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Researching and Engaging the Digital Creative Economy

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The paper discusses the results of research and engagement with a membership network of digital creative firms in Shoreditch ('Silicon Roundabout'), east London. This stresses the value of triangulating quantitative and qualitative research methods, and participatory inter-action with this dynamic creative sector. The project has identified the blended digital creative model of enterprises in the new digital economy, and developed novel engagement and analysis which is transferable to other creative and digital clusters. This has benefited creative firms but also intermediaries, funders/investors and policy-makers.

Keywords: Digital Creatives, Digital Shoreditch/Tech City

Introduction

This paper presents a study on and ongoing engagement with a prominent cluster of digital creative firms, known as Digital Shoreditch - also known in the media as *Silicon Roundabout* and as an aspirational 'Tech City' representing a swathe of technology firms that the Government hopes will stretch from the inner city fringe to the London2012 Olympic regeneration zone in Stratford (McKinsey 2010). This research raises several macro and micro level issues – how small enterprises (SMEs) in this emerging fast growing sector identify and obtain business support services and engage in knowledge exchange (KE) activity; how SMEs operate through a self-supporting network and also engage with major players, government and intermediary agencies and investors; and how public and university sectors position themselves in what has been fêted as the UK's response to Silicon Valley (Evans & Foord 2013).

Our involvement and engagement with this sector and network originated in 2011 and built on longitudinal research on creative clusters at various scales in London and other creative cities (Evans 2009, 2004). This has afforded a long view of the evolution of this phenomenon - from arts-cultural-creative-to digital production - and related policy formulations.

At a basic level, the Digital Economy can be viewed as the delivery of digital products and services both to end-consumers and B2B, but also as the digitisation of the whole economy and society: the *Internet of Things*. The digital world has also influenced artistic and cultural production, dissemination and consumption and spawned new art forms and media, including digital design and manufacturing (Ng 2010). This has naturally led to the convergence of creative and ICT practice, blurring distinctions between hardware and software and creative and technical expertise (Foord 2012). For our research the standard industry classifications (SIC) currently used in the UK to capture the Digital Economy were used (BIS/DCMS 2009). This coverage was the starting point for our mapping work, however as the engagement with this cluster evolved, digital enterprises were defined as much by their relationship with the network and one another, and with the spatial cluster itself.

Research problematic

The Digital Economy has had an uneasy relationship with the creative industries and related policy. Its past association with the ('non-creative') hardware and ICT sector, and very partial coverage in official definitions of the creative industries (limited to 'Leisure Software Programming', DCMS 2001) has effectively marginalised this sector. This was exacerbated in 2011 when the government excluded 'digital' firms from the definition of the creative industries altogether, which led to the downgrading of the size and impact of the creative sector in the UK (NESTA 2013). This move also seemed to contradict other policy and investment programmes under government's Digital Britain, TSB and RCUK DE programmes. It is also clear that digitisation - both its ubiquity and its global reach and impact through 'creative destruction' - has rendered traditional theories, concepts and research methods either obsolete, or at least less able to capture, measure and apply traditional business and economic models to this new world (Ng 2010). One problem is the veracity of economic and business data which is currently relied upon in policy analysis. This has failed to keep pace with the organisational/financial and cultural/creative classifications, as DE firms operate across service and product arenas and digitisation of other sectors alters basic supply/production chain models and customer relationships, creating a new hybrid and project-based delivery model and firm. Examples of data challenges include the lack of coverage of SMEs (employing<10) in innovation performance indicators, whilst proxy indicators such as patents and R&D spend are increasingly less useful in the creative economy (OECD 2010). Much DE research has also been ICT/technology-led and focused on major firms (Holland 2012). This situation has influenced our research approach in developing a bottom up and networking method to capture small firms, their profiles, inter-relationships and innovation histories and trajectories, whilst contextualising the research in the macro-level data and literature (Foord 2012).

Research question(s) and methods

An emerging (*Grounded Theory*) line of enquiry conflated a number of enduring research questions around the notion of post-industrial economic cluster theories: why/where firms choose to locate and operate; how innovation and tacit knowledge is exchanged; and what are the conditions that best support firm growth in new economic clusters such as creative and digital sectors. The latter has a clear public policy and investment imperative, which has heightened since Richard Florida's concept of the creative city (2005) raised the prospect of a range of amenity and other factors ('3 Ts' - Tolerance, Talent, Technology) which if well placed, can attract and retain the creative class, as eponymous drivers of the creative economy (*sic* - Evans 2011).

Our research divides into 3 stages carried out between 2011-13, which are both <u>iterative</u> as new data, interpretations, inter-action with firms and entrepreneurs, intermediaries accumulates; and <u>layered</u> as research findings, data and analysis are further synthesised and visualised. The research was led by the author with Foord, a GIS analyst, and with practical support from the Digital Shoreditch Network office/staff and Accelerator Incubator facility in Shoreditch (interviews, filming, workshops). For the purposes of this short paper, research stages and *methods* are summarised as follows:

1. Mapping of the Digital Economy - secondary data, literature, spatial data analysis (GIS)
2. Network data collection - primary data, self-assessed (via firms) and reconciliation
3. Semi-structured interviews with digital firms/owners - focus group/individual
4. Interviews with intermediaries, agencies, public sector/funders (Councils, TSB)
5. Film (YouTube video) co-produced with firms and DS network
6. Network database creation, synthesis and online survey (n=261/1,000)
7. Attendance at Meet-Ups, Exchanges and Network events - participant observation

Dissemination and reporting ('feedback loops') therefore took place at network events and annual Digital Shoreditch festivals (May/June 2011, 2012, 2013) over this period, as well as a through academic conference, publication, media (TV) and weblogs. This included the DE Sustainable Society Research Network and Technology Strategy Board workshops which also involved walking tours and in-house visits/presentations to digital firms in the Shoreditch area, led by the author.

Tale of Academic engagement

The case study introduced - and for brevity selectively summarised - here, focuses on this emergent digital creative sector made up primarily of micro-enterprises, but also intermediaries, agencies and large firms (e.g. Google Campus, Tech City Co., Microsoft, Cisco) who have also benefited from and been attracted (i.e. relocation) to the innovative potential and cluster effects. This experience has enabled academic researchers to gain new understandings and insights to this creative ecosystem - which has been particularly important given the limitations of research in this field to date - but also enabled creative enterprises to engage directly in developing research and resources to meet their development needs. In this sense the experience has involved co-creation in developing research questions and lines of enquiry, and co-production of the conduct of the empirical research, its dissemination and the ongoing KE arising.

Firstly, the mapping of the digital cluster within a national/regional (London) context revealed an emergent fusion between hardware, software and creative enterprises including traditional cultural production (e.g. music, A-V, publishing) and commercial advertising and marketing. Essentially this is typified by a (cultural) content driven economy facilitated by ICT-based platforms and media – Fig.1.

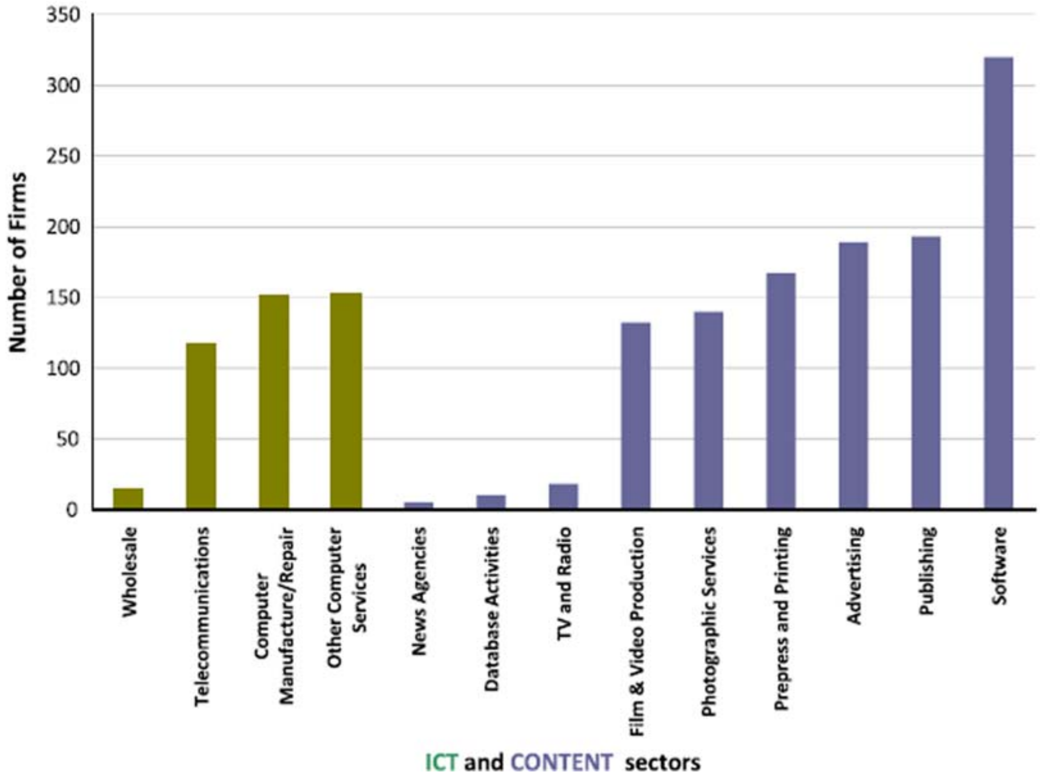

Figure 1 Inner East London Digital Economy sub–clusters.

Source: Experian (2011/SIC 2003)

The ‘Creative Digital’ firm in this case is a blend, fusing technology and design in the context of Advertising, Communications and Marketing services alongside applications (mobiles) and (computer) games. Typically it offers a number of products and services simultaneously to clients - a hybrid of creative strategy development, campaign implementation and technological development (Table 1).

Table 1 Digital Shoreditch Company survey and Creative Services.

Source, Author (CI 2011)

Main activity	No. of Firms	Creative Digital Services
Digital Design Consultancy*	120	Digital Branding
Advertising	36	
IT Consultancy	19	E-Marketing
Graphic Design	15	
Photography, Film, Video, Post	13	Search and Content Management
Design and Print	9	Flash
Software development	5	Applications and Games Infographics
Animation	4	
Recruitment	4	Animation and Video
Data and Database Management	3	
Digtial Publishing and e-Learning	3	Web-design and Build
Events and Promotions	3	
Games	2	Internet development and hosting
Training	2	On line advertising
Social networking	1	
Other	22	Mobile Apps
Total survey sample	**261**	
*Marketing, Communications, PR, Branding		Social Networking Sites, Services and

An important observation arising from the spatial analysis and firm/network database was the importance of co-location between digital and other creative industry firms, particularly advertising and the place of this cluster within the regional digital economy. Fig.2 & 3.

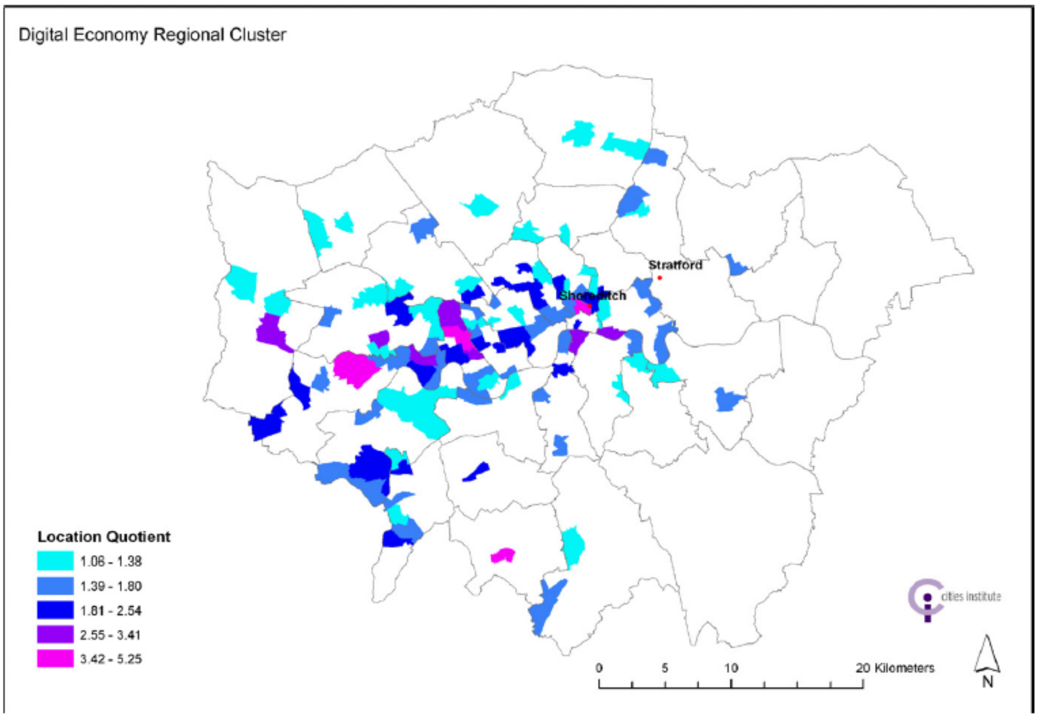

Figure 2 London's Digital Economy sub-clusters.

Source: BRES (2009/SIC2007)

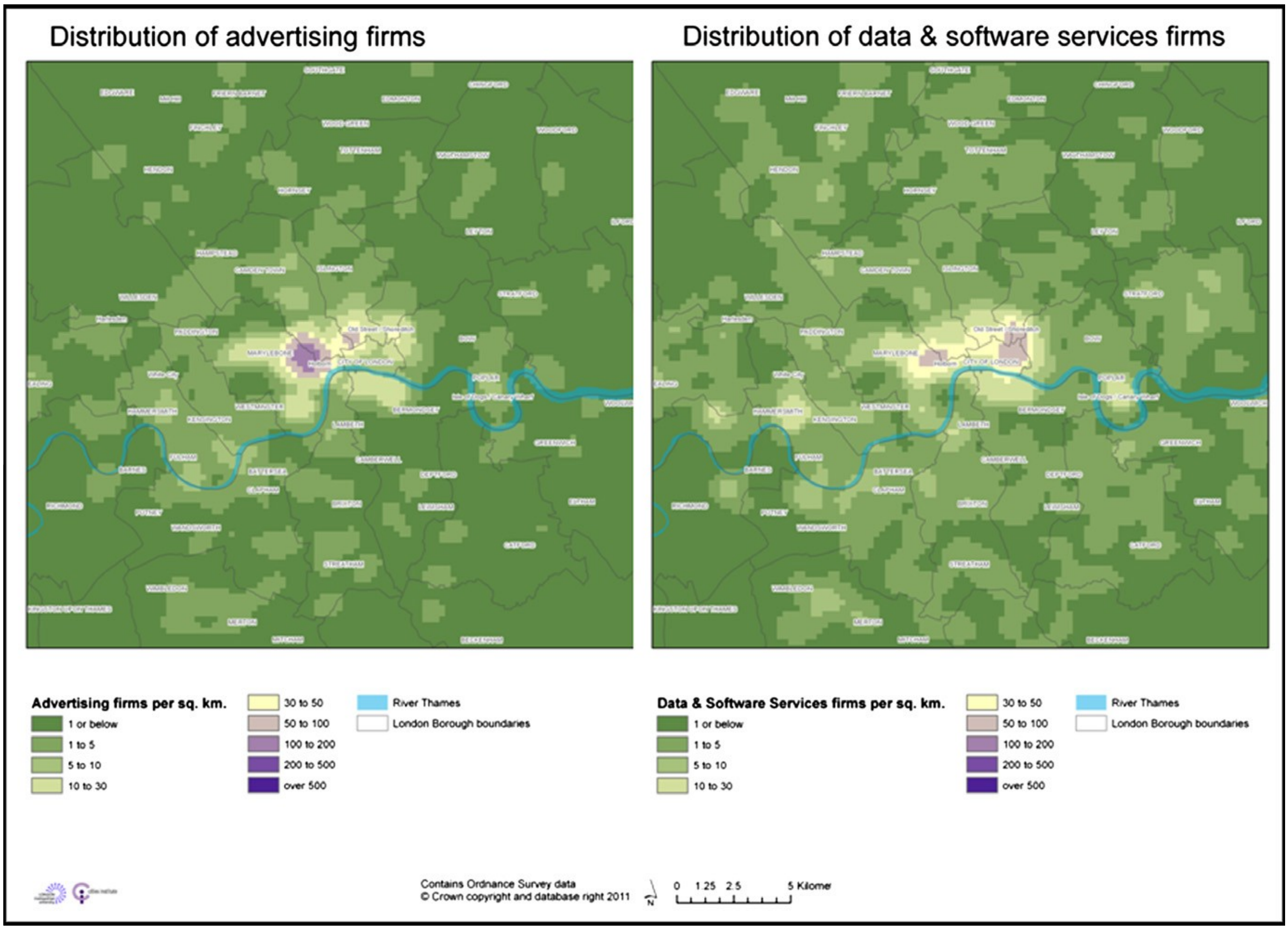

Figure 3. Concentration/Co-Location of Advertising and ICT firms, Central/East London

Source CI (2011)

Discussion

The lessons learned to date from this academic-creative/digital economy engagement concern both methods and modes of inter-action with end-user firms, and definitional models which challenge established industry and firm classification systems and thus creative industry policy; and also contribute to applied cluster theory in general - and digital-creative clusters in particular. We believe these findings are both transferable and warrant further exposition and case study analysis.

Several factors characterise this collaborative research-KE process, which together account for its success and sustainability so far:

1. A key finding from engaging with creative firms and owners/managers was that they valued the neutral space and mutual trust with academic researchers which was not so freely available elsewhere. They felt there was less risk in their ideas or innovations being exploited, whilst the venues such as incubators were safer environments to experiment and also to meet others. This may be an underestimated advantage that HEIs bring to enterprise development and KE.
2. The ability to synthesise various data sets at varying scales, to visualise and correlate these (through GIS/visualisation techniques) to produce new insights and explain linkages and relationships was also valued by creative enterprises and intermediary agencies. It also gave them a more objective view of their collective strengths, impacts and value.
3. A key to developing a trust based collaborative relationship between researchers and firms has been to be an active member of their network (as 'participant observer') including regularly attending their meet-ups and social events. This serves as a vital source of direct

engagement and source of new contacts, and an opportunity to explore mutual interests and themes for further research, co-creation/production and KE. Digital Shoreditch network grew from under 500 in 2011 to over 1,000 members in 2013 and gaining access to this network and database had been invaluable in undertaking further surveys and data analysis.

4. Finally, a unique opportunity for engagement and dissemination has been involvement in the annual Digital Shoreditch Festival which was first held in 2011 attracting 2,000 participants/visitors, (6,000 in 2012 and 15,000 in 2013). As academics we presented at successive festivals, serving on panels, hosting workshops and actively engaging with firms and others via website/blogs and fringe events. Our input was 'peer reviewed', through a web-based voting system prior to the festival. What is noteworthy is that this is equally a cultural as well as trade event, and has provided a creative opportunity to both present and get feedback on research, in situ.

To conclude, the established profile and presence of researchers in this evolving creative cluster of digital firms and their clients, presents a useful and novel model of academic engagement and research-led KE/KT. This offers further opportunities for research-KE interaction, whilst creating a rich and 'thick' description and understanding of the digital creative economy.

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