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# **Intangible Cultural Heritage Tourism and the Improvement** of Rural Environment in China: Value Cocreation Perspective

# Juan Wang<sup>1,2</sup>, Fei Wen<sup>1,\*</sup> and Dunli Fang<sup>1</sup>

<sup>1</sup>School of tourism, Huangshan University, Huangshan, China

<sup>2</sup>School of Hotel & Tourism Management, The Hongkong Polytechnic University, Hongkong, China

\*Corresponding author e-mail: wenfei@hsu.edu.cn

Abstract. The mechanism of Intangible Cultural Heritage Tourism improve the Rural Environment in China is studied in this paper. The study found that, the establishment of the value co-creating ecosystem can beautify the ecological living environment in the nature aspects and promote the cultural rejuvenation in the humanistic environment. The value cocreation ecosystem of Intangible Cultural Heritage Tourism is realized by developing the value of the actors, integrating various resources, and carrying out service exchange and institutional arrangement.

#### 1. Introduction

Intangible Cultural Heritage Tourism (hereafter termed ICHT), is an important style for Intangible Cultural Heritage reviving. At present, many countries develop the economic value of Intangible Cultural Heritage as a mean to promote protection and inheritance of them, so that "tourism survival" becomes an important mode of Intangible Cultural Heritage protection and inheritance. Because most of China's intangible cultural heritage is in the countryside, the development of ICHT promotes the beautification of Rural Environment is confirmed by many rural tourist destination, such as Wuzhen, Hongcun and the sunken courtyard<sup>[1]</sup>, etc.

The theory of Value Cocreation was first put forward by Prahalad and Ramaswamy in Harvard Business Review in 2000<sup>[2]</sup>. And was tensioned and updated by Vargo & Lusch 17 years later <sup>[3]</sup>. According to Vargo & Lusch, the value cocreation is composed of the actors who created values, resource-integrating, service-exchange and institutional arrangement. At last, all these elements nested and overlapping into service ecosystems. From the angle of value cocreation, the study viewing rural environment as an ecosystem, aims to find out the mechanism that ICHT promoting the beautification of Rural Environment.

# 2. Literature Review

#### 2.1 ICHT in Chinese Rural areas

With China's new industrialization, urbanization, informatization, agricultural modernization and green development, the trend of urban-rural integration and rural urbanization, industrialization will become increasingly obvious. Rural tourism is a new growth point of rural economic development under the new normal, and an important supporting industry to effectively solve the three issues of Rural, Agriculture and Farmer, and promote the rural transformation, upgrading and rural urbanization<sup>[4]</sup>.

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Under the background of rapid urbanization and tourism development, the deterioration of rural natural environment and the decline of rural human environment have become major and urgent problems that restricts the new urbanization strategy and the development of rural tourism<sup>[5]</sup>. Villages are the soil of Intangible Cultural Heritage, because they are mostly distributed in the vast rural areas. As the traditional local culture, the intangible cultural heritage bears the responsibility of rebuilding the traditional cultural value, identity and sense of belonging<sup>[6]</sup>. The intangible Cultural Heritage of the vast rural areas has rich national and local characteristics, which should be dynamically protected and inherited in combination with rural tourism<sup>[7]</sup>. With the rapid development of tourism, various forms of ICHT have constantly emerged, such as festival activities<sup>[7]</sup>, tourist commodities, tourist catering, special lodging and so on.

#### 2.2 Value Chain

Value chain is generally accepted as an analytical block diagram for analyzing value creation at enterprise level. After Michael Porter<sup>[8]</sup> put forward the concept of value chain, with the development of technology and economy, the value chain presents fragmentation, modularization trend, and the disadvantages of linear thinking become more and more obvious<sup>[9]</sup>. In order to cope with the fundamental changes in the competitive environment and situation of enterprises, academic circles and management practices began to focus on the management and integration of industry value systems, with a view to gaining the competitive advantage of the group and the ability to resist risks<sup>[10]</sup>. Liu Tingli study the intrinsic relation of value chain step by step<sup>[11]</sup>, think and construct new value network<sup>[12]</sup>. To overcome the disadvantages of traditional linear thinking of value chain and realize value cocreation in competing relationship.

# 2.3 Value Cocreation

In the new economic and competitive environment, there is a more fundamental change in the perception of value creation <sup>[13]</sup>. From co-production of value (co-production) to duality of customer and enterprise to create value <sup>[14]</sup>, and then to the customer-led logic <sup>[15]</sup>, the focus of value creation is gradually shifting from enterprise to customer-centered, emphasizing the creation of value in the practical experience of customer consumption.

The value cocreation system composed by the stakeholders, such as enterprises and customers. At this time, the concept of value net appears in time beyond the linear thinking of the value chain, and the focus of attention is shifted from the interests of the enterprise to the network, from the value distribution to the cocreation of value. It is considered that the realization of enterprise value is closely related to the mutual creation of customer value, and the customer-led service logic broadens the perspective of exchange and value existence, and the value is always determined by the customer, so as to realize the cocreation of value together (Fig 1).



Fig 1 The value cocreation ecosystems

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#### 3. The performance of ICHT Promoting Chinese Rural environment

In the new era, rural revitalization needs to re-examine the interaction between urban and rural areas. They need to rebuild functions and values. Rural intangible cultural heritage tourism is an important path for rural reconstruction. Through the development of it, the local culture has been carried forward, the ecological environment has been protected, the overall settlement environment of villages and towns has been greatly improved, and the goal of urban and rural development as a whole will been achieved.

#### 3.1 Humanity environment Revitalising

Rural as a natural space of enlightenment, its farming activities, human communication, festival celebrations, folk public opinion are rich resources of rule by virtue. As the birthplace of human civilization, the rural native clan structure gradually guides the local faith and strengthens people's behaviour norms. The ritual music and pastoral spirit of the countryside are the endogenous motive force of the development of the rural intangible cultural heritage tourism and the content and deep expression of the rural intangible cultural heritage tourism products.

The development of rural intangible heritage tourism, with the feelings of "homesickness", the memory of "old garden", the combination of the old and the new, and the docking of the old and the modern, will make the rural spirit plumper, the spirit more intelligent. Then, the cultural space for innovation and development will be constructed. The villagers will enjoy the rich fruits of modern civilization while continuing the local culture and vitality in the pastoral situation.

#### 3.2 Natural environment beautification

The Ecological Space is the highlight and core competitiveness of the countryside. Rural landscapes and human activities are both important rural tourism attractions. Owing to the variety types of intangible cultural heritage, the rural ICHT development will promote the development of other industries such as agriculture industries, traditional craft industries, rural arts industries, rural opera industries etc.

The development of industries brings funds to the countryside. These funds promote the construction of rural road, water supply, power supply, the upgrading of sewage treatment facilities, garbage collection and treatment facilities, latrines, roads, rivers, bridges, street lamps, etc. Those construction of rural infrastructures have made the sky bluer, the water greener, and the air cleaner.

At the same time, by participating in ICHT, rural residents have gained a good sense of income, pride and honour. They will also consciously devote their energy to sorting out the family courtyard and living space, such as the front house and back house, courtyard patio, etc. Improve the rural environment, the rural functional quality has been improved, the beauty of rural life has been enhanced. the villages have become into the ecological liveable space.

#### 4. Value cocreation mechanism in ICHT improving the rural environment

The key to value cocreation is the continuous interaction between the use and application of resources provided through exchange, differential access and integration (Vargo & Lusch, 2016). According to the value creation process model of service ecosystem, the study analysis concretely the value creation mechanism in ICHT improving the rural environment.

#### 4.1Multi-participant in value chain cooperating to create multi-win

The Participants of rural ICHT in value cocreation include tourists, tourism companies, local government, tourism staff, residents, and guilds (Fig 2).

Combined with personal experience, using WeChat, Weibo and Douyin from the media platform, tourists enhance the rural ICHT by word-of-mouth effect. The residents who participate in the tourism development become direct employees of tourism. Under the unified management of the tourism company, they earn income by engaging in catering, accommodation, entertainment, tourism commodity sales and other activities.

Through saling the rights of land use, renting housing and other ways, other residents obtain tourism income. The local government plays a very important role in rural tourism by making tourism planning,

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striving for construction funds, introducing foreign investment, public security management, infrastructure construction and so on. Industry associations, including the performing arts industry of planting, aquaculture, traditional handicraft, opera and dance, not only serve as production functions, but also provide experience space for rural intangible cultural heritage tourism. In addition to food raw materials, such as planting, etc., They are sources of tourism products, such as traditional handicrafts, tourist goods, opera, song and dance, etc. In the interaction of each other, the complete traveling experience scene constituted.

#### 4.2 resource-integrating

From the perspective of value creation, the tourism company in charge of operation and management is the main body of participants. Relying on the rural tourism platform, tourism companies creates value co-operate activities through the service exchange, system construction and other values of the participants. Good ecological environment, non-polluting organic food and other rural ecological resources advantages and exquisite craftsmanship, and the long-distance drama art and other immaterial cultural tourism resources are integrated. Through the development of catering, accommodation, study, shopping, entertainment, fitness, leisure and other tourism activities, the tourism ecosystem give play to the overall advantages, to achieve the value of stakeholders, and to create a win-win situation (Fig 2).

#### 4.3 service-exchange

Service exchange is a healthy and orderly business ecosystem value cocreation process. Tourists are the core of the system, all individuals or organizations in the ecological chain are value creators and stakeholders. Tourism companies exchange services with community residents, and residents become employees or shareholders of tourism companies. On the one hand, they cooperate to develop rural lodging, study, fitness and other tourism new business type; on the other hand, they cooperate management of rural shopping, entertainment, sports and other tourism projects. All of these are from tourists' point of view, to provide visitors with instant smooth, eternal and beautiful tourism experience (Fig 2).

# 4.4 institutional arrangement

The institutional arrangements include rural tourism development planning, intangible cultural heritage tourism product research and development, cultural research, marketing, performance management and other aspects of specific provisions. They give a strong organizational guarantee for the realization of value co-create (Fig 2).

#### 4.5 service ecosystem

In summary, participants in value cocreation, tourists, tourism companies, local government, tourism staff, residents, and guilds form a mutually coupled, win-win service ecosystem through resource integration, service exchange and institutional building. It also establishes a sustainable development model for the future healthy and sustainable development of rural areas (Fig 2).

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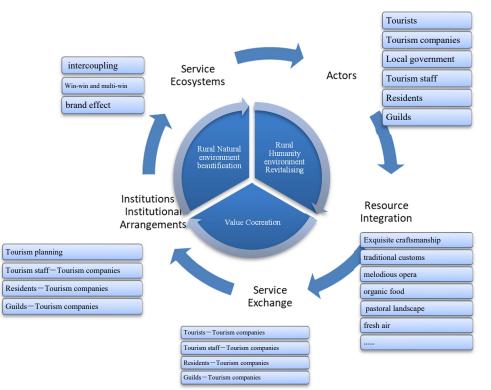


Fig 2 The value cocreation ecosystems of ICHT to rural natural and human environment

# 5. Conclusions and Future Directions

Based on the theory of value co-creation, this paper summarizes the concrete performance of promoting rural natural and humanistic environment by carrying out rural ICHT. On this basis, it analyses the mechanism of rural ICHT value cocreation. This research extends the theory of value cocreation from the research level of customers and enterprises to rural tourism destinations, which promotes the development of the theory. At the same time, the proposed value cocreation mechanism has practical value for the sustainable development of rural tourism destination ICHT. At present, China's rural revitalization strategy is advancing in an all-round way. In the future, we can trace the rural ICHT from the perspective of time, summarize the rules of its development and evolution, and predict its development direction.

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