The Characteristics of Local Media Clusters: An Integrated Approach
The why of media clusters

Successful MEDIA CLUSTERS:

Seduce REGIONAL GOVERNMENTS into trying to replicate the success in their own regions.

*Media clusters defined as: “socio-economic agglomeration of media-related activities within a certain location that are supposed to bring advantages for the actors.”*
The problem of media clusters

No commonly agreed method for mapping and analysing the phenomenon of media clustering exists to procure the knowledge necessary to support the creation

The concept is:
1. vague
2. complex
3. multidisciplinary

Martin and Sunley (2003: 19): ‘there is no agreed method for identifying and mapping clusters, [...] in terms of the key variables that should be measured [...]’.
Research background and context

The problem of media clusters

Research question:
What are the key variables to analyse when researching media clusters?

Literature study  Novel framework
The overview of existing cluster literature

• 1920:
  • ‘Industrial districts’ by Marshall: shifted the attention from traditional units of analysis, such as firms, towards more inclusive units: productive systems in a location (Marshall 1920)

• 1970s:
  • ‘New industrial districts’ or ‘Neo-Marshallian industrial districts’ introduced by Italian literature (Becattini 1990; Sabel and Piore 1984)

• 1990s:
  • ‘Clustering’ by economists and management theorists as geographical agglomerations of firms emphasising (Porter 1990)

• Also:
  • ‘Agglomeration economies’ (also described as ‘localisation’ or ‘urbanisation’ economies) defined as the ‘positive externalities deriving from agglomeration (Rosenthal and Strange 2004)

• Other scholars:
  • Eriksson 2009, Krugman 1991, Tallmann et al. 2004, etc.
The literature study

The overview of media cluster literature

• 1865:
  • ‘Creative and innovative milieu’ as pioneering phenomenon described first by Taine and coined by GREMI focussing their research on this field since 1984 (Hall 2000)

• 2000s:
  • ‘Creative city’, ‘cultural city’ or the ‘knowledge-based city’ as concept describing an urban system where cultural activities are an integral part of the city itself (Trullen and Boix 2008)

• 2002:
  • ‘Creative class’ as individuals in urban areas who are supposed to generate economic, social and cultural dynamism (Florida 2002)

• Later:
  • ‘Media clusters’ defined as a ‘specialized form of agglomeration designed to produce mediated content, such as motion pictures, television programs/videos, broadcasts, audio recordings, books, newspapers, …’ (Picard 2008)

• Also:
  • ‘Media city’ as part of ‘global cities’ (Krätke 2003) and ‘planned’ media cities (Mould 2014)

• Other scholars:
The limitations identified in literature

1. **Methodologically limited**
   - Focus on high-tech clusters
   - Mere suppositions
   - Evidence (if given) built on assumptions and cases

2. **Static configurations**, but...
   - Characteristics vary affect the dynamics of clusters
   - Media as fast moving sector: ICT, convergence, etc.

3. **Focus on companies**, but...
   - Significance of social interactions already recognized

4. **No common approach** to media clusters
   - Multitude of disciplines: economic geography, strategic management, political economics, urban studies, sociology, and organisational behaviour studies
   - Terms and vocabulary are used heterogeneously: ‘industrial districts’, ‘creative milieu’, ‘creative class’, ‘creative cities’

**NEED for an integrative framework**
The three principles found in literature

1. A media cluster is a socio-economical phenomenon that is the result of a multitude of actors. The whole nature of a cluster therefore encompasses **DIFFERENT ENTITIES**.

2. A media cluster displays various characteristics that go beyond agglomeration. These characteristics should be seen as **PARAMETERS**.

3. The **SPECIFIC INTERRELATIONS** of the entities and parameters of clusters determine the dynamics of a media cluster, hence the output it can create.
The literature study

<table>
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<tr>
<th>Literature / Approach</th>
<th>Focus in research</th>
<th>Identified entities</th>
<th>Identified parameters</th>
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<tbody>
<tr>
<td>MARSHALL (1920)/</td>
<td>Key elements are subcontractors, available skilled labour and communication due to a common base of knowledge across the integrated firms, employees and the community.</td>
<td>Firms, employees, community</td>
<td>Skills, knowledge, communication</td>
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<tr>
<td>Industrial districts</td>
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<td>BECATTINI (1990)/</td>
<td>The emphasis lies on the efforts to co-operate and to build governance structures. The phenomenon is described as ‘a socio-geographical entity which is characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area’.</td>
<td>Community of people, firms</td>
<td>Cooperation, governance structures, population, historical bounded</td>
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<td>New industrial districts</td>
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<tr>
<td>PORTER (2000)/ Industry clusters</td>
<td>Clusters are defined as ‘a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities’.</td>
<td>Companies, associated institutions, connections</td>
<td>Geographical proximity, group, commonality</td>
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<tr>
<td>ERIKSSON (2009)/</td>
<td>Important aspects that have been studied are the reduction of costs, knowledge flows, accessibility and spill-overs, information flows, internal and external linkages as business networks, cluster life-cycles, etc.</td>
<td>Networks</td>
<td>Costs, knowledge flows, spillovers, linkages, life-cycles</td>
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<tr>
<td>Industry clusters / milieu</td>
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<tr>
<td>ROSENTHAL, STRANGE (2004)/ Agglomeration economies</td>
<td>The focus is on ‘positive externalities’ that derive from the geographic clustering of firms that lead to economics of scale within a region, which leads to superior performance and competitiveness of the region.</td>
<td>Firms</td>
<td>Positive externalities, region, performance, competitive</td>
</tr>
<tr>
<td>KRUGMAN (1991)/ Localised industry</td>
<td>Clusters can be traced to ‘some seemingly historical accident’ stressing the importance of path-dependencies in cluster research of firms.</td>
<td>Firms</td>
<td>Historical accident</td>
</tr>
<tr>
<td>LANDRY (2012)/ Creative and innovative milieu</td>
<td>A milieu is a place where a critical mass of ‘entrepreneurs, intellectuals, social activists, artists, administrators, power brokers or students’ operates. There are specific conditions concerning the location necessary to generate a flow of ideas and innovations.</td>
<td>Entrepreneur, intellectuals, social activists, etc.</td>
<td>Place, critical mass, location condition, ideas and innovation</td>
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<tr>
<td>FLORIDA (2002)/ Creative class</td>
<td>The focus is shifted from the creative industries to the human factor and its creative habitat. The creative class is constituted of individuals called highly skilled ‘bohemians’. The presence of these individuals in urban areas is supposed to generate economic, social and cultural dynamism.</td>
<td>Human factor, individuals</td>
<td>Creative habitat, urban area, dynamism</td>
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<tr>
<td>MOULD (2014)/ Planned media city</td>
<td>This concept refers to the media cluster as the ‘physical, meta-planned, purpose-built hub of media and creative industry knowledge in any given urban locale’.</td>
<td>Media and creative industry</td>
<td>Physicality, Meta-planning, purpose, hub, urban locale</td>
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<td>KARLSSON and PICARD (2011)/ Media cluster</td>
<td>‘[Media] clusters promote and improve production of entertainment and content by connecting producers through private and public partnerships, networks and projects, i.e. making media production more efficient’ and ‘also stimulate media innovation’.</td>
<td>Producers</td>
<td>Connections, partnerships, efficiency, innovation</td>
</tr>
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<td>PERRONS (2004)/ New media cluster</td>
<td>There is a need for entrepreneurial personnel with appropriate incentives to operate firms, and the capability for personnel to connect and learn from other participants in the cluster.</td>
<td>Firms, personnel</td>
<td>Connecting, learning</td>
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A novel heterogeneous framework of media cluster analysis

The framework developed
A novel heterogeneous framework of media cluster analysis

The entities of media clusters

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<tr>
<th>Entities</th>
<th>In literature described as</th>
<th>Novel definition</th>
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<tr>
<td>Media Institutions</td>
<td>Firms, population of firms, associated institutions, agglomeration, media and creative industry, producers, companies</td>
<td>...all institutions (profit, educational, governmental, etc.), which are directly or indirectly related to the creation of mediated content.</td>
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<td>Media Workers</td>
<td>Employees; entrepreneurs; intellectuals, social activists, artists, administrators, power brokers and students; human factor; personnel</td>
<td>...as those (be professionals or not) contributing at least partly to the production processes of media institutions.</td>
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<td>Media Communities</td>
<td>Community; community of people; networks; connections</td>
<td>...all kind of formal and informal communities where media workers are involved to share an interest, interact and practice.</td>
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A novel heterogeneous framework of media cluster analysis

The parameters of media clusters

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<tr>
<td>1. Place</td>
<td>Location; (geographical) area; region; place; location conditions; creative habitat; urban area/locale; physicality</td>
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<td>2. Proximity</td>
<td>Geographical proximity; communication; cooperation; interconnection; fbws; (production) linkages; relationships; partnerships</td>
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<td>3. Population</td>
<td>Critical mass; population; hub; agglomeration; group</td>
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<td>4. Profile</td>
<td>Skills; commonalities and complementarities; value-added chains; activities; specialisation</td>
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<tr>
<td>5. Path-dependency</td>
<td>Historical boundedness; life-cycles; path-dependencies; historical accident</td>
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<td>6. Policy</td>
<td>Governance structures, meta-planning, purpose</td>
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<td>7. Performance</td>
<td>Costs; knowledge (exchange); spill-overs; positive externalities; competitiveness; economical benefits, innovation; (innovative) capabilities</td>
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[Diagram showing interrelations between Place, Proximity, Population, Profile, Path-dependency, Policy, and Performance]
The parameters of media clusters

1. Place

...the geographical scale and local conditions influencing the media cluster’s dynamics.

Examples:

Potsdam (need for studio space)

The geographic scale

is the place the media cluster operates at: city, neighbourhood, region, street, house?

The local conditions

are place-specific economic, social and cultural characteristics e.g. specialised resources, infrastructure, external and endogenous determinants of a geographic landscape and demand conditions (Porter, 1990)

Issues with a mismatch between the ‘unit of observation’ and the ‘spatial extent of the economic phenomena’ (BRESCHI and LISSONI, 2001) when scaling media clusters a-priori!
A novel heterogeneous framework of media cluster analysis

The parameters of media clusters

2. Proximity

...the topographical and topological nearness influencing the media cluster’s dynamics.

Example: Incubators (one house, similar needs)

French School of Proximity (Lévy, 2003) distinguishes

(1) topographical proximity: traditional spatial approach and measures (Euclidean distance or travelling time)

(2) topological proximity: institutional, technological, social and organisational linkages between entities (Boschma, 2005)

Benefits: Cost reduction (e.g. travel costs), higher trust (similar challenges), more competition (innovation pressure), Network of linkages has also been often described in literature as ‘industrial atmosphere’, ‘noise’, or ‘buzz’, which consists of specific information, news, understanding of new knowledge, skills and learning processes.
The parameters of media clusters

3. Population

...the scale of the cluster in quantity of entities and concentration / relevance for the place linked to the development phase of the cluster.

The quantity and concentration:

• Statistical measures such as the Gini coefficient or measures of concentration have often been used to identify clusters (Martin, 1999).

• Research on life cycles of clusters has dealt with the scale of clusters developing an argument on the ‘critical mass’ (Fornahl & Menzel, 2003)
## The parameters of media clusters

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<th>4. Profile</th>
<th>...the type of entities and their functions within a cluster.</th>
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**Profiling of the 3 entities:**

- **Institutions** can be profiled in size, activities and place along the value chain, etc.

- **Media workers** can be profiled by their education, skills, demographics, etc.

- **Communities** can be profiled in size, activities, etc.
  - WENGER (2006): (1) self-driven, (2) artificial, (3) professional and (4) virtual communities

Example:
Reyers in BXL
A novel heterogeneous framework of media cluster analysis

The parameters of media clusters

5. Path-dependency

...the historic ligation, the origins and historically developed patterns influencing the dynamics of the cluster.

Examples:

Hollywood and lock-in effects

‘History’ is often considered to be the leading cause for cluster emergence (Martin, 1999)

backward and forward linkages and existing expectations can cause cluster patterns to lock-in through processes of cumulative causation
The parameters of media clusters

6. Policy

...the media policy tools from all levels influencing the media cluster’s dynamics.

Examples:

- Public broadcaster cluster
- Media City Dubai (tax incentives)

Governance structures of the media cluster

Vs.

Policies influencing the media cluster (regional, national and supranational)

Freedman (2008) defines media policy as the ‘systematic attempt to foster certain types of media structure and behaviour and suppress alternative modes [...]’
### The parameters of media clusters

| 7. Performance | ...the endogenous and exogenous externalities that media clusters produce. |

**Benefits and Influences of Cluster dynamics:**

**ENDOGENOUS**

- **Reduction of transaction costs / uncertainties** (e.g. information costs)
  - hard transactions (contracts) / soft transactions (knowledge)
- **Acceleration of spill-overs / competition**
  - Tacit knowledge, informal exchange, creativity, innovativeness

**EXOGENOUS**

- Urban planning / influence on urban climate

**Example:**

Harbour / Warehouse neighbourhoods transformed into media clusters

*Issues in how to measure performance of media clusters: for other industries R&D expenditures and number of patents often used but media is as product in itself creative / innovative*
# Considerations and implications

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The heterogeneous framework shall enable ...

1. Flexibility to approach divers media clusters
2. Dynamic view
3. Focus on social aspects
4. Uniting the vocabulary
5. Incorporation of quant-, qualitative observations
6. Theoretical considerations
7. Modification to fit needs, abilities of researcher and cluster
8. Usage in academia, governments, stakeholders

- Uniting future cluster research
- Connecting researchers
- Enhancing future research
- Guiding and theory building
- Clear action-points
Conclusion

Future prospects

- Developed framework needs TESTING on real-life cluster examples
- Further DEVELOPMENT of the framework on media clusters in the future

Upcoming research: Presentation at EMMA 2016 Porto
Title: A typology of media clusters: enabling comparison and benchmarking
Thank you very much for your attention!

Any questions?

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