

FOSTERING SUSTAINABLE DEVELOPMENT THROUGH INNOVATION IN BRAND PROMOTION FOR LOCAL BUSINESSES: A CASE STUDY OF VIETNAM'S TRADITIONAL CRAFT VILLAGES

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Abstract

This study examines the role of innovation in brand promotion to foster sustainable development in Vietnam's traditional craft villages. Although these villages make significant contributions to the national economy and culture, many face substantial challenges from modernization and intense market competition. Specifically, villages specializing in products such as Phu Lang pottery, Dong Ky carpentry, and Quan Ganh glutinous rice cakes still rely heavily on traditional word-of-mouth promotion, with limited adoption of digital marketing.

Using a qualitative research approach and a case study design, this research involved interviewing 52 business owners, artisans and sellers across the three villages to analyze their current practices and identify key influencing factors. The collected data was analyzed using content and thematic analysis.

The findings indicate that the prevalence of traditional methods, limited access to digital marketing, and low awareness of promotional innovation are the primary obstacles to growth. Key factors influencing these challenges include craft village traditions (which serve as both an advantage and a barrier), financial resources, craftsmanship skills, and local support policies.

Based on these findings, the study proposes strategic solutions and policy recommendations aimed at fostering comprehensive innovation in brand promotion. These include enhancing digital marketing capabilities, improving product quality, and strengthening support from local authorities. The conclusion highlights that with concerted efforts from businesses and robust government support, traditional craft villages can successfully navigate the challenges of modernization, thereby preserving their cultural heritage and ensuring a sustainable economic future.

Research purpose:

The purpose of this study is to examine the role of innovation in brand promotion as a means to foster sustainable development in Vietnam's traditional craft villages. The research specifically analyzes the current brand promotion practices of three villages including Phu Lang pottery, Dong Ky carpentry, and Quan Ganh glutinous rice cakes to identify key influencing factors and propose practical solutions for sustainable development.

Research motivation:

The motivation for this research stems from the significant challenges faced by Vietnam's traditional craft villages despite their substantial contributions to the national economy and culture. Many of these villages are struggling with modernization, intense market competition, and diminishing brand recognition. This study is thus motivated by the urgent need to identify and propose innovative brand promotion solutions to help these villages navigate these challenges, preserve their cultural heritage, and achieve a sustainable economic future.

Research design, approach, and method:

This study uses a qualitative approach with a case study design to gain an in-depth understanding of brand promotion innovation in craft villages. The qualitative method was chosen to capture non-numerical data, such as the perceptions, emotions, and mindsets of stakeholders. The research focuses on three specific case studies: Phu Lang pottery, Dong Ky carpentry, and Quan Ganh glutinous rice cakes. Data was collected through observation and semi-structured interviews with 52 participants, including business owners, artisans, and sellers. The author then applied a combination of content analysis and thematic analysis to systematically organize and evaluate the data.

Main findings:

The research found that innovation in brand promotion within these villages is limited. The primary obstacles to growth are a reliance on traditional methods, limited access to digital marketing, and a low awareness of promotional innovation. Key factors influencing these challenges include the traditions of the craft village (which can be both an advantage and a barrier), geographical location, financial resources, craftsmanship skills, and government support policies.

Practical/managerial implications:

The findings of this study provide several strategic and policy recommendations. Businesses should adopt a multi-faceted approach that integrates brand building, digital marketing, product innovation, and business collaboration. This includes developing a consistent brand identity, leveraging social media platforms, diversifying product lines, and forming cooperatives to share resources and collectively promote the village. From a policy standpoint, local authorities should simplify intellectual property registration procedures and provide legal assistance to combat counterfeiting. They should also take a more proactive role in promoting the overall image of the villages and establish more effective financial support policies with simplified procedures to encourage investment. Additionally, developing integrated experiential tourism models can help promote the cultural value of the craft and increase revenue.

Keywords: Innovation, Brand promotion, Craft villages, Sustainable development, Vietnam

1. INTRODUCTION

Vietnam's economic development is intricately linked to the formation and growth of its traditional craft villages (Nguyen et al., 2024). According to the Ministry of Culture, Sports and Tourism (2025), the country is home to over 5,400 craft villages, with a notable concentration in the Red River Delta region, including Hanoi, Bac Ninh, Nam Dinh, and Thai Binh. The preservation and development of these villages have yielded unique value by safeguarding national heritage and generating employment opportunities.

These craft villages have created significant regional economic value (Herrador et al., 2023). Thousands of skilled artisans and craftsmen have contributed to job creation, and their trades, passed down through generations, have become professional "secrets" passed on within families and communities. Hanoi's craft villages alone contribute tens of trillions of dong to the city's economy, with an annual production value exceeding 24 trillion VND (948 million USD). The handicraft industry has attracted approximately 1.5 million workers nationwide, generating an annual export value of about 1.7 billion USD (Ministry of Culture, Sports and Tourism, 2025). Traditional products not only provide domestic economic value but also generate foreign currency through exports. Furthermore, these villages contribute to social and cultural value, as their products embody and preserve the unique characteristics of the Vietnamese people. They also play a crucial role in promoting tourism, serving as attractive destinations that contribute to a shared goal of sustainable socio-economic development (Nguyen and Nguyen, 2022).

Despite their cultural and economic potential, many traditional craft villages face significant challenges from modernization, competition with mass-produced industrial goods, and ineffective brand promotion (Herrador et al., 2023). Several of these villages, once considered key economic hubs (such as Dong Ky carpentry village in Bac Ninh), are now struggling with diminishing brand recognition. Some businesses are experiencing financial losses and accumulating product inventory, as their brands are rarely promoted to a wider audience. According to provincial statistical data, the average income of craft workers has dropped by 15% over the past three years (Mai and Tran, 2023). Businesses within these villages continue to face difficulties in adopting modern technology and effectively promoting their brands to domestic and international markets (Gumulya et al., 2022). Many production households still rely on traditional business practices, failing to effectively leverage modern media channels to reach potential customers. This highlights a pressing need for innovative strategies to ensure the sustainable development of these villages.

This study will systematically review the theoretical foundations of innovation in brand promotion for traditional craft villages. By analyzing the current state of business and brand promotion in three specific case studies including Phu Lang pottery, Dong Ky carpentry, and Quan Ganh glutinous rice cakes, this research aims to identify the key factors influencing brand promotion innovation and propose practical solutions and policy recommendations to foster sustainable development.

2. LITERATURE REVIEW

2.1 Brand promotion

Brand promotion is a critical activity that not only helps businesses introduce products to the market but also maintains brand awareness and strengthens brand positioning throughout their development (Melović et al., 2020). It plays a pivotal

role in helping customers identify a brand from countless options, thereby increasing the likelihood of converting them into loyal customers.

From a traditional marketing perspective, DelVecchio et al. (2006) define brand promotion as an effort to communicate and increase customer brand recognition. Similarly, Bilgin (2018) emphasizes that it encompasses all marketing communication activities in target markets. A more comprehensive approach is taken by Melović et al. (2020), who view brand promotion as a complex process that uses a variety of tools and methods to introduce a brand, build goodwill, attract trust, and embed the brand image into the public consciousness. From a strategic standpoint, Arzhanova and Eremeeva (2024) updated this concept, considering brand promotion as a communication strategy and a key component of marketing. Its purpose is to inform, persuade, or influence the buyer's decision-making process when they are choosing a specific brand, while also fostering customer awareness and loyalty.

In this study, brand promotion is defined as a complex process that utilizes various tools and methods to introduce, create goodwill for, and embed a business's brand in the minds of the public.

2.2 The role of innovation in brand promotion

In today's dynamic and fiercely competitive business environment, innovation has become a core element for businesses to effectively build and promote their brands (Yueqiang, 2022). According to Utterback and Afuah (1998), innovation is the process of integrating new knowledge into products, services, and processes, thereby creating new value, increasing productivity, and maintaining a competitive advantage. Innovation enables businesses to differentiate themselves from competitors. By developing unique products, improving work processes, or providing superior services, companies can build a strong and inimitable brand image (Phillips and Phillips, 2018). Innovation in brand promotion is not limited to products but also extends to market access. The application of new technologies and creative communication methods helps businesses connect with customers more effectively (Yang and Zheng, 2022). Ultimately, innovation is not merely a tool for achieving short-term business goals but is also a core element for building a sustainable brand that can adapt to a volatile market.

Innovation plays a crucial role in promoting brands in traditional craft villages, enabling their products to both preserve cultural value and effectively adapt to the modern market (Li et al., 2025). Product quality is a key factor in building brand trust and credibility. Innovation helps craft villages improve product quality, thereby enhancing brand value and creating a competitive advantage (Marques et al., 2019). For instance, in Phu Lang pottery village, young artisans' continuous updating of designs (from household items to interior decorations) has made their products more appealing to various customer segments, especially the youth. Similarly, innovation in packaging and identity systems helps products from craft villages appear more professional and easily recognizable (Shafi et al., 2022). Instead of using only traditional packaging, these villages can combine traditional and modern elements to create a unique and professional image in the eyes of consumers. Furthermore, marketing innovation allows craft villages to use modern media channels like social media, websites, and e-commerce platforms to promote their brands (Arzhanova and Eremeeva, 2024). This strategy is effective in achieving the dual objectives of establishing organic reach and fostering a community of potential customers. By comprehensively applying innovation, from products and packaging to communication methods, traditional craft villages can develop their brands sustainably, enhance economic value, and preserve their cultural heritage in the digital age.

2.3 Factors influencing innovation in brand promotion for local businesses in craft villages

Craft village traditions

According to Gumulya et al. (2022), craft village tradition is not just a cultural repository but also a collection of tangible and intangible elements, including experience, techniques, professional habits, and production secrets. These elements serve as a core foundation for innovation in brand promotion. They create a unique identity and distinction for the products, providing a sustainable competitive advantage in the market (Shafi et al., 2022). Craft village traditions are key factors in creating unique products with deep aesthetic and meaningful value that attract consumer attention (Fry et al., 2017). This allows businesses to build a compelling "brand story" that emphasizes cultural value and meticulousness in every production stage.

Furthermore, integrating tradition with modern marketing strategies is a strategic approach to innovate promotional activities (Arzhanova and Eremeeva, 2024). Craft villages can leverage their unique secrets and traditions to create promotional campaigns on digital platforms like TikTok or through events and exhibitions (Melović et al., 2020). In addition, professional habits and ethics, which prioritize meticulousness and quality, help build customer trust and credibility, a crucial element for effective brand promotion (Chen et al., 2025). Consequently, craft village tradition provides local businesses with a robust advantage, facilitating the simultaneous achievement of heritage preservation and innovative, sustainable brand development in a competitive environment.

Financial resources

Financial resources play a core role in driving business activities, especially in the craft village sector. According to Mai

and Tran (2023), capital not only ensures production development but also determines the ability to exploit and develop resources and build effective promotion strategies.

In craft villages, capital is often limited and primarily comes from natural resources or family savings (Mai and Le, 2020). However, with the strong development of the modern economy and increasing market demand, mobilizing large amounts of capital has become extremely important. Financial resources allow businesses to invest in upgrading infrastructure and innovating technology, thereby improving production processes, increasing productivity, and product quality (Luong and Nguyen, 2025). The capacity to meet large-scale production requirements and generate superior products constitutes a key function of this approach, providing a robust basis for subsequent promotional efforts. Businesses can use financial resources to build a strong brand through modern marketing channels, such as social media platforms and e-commerce (Melović et al., 2020). Effective investment in promotion activities will help strengthen brand presence, reach potential customers, and boost sales, thereby ensuring the long-term development of the craft village.

Craftsmanship skills

According to Aaker's (1991) product-oriented theory, the development and refinement of a product is a core process in brand promotion. Within this context, highly skilled artisans and craftsmen are the key agents who determine the quality and value of a product (Fry et al., 2017). A skilled workforce is defined by a comprehensive set of attributes, encompassing sophisticated production techniques, creativity, passion, and professional ethics, all of which are transmitted across generations.

The quality of human resources directly impacts the competitiveness of craft village products. According to Li et al. (2025), products created by highly skilled artisans are often distinctive and unique, helping them stand out in the market. The meticulous attention to detail and profound cultural value embedded in each product not only attracts customers but also creates a meaningful brand story. Talented artisans become brand ambassadors, representing the value and reputation of the craft village (Chen et al., 2025). Their success is instrumental in both disseminating the village's renown and generating economic momentum, thus fostering sustainable development. As such, the value of a skilled workforce extends beyond its capacity as a productive force, positioning it as a crucial innovative factor essential for shaping and enhancing the effectiveness of brand promotion campaigns.

Local policies

Local policies play a crucial role in the sustainable development of traditional craft villages. Mai and Tran (2023) state that appropriate policies simultaneously facilitate effective resource allocation and significantly influence innovation across promotion activities. The government can provide financial resources and support to help craft villages become familiar with modern promotional tools and information technology (Herrador et al., 2023). This helps raise the awareness and reputation of the craft villages, thereby attracting customers and expanding markets. Policies can also encourage the organization of events, exhibitions, and trade fairs to introduce products, while also creating training programs to enhance management capabilities and professionalism (Shafi et al., 2022). Local policy functions as both a regulatory guideline and a crucial lever for promoting creativity and enhancing the competitiveness of craft villages in an increasingly volatile market.

3. METHODOLOGY

3.1 Research design

This study employs a qualitative approach with a case study design to gain a deep and multifaceted understanding of the complex issues related to brand promotion innovation for local businesses in traditional craft villages. The choice of a qualitative method is essential because the factors influencing promotional activities encompass both quantitative data and crucial non-numerical information, such as stakeholder perceptions, emotions, and mindsets. According to Yin (2018), a case study is a suitable design for in-depth analysis of a specific unit within a real-world context. For this research, the author selected three traditional craft villages: Quan Ganh in Hanoi, Dong Ky, and Phu Lang in Bac Ninh. To investigate the complex dynamics of brand promotion innovation, this study adopts the following theoretical framework:

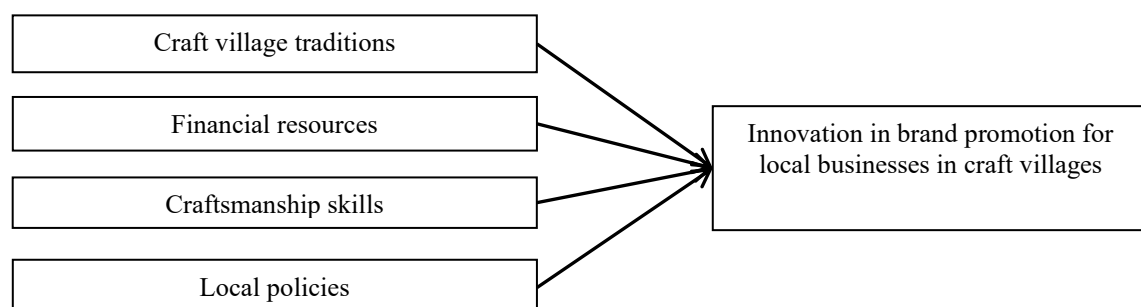


Fig. 1. Theoretical framework

3.2 Data collection methods and sampling

The qualitative data collection methods employed were observation and semi-structured interviews. Observations were used to understand group interactions and relationships, as well as to interpret the physical environment in which daily activities took place (Bryman, 2021). However, as Veronica (2022) argues, social phenomena cannot always be directly observed, making interviews essential for exploring participants' experiences. Semi-structured interviews were designed with open-ended questions to encourage participants to express themselves in their own words, which helped the author gather rich, detailed, and authentic data.

Van Belle (2011) in Statistical rules of thumb suggest a minimum sample size of 12. Isaac and Michael (1981) using snowball sampling and Hill (1998) using purposive sampling propose that sample sizes for preliminary studies range from 10 to 30 observations. For this study, the author conducted research with a sample of 52 participants across three villages: 20 from Phu Lang, 20 from Dong Ky, and 12 from Quan Ganh. The selection of Quan Ganh glutinous rice cake village (Hanoi), Dong Ky carpentry village (Bac Ninh), and Phu Lang pottery village (Bac Ninh) as case studies is justified by their representative value within the Red River Delta region's craft sector. The Red River Delta is a major hub, concentrating a significant proportion of Vietnam's over 5,400 craft villages, with Hanoi and Bac Ninh being key provinces contributing substantially to the national economy and cultural heritage (Ministry of Culture, Sports and Tourism, 2025). Moreover, these villages not only create economic value but also preserve unique cultural characteristics, yet have recently faced challenges of brand erosion. The participants included business owners, artisans, and sellers as presented in Table 1.

Table 1. Interview schedule

Traditional craft village	Individual interviews			Total
	Business owner	Artisan	Seller	
Phu Lang	11	5	4	20
Dong Ky	10	4	6	20
Quan Ganh	7	2	3	12

Source: Author

3.3 Data analysis methods

The collected qualitative data was analyzed manually. This approach was specifically chosen because the dataset was not voluminous, an accepted practice in qualitative research (Basit, 2003). Furthermore, a manual method was employed to facilitate a deeper, more nuanced understanding of the participants' experiences and the underlying meaning within the interview narratives (O'Connor and Gibson, 2003). The analysis involved several rigorous stages. First, the interview recordings were fully transcribed. The author then reviewed the transcripts iteratively to summarize key content and identify initial themes. The data was subsequently organized by assigning it to distinct coding units. These units were systematically grouped to establish broader analytical categories, with the frequency of their appearance cross-checked to ensure representativeness. During the analysis, participant responses were compared and contrasted to highlight emergent similarities and differences across the case studies. Finally, the resulting findings were interpreted by triangulating them with existing academic literature and the research purpose. Carefully selected quotations were extracted to substantiate the arguments in subsequent discussion sections. For the qualitative data gathered from interviews and documents, this study used a combination of content analysis and thematic analysis. The content analysis method allowed for the systematic organization and quantification of specific words, topics, or concepts found in the data. Besides, the author performed a thematic analysis to identify keywords and concepts related to influencing factors, which were then classified and evaluated. This approach enabled the study to delve into the meaning and assess the current state of innovation in brand promotion activities among businesses in the craft villages, thereby uncovering the deeper messages embedded within the interviews and documents.

4. RESULTS AND DISCUSSION

4.1 Traditional craft villages context

Hanoi boasts the highest concentration of traditional craft villages in Vietnam, with over 1,350 villages and trade communities representing 47 of the 52 traditional crafts nationwide (Ministry of Culture, Sports and Tourism, 2025). An

exemplary craft village, Quan Ganh, in Thuong Tin, Hanoi, embodies the unique culinary culture of the Northern Delta through its renowned glutinous rice cakes. Located along a one-kilometer stretch of Highway 1A, a major north-south transportation artery, the village benefits from constant traffic flow. The Quan Ganh glutinous rice cake has long been celebrated as a rustic yet refined dish with deep historical roots, often referenced in Vietnamese culinary culture. Furthermore, the craft has generated significant economic value and provided stable income for the local community. The uniqueness of the cake lies not only in its flavor but also in its distinct traditional presentation. As of 2023, approximately 50 households were involved in the production and sale of the cakes, with an additional 20 retail shops exclusively selling the product, which they acquire from local producers for redistribution.

Bac Ninh province is home to 10% of the country's traditional craft villages, which collectively contribute over 30% of the province's industrial production value (Nguyen et al. 2024). Among the most recognized are Phu Lang pottery village and Dong Ky carpentry village. Dong Ky, an ancient village in the Red River Delta, demonstrates that carpentry is more than a traditional craft; it embodies flexibility and creativity in its development. Prior to 1975, villagers primarily crafted household furniture for neighboring areas. However, after the country's reunification in 1975, they gained access to the Southern market and recognized a massive demand for wood products. Leveraging the techniques and secrets of previous generations, they began creating sophisticated and high-end fine wood art products. Currently, Dong Ky has approximately 400 households engaged in both production and sales, along with 150 companies and 10 cooperatives specializing in the production and trade of these goods. Main products include beds, shelves, wardrobes, wooden paintings, statues, and other custom-made carvings. Beyond the domestic market, the primary export markets for Dong Ky's products are in Asia. According to Lam Duong (2023), over 60% of Dong Ky's fine wood art products are consumed in China and other Southeast Asian countries.

Phu Lang pottery village has a history of over 700 years, reflected in its traditional ceramic products. The Vietnam National Museum of History exhibits Phu Lang pottery dating from the 14th to the 19th centuries, featuring various types of glazes. According to the Ministry of Industry and Trade (2025), Phu Lang pottery products have not only gained market share in domestic cities but have also attracted demand from Europe, Japan, and Korea for items such as ceramic wall paintings, reliefs, and wall tiles. Most production and business establishments in Phu Lang operate as private, self-sufficient models. These private businesses are primarily founded, operated, and managed by highly skilled artisans who have inherited the craft through generations. Smaller establishments typically cater to a limited customer base and operate on a family scale. In contrast, larger businesses, which supply products to both individual customers and enterprises, tend to hire skilled labor to produce both everyday household items and high-end products in large quantities. In addition to individual production households, a new Cooperative model was launched on March 16, 2024. The Cooperative was founded with 15 members who are manual pottery-making households in the Phu Lang area (Bac Ninh Information Portal, 2024).

4.2 The current state of innovation in brand promotion activities in traditional craft villages

Through observations and interviews conducted in the craft villages of Phu Lang, Dong Ky, and Quan Ganh, the author found that innovation in brand promotion activities remains limited. These efforts are still predominantly influenced by traditional methods and a non-systematic approach to technology.

The dominance of traditional methods

The majority of businesses across all three villages rely primarily on word-of-mouth marketing and direct sales. This is considered the most effective approach, as the established reputation of the villages provides an assurance of product quality.

A rice cake shop owner in Quan Ganh village noted, *"Of course, the village tradition is the most convenient for me. People from other places only know about our cakes because the tradition has been passed down by our ancestors."* Similarly, a business owner in Dong Ky wood village shared, *"A few customers have messaged me to ask for information, but they never came to view the products."* This suggests that businesses in these craft villages believe customers still prioritize seeing and experiencing a physical product before making a purchase. Besides, two businesses in Phu Lang reported that their past attempts to use trade fairs for sales were unsuccessful. Consequently, they abandoned this strategy in favor of relying solely on traditional sales practices.

Limited adoption of digital marketing methods

While some businesses, particularly larger ones and those run by younger individuals in Phu Lang and Dong Ky, have started using social media platforms like Facebook, TikTok, and YouTube, this application still lacks a strategic approach. Several respondents expressed skepticism about online promotion. One respondent stated, *"Shops that promote themselves aggressively and live-stream sales are all selling junk. If you do that, you'll only make one-time sales and no customers will ever return."*

However, there are also pioneering cases. A respondent in Dong Ky mentioned, *"Only a few houses have started doing this recently. And now, since people want to understand this kind of advertising, I've seen some houses hiring people to*

do media and communications". Another respondent shared, *"For my family, I think advertising through social media is best. For my shop, TikTok gets the most views and has brought in the most customers..."* While some shops have developed websites, their functionality is typically limited to basic information provision. The absence of integrated services like digital contract generation and online payment gateways hinders their ability to fully capitalize on the advantages of e-commerce and IT platforms.

Limited perception of innovation in brand promotion

The interview results reveal that many business owners do not fully recognize the value of innovation in brand promotion. They believe these activities are not truly necessary, especially during challenging economic times. One shop owner emphasized, *"I think the most important factor is the state of the economy, like how it's in a recession. Business is difficult now. No matter how much you promote, if people aren't earning money, they will buy less and be more careful with their spending."*

A notable observation is the lack of interest in the effectiveness of innovation in promotional campaigns among certain businesses. This sentiment is attributed to a combination of factors: intensifying competition within the handicraft sector and a reluctance among younger generations to continue the family trade. As a result, many business owners believe that poor business performance may lead to the liquidation of their products and a professional shift to a different industry. One respondent shared, *"I'll keep working, but if I feel like I can't do it anymore, I'll sell everything off. A lot of people don't want to make these products anymore, so they'll sell each item for less to get money to do something else."*

4.3 Factors influencing innovation in brand promotion activities

Craft village tradition

The findings demonstrate that craft village tradition operates as a dual-edged factor within the theoretical framework, simultaneously providing a core competitive advantage and presenting a significant barrier to innovation in brand promotion. First, the established reputation of a craft village is a key advantage, reducing the need for extensive promotion efforts. The established, inter-generational reputation of the craft village acts as an inherent brand asset, directly supporting the goal of effective brand promotion (Arzhanova and Ereemeeva, 2024; Shafi et al., 2022). This is evidenced by the observation that the long-standing reputation of Dong Ky wood village acts as a *"testament to product quality,"* which inherently builds trust with customers. This established name allows them to attract business with minimal overt marketing. Similarly, in the Phu Lang ceramic village, 7 out of 20 interviewed shops do not use social media but still attract a steady flow of customers due to the village's existing reputation. One respondent from Quan Ganh village also affirmed, *"Because this cake has been made since the time of our ancestors that customers from other places know about it."* This inherent brand recognition and customer trust, built over generations, provides a solid foundation for business.

Despite its benefits, tradition can also be a significant impediment to innovation in brand promotion. The long history of doing business in a traditional manner has often created a reluctance to adopt new strategies, particularly among older business owners. A respondent in Dong Ky noted, *"Because we have been accustomed to traditional selling for many years and have not used media to promote their products, it is not easy for us to change with the market."* This conservatism directly limits the adoption of modern media channels for promotion, a key component of innovation (Melović et al., 2020). Furthermore, the fear of design plagiarism is a notable barrier, especially for villages producing unique artistic goods. In Phu Lang, this fear hinders the public promotion of new product designs, as artisans are hesitant to showcase their work on public platforms where it could be easily copied.

Financial Resources

Financial factors were identified as major barriers, directly impacting the factor "innovation in brand promotion" within the theoretical framework. Financial limitations are pronounced across all case studies, particularly for smaller enterprises. A respondent in Dong Ky mentioned that due to the economic downturn, smaller shops lack sufficient budget to invest in innovative brand promotion activities. This aligns with literature asserting that capital is core to developing effective promotion strategies and exploiting resources (Mai and Tran, 2023). Additionally, a lack of experience in information technology is another obstacle, which makes social media advertising efforts ineffective. In Phu Lang ceramic village, most businesses rely on self-financing instead of local loan support policies because *"paperwork is complicated"* as mentioned by a respondent. In fact, small-scale household enterprises are the most common business type in craft villages. Since these operations do not register for a tax identification number and instead pay an annual license fee (ranging from several hundred thousand dong per household, based on revenue), they are unable to obtain a business registration certificate. Consequently, their lack of official documentation prevents them from qualifying for financial support.

Craftsmanship skills

The findings underscore that craftsmanship skills function as a foundational factor that drives innovation in brand promotion by ensuring superior product quality and value, which is a core tenet of the product-oriented brand promotion theory. Interviews with business owners and artisans in Quan Ganh, Phu Lang and Dong Ky reveal a shared belief that

craftsmanship and product quality are the primary drivers of success in a competitive market. This finding validates the theoretical premise that a skilled workforce is crucial for creating distinctive and high-value products that stand out in the market (Li et al., 2025). As one Quan Ganh artisan explained, a high-quality product fosters customer loyalty and generates positive word-of-mouth marketing: *"If the quality of what you make is good, customers will remember it for a long time or they will promote it for you. I prioritize quality, so I always let customers try the cakes before they buy. In short, if it's good, people will recommend it."* This perspective is mirrored in Dong Ky, where business owners similarly asserted that a quality product naturally attracts customers, positioning traditional marketing and promotion as merely supplementary. Thus, within the proposed model, investing in and preserving high craftsmanship directly enhances the product value component of innovation, providing a robust, quality-assured foundation for all subsequent brand promotion activities.

Local Policies

The analysis reveals that local policies, a critical factor in the theoretical framework, currently present an insufficient lever for driving innovation in brand promotion. Although local governments are mandated to allocate resources and support innovation, the current policies lack the scope and effectiveness to provide a collective and legally protected foundation for brand development. A respondent in Phu Lang shared that while there are provincial media channels promoting their products, they still wish for *"something to promote the village as a whole, because when the craft village develops, our shops will also develop."* This highlights the need for a more collective and sustainable promotional strategy. Besides, a major concern at Phu Lang ceramic village is the issue of intellectual property rights. Despite the distinctive material and design of its products, very few of the village's ceramics are registered for brand protection. Consequently, the counterfeiting of handicrafts remains a persistent problem, with no legal framework or support policies currently in place to address it. On the other hand, 2 out of 20 Dong Ky respondents noted that they have received support in the form of low-interest loans from banks. Interviews with artisans in Dong Ky revealed that the application process for government support loans is often hindered by complex administrative procedures.

5. RECOMMENDATIONS AND CONCLUSION

5.1 Strategic solutions for local businesses

The current state of innovation in brand promotion activities in traditional craft villages suggests the need for a multi-faceted approach. This strategy should integrate brand building, digital marketing, product innovation, and business collaboration to enhance competitiveness and ensure sustainable development. To professionally develop their brands, craft villages must build a cohesive and consistent brand identity (Yueqiang, 2022). For the Phu Lang ceramic village, a key challenge is the lack of consistency in labeling and packaging, making the development of shared brand elements for the entire village essential. Similarly, registering and protecting a collective trademark for Quan Ganh rice cakes is considered an important step to affirm product reputation and quality. Furthermore, craft village businesses need to leverage digital marketing and communication. Modern digital platforms like TikTok and Facebook have proven highly effective in promoting craft village products. Specifically, businesses in Dong Ky wood village have confirmed that social media advertising, particularly on TikTok, yields the best results and attracts a large audience. Building digital content channels with stories about the traditional craft, production processes, or customer experiences will help spread cultural value and reach a broader customer base (Shafi et al., 2022; Li et al., 2025).

Product innovation is a crucial factor for adapting to modern market tastes (Phillips and Phillips, 2018). Craft villages must diversify their product lines, not only focusing on traditional items but also developing new products that suit the needs of emerging customer segments. For example, Phu Lang ceramic village could design small, decorative ceramic items to attract tourists, while Dong Ky wood village could develop more modern furniture designs. For Quan Ganh rice cakes, changing flavors and packaging is a potential direction to attract a wider range of customers. Additionally, cooperative models or business associations play a vital role in creating synergy for the craft villages. Collaboration will help business households share resources, increase production efficiency, and collectively promote the overall image of the village (Soemaryani and Prasetyo, 2021). Collaborative efforts, such as organizing tours and hands-on experiences for visitors, simultaneously facilitate product promotion and the introduction of the craft's cultural value.

5.2 Policy Recommendations

Protecting intellectual property and brand identity is essential for establishing consumer trust and increasing the market value of craft village products (Singh et al., 2024). A major barrier for business households is the complexity of intellectual property registration procedures, which makes products vulnerable to counterfeiting. Therefore, supportive policies are needed to simplify the registration process and provide legal consultation and assistance to businesses, enabling them to protect their products from fake and counterfeit goods. Besides, local governments need to take a more proactive role in promoting the overall image of the craft villages. Although businesses have received some promotional support through provincial media channels, they still desire a collective marketing strategy for the entire village. Using official media channels like television and newspapers, along with cultural and trade exhibitions, will help enhance brand recognition

and attract customer interest, especially in a volatile economy (Arzhanova and Ereemeeva, 2024).

Based on interview results, business households in both Phu Lang and Dong Ky face difficulties accessing financial support. Despite the availability of preferential loan policies, the complex administrative procedures have dissuaded many producers from utilizing these policies. To encourage innovation in brand promotion, the government needs to establish more effective financial support policies with simplified procedures and preferential interest rates, making it easier for businesses to access capital. In addition, developing experiential tourism is an effective solution for promoting and increasing revenue for the craft villages (Jain and Thakkar, 2019; Nguyen et al., 2025). It is essential to build integrated tourism models where visitors can not only shop but also participate in the production process and learn about the village's culture. This model, which has been implemented in some cooperatives in Phu Lang, provides visitors with a hands-on, authentic experience, thereby enhancing brand value and fostering the sustainable development of the craft villages.

5.3 Conclusion

This study reveals that the transition from traditional, word-of-mouth-based promotion to innovative, digitized marketing strategies is a slow but necessary process. Businesses, particularly in traditional craft villages, are gradually recognizing the importance of social media platforms in reaching a broader market. However, they still face significant barriers in terms of skills, finances, and complex administrative procedures for accessing government support. This indicates that innovation is not just about adopting new technology but also about strategically leveraging existing strengths, including cultural heritage and traditional craftsmanship, to meet the demands of the modern market. By combining the core values of the craft village with advanced marketing methods, handmade products can create a unique competitive advantage. With coordinated efforts among business households and strong support from local governments, Vietnam's traditional craft villages can overcome the challenges of modernization. The implementation of this measure is projected to simultaneously safeguard valuable cultural heritage and guarantee a sustainable economic trajectory for these communities.

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