



Strategic Analysis of Innovation and Growth in Iranian Handicraft Workshops

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Abstract

Creative industries theory emphasizes creativity, social networks, and audience interaction as core drivers of economic development, and within this framework, the present study examines the performance of Iranian handicraft workshops by focusing on internal capabilities, external opportunities, and strategic positioning. Adopting a qualitative approach, the study is based on semi-structured interviews with owners and managers of handicraft workshops, and the data are analyzed using the SWOT method supported by internal and external factor evaluation matrices. The findings indicate that handicraft workshops possess strong internal capabilities, particularly in idea generation, the use of cultural capital, and engagement with audiences, while marketing, managerial, and financial knowledge are unevenly distributed across workshops. Digital technologies and social media constitute major external opportunities by enhancing visibility and market access, whereas export activities remain strongly constrained by political and economic conditions. Overall, the results point to a growth-oriented strategic position and suggest that policy interventions should move beyond product-based support toward fostering creative alignment within the handicraft ecosystem. Strengthening digital infrastructure, facilitating market access, and improving managerial and financial literacy can enable handicraft workshops to translate creative values into sustainable economic outcomes without undermining creative integrity, thereby supporting their effective integration into the creative economy through social networks, platform access, and export facilitation.

Keywords: Creative Industries, Cultural Economy, Strategic Creativity, Handicraft Workshops.

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Introduction

Handicraft workshops constitute one of the most important components of the creative industries, contributing not only to the preservation and reproduction of cultural heritage but also to cultural value creation, innovation, and economic development. From the perspective of Creative Industries Theory, economic value is generated not merely through the production of goods but through the interaction of creativity, cultural capital, knowledge, technology, markets, and audiences (Howkins, 2001; Throsby, 2001; Potts, Cunningham, Hartley, & Ormerod, 2008). Therefore, the sustainable development of handicraft workshops depends on their ability to integrate internal capabilities with external opportunities. Nevertheless, many Iranian handicraft workshops face significant challenges, including limited access to domestic and international markets, insufficient managerial and marketing knowledge, export constraints, and uneven adoption of digital technologies, all of which influence their capacity for innovation, growth, and long-term sustainability (Grant, 2016; Kotler & Keller, 2016).

A review of previous studies indicates that existing research has primarily examined handicrafts from cultural, artistic, marketing, or technological perspectives. More recent studies have emphasized the interaction between creativity, management, digital networks, and market structures in fostering the development of creative industries (Jones, Askin, Godart, Harvey, & Phillips, 2023; Rydvalova, Michalova, & Skaloudova, 2025). However, limited attention has been paid to simultaneously examining the internal capabilities and external environmental factors influencing innovation and growth in handicraft workshops through a strategic analytical framework. Accordingly, this study draws upon Creative Industries Theory and employs the SWOT framework to identify the key internal and external factors affecting innovation and growth in Iranian handicraft workshops and to determine their strategic position within the creative economy.

Methodology

This study is applied in terms of purpose and qualitative in terms of research design. Empirical data were collected through semi-structured interviews with 24 owners and managers of Iranian handicraft workshops. Participants were selected using purposive sampling to ensure that the interviews reflected informed perspectives on creativity, management practices, market orientation, and the strategic challenges facing handicraft workshops.

The interview data were coded and classified into major themes. Based on the characteristics of each theme, internal factors were categorized as strengths and weaknesses, while external factors were classified as opportunities and threats within the SWOT framework. Subsequently, the Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), and Internal–External (IE) matrices were employed to evaluate the strategic position of the workshops and identify the most appropriate strategic orientation (Grant, 2016; David & David, 2017).

Findings

The findings reveal that creative idea generation, cultural capital, audience engagement, and the extensive use of social media constitute the principal internal strengths of Iranian handicraft workshops. In contrast, managerial, marketing, and financial knowledge are unevenly distributed across workshops, limiting their ability to exploit available opportunities effectively. Digital technologies, online platforms, and export potential were identified as the most significant external opportunities, whereas economic instability, export barriers, and structural constraints remain the major external challenges affecting workshop performance.



The results of the IFE and EFE analyses indicate that handicraft workshops possess relatively strong internal capabilities while operating within a challenging external environment. The IE matrix places the workshops in a **growth-oriented strategic position**, suggesting that sustainable growth can be achieved by leveraging internal creative capabilities together with selected external opportunities. These findings support the central premise of Creative Industries Theory that innovation and value creation emerge through the interaction of internal resources and network-based external environments (Potts et al., 2008; Howkins, 2001).

Results

The findings suggest that, within the framework of Creative Industries Theory, innovation and growth in handicraft workshops are shaped by the dynamic interaction between internal capabilities and external environmental conditions. Although Iranian handicraft workshops possess considerable creative and cultural resources, transforming these assets into sustainable economic outcomes requires stronger managerial, marketing, and financial capabilities, as well as improved access to digital platforms and domestic and international markets.

The study further demonstrates that creativity alone is insufficient to ensure long-term competitiveness. Rather, sustainable innovation depends on the integration of creative capabilities with strategic management practices and effective engagement with digital networks and market opportunities. Accordingly, policy interventions should extend beyond the preservation of cultural heritage to include strengthening digital infrastructure, enhancing managerial competencies, facilitating export activities, and encouraging collaboration among handicraft workshops and supporting institutions. Such measures can improve the innovation capacity, competitiveness, and sustainable growth of Iranian handicraft workshops within the broader creative economy (Throsby, 2001; Grant, 2016).

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