



REPORT

***ON RESULTS OF QUESTIONNAIRE SURVEY OF COMPANIES
AND PERSONS INVOLVED IN CREATIVE INDUSTRIES
SPHERE FOR FURTHER DEVELOPMENT OF THEIR
BUSINESSES IN THE INTERNATIONAL DIRECTION***

(February 2016 – April 2017)

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From February 2016 to April 2017 non-commercial partnership “Karelian Resource Center of NGOs” conducted the survey of companies working in the creative industries sphere. The survey was supported by the Ministry of culture of the Republic of Karelia and conducted within the project “Joining creativity” financed by the Nordic Council of Ministers.

The overall aim of the project “Joining creativity” is to enhance economic cooperation and trade between the Nordic countries and North-West Russia and contribute to the successful internationalization of creative industry firms in the Baltic Sea Region.

The survey conduction relied on achievement of the following tasks:

- = defining of the creative industries business opportunities with the goal to support entrepreneurship in the region;

- = joint achievement of project aims: promotion of new ways of cooperation;

- = the usage of the analysis results for distribution of the information about the business potential in the region among creative industries of Nordic countries and North-West Russia.

According to the Russian Federation Presidential Decree on the 24th of December 2014 № 808 “About confirmation of basics of state cultural policy” “creative industries” are companies, organizations and unions, producing economic resources in the process of creative activity as well as the work on capitalization of cultural products and its presentation at the market.

The sphere of creative industries includes industrial design and fashion; music and film industries; TV broadcasting and computer game creation; gallery and publishing business, bookselling; advertising and mass media.

On the basis of the project goals and the definition of “creative industries” the following target groups of creative industries representatives were investigated:

- = entrepreneurs, small and medium business, working in the sphere of creative industries as well as organizations acting in other spheres but which are interested in research of creative sector possibilities on goods, service and competence provision;

- = organizations rendering additional services and developers in creative industries sphere;

- = representatives of educational sphere rendering services in creative industries sector.

The questionnaire survey of the target groups on the Russian side was realized on the approved questionnaire in 3 North-West regions of Russia. 99 organizations took part in the survey (table 1, image 1,2):

Subject of Russia	Subject's region	Organization number
Republic of Karelia	Kalevala region Kostomuksha town Lahdenpohja region Mueserskiy region Olonetsky region Petrozavodsk Pitkarantskiy region Prionezhskiy region Pryazha region Sortavala region	70
Arkhangelsk region	Arkhangelsk Severodvinsk Shenkurskiy region	22
Saint-Petersburg	Saint-Petersburg	6
Leningradskaya oblast	Leningradskaya oblast	1

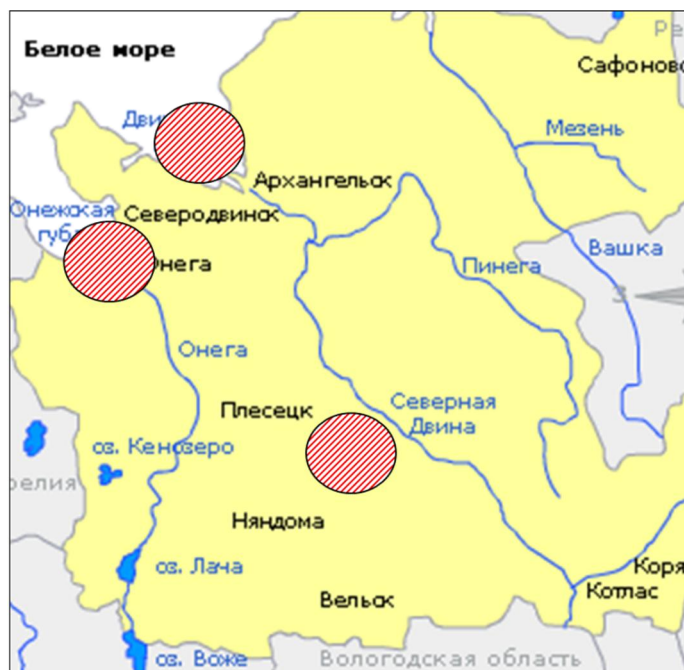


Image. 1. Respondents' origin (Arkhangelsk region)

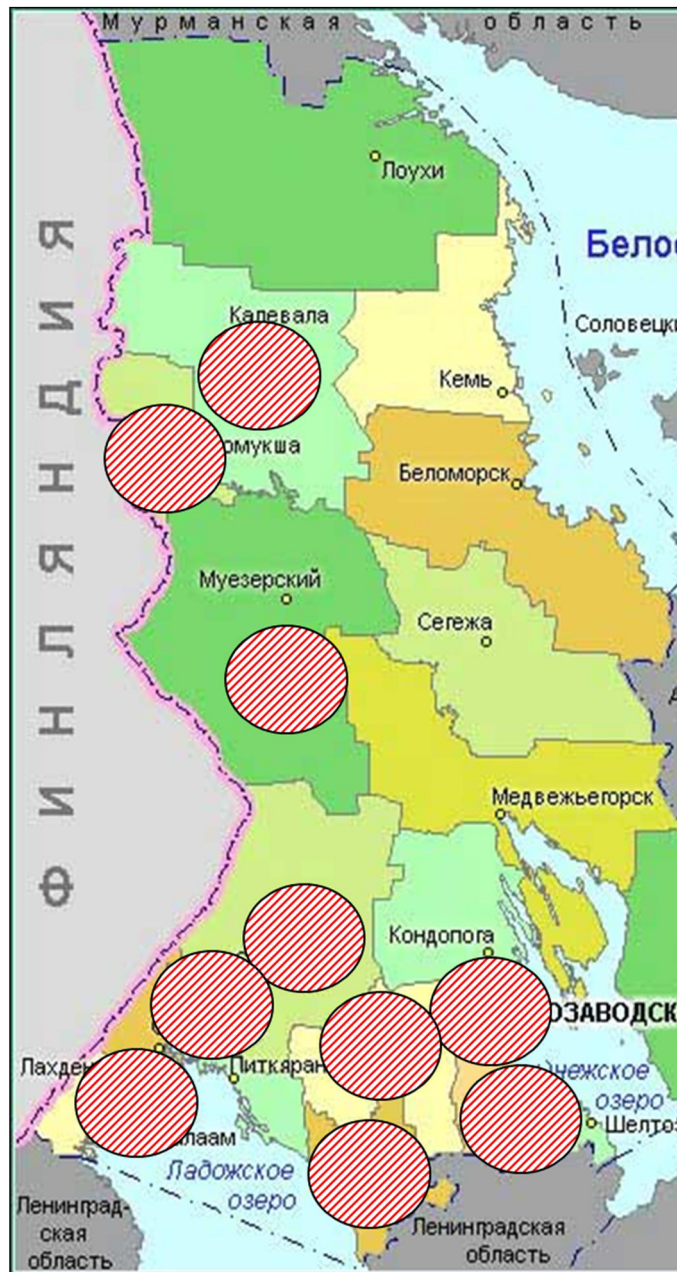


Image. 2. Respondents' origin (Republic of Karelia)

Based on the survey results “the portrait” of the representatives of creative industries were elaborated and their possible business potential was assessed:

- = the average workers number of creative industries company is 5 persons, however it ranges from 1 person (self-employed entrepreneur, self-employment) to 46 persons (unions, centers);

- = from the total number of respondents – 30 people (30,3%) work in non-traditional form of entrepreneurship (image 3): artists, art unions, designers, craftsmen.

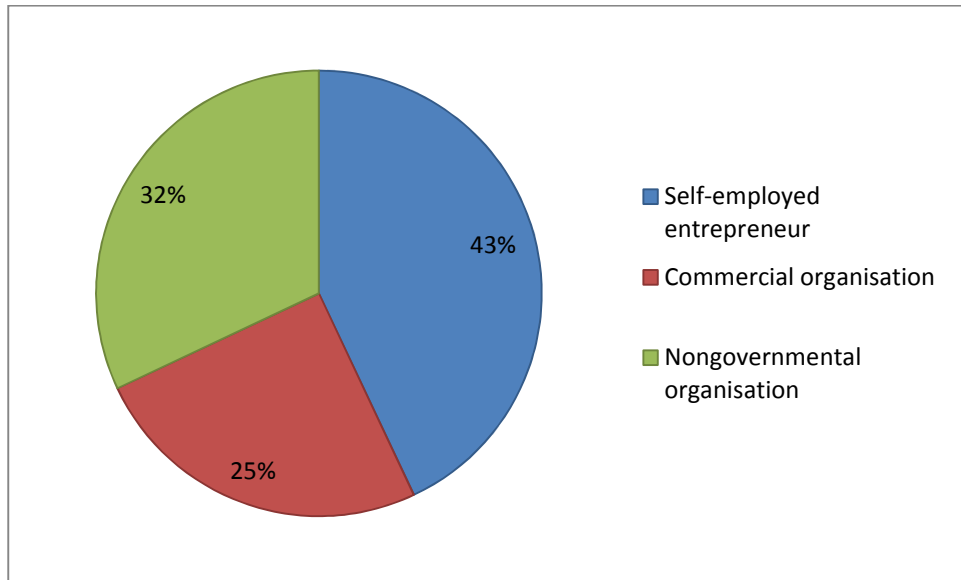


Image 3. Respondent allocation on legal form of business organization

= One half of creative activities' directions are as follows (image 4):

- decorative art and crafts;
- fine arts;
- event management.

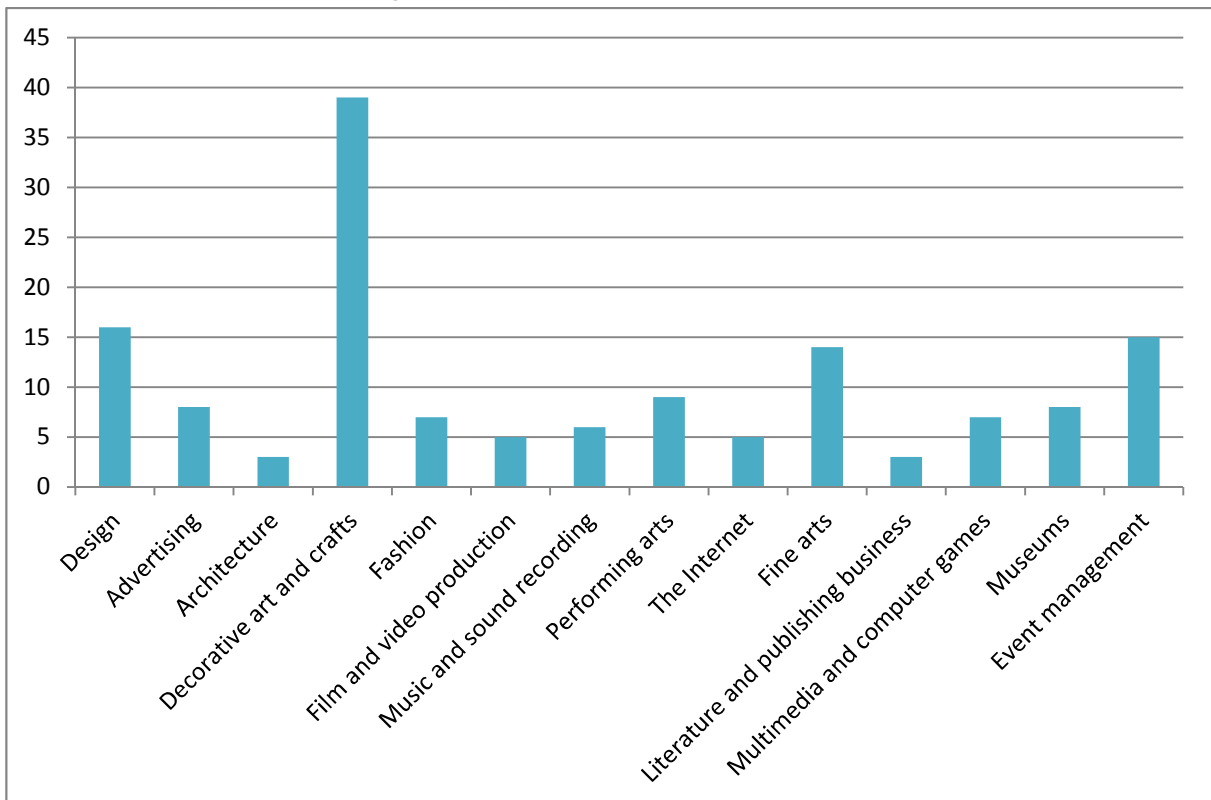


Image 4. Directions of creative activity

= respondents turned out to be experienced and with a high level of readiness for international cooperation:

- more than 50 % of participants have the experience of international activity (participation in international projects, experience of international marketing communication and sales) and partner relations with the representatives from Finland, Sweden, Norway (image 5);

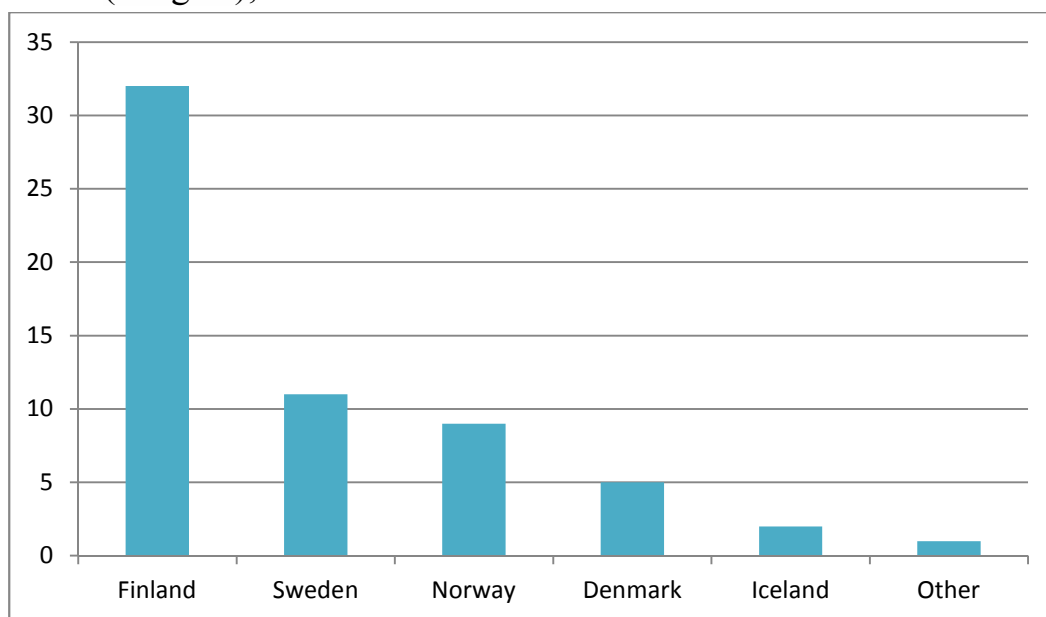


Рис. 5. Partner relations with companies from the Nordic countries

- The main activity directions which respondents mentioned are provisions of their competitive goods; familiarizing with foreign companies' experience and presentation of their activities to the foreign partners;
- However, representatives of creative industries from this sphere have problems: only 38% of respondent companies and persons know themselves or have the employees who know foreign languages (image 6). Despite this fact several organizations have workers who know 2-3 foreign languages but usually language proficiency is not at high level (sometimes even elementary). Because of it 60% of respondents feel the need in intermediary services in international activities (image 7).

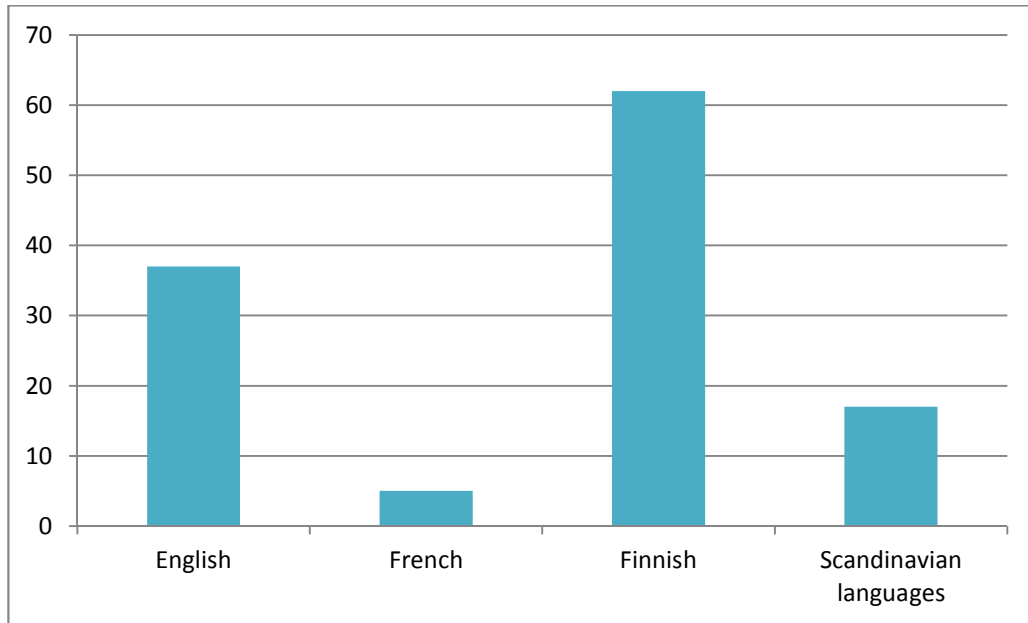


Image 6. Knowledge of language by organizations' workers

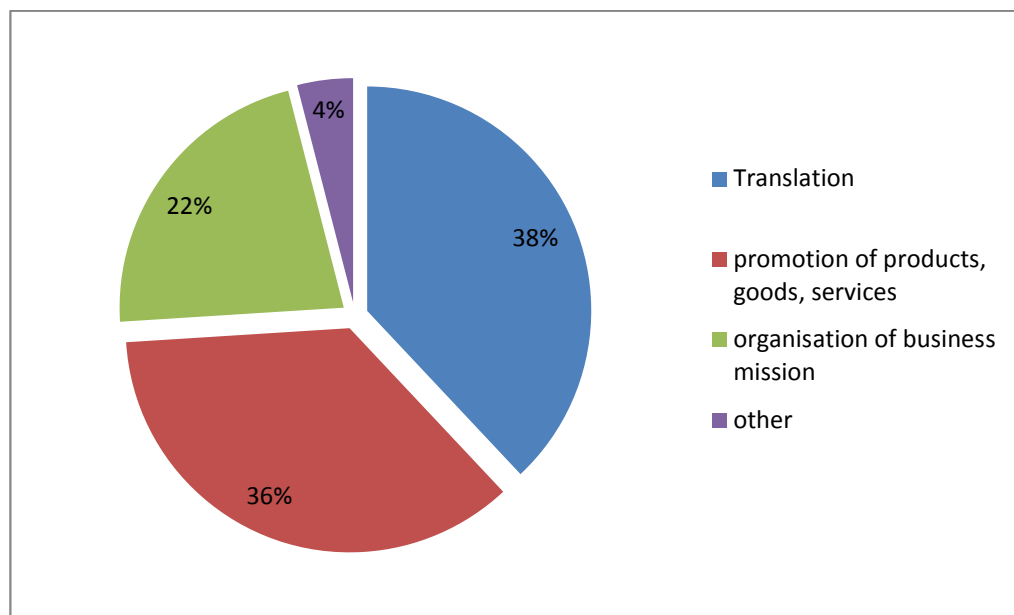


Image 7. Needed intermediary services

= the average time of work in creative industries sphere is 10 years although the majority of respondents mentioned that their annual income does not exceed 500 thousands rubles (image 8) which can prove the deficiency of skills on commercialization of their work results despite the fact that respondents have all essential ways of connection with clients (phone, e-mail, Internet and others). Sustainable move of organizations from zone “up to 50 thousands rubles” to zone “up to 100 thousands rubles” on marketing expenditure is revealed as a positive tendency.

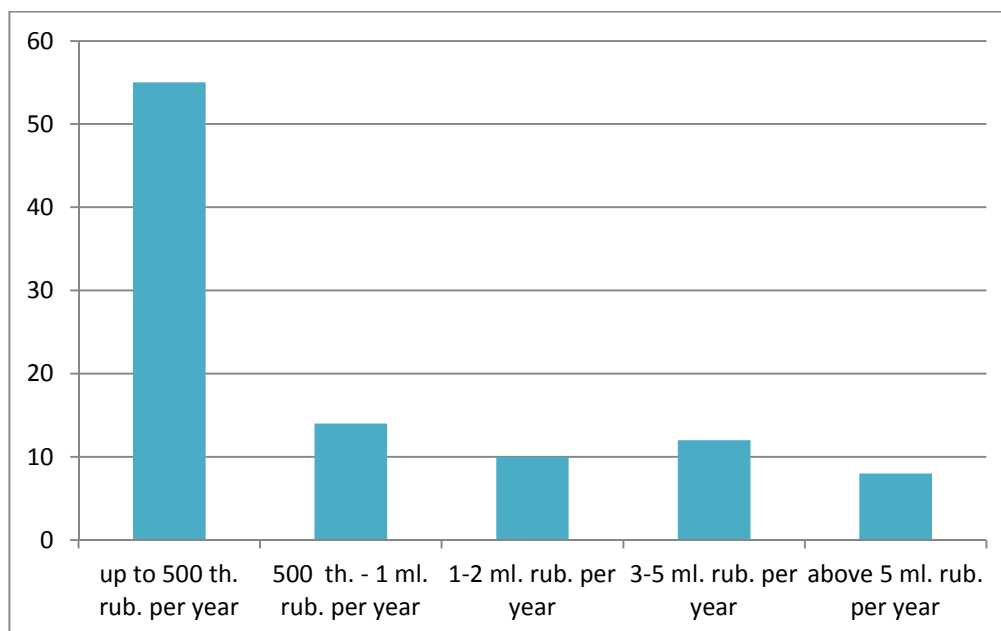


Image 8. Respondents' allocation on annual turnover of organizations

= respondents also gave a description of the “client portrait” divided customers into 2 groups:

- Clients – a private person
 - Place of living: North-West, Russia, Nordic countries;
 - Income level (per month) – up to 50 thousands rubles;
 - Occupation – traveler / tourist;
 - Age– 25-50 years old.
- Clients – a legal entity
 - Location: North-West, Nordic countries;
 - Legal organization form: self-employed entrepreneur, commercial organisation, nongovernmental organisation;
 - Topic of business dealing: rendering of services, selling of the goods;
 - Volume of the dealing – about. 500 thousands rubles.

= in the process of questionnaire survey the experience of financial tool and partnership resource usage by the representatives of creative industries was revealed. The respondents have showed a high level of knowledge and usage of the following tools in their activity:

Tool	Knowledge	Usage
Grants	√	√
Loan facilities	√	√
Subsidies	√	√
Investment	√	
Sponsor capital	√	√
Crowdfunding	√	
Provision of resources on the basis of mutually	√	√

beneficial partner cooperation		
Other (own answer)	√	

= in making an assessment of availability of main assets using in the process of work respondents mentioned 2 groups of equipment:

- “Conventional” (office) set of equipment for entrepreneurial activity: copying and photo equipment; office equipment, domestic electronic equipment;
- The equipment determined by the type of activity: production equipment (desktop equipment, equipment for work in the field, sometimes, an automobile).

In the process of questionnaire survey the main problem of creative industries development were also identified according to the respondents’ answers. They are as follows:

- deficiency or disunion of professional communities in creative industries sphere;
- inobservance of the law of copyright;
- keen competition;
- deficiency of investment into infrastructure development for creative industries / high interest rate for credit;
- contradiction between culture and commerce;
- personnel deficiency;
- other (there is no market outlet; deficiency of knowledge and experience).

However two-thirds of respondents thought that there is no problem connecting only with creative industries, but there are basic social and economic problems general for all business activities.

Respondents mentioned the following events which should be implemented for the sustainable support of creative industries:

- conduction of consulting seminars on main issues of creative industries development on a regular basis;
- conduction of practical training program for workers from creative industries sphere;
- creating the institutions for creative industries support (creative incubators, art residencies and art spaces, start-up centers and so on);
- invitation and conduction of meetings (pitching sessions) with investors, supporting start-ups in creative industries sphere (for example, Slush in Helsinki or Creative Business Cup in Copenhagen);

- separation of entrepreneurs working in creative industries in the certain category of small and medium business subjects for state support in regional program of entrepreneurial development.