritage development: Fully understand the characteristics of your heritage site and promote your brand to differentiate it from the market. By linking traditional local culture and crafts to design activities and products, cultural tourism can help to gain a sustainable competitive advantage. Cross-sectoral collaboration and co-development is a key trend in the future development of cultural heritage, breaking down industry boundaries and integrating key sectors of the city.

References

1. WTTC. Recovery Scenarios 2020 & Economic Impact from COVID-19. Available online: https://wttc.org/Research/Economic-Impact/Recovery-Scenarios (accessed on 14 July 2022).
2. UNWTO. Tourism Highlights 2017 Edition. *World Tourism Organization.* Available online: https://www.e-unwto.org/doi/pdf/10.18111/9789284422456 (accessed on 14 July 2022).
3. Landry, C. *Advanced Introduction to the Creative City*; Edward Elgar Publishing: Cheltenham, UK, 2019.
4. Dameri, R.P.; Moggi, S. Emerging business models for the cultural commons. Empirical evidence from creative cultural firms. *Knowl. Manag. Res. Pract.* **2021**, *19*, 341–354. [CrossRef]
5. Romeiro Filho, E. Brazilian design for sustainability: In search of a local approach. *J. Clean. Prod.* **2015**, *107*, 467–474. [CrossRef]
6. Belfiore, E.; Bennett, O. *The Social Impact of the Arts: An Intellectual History*; Palgrave Macmillan: London, UK, 2008; pp. 176–190.
7. Hong, X.; Wu, Y.-H. The use of AR to preserve and popularize traditional Chinese musical instruments as part of the formation of the tourist attractiveness of the national art of Guizhou province. *Digit. Scholarsh. Humanit.* **2022**, *37*, 426–440. [CrossRef]

8.　Greg, R. Cultural tourism: A review of recent research and trends. *J. Hosp. Tour. Manag.* **2018**, *36*, 12–21.

9.　Guo, P.; Li, Q.; Guo, H.; Li, H. Quantifying the core driving force for the sustainable redevelopment of industrial heritage: Implications for urban renewal. *Environ. Sci. Pollut. Res.* **2021**, *28*, 48097–48111. [CrossRef] [PubMed]

10.　Sanchez, S.A.; Nunberg, S.; Cnossen, K.; Eckelman, M.J. Life cycle assessment of anoxic treatments for cultural heritage preservation. *Resour. Conserv. Recycl.* **2023**, *190*, 106825. [CrossRef]

11.　Serrano, T.; Kampmann, T.; Ryberg, M.W. Comparative Life-Cycle Assessment of restoration and renovation of a traditional Danish farmer house. *Build. Environ.* **2022**, *219*, 109174. [CrossRef]

12.　Moreno-Mendoza, H.; Santana-Talavera, A.; León, C.J. Stakeholders of Cultural Heritage as Responsible Institutional Tourism Product Management Agents. *Sustainability* **2019**, *11*, 5192. [CrossRef]

13.　Xie, R. Intangible Cultural Heritage High-Definition Digital Mobile Display Technology Based on VR Virtual Visualization. *Mob. Inf. Syst.* **2021**, *2021*, 4034729. [CrossRef]

14.　Wu, J.; Ju, L.-H.; Lin, P.-H.; Lyu, Y. The Relationship between Form and Ritual in Cultural Sustainability. *Sustainability* **2022**, *14*, 9157. [CrossRef]

15.　Lynch, K. The Openness of Open Space. In *City Sense and City Design: Writings and Projects of Kevin Lynch*; MIT Press: Cambridge, MA, USA, 1972; pp. 396–412.

16.　Boussaa, D. The past as a catalyst for cultural sustainability in historic cities; the case of Doha, Qatar. *Int. J. Herit. Stud.* **2021**, *27*, 470–486. [CrossRef]

17.　Levitt, T. Exploit the Product Life Cycle. *Harv. Bus. Rev.* **1965**, *43*, 81–94.

18.　Tyulin, A.; Chursin, A. *The New Economy of the Product Life Cycle: Innovation and Design in the Digital Era*; Springer International Publishing: Cham, Switzerland, 2020; Volume 2, p. 123.

19.　Pedroli, G.B.M.; Van Elsen, T.; Van Mansvelt, J.D. Values of rural landscapes in Europe: Inspiration or by-product? *NJAS— Wagening. J. Life Sci.* **2007**, *54*, 431–447. [CrossRef]

20.　Antrop, M. Sustainable landscapes: Contradiction, fiction or utopia? *Landsc. Urban Plan.* **2006**, *75*, 187–197. [CrossRef]

21.　Fyall, A. Destination management: Challenges and opportunities. In *Destination Marketing and Management: Theories and Applications*; CABI: Wallingford, UK, 2011; pp. 340–357.

22.　Todd, L.; Leask, A.; Fyall, A. Destination Competitiveness: A Comparative Study of Hong Kong, Macau and Singapore. *Tour. Anal.* **2015**, *20*, 593–605. [CrossRef]

23.　Porter, M.E. *How Competitive Forces Shape Strategy*; Macmillan Education: London, UK, 1979.

24.　Porter, M.E. Location, competition, and economic development: Local clusters in a global economy. *Econ. Dev. Q.* **2000**, *14*, 15–34. [CrossRef]

25.　Barutçu, S.; Tunca, M.Z. The Impacts of E-SCM on the E-Tailing Industry: An Analysis from Porter's Five Force Perspectives. *Procedia-Soc. Behav. Sci.* **2012**, *58*, 1047–1056. [CrossRef]

26.　Porter, M.E. The five competitive forces that shape strategy. *Harv. Bus. Rev.* **2008**, *86*, 78.

27.　Wu, K.J.; Tseng, M.L.; Chiu, A.S. Using the analytical network process in Porter's five forces analysis–case study in Philippines. *Procedia-Soc. Behav. Sci.* **2012**, *57*, 1–9. [CrossRef]

28.　Dobbs, E.M. Guidelines for applying Porter's five forces framework: A set of industry analysis templates. *Compet. Rev.* **2014**, *24*, 32–45. [CrossRef]

29.　Dobrivojevic, G.; Pavlovic, D.; Popesku, J. Location attractiveness for investment as a competitiveness factor in tourism. *Teme* **2017**, *XLI*, 655–671.

30.　Dulčić, Ž.; Gnjidić, V.; Alfirević, N. From Five Competitive Forces to Five Collaborative Forces: Revised View on Industry Structure-firm Interrelationship. *Procedia-Soc. Behav. Sci.* **2021**, *58*, 1077–1084. [CrossRef]

31.　Kharub, M.; Sharma, R. Comparative analyses of competitive advantage using Porter diamond model (the case of MSMEs in Himachal Pradesh. *Compet. Rev.* **2017**, *27*, 132–160. [CrossRef]

32.　Ng, W.-K.; Chen, C.-L. A Case Study of Service Design and Experience Innovation in Cultural Heritage Servicescape Take Tai Kwun and Hayashi Department Store as Examples. *J. Herit. Manag.* **2022**, *7*, 200–221.

33.　Ng, W.-K.; Hsu, F.-T.; Chen, C.-L. The Impacts of Digital Technology on Service Design and Experience Innovation: Case Study of Taiwan& Hongkong Cultural Heritage under the COVID-19 Pandemic. *Systems* **2022**, *10*, 184.

34.　Benbasat, I.; Goldstein, D.K.; Mead, M. The Case Research Strategy in Studies of Information Systems. *MIS Q.* **1987**, *11*, 369–386. [CrossRef]

35.　Yin, R.K. *Case Study Research: Design and Methods*, 3rd ed.; Sage: Thousand Oaks, CA, USA, 2003.

36.　Kurtmollaiev, S.; Fjuk, A.; Pedersen, P.; Clatworthy, S.; Kvale, K. Organizational Transformation through Service Design: The Institutional Logics Perspective. *J. Serv. Res.* **2017**, *21*, 109467051773837. [CrossRef]

37.　Eisenhardt, K.M. Building Theories from Case Study Research. *Acad. Manag. Rev.* **1989**, *14*, 532–550. [CrossRef]

38.　Ozcan, P.; Eisenhardt, K.M. Origin of Alliance Portfolios: Entrepreneurs, Network Strategies, and Firm Performance. *Acad. Manag. J.* **2009**, *52*, 246–279. [CrossRef]

39.　Herriott, R.E.; Firestone, W.A. Multisite Qualitative Policy Research: Optimizing Description and Generalizability. *Educ. Res.* **1983**, *12*, 14–19. [CrossRef]

40.　Etikan, I.; Musa, S.A.; Alkassim, R.S. Comparison of convenience sampling and purposive sampling. *Am. J. Theor. Appl. Stat.* **2016**, *5*, 1–4. [CrossRef]

41. Hantrais, L. *International Comparative Research: Theory, Methods and Practice*; Macmillan International Higher Education: London, UK, 2008.

42. Miska, C.; Szőcs, I.; Schiffinger, M. Culture's effects on corporate sustainability practices: A multi-domain and multi-level view. *J. World Bus.* **2018**, *53*, 263–279. [CrossRef]

43. Oppermann, M. Triangulation—A methodological discussion. *Int. J. Tour. Res.* **2000**, *2*, 141–145. [CrossRef]

44. Dewar, K.; du Cros, H.; Li, W. The search for World Heritage brand awareness beyond the iconic heritage: A case study of the historic centre of Macau. *J. Herit. Tour.* **2012**, *7*, 323–339. [CrossRef]

45. Yin, P.L. Adaptive Reuse of Heritage, Cultural and Creative Industries and Aesthetic Reflexivity: Cultural Conservation Movement of Chongjian Street Creative Market and Herbs Maison in Tamsin. *Museol. Q.* **2016**, *30*, 33–59, 61.

46. García, M.F.; Fuentes, M.L.; Vacas, G.T.; Rienda, J. Understanding open innovation in small and medium-sized museums and exhibition halls. *Int. J. Contemp. Hosp. Manag.* **2019**, *31*, 4357–4379. [CrossRef]

47. Secretary for Commerce and Economic Development. LCQ12: Management and Operation of PMQ. Available online: https://www.info.gov.hk/gia/general/201601/06/P201601060594.htm/ (accessed on 26 July 2022).

48. Jung, F.C.; Fu, C.C. The Impact on the Heritage Management Functions from the Assigned Outsourcing Mechanism for Cultural Heritage: With Reference of R.O.T and O.T Cases. *J. Archit.* **2008**, *66*, 167–188.

49. Li, Z.; Shu, S.; Shao, J.; Booth, E.; Morrison, A.M. Innovative or Not? The Effects of Consumer Perceived Value on Purchase Intentions for the Palace Museum's Cultural and Creative Products. *Sustainability* **2021**, *13*, 2412. [CrossRef]

50. Relph, E. *Place and Placelessness*; Pion London: London, UK, 1976.

51. Kong, W.H.; Du, C.; Hilary, O.; Chin, E. Tourism destination image development: A lesson from Macau. *Int. J. Tour. Cities* **2015**, *1*, 299–316. [CrossRef]

52. Pratt, A.C.; Hutton, T.A. Reconceptualising the relationship between the creative economy and the city: Learning from the financial crisis. *Cities* **2013**, *33*, 86–95. [CrossRef]

53. Zetter, R.; Watson, G.B. *Designing Sustainable Cities in the Developing World*; Ashgate: Farnham, UK, 2006.

54. Leuthesser, L. Supplier Relational Behavior: An empirical assessment. *Ind. Mark. Manag.* **1997**, *26*, 245–254. [CrossRef]

55. Dwyer, L.; Edwards, D.; Mistilis, N.; Roman, C.; Scott, N. Destination and enterprise management for a tourism future. *Tour. Manag.* **2009**, *30*, 63–74. [CrossRef]

56. Du Cros, H.; McKercher, B. Cultural Tourism. In *Cultural Tourism*, 3rd ed.; Routledge: London, UK, 2020; p. 27.

57. Loach, K.; Rowley, J.; Griffiths, J. Cultural sustainability as a strategy for the survival of museums and libraries. *Int. J. Cult. Policy* **2017**, *23*, 186–198. [CrossRef]

58. Janes, R. *Looking Reality in the Eye: Museums and Social Responsibility*; University of Calgary Press: Calgary, AB, Canada, 2005.

59. Barthel-Bouchier, D. *Cultural Heritage and the Challenge of Sustainability*; Routledge: London, UK, 2013; p. 144.

60. Du Gay, P. *Production of Culture/Cultures of Production*; Sage: Thousand Oaks, CA, USA, 1997.

61. Barker, C. *The SAGE Dictionary of Cultural Studies*; Updated 2023/05/03; SAGE Publications: Thousand Oaks, CA, USA, 2004. [CrossRef]

62. Vernon, R. International Investment and International Trade in the Product Cycle. *Q. J. Econ.* **1966**, *80*, 190–207. [CrossRef]

63. Du Gay, P.; Hall, S.; Janes, L.; Madsen, A.K.; Mackay, H.; Negus, K. *Doing Cultural Studies: The Story of the Sony Walkman*; SAGE Publications: Thousand Oaks, CA, USA, 2013.

64. Kim, S.; Hwang, S.; Kim, J. Factors influencing K-pop artists' success on V live online video platform. *Telecommun. Policy* **2021**, *45*, 102090. [CrossRef]

65. Ministry of Culture. Regeneration of Historic Sites. Available online: https://rhs.boch.gov.tw/index.php?inter=about&id=1 (accessed on 15 July 2022).

66. Esteves, J.; Pastor-Collado, J. Towards the Unification of Critical Success Factors for ERP Implementations. In Proceedings of the 10th Annual BIT Conference, Manchester, UK, 1–2 November 2000.

67. Pourfakhimi, S.; Duncan, T.; Coetzee, W.J.L. Electronic word of mouth in tourism and hospitality consumer behaviour: State of the art. *Tour. Rev.* **2020**, *75*, 637–661. [CrossRef]

68. Hanafiah, M.H.; Jamaluddin, M.R.; Riyadi, A. Local community support, attitude and perceived benefits in the UNESCO World Heritage Site. *J. Cult. Herit. Manag. Sustain. Dev.* **2021**, *11*, 95–108. [CrossRef]

69. Rodyu, S.; Wetprasit, P. An Analysis of the Comparative Advantage of Thai Tourism with Chinese Tourists Compared to Other ASEAN + 6 Countries. *Eur. J. Bus. Manag.* **2018**, *10*, 160–182.

70. Chang, H.H.; Meyerhoefer, C.D. COVID-19 and the demand for online food shopping services: Empirical Evidence from Taiwan. *Am. J. Agric. Econ.* **2021**, *103*, 448–465. [CrossRef]

71. Gabor, M.R.; Tan, F.D.R. Heritage for Dark Tourism as Alternative For Sustainable and Economic Development. In *Globalization and Intercultural Dialogue: Multidisciplinary Perspectives—Economy and Management*; Arhipelag XXI Press: Târgu-Mureş, Romania, 2014; pp. 913–926.

72. Hasan, A.; Mohammed, A.H.; Wardi, W.; Yulius, N.; Heldi, H.; Abdullah, M.N. Environmental hostility contingencies on the relationship between knowledge management strategy and firm performance. *J. Teknol.* **2015**, *73*, 1–10. [CrossRef]

73. Tulla, A.F. Sustainable Rural Development Requires Value-Added Activities Linked with Comparative Advantage: The Case of The Catalan Pyrenees. *Eur. Countrys.* **2019**, *11*, 229–256. [CrossRef]
74. Chen, C.-L. Strategic sustainable service design for creative-cultural hotels: A multi-level and multi-domain view. *Local Environ.* **2022**, *27*, 46–79. [CrossRef]