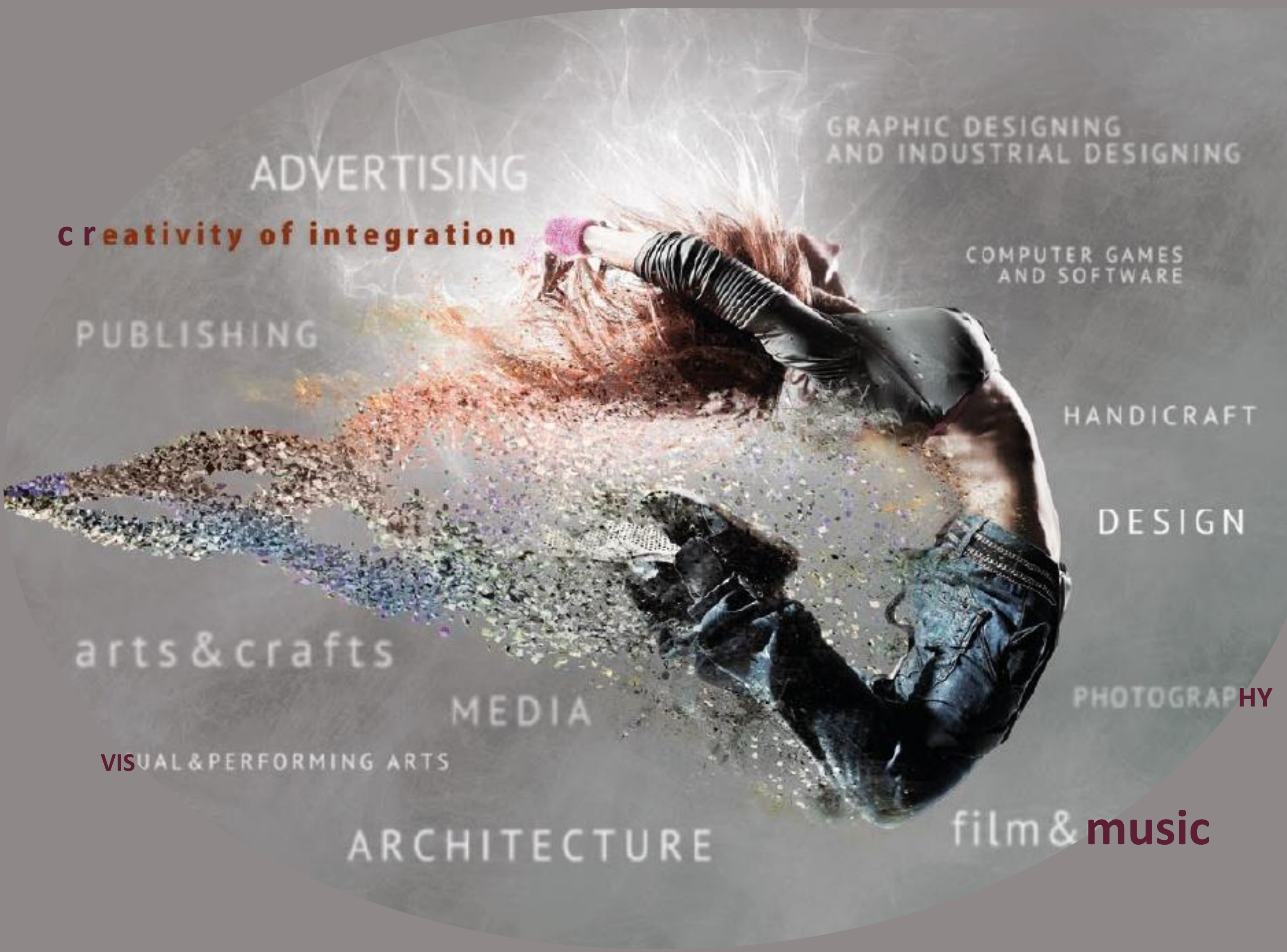

Creative industries in Gdansk

- EXPLOITING THE POTENTIAL AND POSSIBILITIES OF DEVELOPMENT

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Gdansk, 2012

Socio-economic Research and Analysis Office

Economic Policy Department, City Hall in Gdansk

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Foreword

The report presents the results of the study on functioning of creative industries in Gdansk, with regard to the general situation of creative industries in the Pomeranian Voivodeship. The objective of the study was to determine the size and structure of creative industries and identification of its potentialities and possibilities to develop.

The report consists of five parts, including the foreword and the summary with conclusions. In the chapter entitled **Creative city. Concepts. Definitions**, some of the main objectives of CREATIVE CITIES project have been presented, together with definitions and creative industries classification. The role of creative industries in cities and regions development was also characterized in the chapter. The next part **Creative industries in Gdansk and the Region** contains the results of statistical analysis and cartographic quantities and structure of creative industries in Gdansk, against the background of the Pomeranian Voivodeship.

In the part entitled **Location factors and potentialities for business activity development in the opinion of creative industries in Gdansk**, the results of the questionnaire, conducted among creative sectors, have been presented. The survey concerned the factors taken into account while choosing a location of a creative company, the current situation and needs expressed by creative sectors, as well as conditions of development and support provided to creative industries in Gdansk. Main conclusions of the conducted analysis are drawn in the summary of the report.

1. A Creative City. Concepts. Definitions.

The present analysis of the potentialities of creative industries in Gdansk is one of the objectives of the international project entitled ‘Development and Promotion of Creative Industry Potentials in Central European Cities’ (CREATIVE CITIES), carried out by the City Hall in Gdansk in partnership with the Gdansk Entrepreneurs’ Foundation.

The aim of the elaboration is the quantitative analysis of creative industries in Gdansk and spatial distribution of creative enterprises across the city, and also determination of the location factors in the city space, as well as creative industries’ further development.

The project is carried out by 5 European cities, i.e.: Genova (IT), Gdansk (PL), Ljubljana (SI), Pécs (HU) and Leipzich (DE). The cities are of comparable size and all are the leading force of growth of the areas surrounding them. They are characterized by the presence of relatively large-scaled creative industries, about which complex information is very poor, and no relevant local strategies have been set out.

The main activities and their objectives in the frame of CREATIVE CITIES include: creating, institutionalizing and bonding of a supranational network between creative clusters, working out supranational cluster marketing tools, as well as promoting competitiveness of the creative clusters based on best European practices.

1.1. Terminology.

The research on creative industries condition and dynamics in the households of urban areas is not easy to conduct due to difficulties encountered while identifying the sectors. It is troublesome to put creative activities in rigid classification criterion due to the characteristics of their activities (producing non-standard goods and services, growing importance of small, mobile companies functioning in the network of connections), what causes ambiguity and jumbling of terms and definitions used in literature and classification.

The definition scope of creative industries is very wide and is characterized by a diversity. Generally, those business activities are considered as creative enterprises, which are connected with broadly defined culture, and others, which enhance its development.

As the studies on creative industries have been carried out just recently, there has not been a single, universal definition developed yet. For the sake of the project, the creative industries are defined as those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property (Department for Culture, Media and Sport, UK, 2001).

Creative industries comprise advertising, architecture, arts, crafts, design, film, photography, television and radio, software, computer games, publishing (electronic), music, visual and performing arts. Additionally, amber jewellery production was also included in the study, as it plays a significant role in the local economy of Gdansk and the Pomeranian Region.

According to the projects guidelines, the aim of the study is to focus on a few sectors of creative industries, that are present in all of the partner cities, and which all partners should take into consideration in their statistical analysis, so that a mutual comparative base of creative industries can be built. Each partner took into consideration those branches which were specific for each city, and were connected with an individual profile of the city.

1.2. The role of creative industries in cities development.

In each of the partner cities, creative industries are highly fragmentised, unstable, and cluster structures have been formed not until recently. Other commonly encountered difficulties are: poor relations with other production sectors, neglected investments, unexploited possibilities of supranational cooperation, lack of relevant structures which could support entrepreneurs, setting up new firms and small companies in order to develop abilities to run a business and marketing activities, failing to creative resources for the sake of promotion as an innovative centre in order to attract investment.

On the other hand, there are universities in all partner cities whose graduates actively participate in creative sectors (i.e. graphic design, internet magazines, fashion shows, music trade fairs, arts festivals), and creative industries products are more often perceived as commercial goods. Moreover, creative sectors are propulsive industries of the modern information and communication technology. Those sectors substantially increase urban areas attractiveness as a suitable location for economic activity and innovativeness.

A great number of people involved in creative industries, operate in conditions of economic uncertainty. Most of them run individual business activities and do not generate a regular income. The objectives of the project are oriented towards securing support relevant to creative sectors' needs (e.g. clusters managers/contact points, mediations in acquiring trainings to learn entrepreneurial skills, networking and cooperation with other industries, supranational marketing), to secure their business activities, exploit possibilities to generate jobs in creative sectors.

The concept of creativity being an important factor in a regional development was first mentioned in the 80's of the XX century. Törnqvist (1983), in his *Creativity and the renewal of regional life*, introduced into scientific literature the term *creative milieu* into the scientific literature, translated as a creative environment. The discussion on the role of creativity in the regional development is connected mainly with Richard Florida's works. According to Florida, creativity, i.e. human creation, is one of the most considerable sources of socio-economic development, including the creation of new firms and jobs. As a result of such development, a new socio-economic stratification arises, in which a creative class plays an essential role. It is characterized by its members, who are deeply engaged in a creative process, and which function is to create new important forms, mostly those immaterial.

According to Florida, a creative class settles in certain specific types of areas, where three principal factors occur: technology, talent and tolerance. These areas, which characterize with higher than an average aggregations of creative classes, are called *creative cities* or *creative regions*. In such regions or cities, representatives of a creative class (e.g. students, artists, architects, designers, experts and analysts, computer programmers) stimulate their joint undertakings, and the outer environment, thanks to its openness, diversity, tolerance, talent promotion, which altogether give them support. The latter regions are highly advanced technologically, have high quality of life index, and attract talents. Those regions are usually the metropolitan areas.

Location preferences of a creative class, with respect to the place of residence and workplace, demonstrate a spatial concentration. There are two types of concentration areas: so called new industrial areas (e.g. the Silicon Valley) and metropolitan areas. The importance of the latter has significantly grown recently, which interrelates with the progressive processes of globalization and metropolization. Urbanists relate to *creative spaces* or *creative districts* in the cities. These are the districts of intriguing architecture, with significant public space availability, with presence of cultural and entertainment institutions, leisure areas, and location of cultural industries, such as film sector, publishing, radio and television, and so on.

The updated Pomeranian Voivodeship Development Strategy 2020 indicates the role of creative industries among the main principles of its realization (so called intelligent specialization principle). Creative industries are regarded as those which require special attention due to their development potential and as a deciding factor in the Pomeranian Region future competitiveness.

In turn, Gdansk Development Strategy 2015, in the operational programme called *Time for Gdansk*, refers to creative industries as one of the sources of city's development, and locates relevant support for creative industries among activities planned for 2012-2015 in the scope of economic growth of Gdansk. The latter document indicates the necessity to increase the role of creative industries' potential and recognizes it as a factor affecting social capital. One of the undertaken activities in the field of support provided to creative industries is the realization of the international project CREATIVE CITIES.

2. Creative industries in Gdansk and the region.

2.1. Classification of creative industries in the CREATIVE CITIES project.

Research of the condition of creative industries and the dynamics of their changes is related to certain problems, which result from difficulties when defining this sector. The decrease in importance of the traditional model of standardized goods production and the traditional classification of business activity, make it difficult to asses creative industries with traditional classification criteria. This results in inconclusive definitions used in literature. A single universal definition of creative industries has not yet been developed, and a single Polish translation of this term has not yet been established. Currently, this term functions as *creative sectors* or *creative industries*.

Methodology of the research adopted for the needs of the CREATIVE CITIES comprises industries of 32 PCA codes (as per 2007 PCA – Polish Classification of Activities). In the case of Gdansk, 3 additional PCA codes were separated (i.e. manufacturing of jewellery goods and similar products; production of artificial jewellery and similar products; retail sale of watches, clocks and jewellery in specialized shops). The abovementioned industries comprise the amber industry, which plays a significant role in the city's economy and is characteristic for the whole region. Gdansk clusters 39% of the companies from this sector.

Table 1. Listing of companies from the creative sector as per 2007 PCA classification.

Activity group	PCA 2007	Name of the sector
A) Advertisement	7311Z	Activities of the advertising agencies
B) Architecture	7111Z	Activity within the scope of architecture
	7112Z	Activity within the scope of engineering and related technical counselling
C) Art and antiques sale	4778Z	Other new crafts retail sale in specialized shops
D) Design	7410Z	Activity within the scope of specialized design
E) Video, movie, photography	5911Z	Activity related to movies production, video recordings and TV programmes
	5912Z	Activity related to movies postproduction , video recordings and TV programmes
	5913Z	Activity related to movies distribution, video recordings and TV programmes
	5914Z	Activity within the scope of film showing
	7420Z	Photographic activities
F) Software	5821Z	Publishing activity within the scope of computer games
	5829Z	Publishing activity within the scope of other software
	6201Z	Activity related to software
G) Artistic and musical performances	5920Z	Activity within the scope of sound and music recordings
	9001Z	Activity related to performing arts
	9002Z	Activity supporting art performance
	9004Z	Activity of the cultural venues
H) Creative artistic activity	9003Z	Artistic and literary creative activity
I) Publishing activity	4761Z	Retail sale of books in specialized shops
	4762Z	Retail sale of newspapers and stationery in specialized shops
	4763Z	Retail sale sound and audio-visual recordings in specialized shops
	5811Z	Book publishing
	5813Z	Newspapers publishing
	5814Z	Magazines and other periodicals publishing
	6391Z	Activities of information agencies
J) TV and radio production	6010Z	Radiophonic programmes broadcasting
	6020Z	TV programmes (general availability and license fee) broadcasting
K) Museums and other cultural activity	8552Z	Extracurricular forms of artistic education
	9101A	Activities of libraries
	9101B	Activities of archives
	9102Z	Activities of museums
	9103Z	Activity of historical venues and similar tourism attractions
L) Jewellery articles manufacturing, including amber	3212Z	Manufacturing of jewellery articles and similar products
	3213Z	Artificial jewellery articles and similar goods production
	4777Z	Retail sale of watches, clocks and jewellery in specialized shops

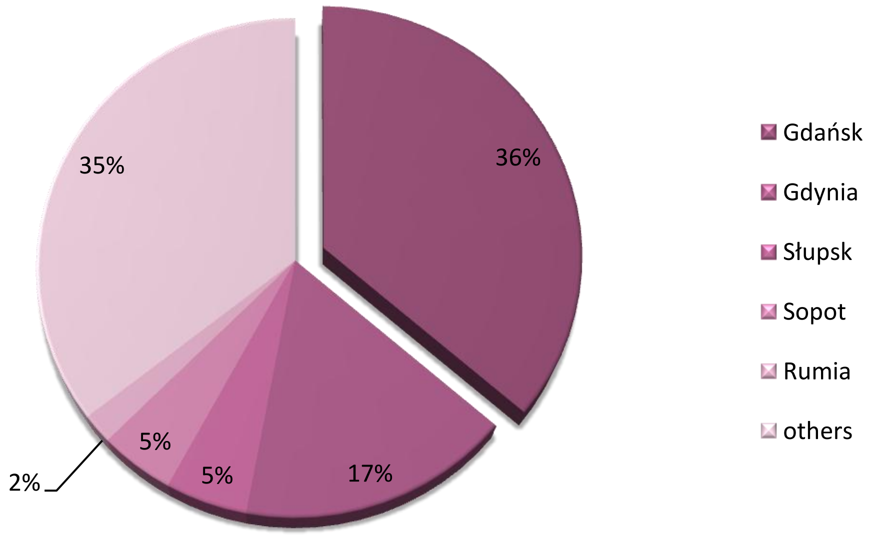
Source: own work

All of the analysis carried out in this work include the above-named industries.

2.2. The structure of creative industries in the Pomeranian Voivodeship

Creative industries represent a significant share in Gdansk's and the Region's economic structure. In 2011, 17,8 thousand business entities classified, according to PCA as part of creative industries, operated in the Pomeranian Voivodeship, which comprise about 7% of all of business entities in the region. Majority of the companies are focused in the Tri-City and its vicinity, but also in the bigger urban centres of the voivodeship, whereby 36% of the companies from creative industries operate in Gdansk (e.i. 6,4 thousand business entities), and 60% in the Tri-City.

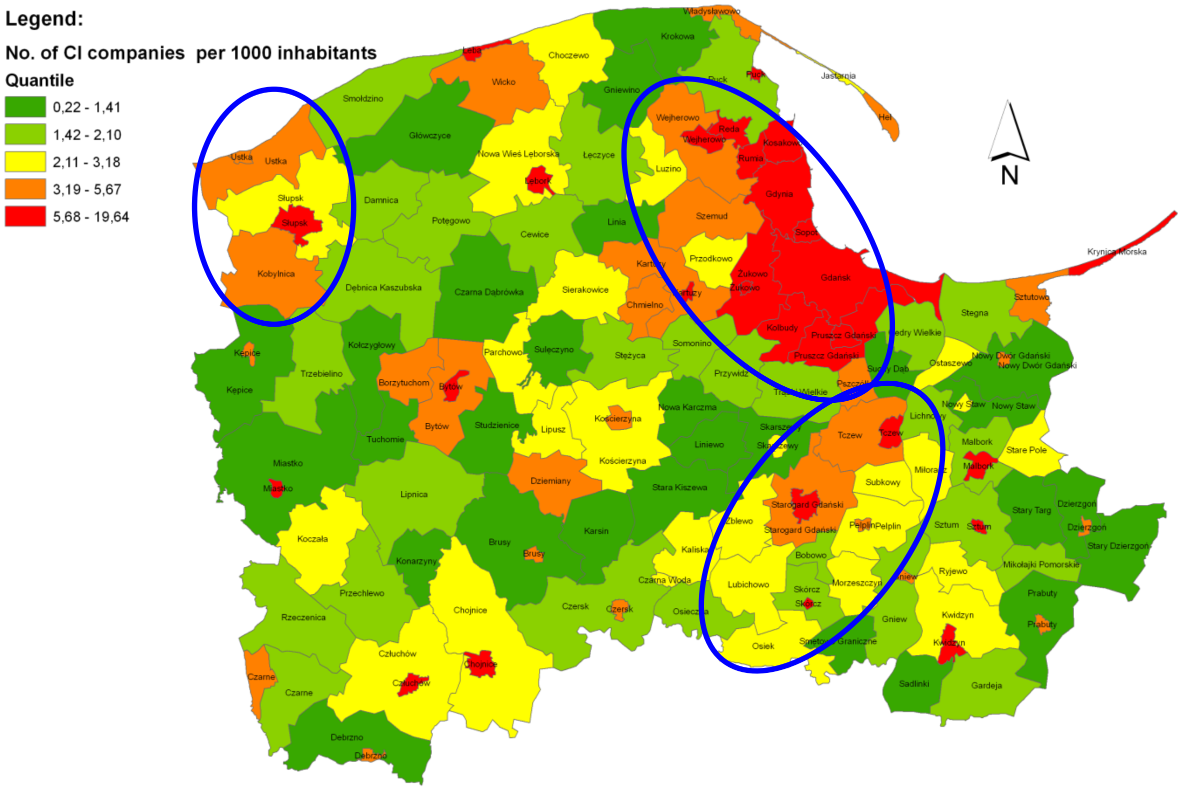
Fig. 1. Companies from creative industries as per communes, with the highest share in the Pomeranian Voivodeship in 2011.



Source: own work based on data from REGON database

The biggest concentrations of creative industries in the Pomeranian Voivodeship, per 1000 inhabitants, occur in three areas of the Voivodeship: the Tri-City with the surrounding districts, Słupsk with its surroundings, Tczew and Starogard Gdański with the surrounding districts.

Map. 1. Companies from creative industries as per communes with the highest share in the Pomeranian Voivodeship in 2011.



Source: own work based on data from REGON database.

2.3. The structure of creative industries in Gdansk

Gdansk, the capital of the Pomeranian Voivodeship, with about 457 thousand inhabitants (20% inhabitants of the whole region) concentrates over ¼ (26%) of all of the business entities in the voivodeship.

In the case of creative industries this share is even bigger. There are 6409 creative industries enterprises in Gdansk, which make over 36% of the companies from the creative industries in the Pomeranian Voivodeship (17 751 business entities altogether) and about 10% among all of the registered ones.

99,5% of the creative industries entities operate in the private sector, vast majority of them (96,3%) are microenterprises (employing less than 9 employees). Most of the companies (36,5%) have been operating between 10-20 years, the youngest companies (less than 5 years of activity) comprise 31,5% of the entities.

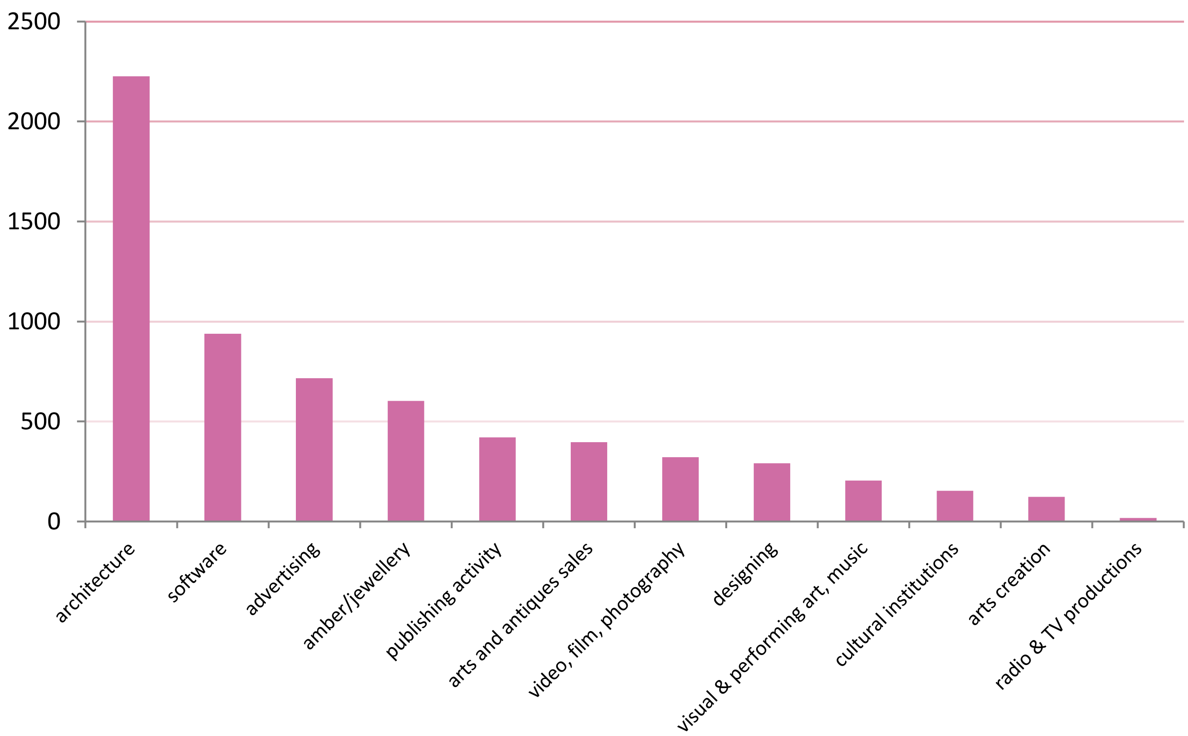
In terms of the structure of entities, the most numerous entities from creative sector in Gdansk are: architecture (34,7%; 2226 business entities), software (14,6%; 938 business entities), advertising (11,2%; 716 business entities) and amber/jewellery (9,4%; 603 business entities).

Table 2. Number of creative sector companies as per branches in Gdansk in 2011.

	Branches, groups of actvity	No. of business entities
A	architecture	2226
B	software	938
C	advertising	716
D	amber/jewellery	603
E	publishing activity	420
F	arts and antiques sales	396
G	video, film, photography	321
H	designing	291
I	visual & performing art, music	204
J	cultural institutions	154
K	arts creation	123
L	radio & TV productions	17
CI	**Total**	**6409**

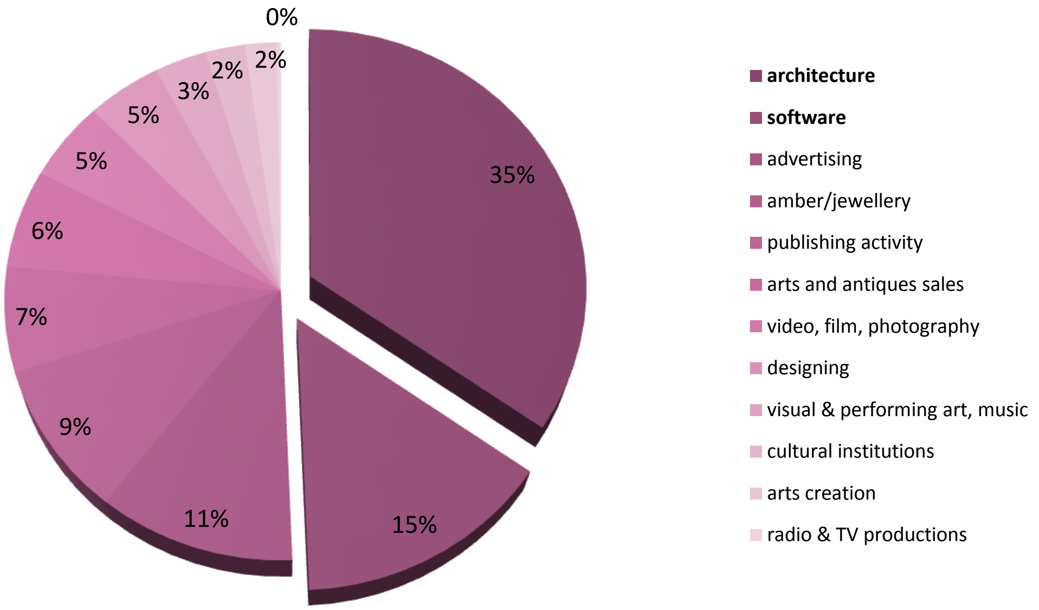
Source: own work

Fig. 2. Creative industries as per branches in 2011.



Source: own work

Fig. 3. Share of individual industries in creative sector in Gdansk.



Source: own work

SPATIAL DISTRIBUTION OF CREATIVE INDUSTRIES IN GDANSK

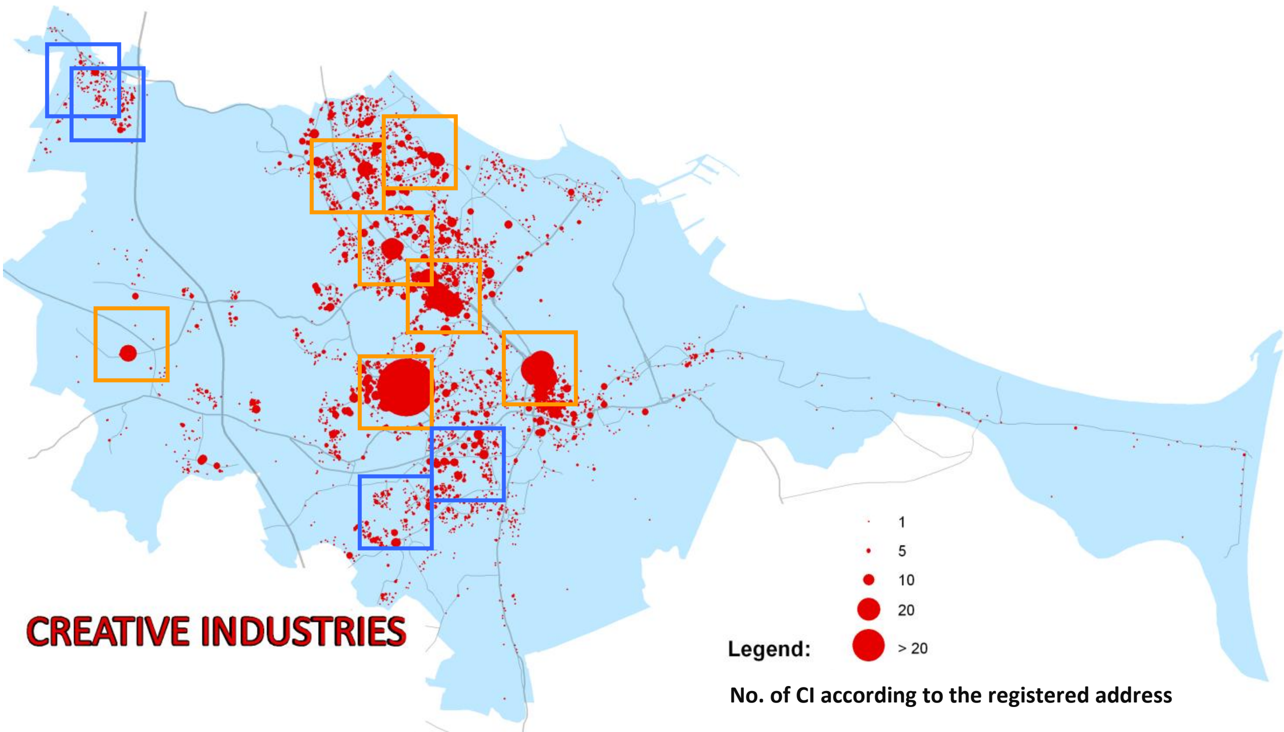
The map of spatial distribution of creative industries in Gdansk indicates the location of particular business entities, based on the addresses from the National Official Register of Business Entities REGON. The size of the point on the map reflects the number of entities (both, companies and enterprises) in a particular place.

It is noticeable that the distribution of creative industries in Gdansk's urban landscape is not even. The particular points, chiefly those indicating single companies, distinctively present locations of increased concentration of creative industries in the city. Particular attention should be paid to the largest points on the map which indicate characteristic locations of creative industries' concentration in the city, e.i. Gdansk Science and Technology Park, Śródmieście (historical part of the city), Aleja Grunwaldzka (the main line of communication in the city) which runs through the following districts: Wrzeszcz, Zaspa, Oliwa, Przymorze Małe and Przymorze Wielkie (concentration of shopping centres) and Gdansk's airport vicinity (locations indicated on the map with orange squares).

Small points on the map, which relate to typically residential districts, are well-defined, these are e.g. Chełm, Ujeścisko-Łostowice, Osowa. They relate to bigger individual businesses or small companies registered in place of residence (marked on the map with blue squares).

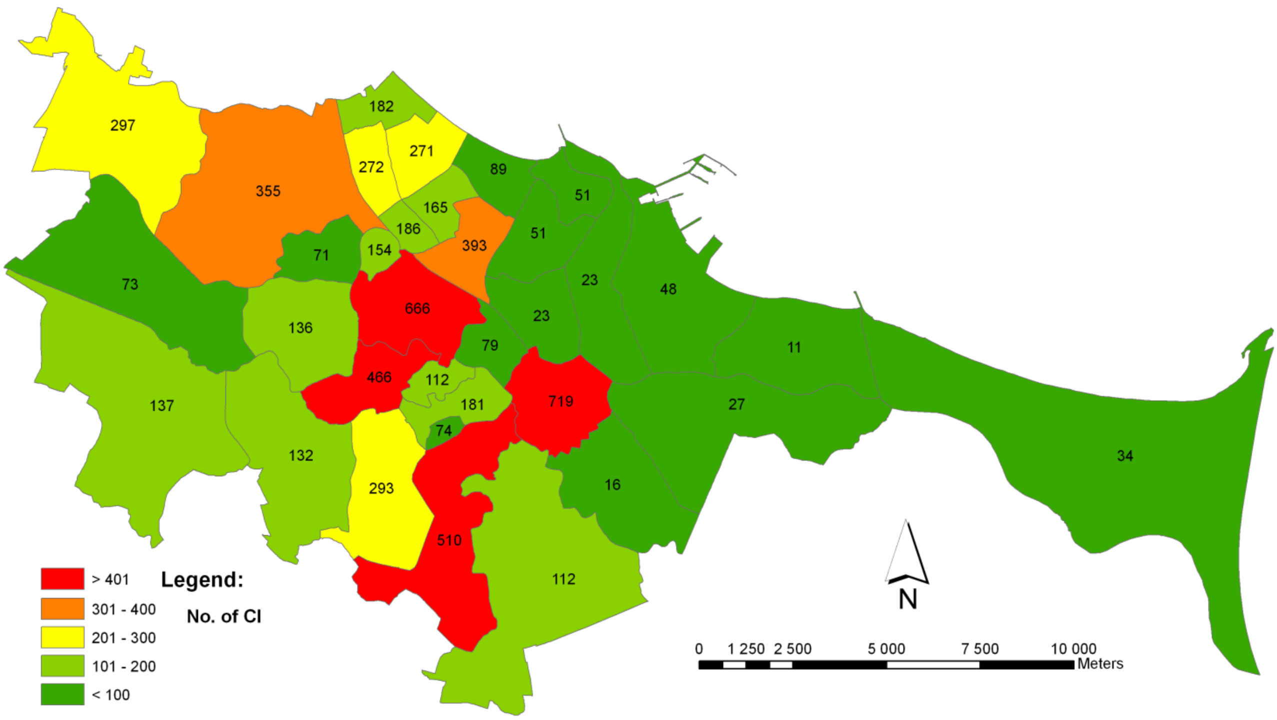
In some of the districts, the density of entities is low due to present forests and other green areas (mainly in the following districts: Oliwa, VII Dwór, Wyspa Sobieszewska, Krakowiec-Górki Zachodnie), watercourses or industrial areas (Młyniska, Stogi, Przeróbka, Nowy Port).

Map 2. Spatial distribution of creative industries in Gdansk in 2011.



Source: own work

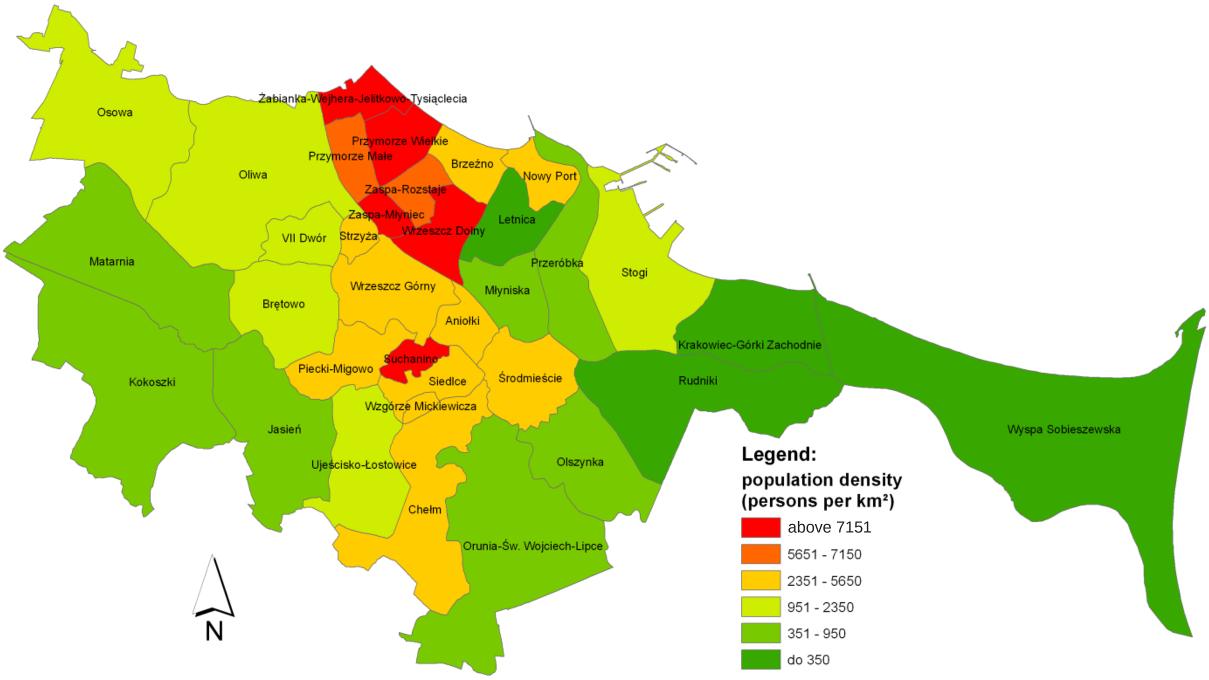
Map 3. Creative industries in Gdansk's districts in 2011.



Companies from within creative industries in Gdansk concentrate mainly in the city centre, along the city's main line of communication in Gdansk (Aleja Grunwaldzka) and in densely populated areas (see map 2 and 4).

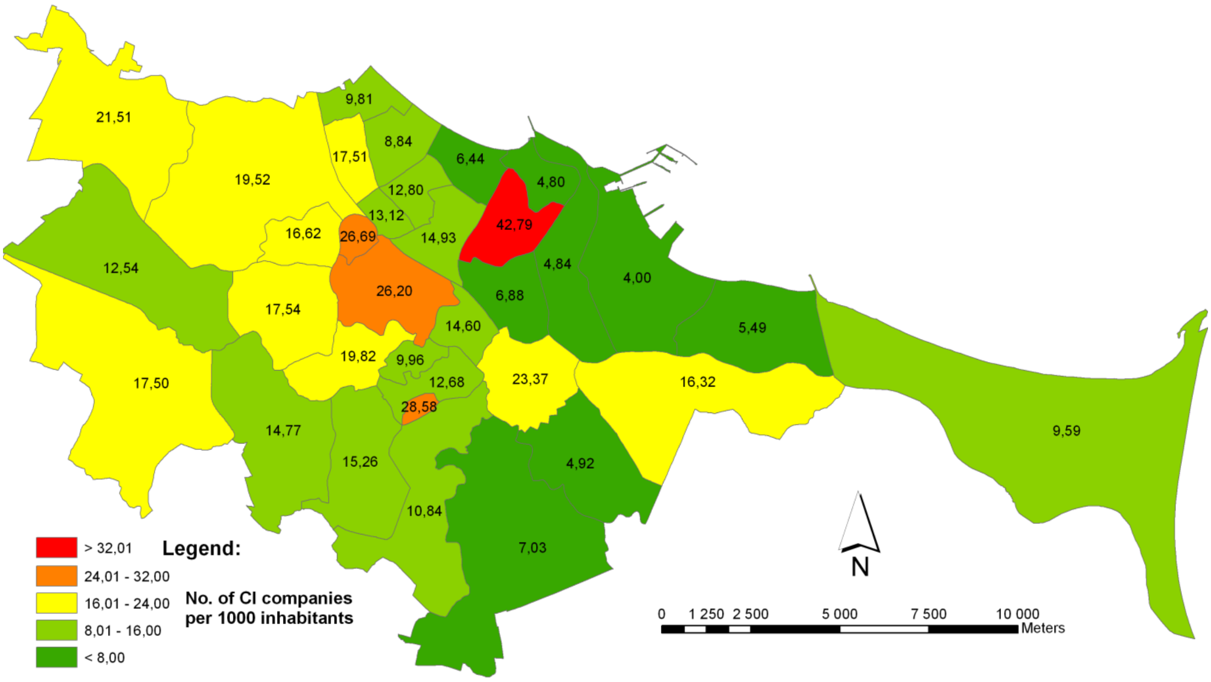
Considering the fact that over 96% of all of creative business entities in Gdansk represent micro units (up to 9 employees), a relatively large number of them are located in residential areas. It may be assumed that the majority of those companies have their headquarters in their private houses, which are both their houses and workplaces.

Map 4. Gdansk's population density as per city districts in 2011.



Source: own work

Map 5. The number of creative industries per 1000 people in Gdansk as per city districts in 2011.

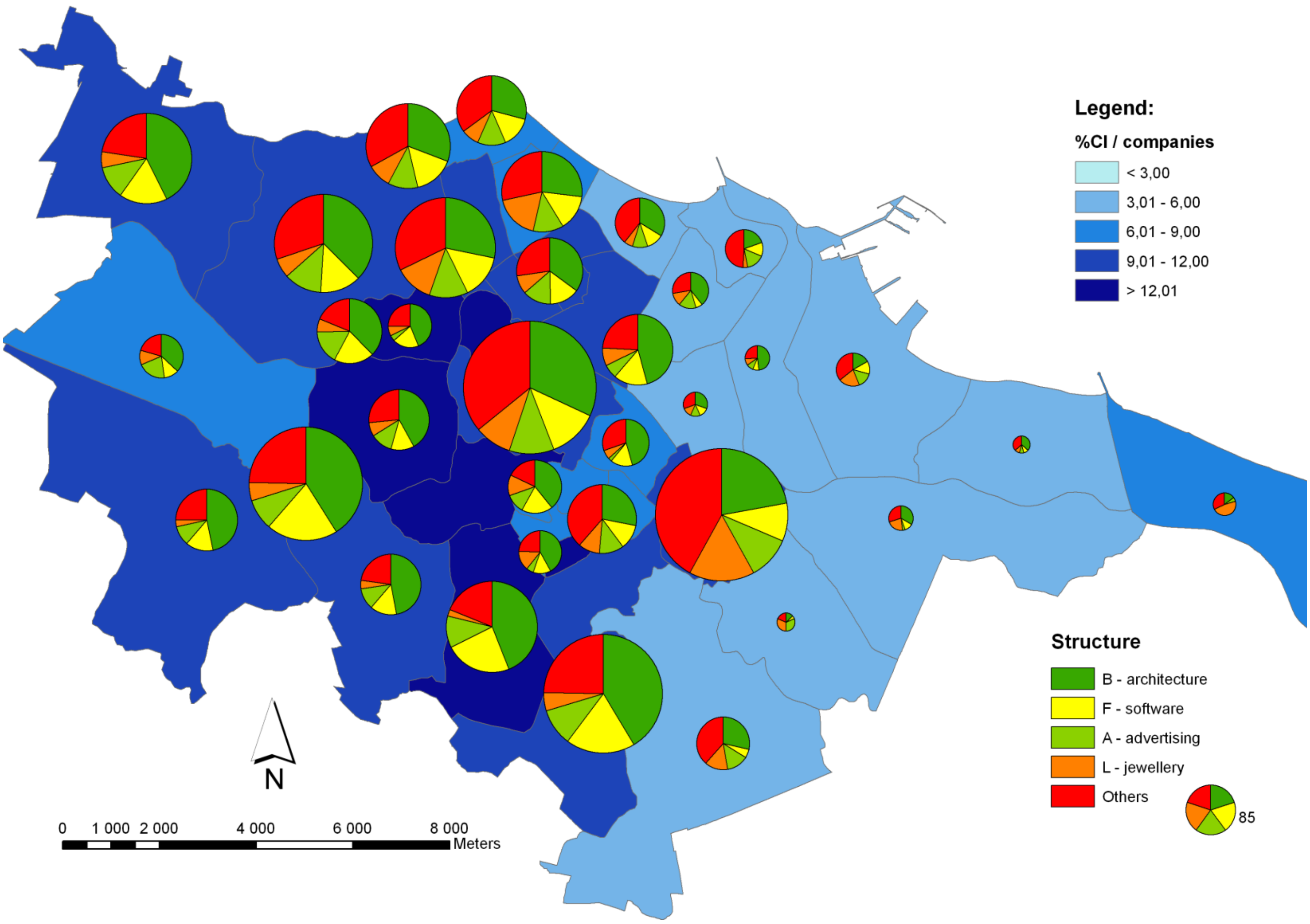


Source: own work

Spatial distribution of creative industries as per industry

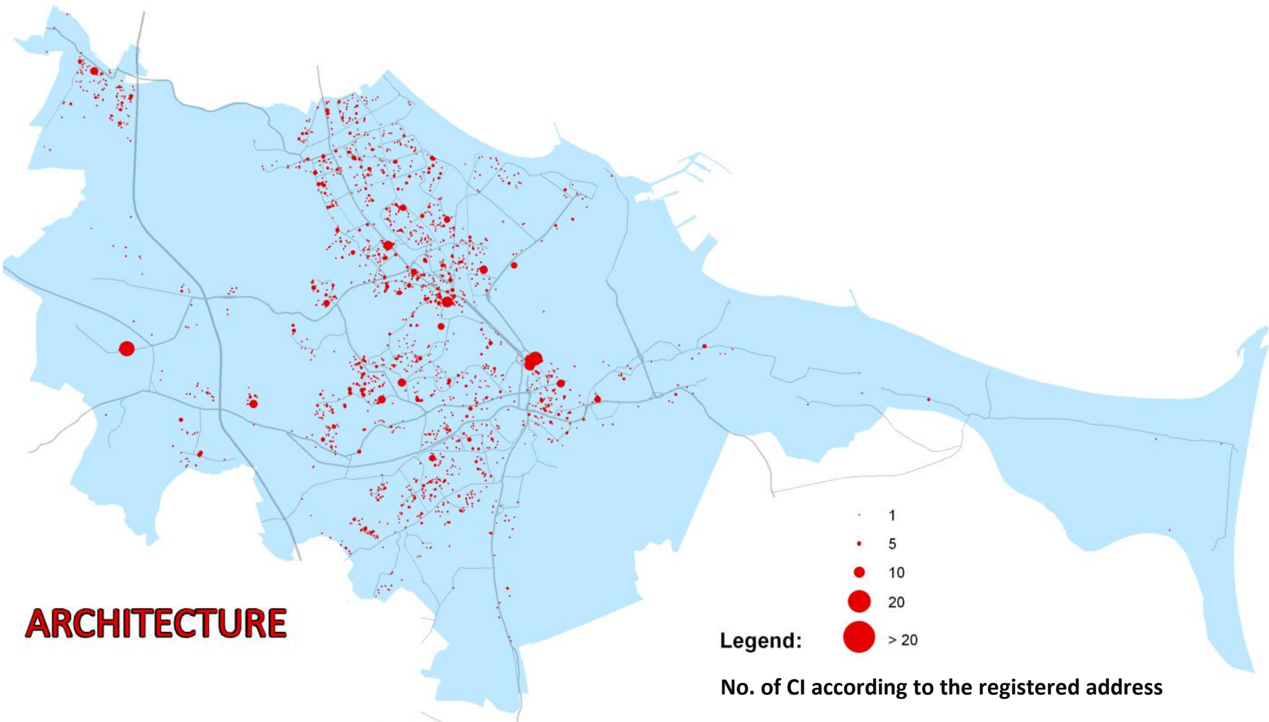
Due to the distribution of the business entities as per industries in the city's area, it is difficult to unambiguously indicate the characteristic locations of the entities. Certain locations of intense concentration can be associated with companies whose main activity is developing software and designing jewellery. However, companies providing architectural services are widely distributed. Entities from the remaining creative industries are distributed similarly to all of the companies operating in the city, e.i. they are concentrated mainly in Śródmieście (central part of the city), along the city's main line of communication.

Map 6. Market share of the creative sector as per most important industries and market share of all of creative industries in comparison with all of the business entities in Gdansk as per city's districts in 2011.



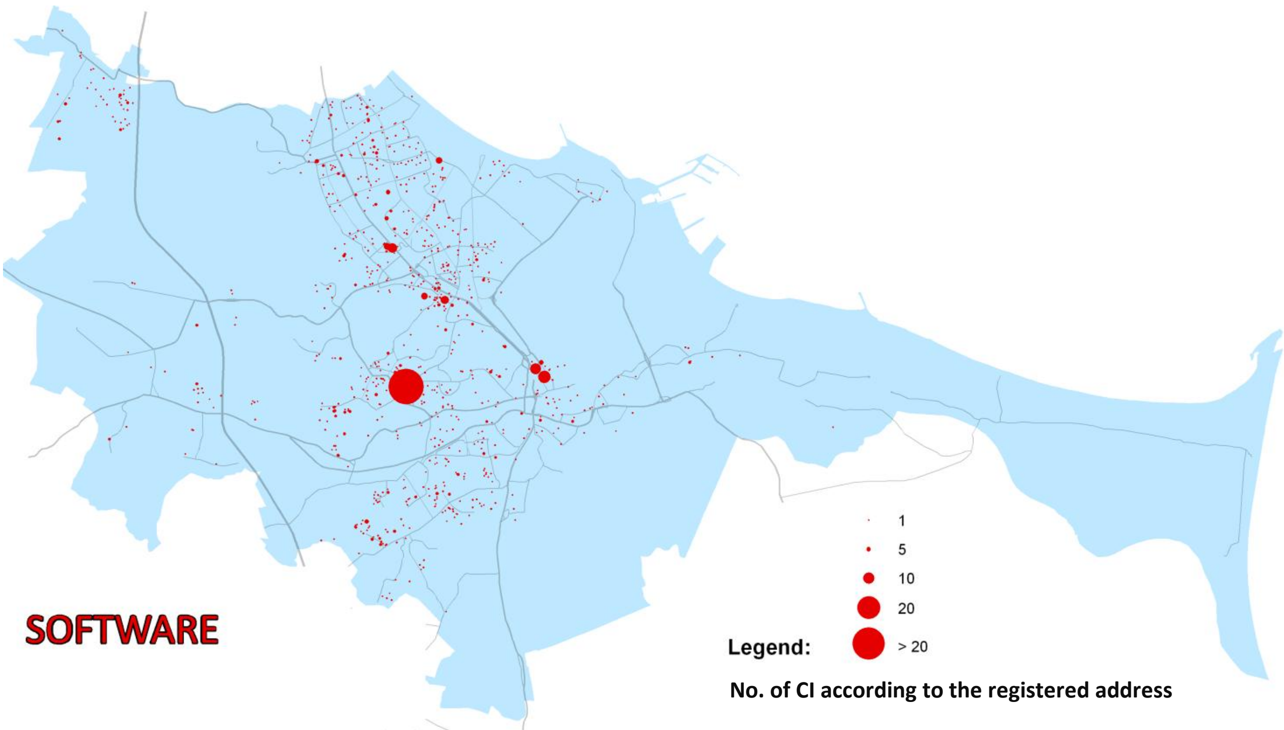
Source: own work

Map 7. Spatial distribution of creative industries in the architecture sector in Gdansk in 2011.



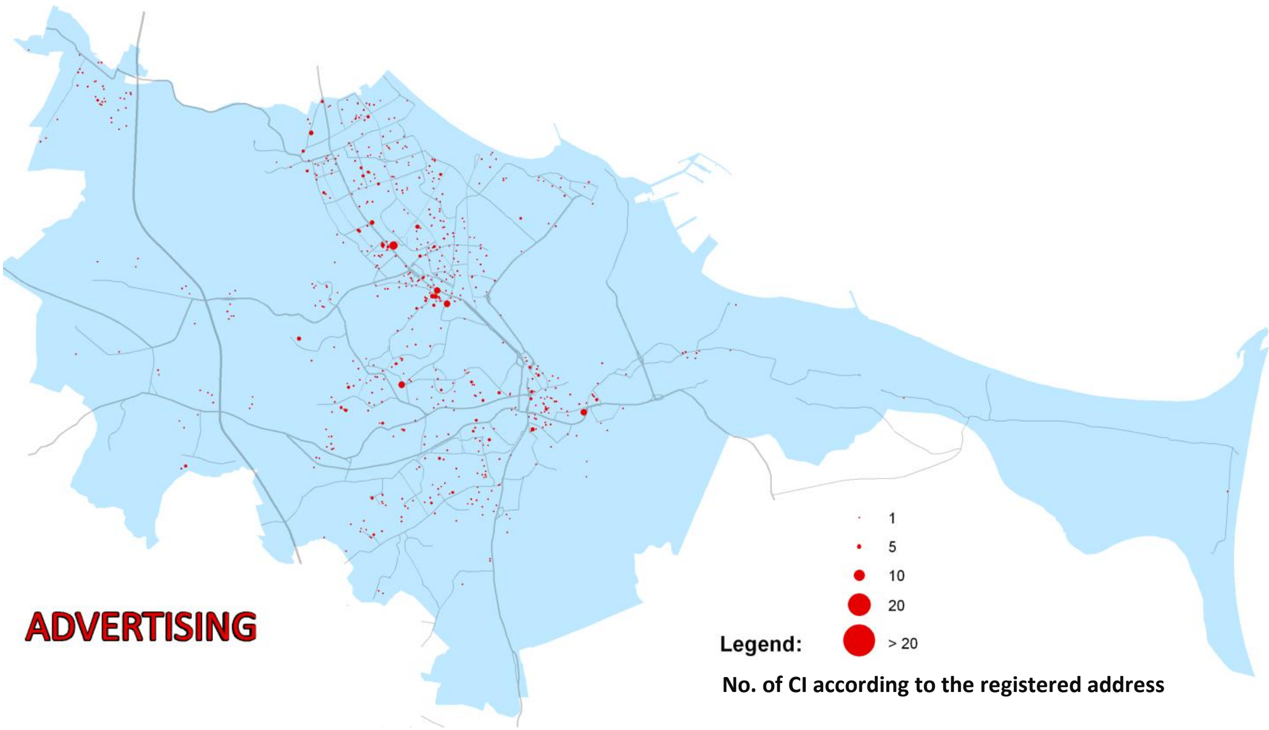
Source: own work

Map 8. Spatial distribution of the creative industries in the software sector in Gdansk in 2011.



Source: own work

Map 9. Spatial distribution of the creative industries in the advertising sector in Gdansk in 2011.



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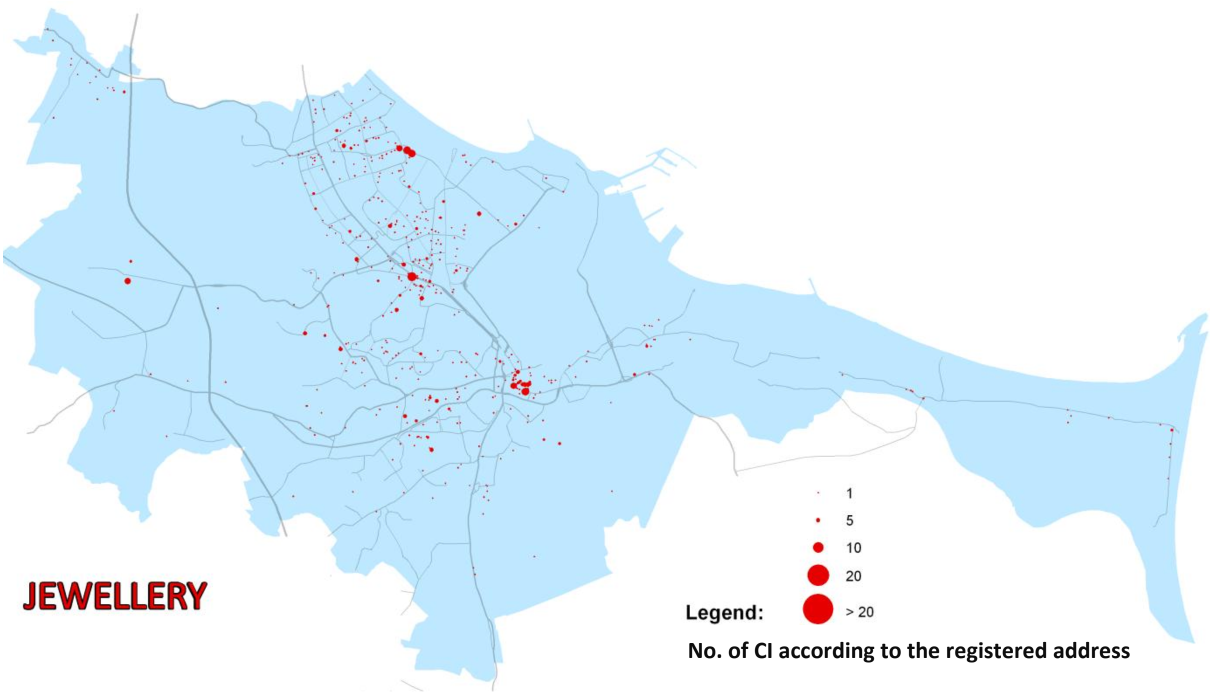
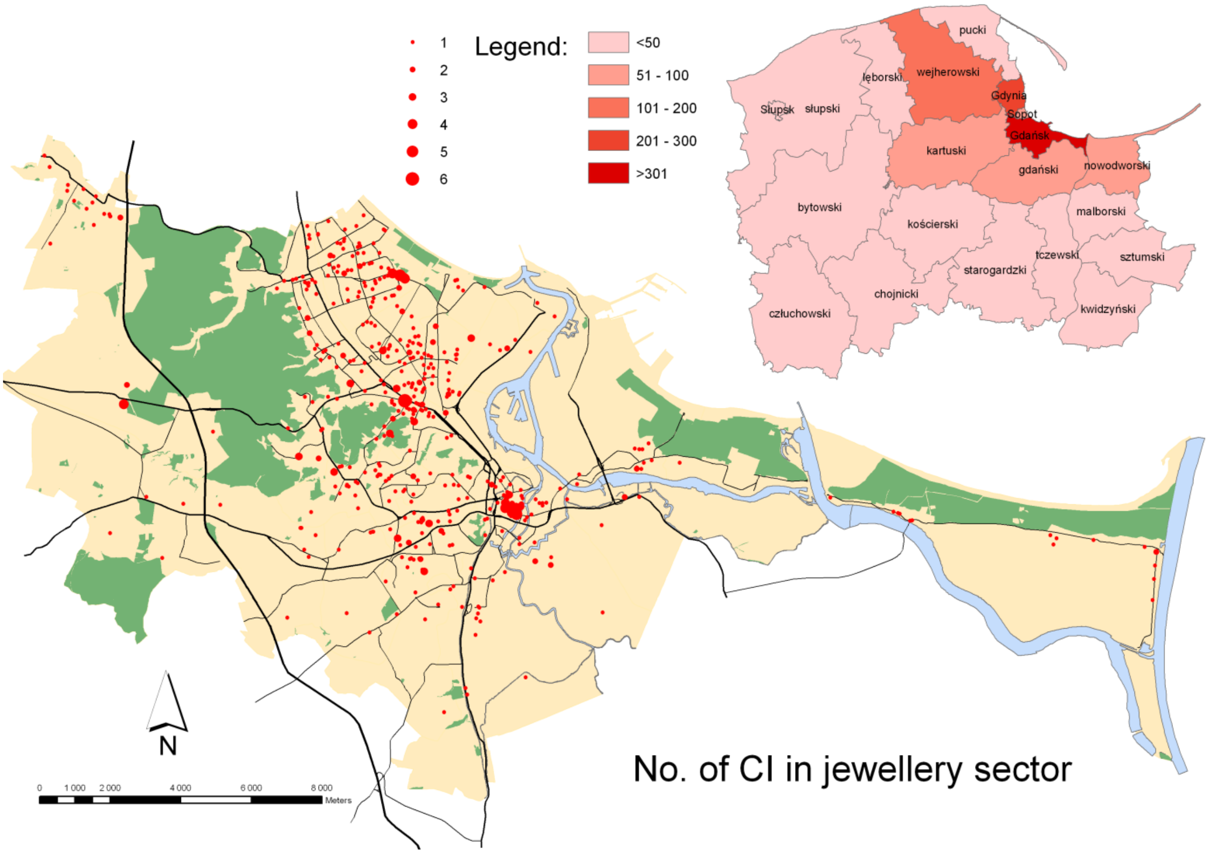
Map 10. Spatial distribution of the creative industries in the jewellery/amber sector in Gdansk in 2011.



Source: own work

Map 11. Spatial distribution of the creative industries in the jewellery/amber sector in Gdansk and the Pomeranian Voivodeship in 2011.



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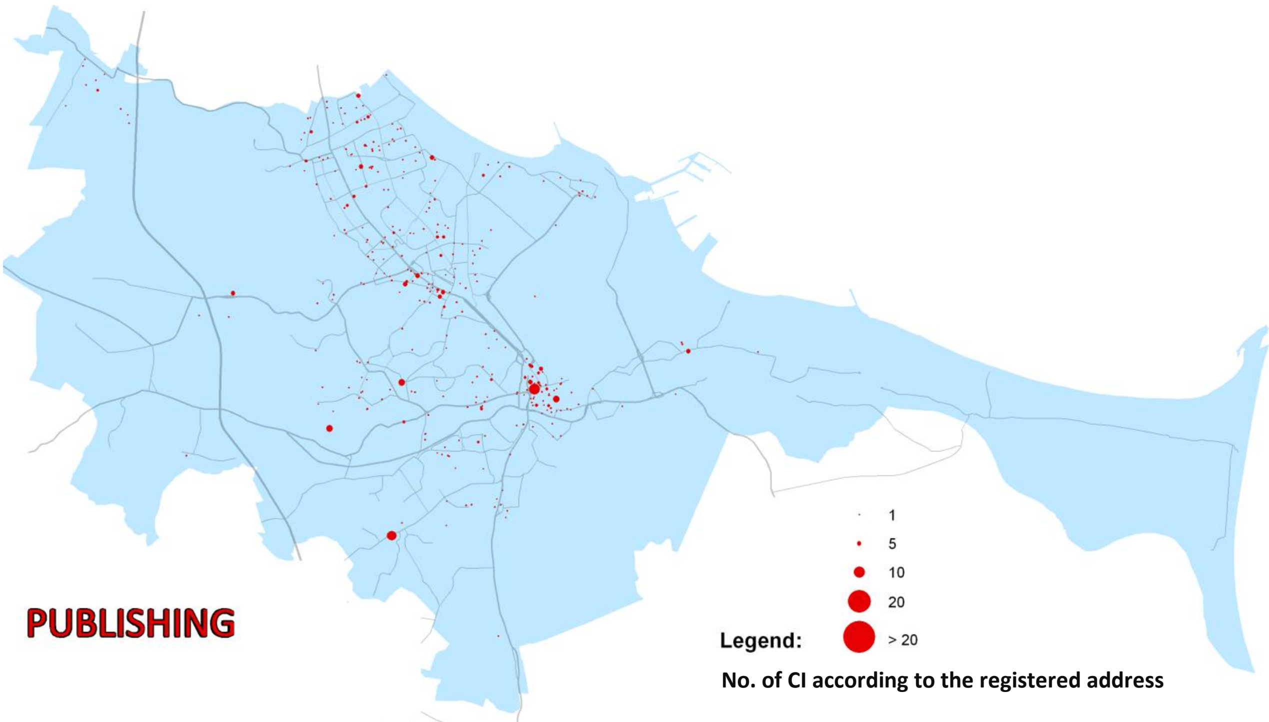
Map 12. Spatial distribution of the creative industries in the publishing sector in Gdansk in 2011.



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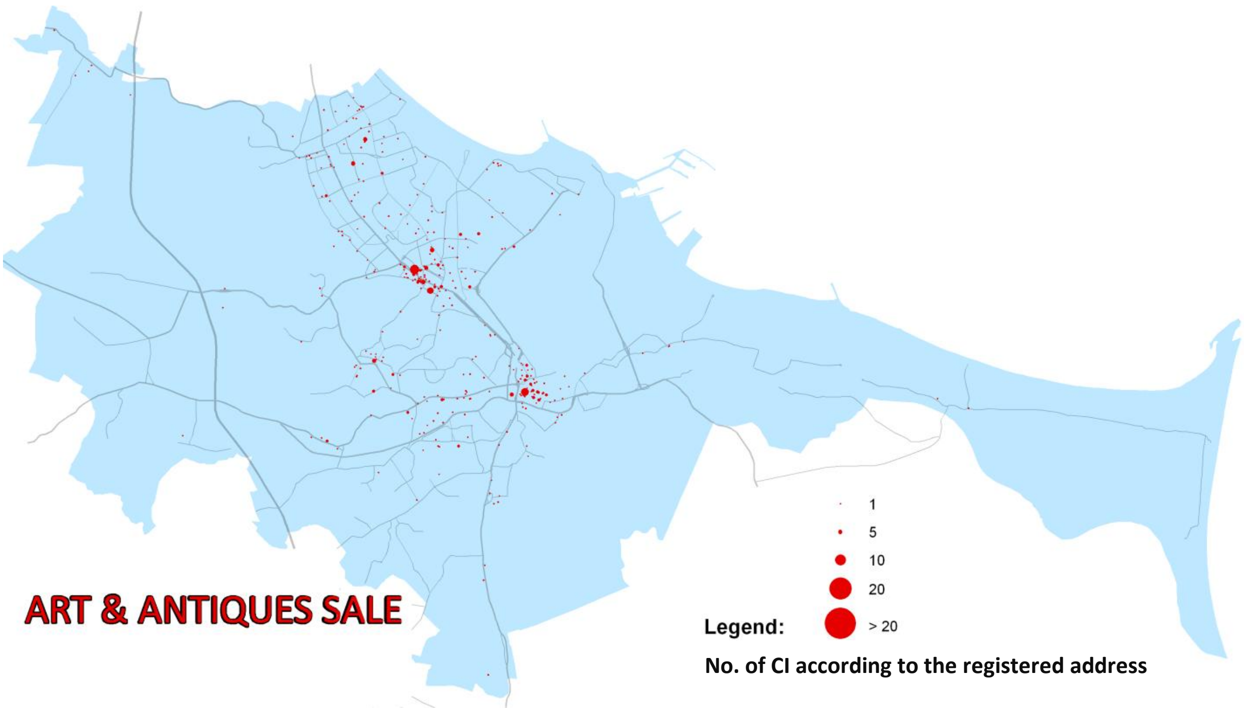
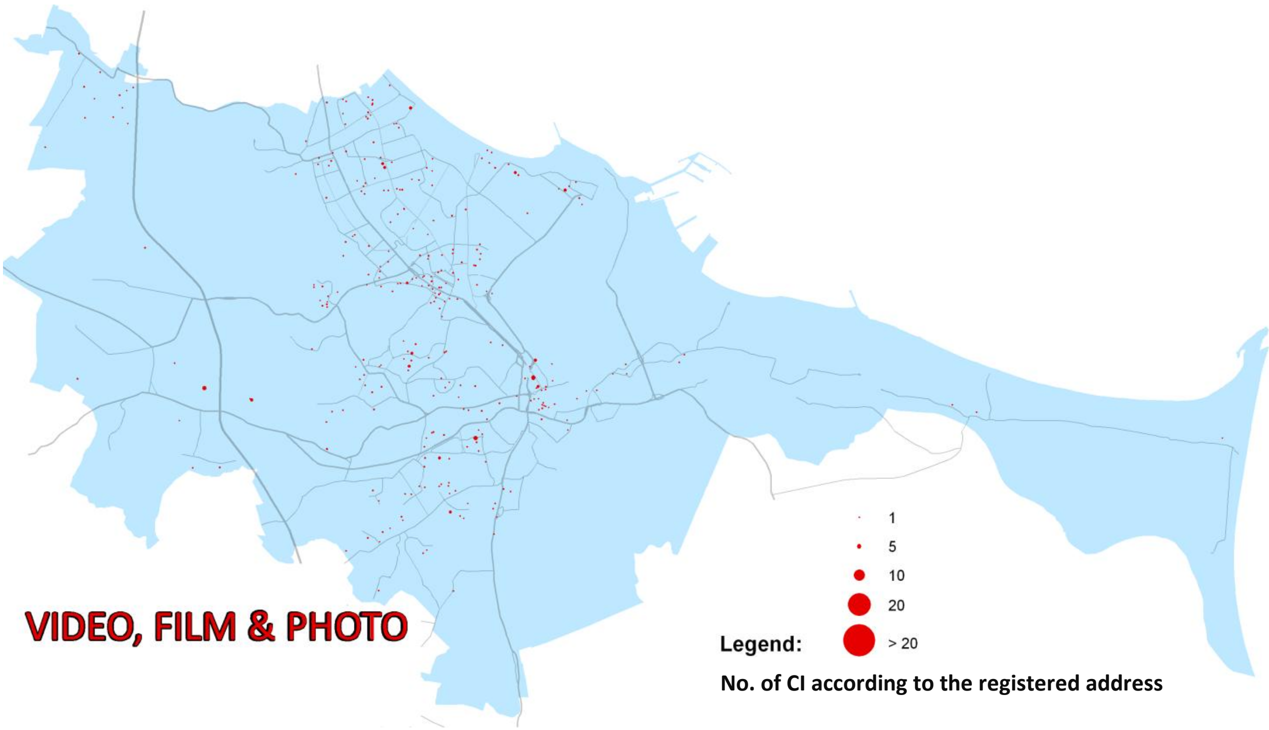
Map 13. Spatial distribution of creative industries in art and antiques sales sector in Gdansk in 2011.



Source: own work

Map 14. Spatial distribution of creative industries in the video, film and photography sector in Gdansk in 2011.



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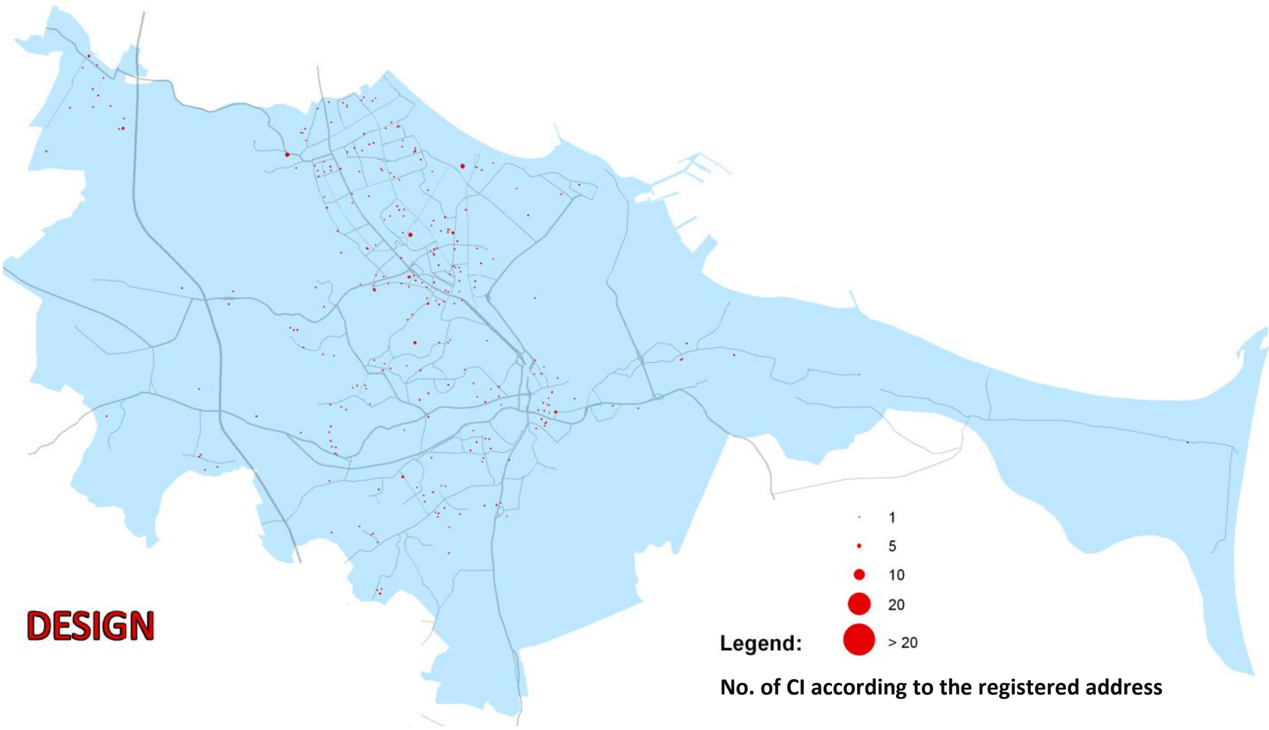
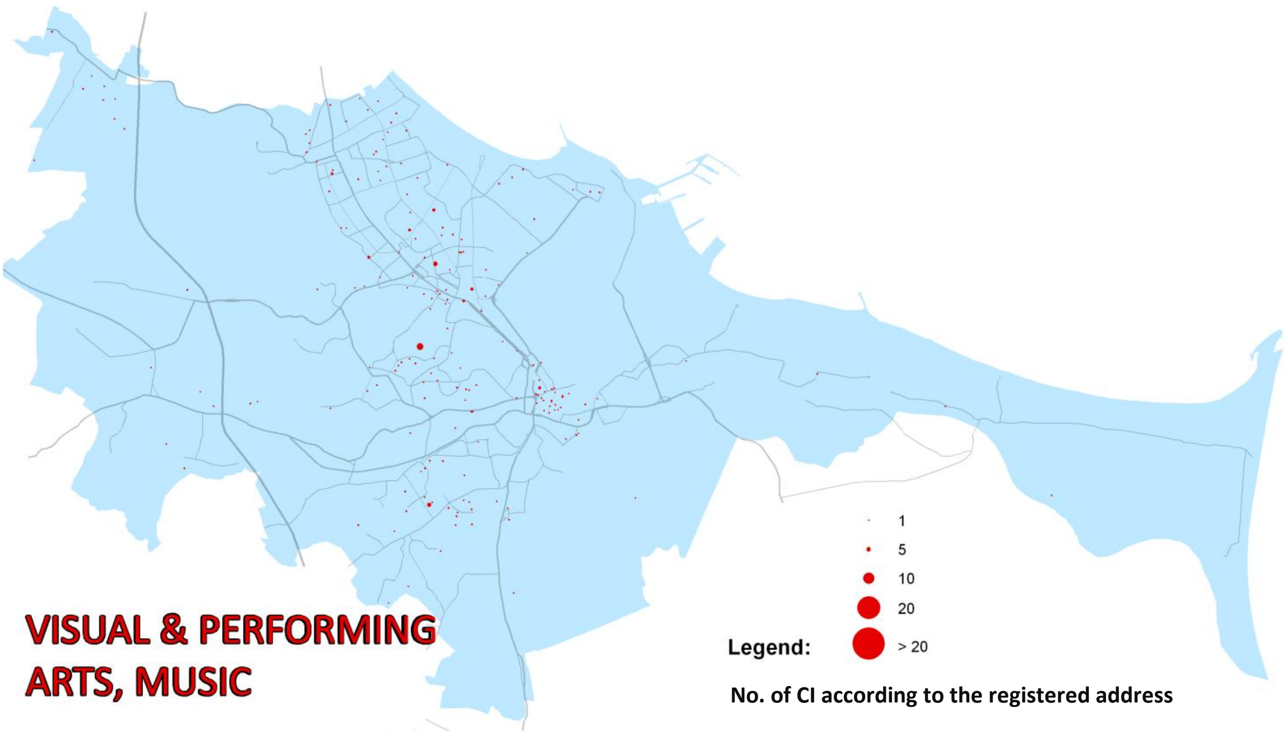
Map 15. Spatial distribution of creative industries in the designing sector in Gdansk in 2011.



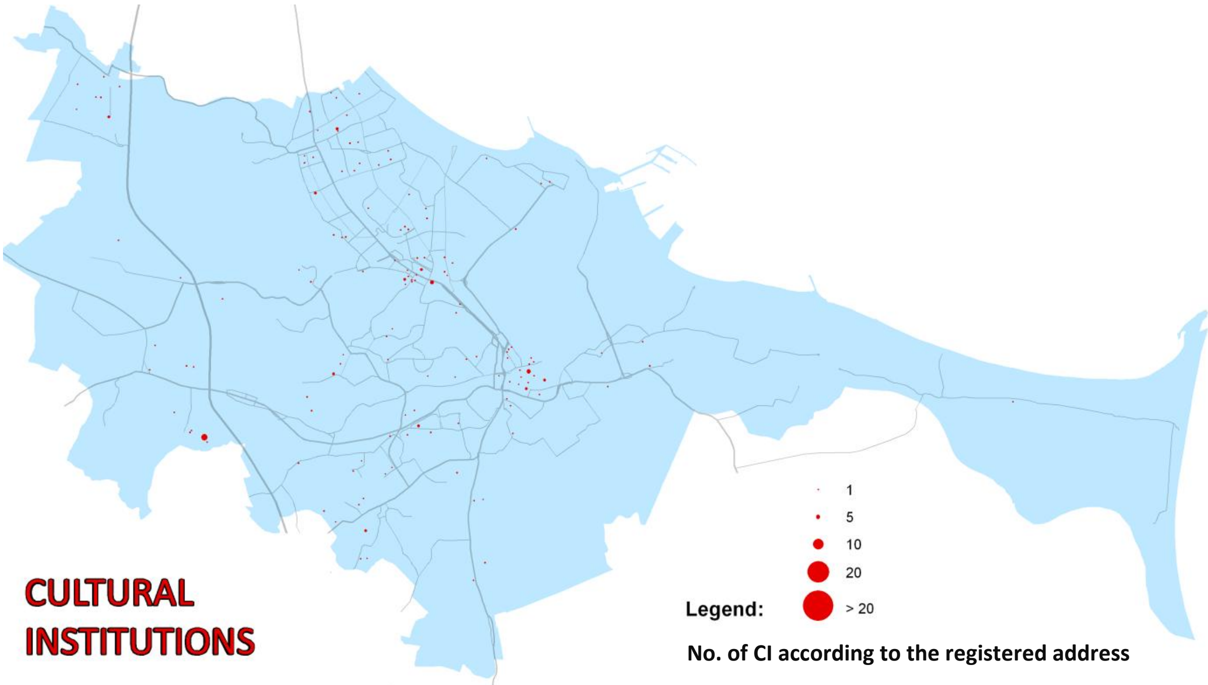
Source: own work

Map 16. Spatial distribution of the creative industries in the visual&performing arts and music sectors in Gdansk in 2011.



Source: own work

Map 17. Spatial distribution of creative industries in the cultural institutions sector in Gdansk in 2011.



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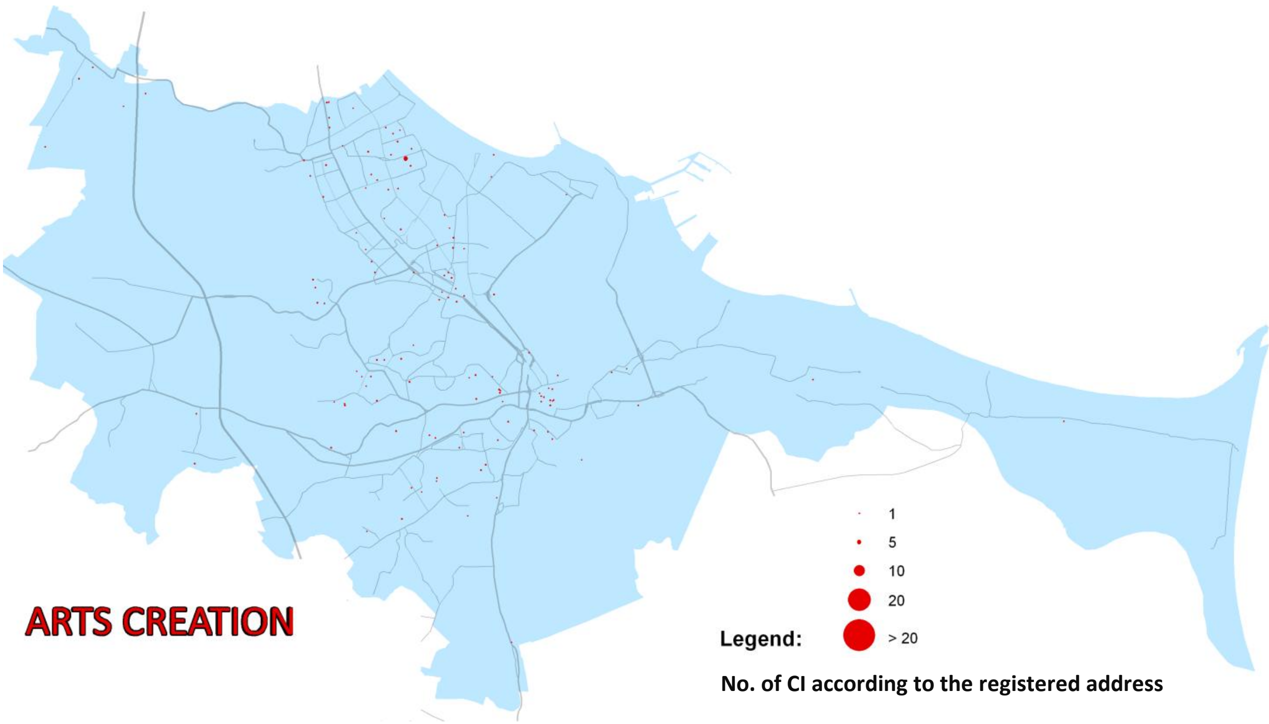
Map 18. Spatial distribution of creative industries in the arts creation sector in Gdansk in 2011.



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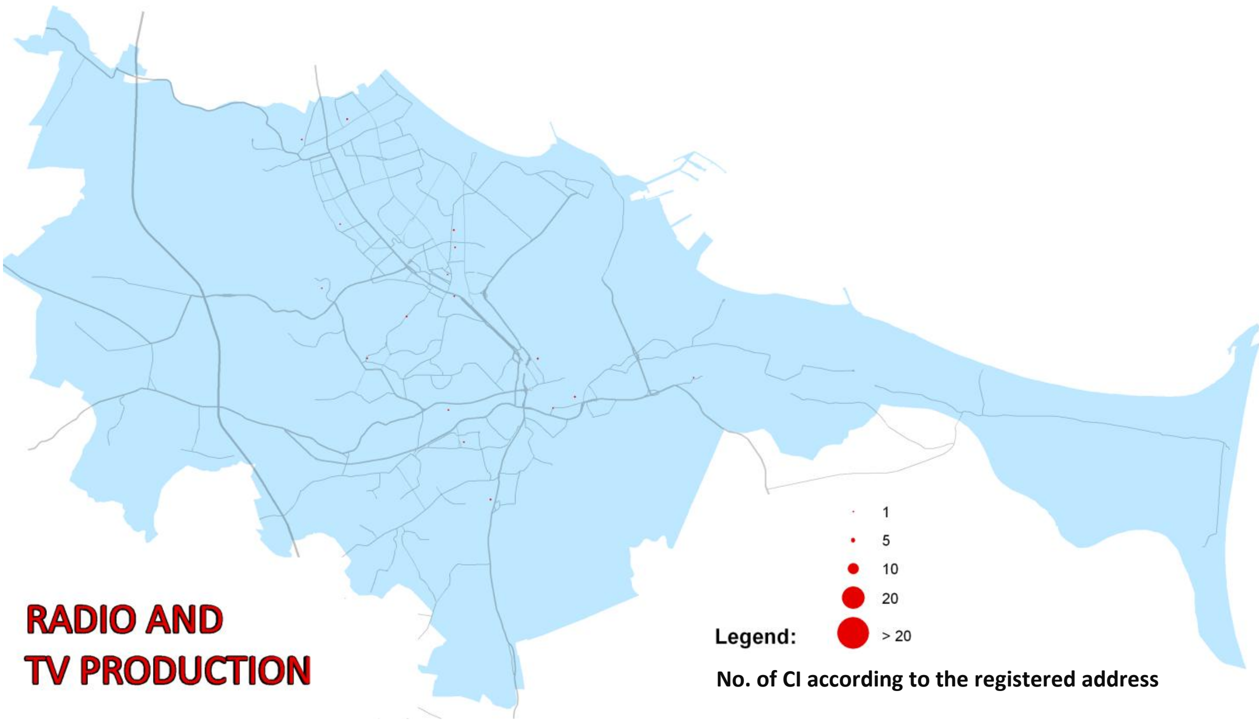
Map 19. Spatial distribution of creative industries in the radio and TV production sector in Gdansk in 2011.



Source: own work

3. Location factors and potentialities for business activity development in the opinion of creative industries in Gdansk

Analysis of structure and distribution of creative industry companies in Gdansk and the Pomeranian Voivodeship, which was based on the official REGON database (in accordance with the defined types of creative industries activities) has been supplemented with a questionnaire survey conducted among creative companies in Gdansk. The aim of the study was to gain information about location factors of creative enterprises in Gdansk as well as to determine their potentialities and opportunities for development.

The study was carried out using two of the following methods: Computer Assisted Telephone Interviews (CATI) performed among 150 enterprises, and direct interviews method using a traditional questionnaire Paper and Pencil Interview (PAPI) performed among 25 enterprises. CATI survey was conducted using a basic version of a questionnaire, whereas PAPI survey was conducted using its extended version.

Selection methods and sample size

The sample in the basic research comprised 150 enterprises, and was drawn from the REGON database of business entities, using a random-quota method. The sample was drawn proportionally to the size of the company and the number of creative industries registered in Gdansk in 12 areas of activity:

1) architecture, 2) software, 3) advertising, 4) jewellery/ amber, 5) publishing, 6) retail sale in specialized shops, 7) video/film/photography, 8) design, 9) artistic activity, 10) cultural institutions, 11) literary activity, 12) radio/television.

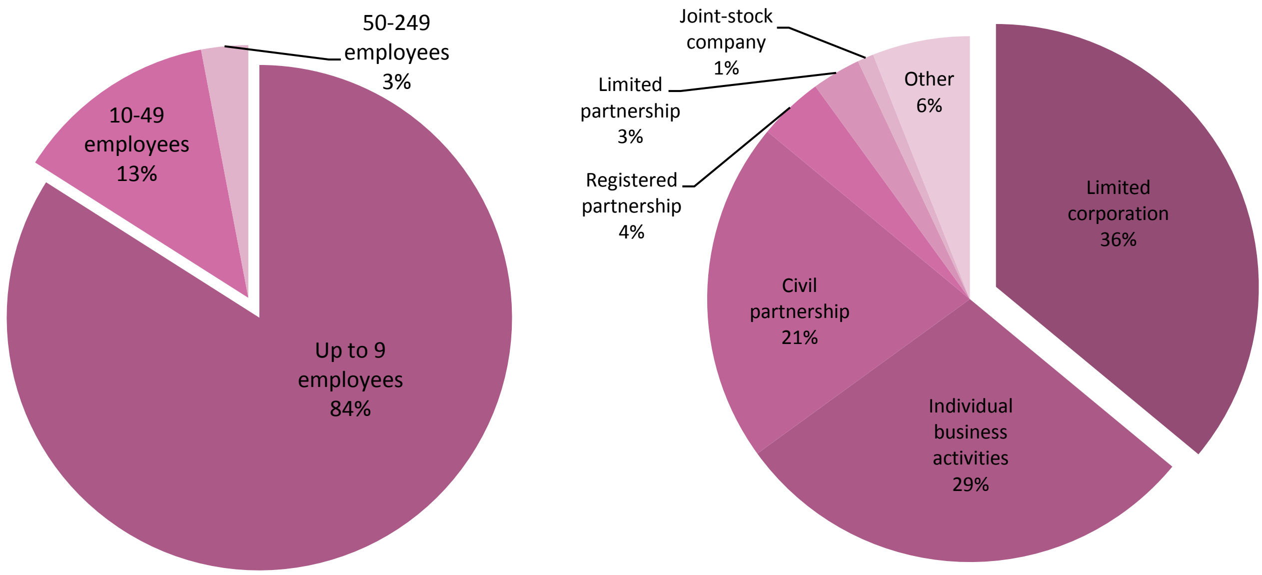
The sample in the extended research was purposively selected from enterprises cooperating with the Gdansk Enterpreneurs' Foundation in implementing projects. Altogether, 25 entities were examined in this group.

Overall results encompass the entire group of the examined enterprises (N=175). Certain aspects are presented separately for the purposive sample (N=25), in which the conducted research was more thematically wide-ranging. Due to insignificant numerical force of this group, the results are given in numerical, not in percentage terms values.

Characteristics of the research sample

Majority of the examined companies constituted micro-enterprises that employ up to 9 employees (83,4%) and small enterprises that employ from 10 to 49 people (13,1%), middle-sized enterprises accounted for 3,4%. The structure of the sample slightly diverges from the population structure of the creative industries sample, in which micro-enterprises account for 96,3%, small enterprises 3,2%, middle-sized enterprises 0,5% and big enterprises 0,04%. It was attempted during sampling to draw a slight over-representation of small and middle-sized enterprises, at the expense of micro-enterprises.

Fig. 4. Employment rate and legal form of the examined companies from the creative sector.



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

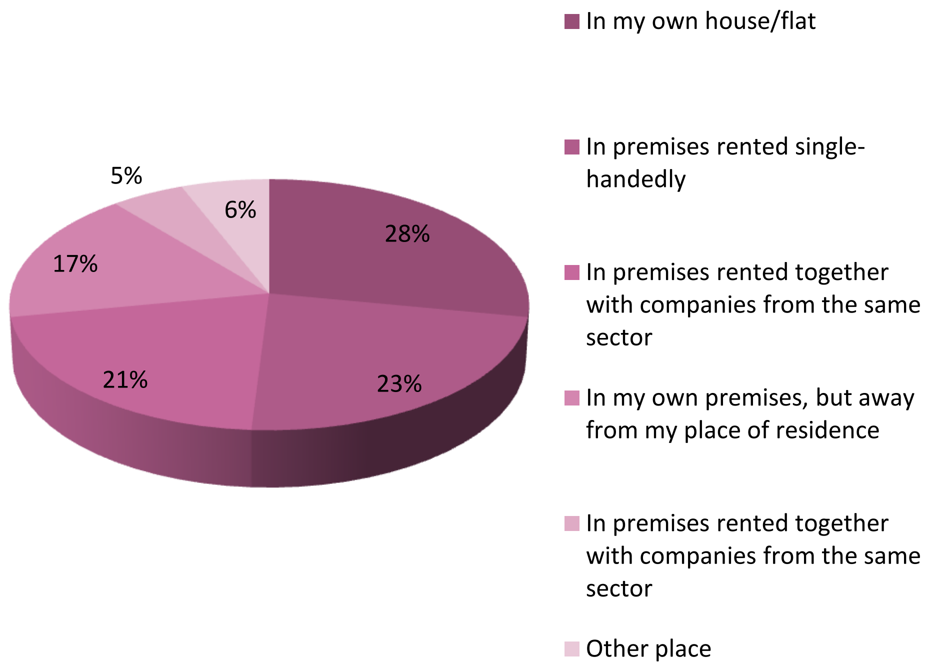
The structure of the examined entities is considerably diversified as regards their legal form (Fig. 4). More than a quarter (28,6%) account for a individual business activities, while two thirds (65,7%) comprise all sorts of partnership enterprises – with limited liability (36,6%) and civil corporations (21,1%) prevailing.

3.1 Characteristics of business activity location

Straight majority (90,7%) of the examined enterprises conduct their business activities in place of their registration. Other entities use rented premises or own the premises, but away from the owner's place of residence. In the group of entities that run their businesses in place of registration, more than a quarter of them (28,7%) conduct their activity in the owner's house or flat.

Almost half (44,6%) of the enterprises that were included in the study, run their business activity in premises belonging to their owners. In most of the cases the premises are the owners' houses or flats (28,0%), less often - premises other than the place of residence (16,6%). The rest of the entrepreneurs equally often use premises that are rent-shared with other entities (26,2%) as those rented solely by the company (23,4%). In the context of the plans to develop a creative industries cluster, it is worth noticing that entrepreneurs that use premises rented together with other entrepreneurs from within the same business sector, account for one fifth (19,5%) of all of the cases of rent sharing.

Fig. 5: Types of premises in which business activity is conducted.



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Types of premises in which business activity is conducted are diversified, depending on the sector[1]. Architects conduct their business activity mainly in private houses (26,4% indications), advertising sector representatives most often rent premises together with companies from other sectors (35%) or on their own account (25%), similarly, entrepreneurs of the software sector most often rent premises independently (27,6%), or together with representatives from other sectors (24,1%). The biggest proportion of enterprises which use premises rented together with representatives of the same sector occurs among advertisement specialists (15%, against 5,1% for the totality of the examined enterprises).

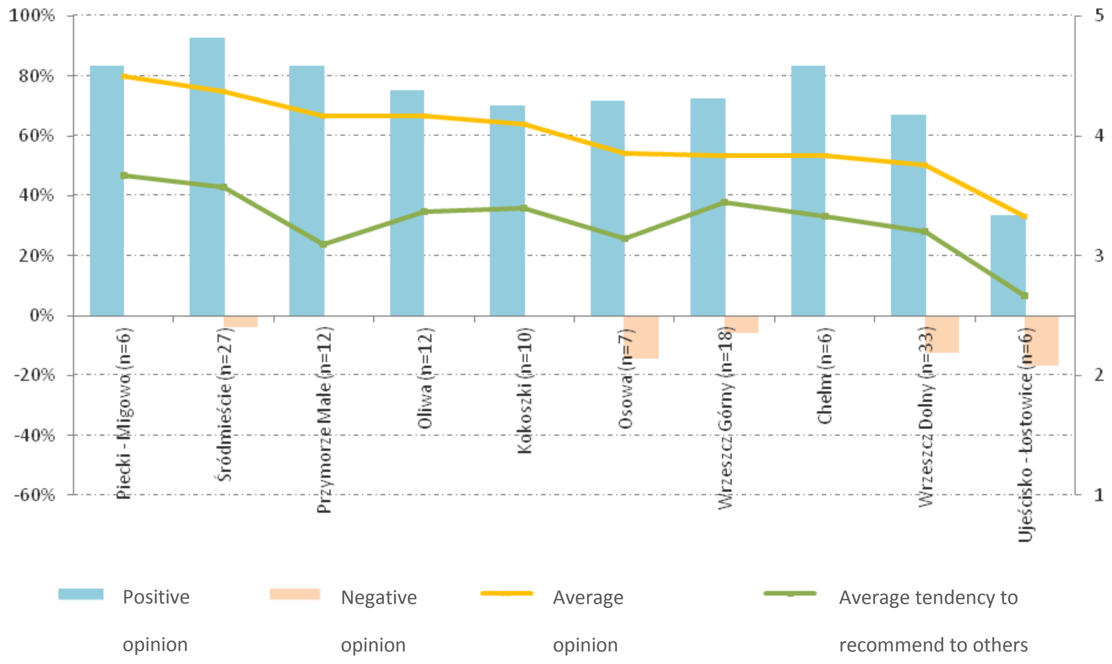
In the extended version of the study, additional question was asked in relation to the size of the usable area. Majority of the enterprises (18 entities) declared that the size of the office/premises area is adequate for their activity. Only a few enterprises declared that the size of the area of the premises they are currently using was definitely too small.

Remark! Figure 6 shows only those districts of Gdansk, in which at least 6 enterprises that are included in the study, are located.

Evaluation of attractiveness of business activity location

Individual districts are assessed positively as regards conducting business within the creative sector. Negative opinions occurred rarely, average opinions did not fall below 3.

Fig. 6. Evaluation of attractiveness of particular districts as regards conducting business activity.



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

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[1] The analysis relates to those sectors for which the number of conducted interviews accounted for at least 20. Those include: architecture (n=53), jewellery/amber (n=21), advertisement (n=20) and software (n=29).

Considering only those districts for which opinions were delivered from at least 10 companies, the following have been estimated most favorably:

- Śródmieście (n=27), whose attractiveness was assessed at the level of 4,4, 85,2% among examined enterprises located in Śródmieście expressed willingness to recommend it to others.

The following districts came next in the rank:

- Oliwa (n=12), whose attractiveness was assessed at the level of 4,2, majority (91,7%) of enterprises located there is willing to recommend it to others ;
- Przymorze Małe (n=12), whose attractiveness was assessed at the level of 4,2, and which is to be recommended to others by 83,3% of the companies that operate there;
- Kokoszki (n=10), whose attractiveness was assessed at an average level of 4,1, and which is to be recommended to others by 60% of the companies being surveyed;
- Wrzeszcz Górny (n=18), whose attractiveness was assessed at an average level of 3,8, and which is to be recommended to others by almost three quarters (72,2%) of the surveyed enterprises;
- Wrzeszcz Dolny (n=33), whose attractiveness was assessed on an average level of 3,8, which is to be recommended to others by two thirds (66,7%) of the surveyed enterprises located there.

3.2. Analysis of the location factors and development of creative industries

Key factors affecting the choice of business activity location

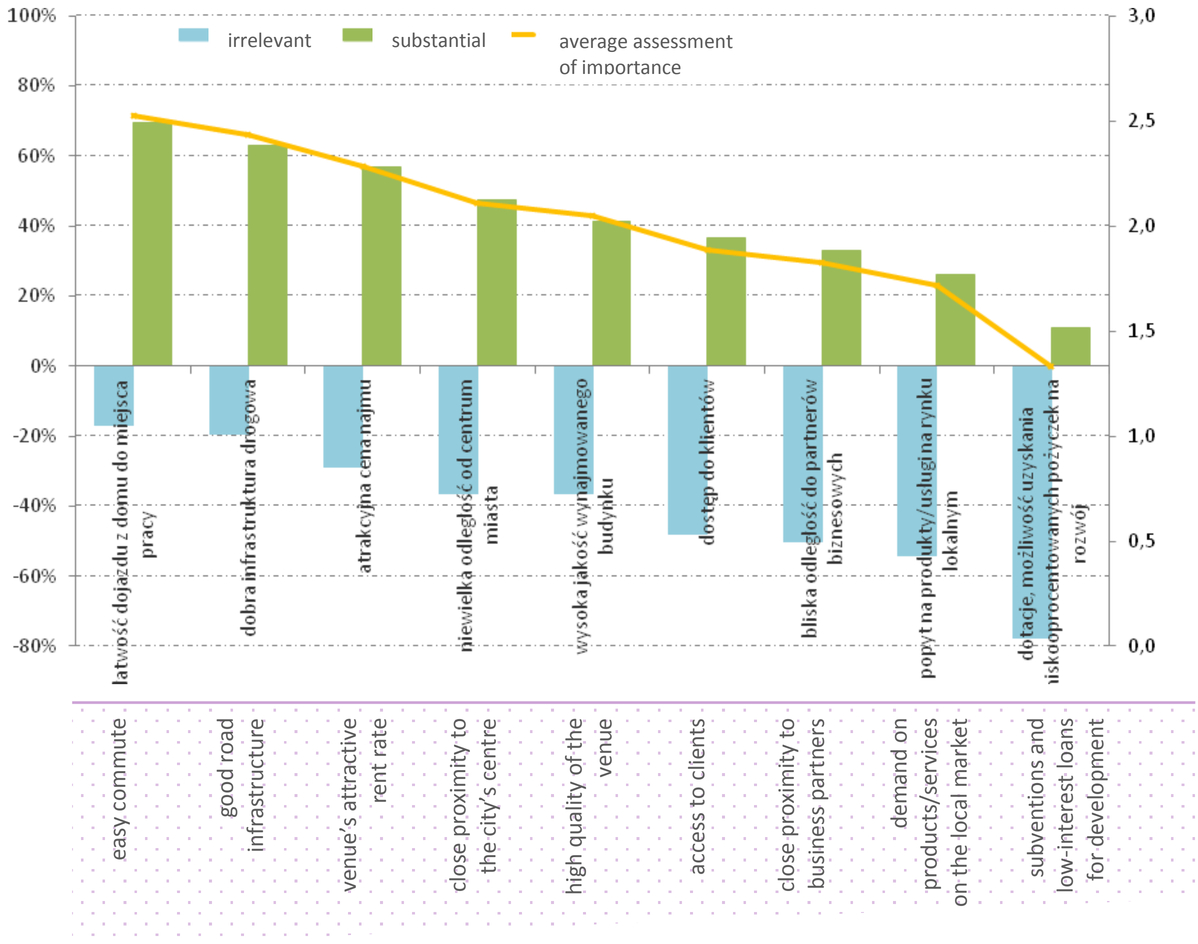
Key factors affecting the choice of creative industries' business activity location can be divided into three groups:

1. Key factors in the opinion of the majority of the entrepreneurs:
   - **easy commute** – average assessment of importance - 3,9, and more than two-thirds (68,9%) of the surveyed enterprises regarded this element as substantial, only 17% had an opposite opinion;
   - **good road infrastructure** - average evaluation of importance – 3,7, and more than two-thirds (63%) of the respondents regarded it as substantial, 14,4% had an opposite opinion.
2. Semi-relevant factors in relation to which respondents' opinions differed:
   - **venue's favourable rent value** (average assessment of importance – 3,4), which was considered as substantial by more than a half (57,0%) of the respondents, for more than a quarter (28,9%) of the respondents this factor is irrelevant;
   - **close proximity to the city centre** (average assessment of importance - 3,2) was considered to be relevant by almost half (47,4%) of the respondents, and by one-third of the respondents (36,6%) to be irrelevant;
   - **high quality of the venue** (average assessment of importance – 3,0) considered by 41,5% as a relevant factor, and by 36,3% as irrelevant;
   - **accessibility to customers** (average assessment of importance – 2,8) was considered as substantial by slightly more than one-third of the respondents, but almost a half (48%) did not pay much attention to this factor at the stage of selecting business activity location;

- **close proximity to business partners** (average assessment of importance – 2,7) is important to one-third (33,1%) of the respondents, and irrelevant to half (50,3%) of them. It is worth mentioning at this point, that only every third (32,8%) respondent would be willing to change the location of his company to gain better access to their business partners.

3. <u>Factors considered as irrelevant by majority of the entrepreneurs</u>:
   - **demand for products and services in the local market** (average assessment of importance –2,4) was taken into consideration by one-quarter (26,3%) of the respondents, more than half (54,3%) of the respondents considered it as negligible;
   - **subventions and possibilities of obtaining low-interest loans for further development** (average assessment of importance –1,7) were important at the stage of choosing the business activity location for every ninth respondent (11%), it did not have much significance for more than three-fourths (78%).

Fig. 7. Factors considered as substantial at the stage of choosing business activity location.



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk. The study also includes answers of those respondents who consider Gdansk to be the right place to run business in creative industry(n=143).

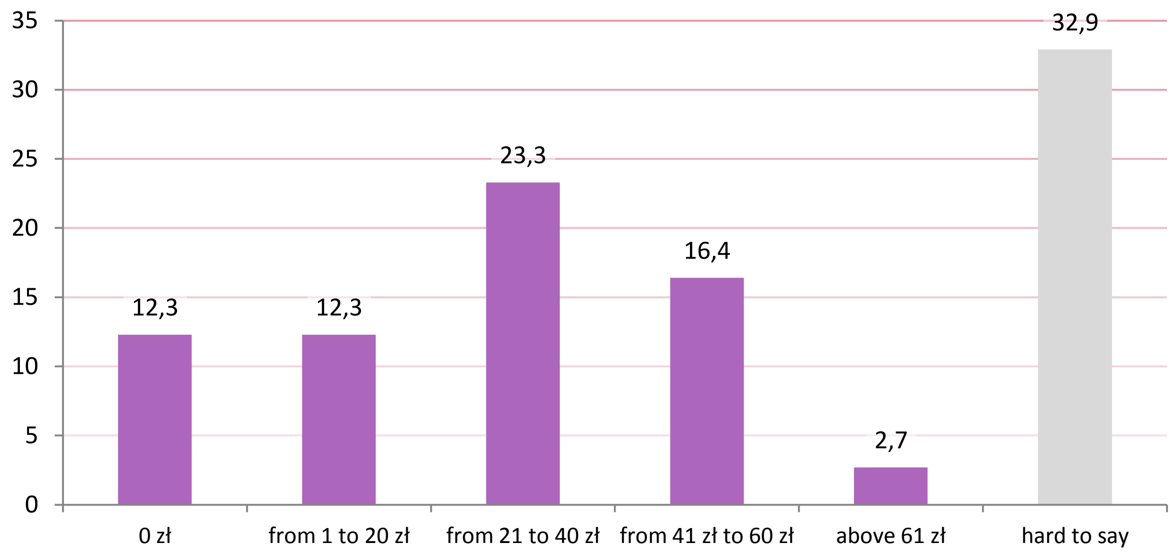
IN THE EXTENDED VERSION OF THE STUDY, COMPANIES WERE ASKED ABOUT THE MEANING OF AMBIENCE (ATMOSPHERE) AND THE ENHANCING CLIMATE OF THE DISTRICT. AVERAGE ASSESSMENT OF IMPORTANCE REACHED THE LEVEL OF 3,5, AND MORE THAN TWO THIRDS OF RESPONDENTS (17 COMPANIES) REGARDED IT AS RELEVANT, AND ONE FIFTH (5 COMPANIES) HAD AN OPPOSITE OPINION.

Entrepreneurs who considered it greatly significant that their company headquarters should be located in a high quality venue (56 enterprises altogether) were asked about key factors while choosing it. The factor that was mentioned most often was the location of the company (33 enterprises). Respondents emphasized its: representativeness (23 indications) and a good transportation connection, close proximity to business partners or the place of residence (6 indications). Factors with similar frequency that were named next included: availability of parking spaces (16 indications), high standard of interior design (15 indications), a new building with a variety of facilities (15 indications), possibilities to use services such as security, corrective maintenance (12 indications). A relatively small group (7 enterprises) pointed at the rate of the rent as a significant factor when choosing the venue.

Representatives of particular industries did not differ in opinions in this matter, with some exceptions: for the architecture and design sector, a great location of the venue was particularly significant (respectively 52,6% and 75% of indications). However, for people working in the jewellery-amber business – a new building with numerous conveniences, such as air-conditioning, was highly significant (60% of the respondents).

An attractive rent rate was not a particularly important criterion for choosing the location of the company's headquarters. Respondents who took it into consideration (73 companies) were asked to give current rates of the rents (per m²) they were paying. Data presented should only be treated as auxiliary. On the one hand, this data was received from a limited number of respondents (from which almost one-third did not deliver a concrete answer to this question), and on the other hand, it is unknown whether given rates included rent only, or also additional costs, such as down payments for media.

Fig. 8. Average rates of rents per m² paid by the surveyed companies (zł/m²)



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Fig. 8 includes only answers of those respondents for whom attractive rent rates were essential or significantly essential while choosing business activity location (n=73).

Generally, the rates of the rents per m² for the majority of the surveyed companies fluctuated between 21 PLN and 60 PLN. Almost one-fourth (23,3%) pays the rent to the amount of 21 PLN to 40 PLN, and the other 16,4% from 41 PLN to 60 PLN. It is worth noticing that every eighth entrepreneur (12,3%) stated zero amount for the rent (home office business).

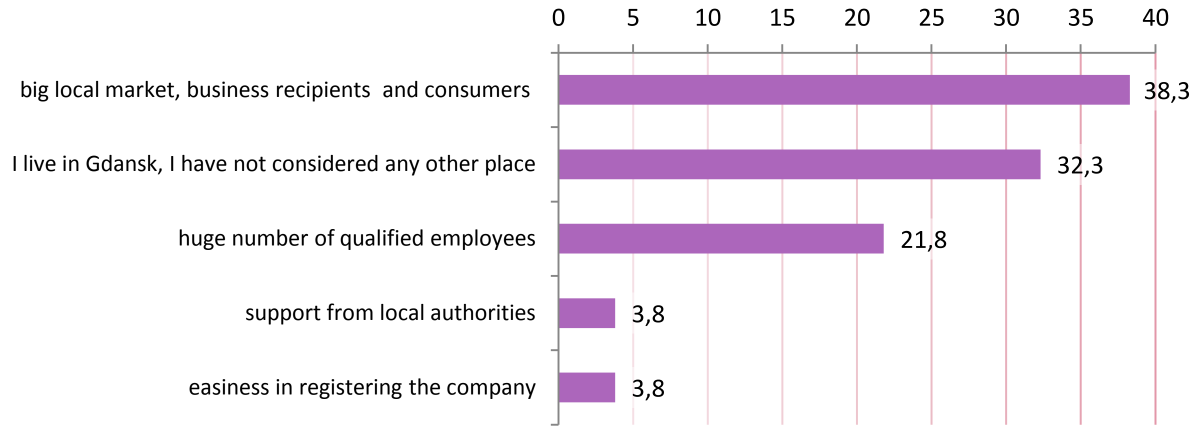
Also local tax rates were rarely taken into consideration at the stage of choosing business activity location. In case of almost half (47,4%) of the surveyed enterprises, local taxes of the rents had little influence whatsoever, and for the other one-fourth (23,4%) it was a determining factor. On average, only one out of eight (12,6%) entrepreneurs took it under a serious consideration.

Such attitude may result from the fact that those fees constitute a relatively small part of the operational costs spent altogether by the surveyed companies. For more than half of them (54,0%), it did not constitute 5% of that type of costs, and for 17,8% of the enterprises – more than 5%. The remaining one-fourth (28,2%) of the respondents was not able to estimate the share of the property tax and means of transportation in the total amount of the operational costs of the company.

Possibilities of creating a creative cluster

Vast majority (81,7%) of the entrepreneurs considers Gdansk to be an attractive place to run business within the creative sector. Respondents hold this opinion thanks to the existence of a large local market, many business recipients and consumers (38,3%), and a large number of qualified employees (21,8%). One-third (32,3%) of the respondents has not considered any other place for running business activity due to the fact that Gdansk is their place of residence.

Fig. 9. Advantages of running a business in Gdansk (in %)

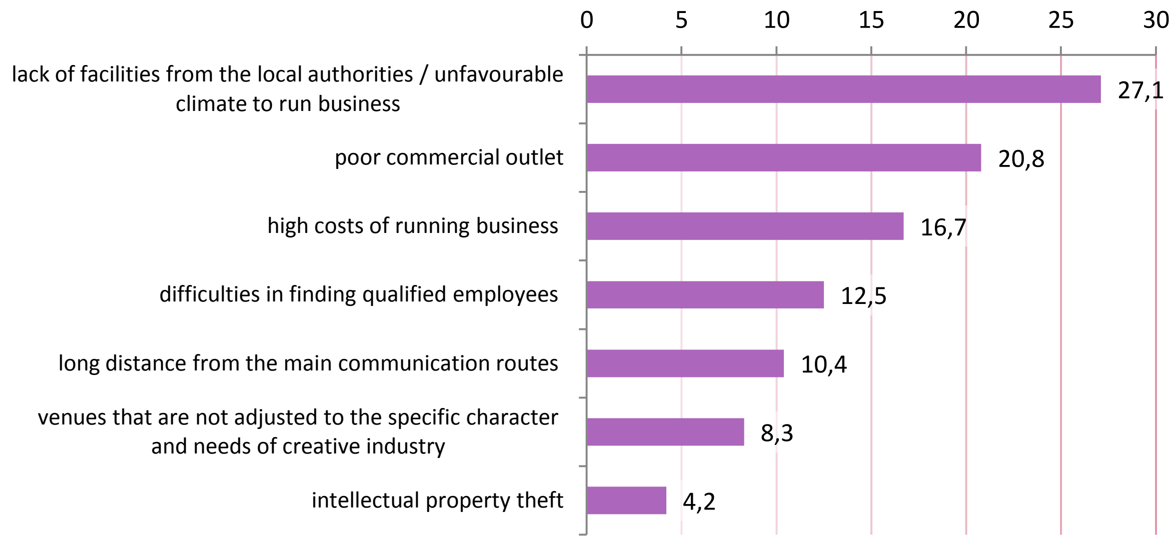


Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Fig. 9 includes only answers of those respondents for whom Gdansk is an attractive place to run business in the creative sector (n=143).

Those respondents who do not agree with the belief that Gdansk is an attractive place to run a business in the creative sector, were in the minority (18,3%). They listed the following arguments: lack of facilities from the local authorities and unfavourable climate to run a business (27,1%), inconsiderable output market (20,8%) and fairly high costs of overheads (16,7%).

Fig. 10. Barriers to run a business in Gdansk (in %)



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Figure 10. includes only answers of those respondents who claim that Gdansk is not an attractive place to run a business activity in the creative sector (n=32).

A group of enterprises participating in the extended study – irrespective of whether they consider Gdansk to be an attractive place to run a business in the creative sector or not – was asked what factors were missing in their companies which would enable them to become typically creative businesses. Most common answers were: lack of events, thematic events and trade fairs. The reasons also included lack of premises adjusted to the specifics of the creative industry (10 enterprises) and exhibition areas (7 enterprises).

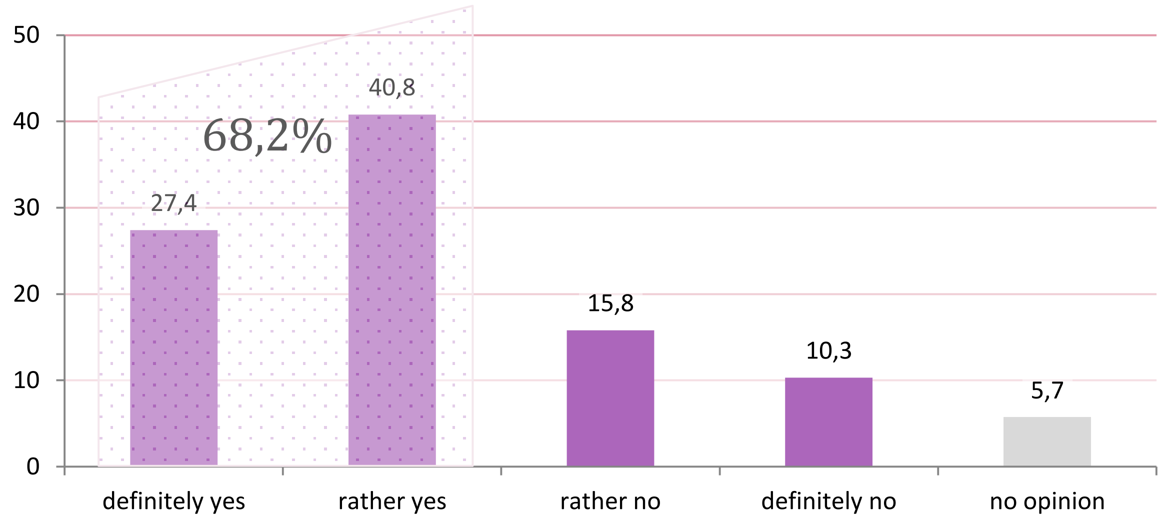
Enterprises participating in the extended version of the study pointed the following most crucial activities that could develop the creative industry sector in Gdansk: organization of business meetings, organization of events and exhibitions (both answers were indicated by 17 companies), establishing an informational platform for the creative industry (15 enterprises) and running a contact point for the creative industry sector (13 enterprises).

Almost half of the companies surveyed in the extended version of the study has developed contacts with the creative industries abroad. The remaining entities – excluding one – (13 enterprises) are interested in such cooperation, mainly with the Scandinavian countries, Germany and the United Kingdom. The companies within the creative sector are interested in a potential support from the local authorities (the city hall) in order to establish and foster a framework of international cooperation. The most wanted forms of support include: financing participation in international trade fairs (21 enterprises), international trainings (18 enterprises) and establishing a creative industry sector informational platform (13 enterprises).

Enterprises from the creative industry sector – at least on the declarative level – want to integrate and work in the milieu of companies of a similar profile. The majority (66,9%) of companies participate in formal and informal meetings with other enterprises, which aim at sharing knowledge and experience, and a common trade promotion. Most often these are advertising companies (90% of them meet up within the trade), design companies (81,8%) and cultural institutions (75%).

A fairly big group (68,2%) holds the opinion that concentration of enterprises in one place would enhance the cooperation within the creative industry sector. The biggest supporters of the idea of spatial concentration of creative businesses were representatives of the following sectors: software (82,5%), design (81,8%) and architecture (73,1%). 25,8% of the respondents hold an opposite opinion. Districts of Wrzeszcz and Dolne Miasto, as well as the old tram depot at the corner of Grunwaldzka and Pomorska Street were indicated as suited for grouping and integrating creative industry sector.

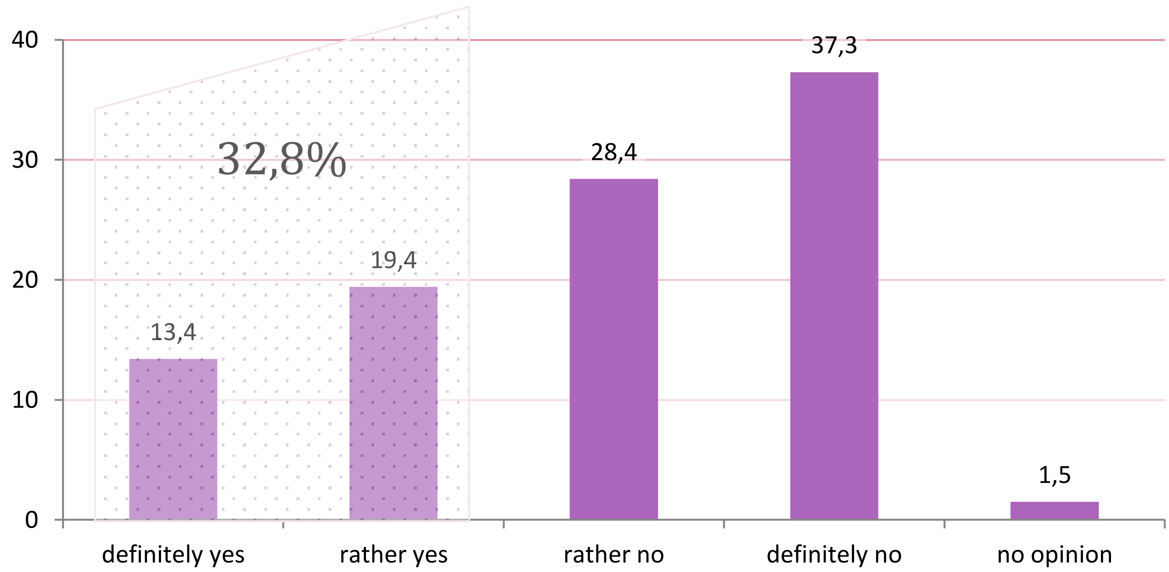
Fig. 11. The significance of spatial concentration of companies for development of creative industries (in %)



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

It is worth underlining that only one-third (32,8%) of the surveyed entrepreneurs express willingness to change the location of the company if it grants them an easier access to business partners. The companies that indicated so include: companies of literary activity, and those specializing in retail sale (equally 66,6%). The companies that were the least willing to move are those of an artistic activity or design – none of the respondents from the mentioned groups answered this question favourably.

Fig. 12. Inclination to change a company location due to easier accessibility to business partners (in %)



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

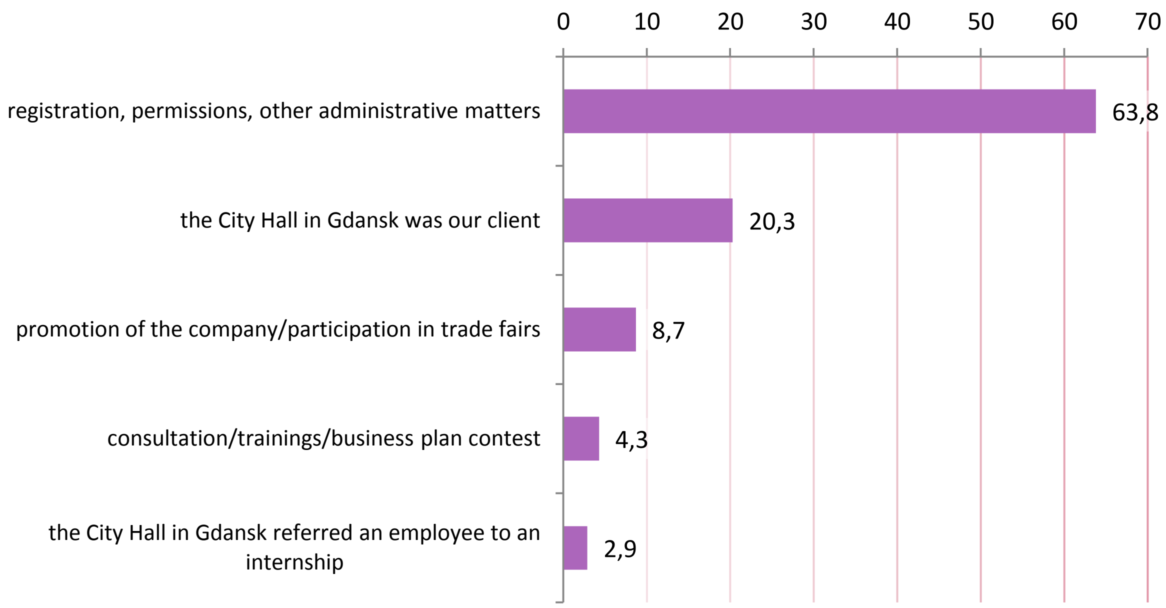
Nonetheless, it seems that a big group of enterprises considers their clients and subcontractors to be their main business partners, and claim that direct access to them is not as important as inner cooperation within the sector. Some of the opinions given in the Paper and Pencil Interviews (PAPI) showed that locating a creative company in one place could conduce to sharing experience and business contacts, mutual project realization, and easier access to e.i. trainings and support services (accounting, IT).

Cooperation with institutions supporting entrepreneurship

Among institutions with which the respondents cooperate, the most commonly listed were: the City Hall in Gdansk (41,3%), Pomerania Development Agency (28,5%), and the Gdansk Entrepreneurs' Foundation/Entrepreneurship Incubator Starter (19,2%). Others: Gdansk Tourism Organization, Gdansk Economic Development Agency (investGDA) and the Pomerania Loan Fund were also indicated by a few companies.

The respondents, when asked about the aim of cooperation with the City Hall in Gdansk, in vast majority pointed contacts while registering the company, obtaining proper permissions and dealing with other administrative matters (63,8%). For some of the companies, the City Hall is a client (20,3%). Only a few companies identified the possibility of cooperation with this institution as an opportunity to promote their companies through the City Hall in Gdansk and participation in trade fairs (8,7%), consultation and trainings (4,3%).

Fig. 13. Scope of cooperation with the City Hall in Gdansk (in %)

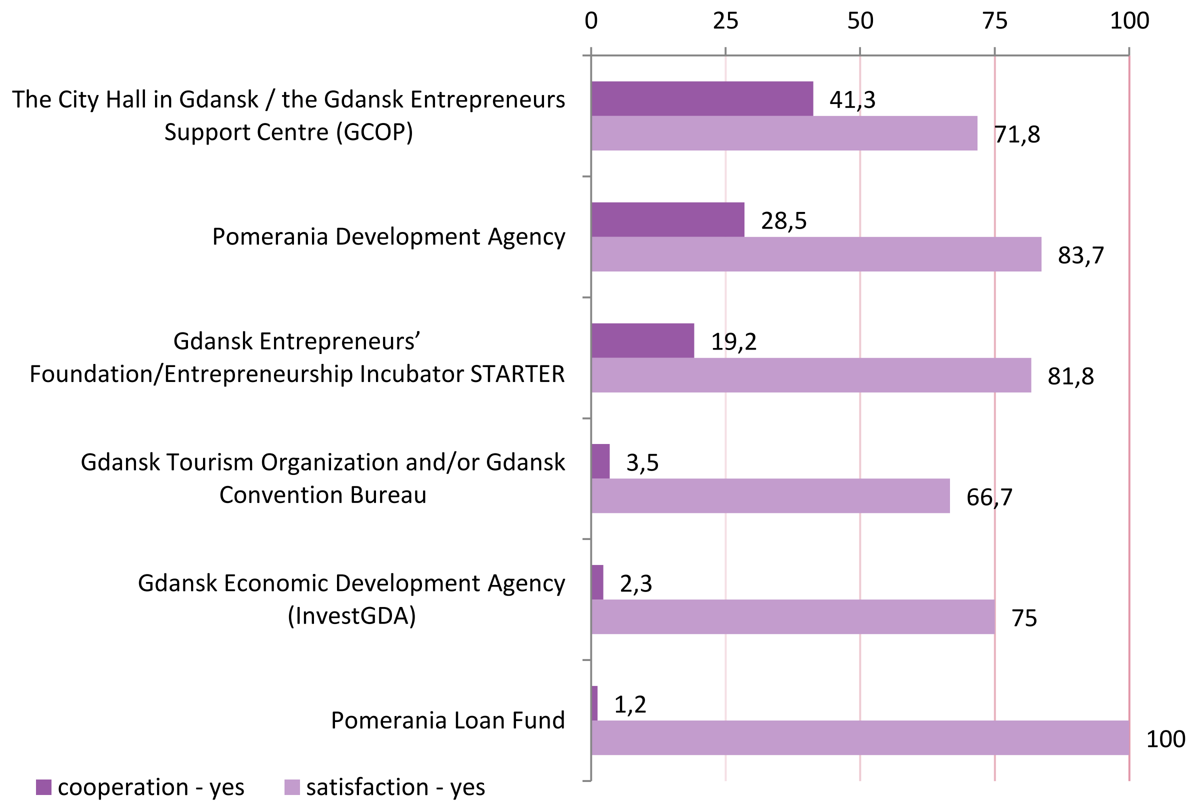


Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Only answers of the respondents cooperating with the City Hall in Gdansk were included.

It is worth mentioning that when it comes to cooperating with the City Hall in Gdansk or other institutions which support entrepreneurs, general appraisal is very high. With regard to all the other institutions listed, the proportion of satisfied respondents would exceed 66%. Institutions with which Gdansk-based creative industry cooperate most often, such as Pomerania Development Agency and the Gdansk Entrepreneurs' Foundation, were assessed positively by over 80% of the respondents, and the City Hall in Gdansk by more than 70% of the surveyed companies.

Fig. 14. Assessment of the City Hall in Gdansk and institutions which support entrepreneurs.



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Anticipated forms of support

Vast majority (92,6%) of the surveyed enterprises, have expressed interest in possible support from the City Hall in Gdansk. Among a scope of support the respondents listed: support in gaining EU funds or loans for further development (69,8%), obtaining local taxes allowances (67,4%), creative sector promotion (62,8%), and information support for running a business (57,6%).

It is worth emphasizing that the enterprises do not anticipate direct financial support from the City Hall, what is expected more is substantive support on: how to run a business, how to obtain funds for business activity, and providing high-quality trainings.

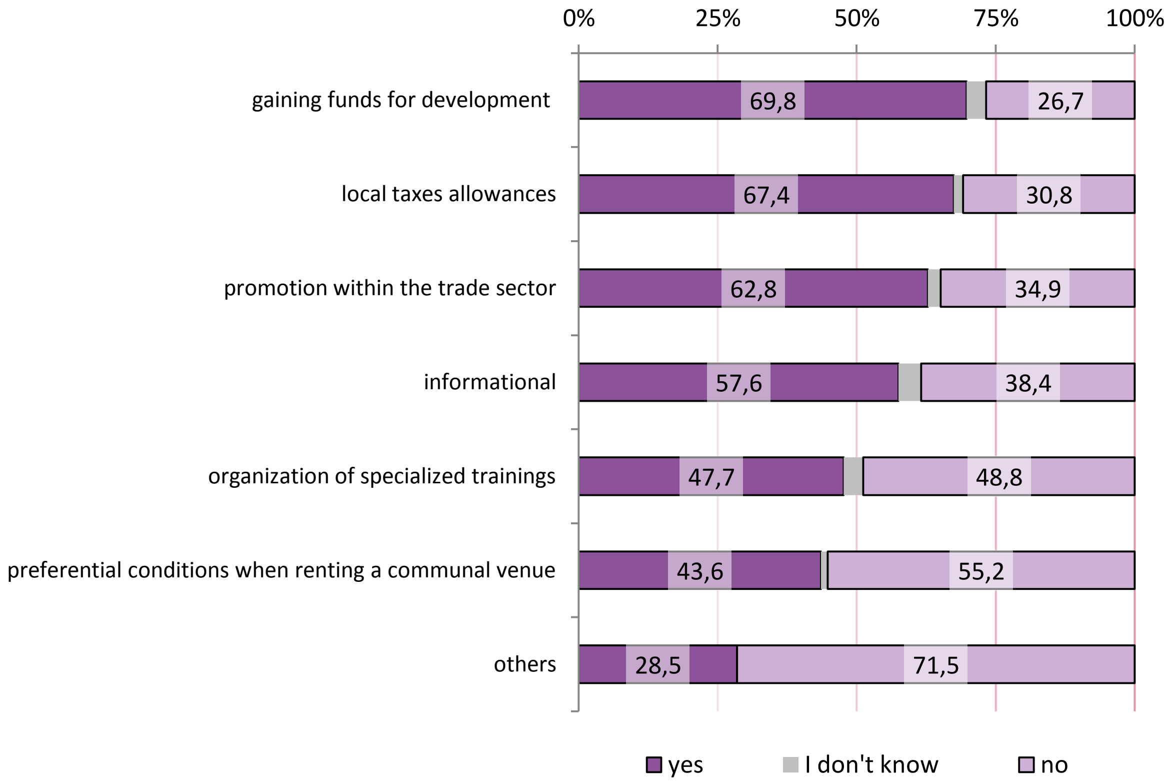
Respondents anticipating support in the scope of specialized trainings, pointed out the following as the most useful:

- trainings on sales methods and techniques (11 respondents);
- trainings on soft skills: interpersonal skills, negotiations, motivation and conflicts solving (9 respondents);
- trainings on planning and decision making (8 respondents);
- trainings on finances and accounting (8 respondents);
- trainings on creating an attractive brand for products image (8 respondents).

The surveyed companies were also asked about other forms of support anticipated from the City Hall in Gdansk. Majority of the respondents (59,6%) emphasized that the City Hall ought to be more efficient in their activities, ought to allow clients to be able to fix more formalities via internet, and finally should introduce more simplified procedures solutions.

The respondents also expressed their willingness to receive support in the form of participation in trade fairs and other activities helping to promote creative industries (34%).

Fig. 15. Anticipated forms of support from the City Hall in Gdansk.



Source: based on the research "Location factors and potentialities for business activity development of creative industries in Gdansk" implemented by Inny Format Co., commissioned by the City Hall in Gdansk.

Summary of the questionnaire survey

1. Vast majority (90,7%) of the surveyed entities run business activity in the place of registration.
2. Almost half of the (44,6%) surveyed enterprises run business activity in the venues that belong to their owners, i.e. flats or houses (28,0%), or venues away from the place of residence (16,6%). Other entrepreneurs use venues rented with other parties (26,2%) or rented individually (23,4%).
3. The respondents highly assessed districts where they run their business activity. The districts that were referred to by at least 10 respondents included: Śródmieście, Oliwa and Przymorze Małe.
4. The most substantial factors that were taken into consideration when choosing the place to run business activity were as follows: easy commute (68,9% of the respondents regarded this factor as substantial or very substantial), good road infrastructure (63% of the respondents regarded this factor as substantial or very substantial).
5. It is worth noticing that there is a discrepancy in attitudes to rent rates – half of the respondents regarded it as substantial (57%), one-fourth (28,9%) considered this factor to be irrelevant. Also the rates of local taxes are rarely taken into consideration while making a decision about the location of the company.
6. While making a decision about the location of the company, the following factors were regarded as less substantial: accessibility to customers (substantial to 36,6% of the respondents, whereas 48% did not regard it as very substantial), close proximity to business partners (substantial to 33,1% of the respondents, irrelevant to 50,3%). On average, every third (32,8%) respondent was willing to change the location of his or her business to gain better access to business partners.
7. Vast majority (81,7%) of the respondents declare that Gdansk is an attractive place to run business in creative industries. The strengths of the city listed by the respondents in regards to being an attractive place to run a business were: a big local market, numerous business recipients and consumers, and an ample amount of qualified employees.
8. Creative industries in Gdansk have expressed their need to integrate and work in the environment of enterprises of a similar profile. Almost two-thirds of them (66,9%) participate in formal or informal meetings with other companies to share experience and to undertake mutual promotion activities. A similarly large group (68,4%) holds an opinion that concentration of enterprises in one place would enhance cooperation within the sector.
9. It is worth emphasizing that despite the fact that two-thirds of the surveyed entrepreneurs (68,4%) hold an opinion that concentration of creative industry sector in one place would enhance cooperation between them, only half of this group (32,8%) would be willing to relocate their companies in order to gain easier access to business partners.
10. More than two-thirds (68%) of the surveyed enterprises have cooperated with the City Hall in Gdansk or other institutions that provide support to entrepreneurs, which were named in the survey. Those listed by the respondents were: the City Hall in Gdansk (41,3%), Pomerania Development Agency (28,5%) and the Gdansk Entrepreneurs' Foundation Entrepreneurship INCUBATOR STARTER (19,2%). Appraisals of that cooperation were very high – percentage of contented enterprises exceeded two-thirds (it fluctuated from 70% to 80% depending on the institution).
11. In effect, all of the surveyed enterprises (92,6%) expressed their interest in receiving possible support from the City Hall in Gdansk. Forms of support that were most commonly required include: support in receiving EU funds or loans for development (69,8%), obtaining local taxes allowances (67,4%), creative industry promotion (62,8%), and information and advice support for running a business (57,6%).

SUMMARY

The main objectives of the study were to: establish the size and the structure of the creative industry sector in Gdansk, identify its development potential and conditions to unfold its potential, define its needs and ways to provide support, basing in the opinion of the creative businesses representatives.

In terms of creative industries structure, the most substantial activities out of 6409 creative industry sectors in Gdansk, are:

- architecture (34,7%; 2226 entities),

- software (14,6%; 938 entities),

- advertisement (11,2%; 716 entities),

- amber/jewellery (9,4%; 603 entities).

It is a characteristic structural feature of the creative business entities, as well as of all the enterprises sector, that there is a great number of micro enterprises (up to 9 employees), which account for 96,3% of the total number of business entities from this sector. Gdansk concentrates over 36% of all of the creative businesses in the Pomeranian Voivodeship. Over 30% of the entities has been operating on the market for less than 5 years. Considering the spatial distribution of creative businesses, concentration can be observed along the main line of communication in the city (also outside the city's centre) and in high density areas.

The survey conducted among the creative industries showed that, in the opinion of the majority of the enterprises, the most **vital factors determining the location of the company** are: **easy commute** and **good road infrastructure**. An attractive rent rate was indicated as an important factor, too. Less important were: access to clients, close proximity to business partners or high quality of the venue.

Majority of the enterprises (81,7%) hold the opinion that Gdansk is an attractive place to run a creative industry business. The main assets of the city indicated by the entrepreneurs included: big local market, numerous business recipients and consumers (38,3%), and an ample amount of qualified employees (21,8%). At the same time, one-third of the respondents, who live in Gdansk, would not consider moving their business elsewhere.

Almost 70% of the representatives of the enterprises hold an opinion that the concentration of creative industries in one place would significantly enhance cooperation within the sector. The biggest proponents of the idea of spatial concentration are the representatives of the following sectors: software (82,5%), designing (81,8%), and architecture (73,1%). About 26% of the respondents do not consider such concentration beneficial.

Despite the idea of concentration of creative industry enterprises, the study shows that **only one-third** (32,8%) of the surveyed enterprises **express readiness to change the location of their company**, due to easier accessibility to business customers. It seems, though, that a big enterprise considers its clients and subcontractors as its business partners, and that direct access to that group is not as vital as cooperation within the sector. In direct interviews, some opinions were given, that locating creative industries in one place could enhance the exchange of experience and business contacts, common realization of projects, and easier access to e. g. professional trainings and support services (e.i. accounting and IT).

The survey revealed that the respondents indicated their current needs mainly in reference to: providing support in gaining European funds or loans for business activities, obtaining local taxes allowances, creative industries promotion, and also information support for running a business. It is worth underlining that enterprises do not anticipate direct financial support from the City Hall in Gdansk, however they expect substantive support on: how to run a business, how to obtain funds for business activity, providing high-quality trainings.

The principle of creative industries development policy is: the knowledge of its size and structure, distribution of creative enterprises, their requirements and needs. In order to effectively support creative industries, it is necessary to demonstrate a genuine interest and prove active participation and cooperation between both, the creative enterprises and public institutions.

It is worth emphasizing that creative industries development in Gdansk's economy falls in line with the priority development challenges included in the Pomeranian Voivodeship's Strategy 2020 (which, of all, relates to the Region's growth of competitiveness based on the key industries actors), as well as the challenges listed in the frame of Gdansk's Development Strategy till 2015, among which, creative industries were indicated as one of the valuable sources of city development.