

## **Innovation Capabilities of Creative Industries-In case of Pottery Industries in Kurunegala District**

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The pottery industry is a traditional industry with archaeological values, covering small industries and entrepreneurs, having remarkable contributions to the economy. Previous studies have shown that the pottery industry is considered the creative and cultural industry. Over the last two decades, new technology has aided the pottery industry enabling its possibilities and making pottery items more innovative. According to the Oslo manual (2018), innovation is crucial for survival in a dynamic environment. The Oslo manual is the key international reference for defining and evaluating innovations. According to the Oslo Manual, a business innovation is a new or enhanced product or business process, or a combination of the two, that differs significantly from the firm's previous products or business processes and has been established on the market or brought into use. Therefore, this research aims to explore the innovation capabilities of pottery industries in the Kurunegala district by considering the Oslo manual publication. A qualitative design was adopted to achieve research objectives. The study sample consists of 7 pottery industry people from the Kurunegala district who have heterogeneous characteristics in their industry. The data were gathered through face-to-face interviews using a pre-determined interview guide. The analysis of the data was done using thematically and a purposive sampling method was used. The findings revealed that the pottery industry in Kurunegala increasingly adapts to different types of innovations. The pottery industry in Kurunegala has practiced product innovations, business process innovations, and distribution and logistics innovations. Researchers questioned pottery people on these three types of innovations and all of the pottery owners agreed with this fact. However, business process innovations were highly practiced compared to the other two innovations in the pottery industry. Modernized business processes, modernized facilities, and customer-based production processes are the major types of business process innovations by considering the interviewees' responses. As a result, in the pottery business, combining the artistic urge with new technologies enhances both the production processes and the overall design.

**Keywords:** Pottery industry, Innovation capabilities, Kurunegala district, Oslo manual (2018) publication