



OECD Studies on Tourism

Tourism and the Creative Economy



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Foreword

This report is based on an OECD Tourism Committee review of the linkages and synergies between tourism and the creative industries. It has been prepared with the financial support from the Ministry of Culture, Sport and Tourism of Korea. Conducted in 2014, the review aims to better understand the emerging relationship between the tourism and creative sectors to support the development of effective policies in this area. It builds on previous OECD work on *The Impact of Culture on Tourism* (2009) and *Food and the Tourism Experience* (2012). The OECD recently reiterated the economic contribution made by the creative industries and emphasised the need to establish linkages with tourism.

The relationship between culture and tourism has been one of the major sources of tourism growth in recent decades. More recently, we are witnessing the increasing importance of creativity, which is supplementing conventional models of heritage-based cultural tourism with new forms of tourism based on intangible culture and contemporary creativity.

Part I of this publication examines the emergence of creative tourism and the opportunities to generate added value from integrating tourism and creativity. The creative industries offer interesting opportunities for the growth and development of tourism, including the potential to generate tourism demand, develop new creative tourism products and enhance place quality and attractiveness, as well as support the creative industries and stimulate creative exports. Developing adequate policy frameworks to strengthen the emerging relationship presents a number of challenges and active policies are needed to realise the potential benefits.

This document is based on a combination of desk research and original case study contributions prepared by countries, including Australia, Austria, Croatia, Finland, France, Israel, Italy, Japan, Korea, the Netherlands, New Zealand, Portugal, the People's Republic of China and the United States. The selection of case studies was informed by a number of criteria, including the different policy issues involved, the creative sector and the geographic spread of locations. The case studies illustrate the different aspects of this new approach to value creation. Several of these

case studies are presented in Part II (Austria, China, Italy, Japan, Korea, New Zealand and the United States).

This report was drafted by Greg Richards, external expert, and Jane Stacey, OECD Secretariat. The publication was prepared under the supervision of Alain Dupeyras, Head of the OECD Tourism Unit. It was co-ordinated by Jane Stacey and Soo Jin Kwon and benefited from the operational and editing support of Opal Taylor and Andrés Roure Cuzzoni. Jennifer Allain provided copy-editing support and prepared the manuscript for publication.

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Executive summary

The creative industries play a major role in generating, transforming and disseminating knowledge and have developed faster than the global economy as a whole in recent years, with trade in creative goods and services growing by 8.8% a year from 2002-11. They have the potential to stimulate economic growth and job creation, support innovation and entrepreneurship, aid urban and rural regeneration, and stimulate exports.

The creative industries are defined here as: knowledge-based creative activities that link producers, consumers and places by utilising technology, talent or skill to generate meaningful intangible cultural products, creative content and experiences. They comprise many different sectors, including advertising, animation, architecture, design, film, gaming, gastronomy, music, performing arts, software and interactive games, and television and radio.

New linkages and synergies with tourism have also emerged in tandem, offering considerable potential to grow demand and develop new products, experiences and markets. Integrating creative content with tourism experiences can add value by reaching new target groups, improving destination image and competitiveness, and supporting the growth of the creative industries and creative exports.

As a new approach to tourism development and marketing, creative tourism expands the very concept of tourism as a whole, driving a shift from conventional models of heritage-based cultural tourism to new models of creative tourism centred on contemporary creativity, innovation and intangible content. Creative tourism also involves collaboration with a wider range of actors, leading to dispersed value networks rather than narrow value chains. Creative tourism experiences combine different creative content and engage with creative lifestyles, both in the destination and remotely, or even virtually, via new technology.

The shift towards intangible content makes creative products more mobile and less attached to place, generating new policy challenges compared to tangible culture. It also offers opportunities to take advantage of new creative fields to develop new products/experiences and expand

markets, apply new technology and distribute creative content more widely. The added value potential of such activities can be enhanced by measures designed to support content development, link creativity to place, build knowledge and capacity, and strengthen network and cluster formation.

Strategies and integrated policy approaches are emerging at a national, regional and local level to capitalise on the growth and development opportunities from the convergence of tourism and the creative industries. However, a review of current policies and practices indicates that these linkages remain underdeveloped and awareness of the potential for growth and innovation is limited.

Developing creative tourism has implications for national tourism administrations, regional tourism authorities and destination marketing organisations. The challenge is not just to understand the creative industries and how these link with tourism, but to appreciate the fundamental changes stimulated by the growth of the creative economy. Active policy approaches are needed to effectively capture the opportunities to generate value offered by the growth of both creativity and tourism.

Active policies for creative tourism

Realising the potential from linking tourism and the creative industries requires new policy approaches to deal with the increasingly intangible and fragmented nature of creative experiences. Mechanisms also need to be found to embed creativity in the destination and stimulate visitation.

- Integrated policy approaches can link actors and resources to support cross-sectoral collaboration and stimulate convergence and innovation. Governments have an enabling role to play to develop creative tourism, including supporting networks, strengthening creative clusters and promoting entrepreneurship.
- The private sector is taking the lead in developing interesting and engaging creative content which can be distributed across different platforms. Tourism organisations should also assume a greater role in content production and distribution. Knowledge and skill development relative to the creative industries is therefore needed, while effective public-private partnership approaches are also important.
- Consumers are playing a more active co-creation role in the development of creative experiences and user-generated creative content, sharing and co-creating knowledge, and contributing skills relevant to the creation of tourism experiences. Policies should

therefore aim to bring producers, consumers and places together in order to co-create value.

- Branding places and experiences can connect creative activities to destinations and support the development of creative tourism experiences. Stories can be used to present content and engage consumers, supported by new technologies and creative marketing campaigns.
- Developing and applying new technologies and digital media is important in shaping and delivering creative content and tourism experiences, as well as connecting the various elements of the creative value chain together.

Part I

The emergence of creative tourism

Chapter 1

Creative tourism: Overview and policy directions

Creativity has become important in the knowledge economy, supporting economic growth and job creation. Linking the creative industries with tourism can boost demand, stimulate innovation in tourism experiences, revitalise tourism products, add atmosphere to destinations and improve place image. Developing new forms of creative tourism involves the use of different creative sectors and content and the application of new technologies. Active policy approaches are required to generate synergies. Policy makers need to consider a range of interlinked issues when seeking to develop creative tourism, including ways to stimulate creative content development for tourism experiences and link this to destinations and support network building and knowledge generation.

The mutually beneficial relationship between tourism and culture has been one of the major sources of tourism growth in recent decades. As underlined by the OECD's *The Impact of Culture on Tourism* (2009), this relationship is changing, with the previous emphasis on tangible heritage being supplemented by new forms of tourism based on intangible heritage and contemporary creativity. As destinations seek competitive advantage through creativity and consumers are looking for engaging tourism experiences, creative economy approaches offer the potential to add value through developing engaging creative content and experiences, supporting innovation and helping to make places more distinctive and attractive.

The significance of creativity in knowledge-based economies¹ is increasingly recognised. Knowledge and skills have become central to the creation of value in the economy as a whole and the creative industries in particular have become a significant economic, cultural and social force (Box 1.1). They foster growth and employment; contribute to innovation, entrepreneurship and skills development; support urban and rural regeneration; stimulate exports; maintain cultural identity; and enhance cultural diversity.

Box 1.1. A definition of the creative industries

A variety of terms and definitions have emerged as the creative economy has evolved, such as the “cultural industries”, “content industries” or “copyright industries”, as well as the “creative industries”. Acknowledging the different definitions and overlapping terms which exist, for the purposes of the current report, the creative industries as they relate to tourism are defined as: knowledge-based creative activities that link producers, consumers and places by utilising technology, talent or skill to generate meaningful intangible cultural products, creative content and experiences.

The core sectors of the creative industries include: advertising, animation, architecture, design, film, gaming, gastronomy, music, performing arts, software and interactive games and television and radio.

Creativity and culture are “important and powerful levers both for personal and societal development. They are a driving force for economic growth, are at the core of ‘glocal’ competitiveness in the knowledge society and shape territories and local economies in a way which is both innovative and creative” (OECD, 2005:3). The cultural and creative sector is at the heart of the European Union’s cultural policy, Creative Europe, while the creative industries have also been positioned by the United Nations Conference on Trade and Development (UNCTAD, 2010) as being central in addressing the global economic crisis.

Globally, trade in creative goods and services grew by 8.8% a year from 2002 to 2011 (UNCTAD, 2013) and the creative industries account for a significant proportion of many national economies, in value and employment terms. Many countries, regions and cities are attracted by their potential as an engine for growth and job creation, and have adopted creative strategies to stimulate local and regional development and to support national innovation and cultural policy.

The OECD recently reiterated the significant contribution the creative industries can make to economic growth and emphasised the need to link culture and the creative industries to tourism. As the creative economy has gained importance, the linkages and synergies between tourism and the creative industries have also grown. The creative industries can stimulate tourism growth by providing creative content for tourism experiences, by supporting innovative approaches to tourism development and marketing and by influencing the image of destinations. The link with the creative industries offers interesting opportunities to:

- develop and diversify tourism products and experiences
- revitalise existing tourism products
- use creative technology to develop and enhance the tourism experience
- add atmosphere and “buzz” to places
- overcome the limitations of traditional cultural tourism models.

Tourism is also important for the creative industries because it has the potential to:

- valorise cultural and creative assets
- expand the audience for creative products
- support innovation
- improve the image of countries and regions
- open up export markets
- support professional networks and knowledge development.

In order to develop effective policies to exploit these synergies, it is important to understand how value is created between these sectors to aid policy makers in developing policies and generating added value from this emerging relationship. This report particularly highlights developing

linkages and coherence between tourism, creativity, innovation and knowledge-based policies.

The objectives of the report are thus to:

- better understand the relationship between tourism and the creative industries, including an analysis of current and potential demand, potential markets and economic, cultural and creative impacts
- examine the potential role of tourism and the creative industries as a catalyst for local and regional development
- examine strategies and methods to build a strong creative tourism offering
- share experiences, innovations and good practice to enable national/regional tourism organisations to develop active policies to maximise the potential economic and other benefits associated with the creative industries.

Emergence of creative tourism

As the creative economy has evolved and gained importance over the past two decades, the boundaries between the creative sectors have softened and creative knowledge and skills are being deployed in the wider economy. Such changes are also reflected in the developing relationship between tourism and the creative industries. Early creative tourism concepts were based on learning experiences related to traditional areas of culture and creativity. More recent models have been based on the integration of the tourism and creative industries as a whole, engaging not only consumers but also producers, policy makers and knowledge institutions. Creative sectors such as design, fashion, gaming and animation are now providing access to new markets and diversifying demand. They are also offering new possibilities to interactively engage with audiences and to facilitate co-creation with consumers, increasing engagement and developing new knowledge about customer needs.

The real potential for value creation from this emerging relationship lies in the integration of tourist experiences with other creative content and concepts that can reach new target groups, help to improve destination image and competitiveness, and support the growth of the creative industries and creative exports. The creative tourism model has the potential to influence many areas of tourism development and marketing because it implies a more innovative approach to tourism, with a shift from “hard” to “soft” infrastructure and the development of new business models. Conventional models of experience production and consumption, such as

cultural tourism, will be supplemented by new models based on the distribution of intangible creative content, as well as *in situ* visitation.

New technologies create opportunities for innovative crossovers between tourism and the creative industries. These technologies can facilitate new tourist experiences, as well as offer new ways to develop and disseminate these experiences through social networks. Creative input can also add value and increase the accessibility of technology by providing effective consumer interfaces and attractive design for tourism experiences. Technology has enabled new creative intermediaries, such as bloggers and creative content producers, to become involved in the creation and distribution of creative tourism experiences. These new intermediaries largely operate outside conventional tourism distribution systems and are likely to have a growing influence on the tourism choices of consumers in the future. Tourism organisations will therefore need to employ new marketing strategies, such as involving the networks and clusters that characterise the creative industries.

Developing such linkages has the potential to generate significant benefits. Realising these benefits is largely based on collaboration between the tourism and creative industries, as well as between the public and private sectors. As noted in a recent UNESCO report, enhancing the creative industries requires “integrating all actors in a structured policy framework. This should take place at the governmental level and in the context of inter-ministerial policies, actions and funding mechanisms, as well as at a local level through cultural entrepreneurship, and finally at a partnership level with experienced international consultants and capacity builders” (2013: 103).

In order to capture more added value from linking tourism and the creative industries, some countries are developing integrated policy approaches that recognise the convergence of these areas and the wide range of synergies that can result. In Korea, an integrated approach to the creative economy and tourism has resulted in increased tourism flows and exports of Korean cultural and creative products, with Hallyu tourism alone being worth USD 1.5 billion in 2010. The need to integrate and stimulate convergence between the creative sectors and between tourism and the creative industries is explicitly recognised in Korea’s approach to creative tourism (Box 1.2).

Value is being created not only through attracting tourists, but also by developing creative content that can be disseminated via a range of different media platforms and by building a critical mass of creative expertise that can help to attract further creative business activity. Integrated policy approaches can also stimulate innovation in both the tourism and creative

industries. To date, however, such approaches have been relatively rare. Policies have concentrated on specific sectors, particularly film, television and music. This to some extent reflects the persisting divisions between different creative sectors, where there is a certain “silo effect” and difficulty mobilising support across all areas of government.

Box 1.2. Leading the creative industry through culture and tourism in Korea

Creative tourism in Korea can be explained in conjunction with the definition of the creative economy, which can be viewed as an expansion of the creative industries to generate new value and sustainable development based on creativity and innovation. The Korean government is currently seeking to enact a creative industry policy within a creative economy framework. This is viewed as essential to attain the national policy goals of economic revival and cultural prosperity: “the creative economy is designed to converge scientific technology and information and communication technology, while creating new value added and new jobs by integrating industry and culture.”

In line with this policy, the Ministry of Culture, Sports and Tourism has announced plans to create new jobs by fostering the cultural contents and tourism industry under the umbrella of the Korean creative industries. This policy initiative has the tagline, “Leading the creative industry through culture”. Key creative tourism areas include high value-added convergence tourism (i.e. meetings, incentives, conferences and exhibitions, medical tourism, Hallyu-related tourism), provision of tourism information utilising information technology (IT) and discovery of new industries. In this sense, creative tourism in Korea can be understood as convergence between tourism and scientific technology, culture and other industries. As creative tourism is a recently coined term found in Korean government policy, its target and boundary are as yet unclear. It is too early to define conclusively the boundaries of creative tourism. Nonetheless, there is a consensus that creative tourism comprises three areas: culture-based, IT-based and industry convergence-based creative tourism.

Source: Based on information from the Korean Ministry of Culture, Sports and Tourism and the Korea Culture and Tourism Institute.

The ease with which different creative sectors can be linked to tourism also varies. In some areas, such as film, extensive links already exist, with the use of buildings and landscapes as backdrops for film production providing direct input to place marketing. Even here, the links tend to be limited to using creative content to attract tourists. There are some signs that this is changing as creative businesses themselves develop attractions that offer more creative engagement for visitors. New Zealand, for example, has successfully leveraged attention from its association with films such as *The*

Hobbit Trilogy to grow visitor arrivals. One of the world’s leading digital effects companies, Weta Digital, is based in Wellington and offers visitor tours of its studio and production facilities. The company has also been commissioned by the city council to produce art installations for display around the city (Box 1.3).

Box 1.3. Strategy to position Wellington as New Zealand’s “Creative Capital”

The development of Wellington as New Zealand’s “Creative Capital” has been based on deliberate local government policy of strengthening the creative industries and developing creative hubs and clusters. It is comprised of a series of city council strategies, policies and partnerships with arts and cultural organisations aimed to revitalise the city and encourage economic growth.

Wellington has been particularly successful in developing the film and festival sectors to stimulate economic activity and attract tourists. Central government tax initiatives and film grants to encourage local and international film-making have also benefited the Wellington film industry. The film cluster generated revenue of NZD 828 million (USD 670 million) in 2012, an increase of 67% compared with 2011. It has also brought an international profile, employment and film-related tourism to the city. Wellington has sought to position itself as “Wellywood”, developing film-based attractions and tourist experiences. There is a film map, an international film festival, film-related public art and a studio tour of one of the world’s leading digital effects companies and dominant player in New Zealand’s digital content sector, Weta Digital. Sculptures produced by Weta have also been installed in the city during film premieres.

The relationship between Wellington and the creative industries has been picked up by visitors to the city. Tourism operators have received positive exposure and business growth as a result of the strong film sector and international tourism has increased. Wellington has also seen substantial economic returns, growth in arts and cultural sector employment and an increase in companies working in the creative industries. Direct added value from the arts and culture sector was estimated to be NZD 284 million (USD 177 million) in 2009, rising to NZD 495 million (USD 309 million) when flow-on effects are taken into account.

Source: Based on research by the Wellington Regional Tourism Organisation, Wellington City Council and the New Zealand Ministry of Business, Innovation and Employment. See the Wellington, Creative Capital of New Zealand case study in Part II of the current volume.

Other creative sectors, such as animation, gaming or design, have more limited linkages to tourism, at least partly because these tend to be emerging creative sectors. However, these newer sectors are now beginning to emerge

as important tourism generators. At present, the main synergies between such sectors and tourism seem to be linked to events, as in the case of SXSW, which began as a music event but now covers many different sectors, including SXSW Gaming which was attended by 45 500 people in 2014 (Box 1.4).

Box 1.4. Music, film and interactive media at SXSW, United States

SXSW is recognised as one of the most successful festivals in music, film and interactive media. Held in Austin, Texas, SXSW began as a music conference and festival in 1987 and added a film and interactive media festival in 1994. The goal of SXSW was to create an event that would act as a tool for creative people and companies to develop their careers, to bring together people from a wide area to meet and share ideas. It acts as a temporary creative cluster that has significant impacts on Austin beyond the two weeks of the SXSW events themselves, as there is considerable year-round activity related to these events. According to SXSW, the estimated operational output, which includes the local economic benefit of the operation and event-specific expenditure, exceeded USD 88.3 million in 2013. The 313 200 attendees also spent more than USD 129.9 million, generating a total economic impact of USD 218.2 million. SXSW reported more than 458 million media exposures of SXSW and Austin, with an estimated value of USD 37.5 million.

Source: South By Southwest (SXSW) (2013), “South By Southwest City of Austin economic impact analysis”, SXSW, Austin, Texas, <http://sxsw.com/sites/default/files/attachments/2013%20SXSW%20Economic%20Impact%20Analysis.pdf>.

This emerging relationship between tourism and the creative industries differs from the relationship between culture and tourism. Creative tourism is not just based on cultural heritage, but also on the knowledge generated by contemporary creativity by both producers and consumers. This creative knowledge is very footloose and needs to be anchored in specific destinations in order to attract tourists to visit the place where creative content is produced. Creative tourism approaches augment the physical, attraction-based tourism systems associated with cultural tourism with new intangible content and creative experiences. This implies a greater role for the commercial sector in developing cultural and creative content, along with higher levels of innovation and the application of technology. To make effective use of the opportunities being created through technological, economic and social developments, policy makers will need to work together with actors in the creative and tourism sectors, as well as with residents and tourists as “temporary citizens” of the places they visit. Active policy approaches are thus needed to generate synergies.

Policy directions for developing creative tourism

Developing adequate policy frameworks for creative tourism therefore presents a number of challenges. Linking tourism and the creative industries together in policy frameworks is a relatively new development and such linkages are not yet common. Awareness of the potential for growth and innovation through such linkages is low. There is therefore a need to develop integrated frameworks that can bring the different sectors together and support innovation. The case studies in this report show that public sector leadership in this area is important, particularly in creating awareness. However, the bulk of the creative content and experience development is provided by the private sector; and both sectors are highly fragmented. Networking and cross-sectoral linkages are therefore very important, and this may require the development of new governance models.

This report identifies a number of areas that are likely to be important for national tourism administrations, regional tourism authorities and destination marketing organisations seeking to develop creative tourism in the near future, including the development of creative content, linking creativity to place, promoting new sources of added value, building knowledge and supporting networks. In the longer term, emerging trends will have policy implications, including the growing role of new creative intermediaries, the arrival of the “sharing” economy, the emergence of relational tourism and the development of new tourism spaces.

These policy areas are interlinked, because the development of creative content provides the basis for creative experiences that need to be embedded in specific places to attract tourists and build creative brands. To maximise the value of these experiences, they need to be developed across a range of different value-adding channels, which requires knowledge of both creative supply and demand. All of these elements need to be linked together in networks that effectively combine the skills and knowledge of the tourism and creative sectors in order to develop and market creative value-added propositions. Developing these policy directions requires creativity and imagination as well as long-term vision. With the right combination of tourism and creative industries expertise, any country, region or city should be able to take advantage of the potential that is offered by the development of creative tourism.

Developing creative content

The creative industries are a valuable source of content for tourism experiences, marketing and development. The production and distribution of such content is likely to become more important for tourism destinations in

the future. Content can be used in different ways and the key will be to create interesting, engaging content to persuade visitors to come to a particular destination. Creative content can be injected into tourism products and experiences and distributed to visitors. It can also be used to develop content exports across a range of platforms, adding new dimensions to the physical tourism product and offering potential for economic growth, job creation and diversification of national and regional economies.

The flexibility of creative content provides opportunities for new collaborations between tourism organisations and media and advertising companies, as evidenced by Creative Austria. Focusing on creating content has enabled Creative Austria to develop strong links with the creative producers and industry leaders not only in Austria, but internationally, increasing brand awareness and supporting customer marketing (Box 1.5).

Box 1.5. Developing creative content for destination marketing in Austria

Creative Austria is a destination marketing partnership for the cities of Vienna, Graz, Linz, Salzburg and the state of Vorarlberg. Its main role is to generate and distribute content related to the contemporary creative scene in these destinations. It covers all creative sectors, but is particularly focused on the intersection between contemporary culture and the creative industries, such as architecture and street art. It distributes creative content via TV programmes produced for Austrian national television and a YouTube channel (WatchCreativAustria). The print magazine *Creative Austria* is also distributed as a supplement in the newspaper *Der Standard* and as a promotional tool at international cultural events, fairs and festivals.

Content must be clearly linked to one of the partner destinations and provide a reason to visit. The main target groups for Creative Austria are cultural opinion leaders from subcultures related to contemporary culture and creative industries, cultural journalists, cultural and creative industries professionals and younger cultural tourists. These creative influencers are key intermediaries in reaching the wider creative scene. To connect with these key groups, it is important to speak their language, so Creative Austria integrates the core brand values of being innovative, creative, ironic and cheeky. The strategy of complementing the established marketing programmes of the tourism organisations with a focus on highly interested cultural influencers gives a clear framework for the planning of the operational marketing activities and allows international target groups to be reached very effectively, even with a fairly small budget.

Source: Based on research by Creative Austria. See the Creative Austria Content Communication Platform case study in Part II of the current volume.

Creative industry formats, such as video games and animation, can be used to frame and market destinations. It may also become more common for tourism organisations to approach the marketing and branding of content in similar ways to the creative industries. The process of “storytelling”, for example, could be used as a means of organising, structuring and presenting creative content in a way that engages consumers. Branding and storytelling can be supported by new technologies and creative marketing campaigns. New media also offer opportunities for content distribution, as can be seen in the use of viral marketing by destinations.

Effective public-private partnership approaches and measures to support small and medium-sized enterprises (SMEs) and entrepreneurship are also important, as core responsibility for content development sits with the private sector. Financing content development is an important issue for both the tourism and creative sectors because of the relatively small scale of most enterprises. Financial mechanisms such as tax incentives or grants may support innovative developments and cross-sectoral projects. Incentives can also be used to direct creative innovation into products and locations where new developments are most needed.

Linking creativity to place

The shift towards creative content means that creative tourism experiences will be more footloose than cultural tourism products. Creative products can often be consumed anywhere via digital media. This mobility offers opportunities to raise awareness of national and regional cultures and stimulate visitation. However, it creates challenges in linking creative products and experiences to specific places. Ways therefore need to be found to embed creativity in the destination so tourists visit the place where creativity is produced.

Links between creativity and place have been developed in Japan, for example, by commissioning place-specific artworks in the Setouchi Islands. This has formed the basis for a highly successful art event, which has helped to attract large numbers of visitors to the relatively isolated island destinations, revitalising the region and helping to replace employment lost through industrial restructuring (Box 1.6).

Creative clusters, such as design or fashion districts, can also be used to anchor and embed creative content in specific places. Requiring creative start-ups in receipt of public funding or support to operate in a location for a specific period of time or to link their branding strongly to the location may further help create a link between the product and the place.

Branding strategies that link creativity to place will be more important, creating visibility for destinations and their creative industries. Different content elements need to be linked together through stories and narratives that connect creative activities to specific places. Creative branding can help to make places more attractive to creative workers as well as visitors, supporting broader “live-work-visit-invest” strategies, while branding may also raise awareness of the relationship between the tourism and creative industries.

Box 1.6. Contemporary art on the Setouchi Islands, Japan

Contemporary art has transformed the islands of the Seto Inland Sea into “islands of art”. The groundwork was laid by the local development plan which aimed to develop Naoshima Island as an educational and recreational site. The private sector has been instrumental in this change, financially supporting the art projects and promoting the Setouchi International Art Festival, known as the “Setouchi Triennale”.

Commissioning site-specific artworks has established a strong relationship between the land and seascape and the art, strengthening the uniqueness of the artworks and the attractiveness of the islands as a tourism destination. The artworks have been important in generating tourism and spreading visitors to different sites, while also creating links between art and nature and between local residents and art. Promotion has helped push the proportion of foreign visitors to 18% and the islands have been featured in National Tourist Office campaigns abroad.

In 2010, the first Setouchi International Art Festival was held in the seven islands in the Seto Inland Sea, as well as Takamatsu and Uno ports. It generated over 900 000 visits to arts events on the islands involved and produced an estimated JPY 11.1 billion (USD 126 million) in economic impact. The festival was again held in 2013 and this time was spread across spring, summer and autumn sessions and expanded to include five more islands. The festival is a key tool of the prefectural government Art Tourism Plan 2010-2015, which aims to leverage contemporary art in the islands to encourage longer stays and spread visitors to around the wider region. The Setouchi Triennale Executive Committee is composed of representatives from government, the creative industry and local business, including the tourism industry.

Source: Based on research by the Japanese Ministry of Land, Infrastructure, Transport and Tourism. See the Contemporary Art and Tourism on Setouchi Islands, Japan case study in Part II of this volume.

Promoting new sources of added value

Bringing tourism and creative enterprises together can stimulate innovation and encourage the development of new products across sectoral boundaries. Creative know-how and new technologies can support the design of more engaging tourism experiences and innovative marketing

approaches which reach new audiences, as seen for example in the development of mobile apps and booking systems. Creative input can provide content and support the design of traveller-focused interfaces that are more accessible and engaging for consumers, adding value and utility to basic technology and promoting the take-up of new technologies and media applications. Consumers can also play an active role in developing creative experiences and user-generated creative content. Tourism organisations need to be aware of the potential of such developments. Equally, those in the creative sectors need to be aware of the tourism potential of their products and experiences.

Links with the creative sector can also provide opportunities to identify new ways of doing business in the tourism economy. Relational economics are already well established in the creative economy and new intermediaries are facilitating the formation of relationships between tourists and locals, often via the Internet. Web-based relational systems such as Couchsurfing (www.couchsurfing.org) or Airbnb (www.airbnb.com), for example, are supplementing traditional tourism facilities and changing the ways of doing business, with implications for policy makers who will have to deal with new business models as creative tourism develops.

Building closer connections between tourism and the creative industries has the potential to be a new source of growth and job creation in areas with limited tourism assets. Creative tourism does not rely on the presence of heritage sites or other location-based cultural assets. Potential exists for regions to take measures to create appealing environments to attract and support the creative industries and develop creative clusters which can then be used to attract tourism. In this way, both urban and rural areas can leverage creativity to support local development and build creative tourism destinations.

Developing knowledge and building capacity

Collaboration between tourism and the creative industries implies a process of knowledge development for people involved in both sectors. This goes beyond raising awareness to developing new creative skills and capabilities in tourism organisations, including the use of new technologies and content production and distribution, as well as broader creative thinking. The creative industries have a high knowledge and skill content and there is a strong link between creative industries development and the provision of specialised education and training. Building capacity and establishing closer connections between actors is necessary to promote convergence and realise mutual benefits from closer integration of the two sectors.

In many locations, knowledge institutions in fields such as art, design or architecture function as important nodes in creative clusters, attracting highly educated people and creative businesses. There is a need to increase skill levels and develop talent in the creative industries and tourism. One example is to encourage architects and designers to pay more attention to tourism facilities and products as well as to encourage tourism producers to incorporate higher design values into their products. At a more general level, there is an argument that “design thinking” should be introduced into tourism and other fields as a strategy for increasing creativity and innovation (Cunningham, 2013).

The creative economy offers immense opportunities for knowledge development and the transformation of the economy through the application of creative ideas. Tourism is seen mainly as an arena for the application of knowledge and creative ideas at present. However, tourism plays a crucial role in bringing people together in a globalising world and there is strong potential to use tourism as a source of knowledge and creativity.

Strengthening network and cluster development

Knowledge and value can be generated through the operation of networks. The value created by and around tourism is no longer simply economic but also relational, emotional and creative. This is exemplified in the co-option of tourists as temporary citizens and the growing role of the creative industries in destination-making through images, branding and blogs. An expanded understanding of tourism as a network, rather than an industry, underlines the need for a whole-of-government approach and the development of live-work-visit-invest programmes in place of narrow tourism or city marketing campaigns.

Some countries are actively taking steps to develop national or regional creative networks. Berlin, for example, has become a major creative destination thanks to its creative image and growing community of creative workers. This growth has been deliberately stimulated by public policies designed to strengthen the creative networks in the city (Box 1.7).

Encouraging the growth of informal networks can also help stimulate tourism. Many of the cases in this report underline the importance of developing grass roots creative activity as a source of innovation and sustainable growth. This local creativity needs to be linked to “visibility networks” that can attract tourism flows and support the branding of the destination. Events can also act as temporary hubs in global networks, attracting the attention of network members abroad. In order to increase the added value offered by such temporary creative clusters, permanent creative facilities need to be developed to anchor networks to the destination and

ensure year-round and long-term benefits. Measures to support and strengthen network and cluster development and develop place quality can also support local development and regeneration strategies.

Box 1.7. Supporting creative networks in Berlin, Germany

Berlin has become a major tourist destination in Europe, with over 22 million overnight stays in 2011. Many of these visitors are attracted by the creative image of the city and the “soft infrastructure” related to creativity, including its restaurants, bars and street-life. The creative appeal of Berlin has been boosted by specific policies aimed at supporting the creative industries, first identified as a priority in 2004. Success factors for the creative development of the city include:

- utilising the existing creative resources of the city, rather than trying to import talent from elsewhere
- playing to the strengths of existing creative networks, such as the electronic music scene
- turning lack of resources into an advantage by emphasising networking and starting from small groups with frequent contact to develop trust
- consistent policy developed over a long period of time, utilising the knowledge of key players from the creative field.

In order to compensate for a relative lack of creative industry expertise in the administration itself, the city set up advisory boards to cover key sectors, bringing together actors from the public, private and voluntary sectors.

Source: Neumann, I. and Y. Rijpers (2013), “Cultural clusters as a commodity for cities, plannable and makeable?”, Deltametropolis Foundation, Rotterdam, Netherlands.

The example of the Dutch city of ‘s-Hertogenbosch presented in Box 1.8 illustrates the many ways in which cities and regions can link tourism and the creative industries to develop value added in both areas. The city has used the basic cultural legacy of being the birthplace of the painter Hieronymus Bosch in order to link heritage and contemporary creative production. Celebrations around the 500th anniversary of Bosch include many different creative activities, including film, music and creative heritage experiences. This case particularly illustrates how the creative sectors can help destinations to reach new markets, extend their creative activities internationally and use clusters and networks to leverage added value.

Box 1.8. Hieronymus Bosch as inspiration for contemporary creativity in the Netherlands

The Dutch city of 's-Hertogenbosch (Den Bosch) has made extensive use of the creative industries in its programme of celebrations for the 500th anniversary of the death of the painter Hieronymus Bosch in 2016. This event aims to attract large numbers of tourists and also to strengthen the creative and cultural fabric of the city by bringing Bosch to life, using his artistic legacy as a creative inspiration for the future. The interesting challenge for Den Bosch is that it does not have any pictures by Bosch, as his remaining paintings are scattered across the world. The city therefore has to develop a creative tourism product based entirely on intangible assets, including the creativity inspired by Bosch's work and the storytelling potential of being his birthplace (Marques, 2013). The main elements of the programme include:

- The Bosch Heritage Experience linking tourism and heritage organisations with the world of animation, augmented reality, projection and storytelling, taking visitors back to the city of Bosch in 1516.
- The Bosch Research and Conservation Project generating knowledge about the works of Bosch. The results will be used for the concept of a major art exhibition and the Bosch Heritage Experience.
- A National Event Year around the celebration of 500 years of Bosch, supported by the National Tourism Organisation. This will include a film by Peter Greenaway on the life of Bosch.
- The Bosch Art Game is a digital art game being developed through an international competition. The winning game will be produced commercially.
- The Bosch Parade is a public event where the local creative industries provide floats for public displays on the local river as well as visual arts, performing arts, music and dance to accompany the parade.
- The Bosch Cities Network links the cities where Bosch artworks are present in museum collections. The network co-operates around research, restoration, performing arts and visual arts.
- Major exhibitions of Bosch paintings will be staged in 's-Hertogenbosch and the Prado in Madrid in 2016. It is estimated that 400 000 visitors will see the exhibition in 's-Hertogenbosch.
- Merchandising of numerous Bosch products and design objects, through partnerships with creative companies such as Fatboy.

Box 1.8. Hieronymus Bosch as inspiration for contemporary creativity in the Netherlands (*cont.*)

By linking tourism and the creative industries, the city has overcome limitations in the supply of cultural heritage resources, developed the creative capacity of the city, forged international networks to gather creative resources and focus visitor attention and engaged citizens through the development of grassroots creativity. A city that was previously reliant on the heritage of the past has creatively linked itself to new sectors, such as gaming and design, to engage new visitor markets and extend its product portfolio.

Source: Based on information from Jheronimus Bosch 500 Foundation.

Note

1. “The knowledge-based economy” is an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors.

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Chapter 2

Creative industries in the knowledge economy

“Creative industries” is a relatively new term that signals the growing importance of creativity and innovation in the knowledge economy. The creative industries cover a diverse range of sectors and activities and many definitions exist. This chapter reviews existing definitions and proposes a specific definition of the creative industries in relation to tourism. The development and growth of the creative industries are then examined and key policy areas are highlighted. The creative industries are supported by governments for many reasons, including promoting economic growth, job creation and exports; stimulating innovation; and supporting urban and regional regeneration.

The knowledge economy is a major area of focus for governments, as economies are increasingly dependent on the production, distribution and use of knowledge. It has the ability to foster creativity and innovation as a vector of growth across all sectors of the economy and to attract business opportunities, investment and a highly skilled workforce. The importance of knowledge in the economy has given a more central role to the creative industries, as generators, transformers and disseminators of knowledge. The creative industries encompass a varied range of creative activities and sectors, from the fine arts to media, fashion and advertising. These sectors use creative skills, add value by applying knowledge and often depend on intellectual property. However, the creative industries are diverse in terms of form and function, and are consequently difficult to define and measure.

Defining the creative industries

A variety of terms relating to the development of creativity and culture have been used, including “cultural industries”, “creative industries”, “copyright industries” and “content industries”. These terms have “different meanings and scope, and are used in different ways in various contexts, a situation that has resulted in extensive debate and even controversy” (Creative Metropoles, 2012:8). Within this profusion of terminology, “creative industries” has become the most widely used label. The concept of the creative industries originally stems from the idea of the cultural industries. It emerged in the 1990s as a policy-led “attempt to change the terms of the debate about the value of arts and culture” which previously “tended to be seen as marginal to economic life and dependent on public subsidy” (British Council, 2010: 15).

UNESCO (2009a) defines the creative industries as “those in which the product or service contains a substantial element of artistic or creative endeavour”, encompassing “a broader range of activities which include cultural industries plus all cultural or artistic production, whether live or produced as an individual unit”. The shift from “cultural industries” to the broader “creative industries” signifies a number of important changes in the way culture and creativity are viewed. These include:

- a broader understanding of culture and artistic activity
- the increased importance of creativity, innovation and skills in economic development
- changes in consumption and demand patterns
- the repositioning of culture from being elitist and exclusive to being more creative, democratic and inclusive

- viewing the production of culture as a sector rather than a separate industrial activity
- a shift from subsidised arts towards commercial creativity.

Selecting a definition of the creative industries is more than a question of identifying industries that are “creative”: it also implies understanding the processes that underlie the emergence of the creative industries. Because of the complexity of these processes, a range of different definitions and models has emerged. These are summarised in Table 2.1. Further analysis of the different models has also recently been made by UNESCO (2013).

Table 2.1. **Models of the creative industries and associated concepts**

| Model | Description | Implications |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sectoral model | Creative industries are viewed as an economic sector with distinctive value chain and important economic impact. The original approach was taken by the United Kingdom. Many other countries have adopted this approach, including Australia, Canada and Germany. | A focus on specific sectors that are relatively easy to identify and measure. May potentially strengthen the existing divisions between sectors and inhibit an integrated approach. |
| Concentric circles model | Creative ideas originate in the “core creative arts” and then disseminate outwards to the “borderline” and “peripheral” cultural industries. Model originally developed by Throsby (2001) and extended by The Work Foundation (2007). Originally used by academics, now more widely adopted by policy makers. | Identifies the creative content and “expressive value” involved in different creative activities and identifies the symbolic value of creativity. Poses the problem of adequately defining expressive value. |
| Symbolic texts model | Cultural industries essentially concerned with production of social meaning through the production and circulation of texts. Mainly used by academics. | Illustrates the very wide scope of creativity, which includes many functions outside the cultural industries themselves. |
| Intellectual property and copyright model | World Intellectual Property Organisation (WIPO) model of the “copyright industries” involved in the creation, manufacture, production, broadcast and distribution of copyrighted works or intellectual property (IP). Used to estimate the economic value of the copyright industries. | Allows the value of copyright sales to be calculated, but not all creative industries deal with IP, so has limited scope. |
| UNESCO Institute for Statistics trade-related model | Based on international trade in cultural goods and services. Used to calculate the export value of trade in cultural goods. | Provides a clear measure of the export value of cultural goods and services and therefore a useful tool for export-orientated policies. Provides limited coverage of creative sectors, and does not consider tourism-related exports. |
| Americans for the Arts model | Based on the identification of creative sectors related to the arts. Mainly used as a lobbying tool by the arts sector. | Relates very clearly to arts policy, but ignores links with technology, computing and other creative sectors. |

Table 2.1. **Models of the creative industries and associated concepts** (*cont.*)

| Model | Description | Implications |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Experience economy model | The concept of the “experience economy” developed by Pine and Gilmore (1999) has been linked with the creative industries, particularly in the Nordic countries. Sweden and Finland have developed this concept extensively (The Knowledge Foundation, 2006; Tarssanen, 2009). | The experience industry concept is very heterogenous and difficult to operationalise. The Swedish Agency for Growth Policy Analysis (2009) recently suggested abandoning the term in favour of “creative industries”. |
| Social network model | Potts et al. (2008) produced “a new social network-based definition of the creative industries” that shows how the creative industries create value by circulating new ideas within networks. Used by academics. | Emphasises the importance of networks in innovation and value creation, providing a link to social policy as well. May be difficult to operationalise. |
| Employment-based model | UNESCO (2009b) and the Centre of Excellence for Creative Industries and Innovation at Queensland University of Technology (Box 2.2) signal a move away from Standard Industrial Codes towards occupational-based definitions. Also embedded in the “creative trident” model. | Occupational data provide a more accurate measure of value added and growth in the creative industries. Underlines the value of the creative industries for the whole economy. |
| Creative domains model | The UNCTAD (2010) approach is wider than narrow cultural or arts definitions, and explicitly recognises more commercial and intangible forms of creativity as related to the creative industries. This model has been used as the basis of many other studies, particularly in developing economies. | Provides a very broad umbrella that has the potential to bridge the gap between cultural and creative industries policy. May lack focus for some policy purposes. |
| Creative talent model | The NESTA (2013) <i>Manifesto for the Creative Economy</i> identifies “creative talent” as the distinguishing feature of the creative industries. Further develops the United Kingdom’s Department of Culture Media and Sport (1998) definition. | The focus on talent recognises the convergence of different creative sectors and provides a useful link with models of the “creative class” or the “creative city”. However, creative talent is found across a wide range of industries, leading to a potential loss of focus. |

Source: Throsby (2001); The Work Foundation (2007); Pine and Gilmore (1999); The Knowledge Foundation (2006); Tarssanen (2009); Swedish Agency for Growth Policy Analysis (2009); Potts et al. (2008); UNESCO (2009b); UNCTAD (2010); NESTA (2013); Department of Culture Media and Sport (1998). For more information, see the complete bibliography at the end of this chapter.

Many approaches have used the sectoral approach first developed by the UK Department of Culture, Media and Sport (DCMS) in 1998. This has tended to produce a degree of consensus on the “core” sectors of the creative industries, which usually include advertising, architecture, design, film, music, performing arts, software, television and radio and video.

Nonetheless, the sectors included in the creative industries in different countries continue to vary, as does the terminology used (Box 2.1).

Box 2.1. Definitions of the creative industries from different countries

Australia: Advertising and marketing; architecture; design and visual arts; film, television and radio; music and performing arts; writing, publishing and print media; software, web and multi-media development and interactive content.

Austria: Advertising; architecture; design; video and film; music; books and arts; libraries; museums; botanical and zoological gardens; publishing companies; radio and television; software and games.

Canada: Advertising; architecture; crafts; design; film industry; sound recording and music publishing; performing arts; written media; visual arts; broadcasting; archives; art galleries; museums; libraries; culture; education; photography.

Germany: Advertising market; architectural market; art market; design industry; film industry; music industry; performing arts market; book market; press market; broadcasting industry; software and games industry.

Indonesia: Advertising; architecture; fine art; craft; design; movies; video and photography; music; performing arts; publishing and printing; television and radio; interactive games; culinary; fashion; information technology; research and development.

Korea: Advertising; animation; cartoons and comics; film; music; performing arts; publishing and printing; broadcasting; games; characters; information technology; content solutions.

United Kingdom: Advertising and marketing; architecture; crafts; product; graphic and fashion design; film; television; video; radio and photography; music; performing and visual arts; museums, galleries and libraries; publishing; IT, software and computer services.

Note: Australia, Austria and the United Kingdom definitions are based on “creative industries”. Germany refers to “cultural and creative industries”. Indonesia uses “creative economy”, Korea uses “content industries” and Canada uses “arts and culture industries”.

Sources: Australian Creative Industries Innovation Centre (2013); Austrian Federal Economic Chamber (2013); Conference Board of Canada (2008); German Federal Ministry of Economics and Technology (2011); Indonesia Kreatif (2013); Korea Creative Content Agency (2013); Department for Culture, Media and Sport (2014).

One problem with the sectoral approach is that all jobs in each sector are considered to be “creative”, even when many functions within these sectors are arguably not creative (such as administrative functions in creative enterprises), while many creative people work outside the formal creative sectors (for example in the design of cars). The more recent

employment-based approaches, such as the “creative trident” (Cunningham, 2011; 2013), combines people working in the creative industries and those working in specialist creative jobs in other firms and organisations (Box 2.2).

Box 2.2. Defining the creative industries based on creative occupations in Australia

Early attempts by the Centre of Excellence for Creative Industries and Innovation at Queensland University of Technology to statistically define the creative industries used standardised industry classifications. However, these categories did not have codes for emerging sectors such as computer games and there was much debate about which industry classifications should be included (e.g. which digital sectors). This led to usage of the much more detailed national occupational codes both to track job growth as well as to assist in disaggregating gross domestic product (GDP).

The focus on occupations led to the development of the creative trident methodology, which differentiated between three types of creative employment: creative occupations in creative industry sectors (core creatives), creative occupations in other industry sectors (embedded creatives) and creative support workers. More recently, the distinction between creative services occupations (e.g. design, advertising and communications) and cultural production occupations (e.g. publishing, film and television, creative arts) has been added to the model. Comparison of 2006 and 2011 census data in Australia finds the core cultural production occupations are stable, whilst the core creative service occupations are growing rapidly, and embedded creative service occupations are the largest creative jobs sector and growing in parity with the rest of the economy.

The emphasis on embedded creative occupations is significant because it points to the importance of the creative workforce for the whole of the economy, as:

- these jobs are crucial in accelerating consumption across all sectors because they enable the cultural process involved in the consumption process
- they are engines of innovation particularly in relation to re-engineering the way services are delivered (virtually rather than physically).

Source: Based on research by the Centre of Excellence for Creative Industries and Innovation, Queensland University of Technology.

Not surprisingly, there is still debate about the use of the term “creative industries” and analogous terms and this is reflected in the creative sectors covered. Finland, for example, uses a broad definition of the “cultural industries”, while Korea uses a wider “creative economy” approach to describe the convergence between industry and culture through scientific technology and information and communication technology, which creates

new value added and jobs. The split between the creative industries and the cultural industries has been effectively removed by the European Commission in its recent adoption of the term “cultural and creative industries” as a blanket term for both. In the current report, these terms are viewed as largely interchangeable. It is not so much the terminology, but rather the policy focus that is important in shaping approaches to the creative industries.

In developing a common understanding of the creative industries for the purpose of this report, a conceptual definition is adopted that helps to describe the ways in which the creative industries can interact with tourism, augmented with a more operational indication of the key sectors involved. The conceptual definition aims to support the understanding of the role of the creative industries in the context of tourism, helping to provide the rationale for intervention. The creative industries are defined in relation to tourism as: “knowledge-based creative activities that link producers, consumers and places by utilising technology, talent or skill to generate meaningful intangible cultural products, creative content and experiences”.

This conceptual definition emphasises that knowledge is a basic driver of the creative industries. By recognising that creativity involves not only producers but also consumers and places as creative actors, it stresses the social and cultural aspects of creativity, as well as its economic effects. The definition also highlights that talent and skill are required to turn knowledge into creative products for the marketplace. It therefore integrates many of the elements in the definitions of the creative industries described above, covering different creative sectors and products, talent, social meaning, trade in creative products, networks and experiences.

The operational definition of the sectors of the creative industries helps to identify the specific areas in which these policies are deployed and also the potential linkages that can be created. The core sectors of the creative industries are identified as including:

- advertising
- animation
- architecture
- design
- film
- gaming
- gastronomy

- music
- performing arts
- software and interactive games
- television and radio.

Given the dynamic nature of the creative industries and their relationship to tourism, other creative sectors may also be identified. The link between these sectors is that they fall primarily in the “new creative economy” of media and functional creations in the UNCTAD (2010) creative domains model.

Promoting economic growth and job creation

In many countries, the creative industries have grown faster than the economy as a whole, making them attractive to policy makers as drivers of sustainable economic growth and employment. The creative industries deliver a broad range of benefits, including:

- generating economic growth, exports and employment
- stimulating innovation
- developing intellectual property
- supporting education and training
- diversifying national and regional economies
- developing linkages to tourism, urban and regional development
- strengthening cultural identity and diversity
- generating beneficial externalities
- addressing market failure by stimulating the production of public goods, addressing imperfect competition and promoting research and development.

With their extensive knowledge base, the creative industries generate value far beyond the narrow economic output of the individual creative sectors involved. The growing importance of the creative industries has stimulated the development of many national and regional policies aimed at these industries. The creative industries stimulate innovation, support economic restructuring, and contribute to the creation of new cultural and creative content and experiences. They also generate wider socio-economic impacts, including social cohesion and integration of marginalised groups;

creation of a new value system; affirmation of creativity, talent and excellence; and strengthening of cultural identity and diversity (UNESCO, 2009b).

The importance of creative employment and value added are major reasons why governments are adopting specific policies for the creative industries. World trade in creative goods and services is estimated to have reached a record USD 624 billion in 2011, more than double the 2002 level. The average annual growth rate of the sector during that period was 8.8% (UNCTAD, 2013), compared with overall global annual economic growth rates of 4%. In the European Union, a study commissioned by the International Chamber of Commerce estimated that the cultural and creative sectors accounted for 4.5% of total EU GDP and some 3.8% of the workforce in 2008 (TERA Consultants, 2010).

The World Intellectual Property Organization (2012), meanwhile, estimates that at national level, the creative sector, or “copyright industries”, contributes 4-6.5% of GDP in three-quarters of countries worldwide. While this contribution can vary significantly across countries, the creative sector accounts for a greater share of GDP in countries that have experienced rapid economic growth.

A review of available information on the size and impact of the creative sector in a number of OECD and non-member countries for which recent data is available similarly points to the importance of the creative industries in these national economies (Table 2.2). There does not appear to be any clear relationship between the size of the economy and the importance of the creative industries, indicating that economies of all sizes could benefit from developing the creative industries. The estimated size and significance of the creative industries varies depending on the definitions used, while a lack of data and empirical studies also make cross-country comparisons difficult.

The role of the creative industries can be even more significant in terms of generating economic activity and employment in urban areas. Larger cities can account for a big proportion of total creative industries activity in national economies, although a recent OECD report (2013) notes that “middleweight cities” have also experienced medium-term job growth in this area because of the role of anchor institutions and the fact that space and cost constraints have squeezed creative talent out of larger cities. Creative industries are worth about EUR 12 billion (USD 15.9 billion) in the city of Zurich alone, with a rapidly growing employment rate since the mid-2000s, while Vienna, for example, accounts for 42% of all creative enterprises in Austria.

Table 2.2. **Contribution of the creative industries to GDP and employment**

In %

| | Year | GDP | Employment |
|----------------|------|------|------------|
| Australia | 2009 | 6.9 | 4.4 |
| Austria | 2010 | 10.4 | 4.0 |
| Brazil | 2011 | 2.7 | 1.7 |
| Canada | 2007 | 7.4 | 7.1 |
| Chile | 2010 | 1.6 | 6 |
| Denmark | 2010 | 6.5 | 6.5 |
| Estonia | 2007 | 2.9 | 4.3 |
| Finland | 2008 | 3.2 | 4.3 |
| Germany | 2009 | 7.4 | 3.1 |
| Iceland | 2009 | 6.4 | 5.2 |
| Indonesia | 2012 | 7.2 | 8.2 |
| Ireland | 2008 | 2.7 | 8.7 |
| Italy | 2009 | 5.8 | 5.7 |
| Korea | 2012 | 2.4 | 2.6 |
| Portugal | 2006 | 2.8 | 2.6 |
| Spain | 2007 | 3.8 | 2.8 |
| United Kingdom | 2012 | 5.2 | 8.5 |

Note: In the case of Germany, Ireland, Italy, Portugal and Spain, figures refer to “cultural and creative industries”. Indonesia uses “creative economy”, Korea uses “content industries” and Canada uses “arts and culture industries”. Employment data for Chile refers to 2011.

Source: National statistical offices, policy documents and economic studies; Brazil and Italy: data from Chamber of Commerce; Korea: data from Korea Creative Content Agency..

A number of studies have also shown significant creative clusters in rural areas that play a major role in the local or regional economy. In Austria, an increasing number of creative enterprises are deeply rooted in their region and capable of making major contributions to local development (Austrian Federal Economic Chamber, 2013). Such “creative regions” have strong capacities for innovation (Scott, 2010). The Lake District in the United Kingdom is one such region, with a growing reliance on creative outputs in events, food, cuisine and crafts. The Tuscan art and food system in Italy is another, comprising wine, food, hospitality, restaurants, art, crafts and tourism (Lazzeretti et al., 2008).

Creative industries may also contribute to a more resilient economy in times of crisis. Evidence from the United Kingdom suggests that most creative industries sectors continued to grow during the economic crisis, as gross value added (GVA) of the creative industries grew by 15.6% since 2008, compared with 5.4% for the economy as a whole, and outperformed all other sectors in 2012. Job creation has also been stronger, with employment in the creative sector growing 8.6% between 2011-12 compared to 0.7% overall (DCMS, 2014). In Australia, annual growth in creative employment from 2006-11 was 2.8%, compared with 2% for the general workforce (ARC Centre of Excellence for Creative Industries and Innovation, 2013).

In the United States, meanwhile, the creative industries in Austin, Texas have grown strongly in recent years, exhibiting a particularly close relationship with the tourism sector. This is an interesting example of tourism being seen as part of the creative industries, rather than separate from them (Box 2.3).

Box 2.3. Tourism as part of the creative industries in Austin, Texas

Austin is well recognised for its creativity and is branded as the “Live Music Capital of the World®”, housing over 100 music venues and various music festivals. The economic activity generated by the creative sector was estimated to be worth over USD 4.35 billion in 2010. Value added by the sector was assessed to be USD 2.1 billion. City tax revenues were over USD 71 million. The creative sector provided 49 000 permanent jobs. Employment in the creative sector grew by about 25% between 2005 and 2010, at a rate faster than the 10% growth for the local economy as a whole. The creative industries in Austin include music, film and visual media; gaming and digital media; not-for-profit arts groups; visual arts; and culture-related tourism.

Nearly 20 million visitors a year come to Austin and the surrounding suburban area. Travel spending generated by those visitors was estimated at USD 4.5 billion in 2010. Live music is cited as a reason for visiting Austin by almost 60% of tourists. An analysis by TXP (2012) shows that cultural-related tourism, both tourism influenced by music and other culture-influenced tourism, accounted for USD 1.4 billion in economic activity in 2010. Value added of cultural-related tourism was USD 867 million, earnings were USD 437 million and city tax revenue was USD 51 million in 2010. Cultural-related tourism provided 18 000 permanent jobs in the same year. Co-ordination and co-operation between creative sectors and tourism is well developed. The Film Commission and Music Office are housed within the Austin Convention & Visitors Bureau (CVB), the official destination marketing organisation for the city of Austin. Accordingly, the objectives of CVB take creative sectors into consideration.

Sources: City of Austin (2012); Austin Convention & Visitors Bureau (2012); TXP (2012); Dean Runyan Associates (2011); Austin Convention & Visitors Bureau (2011).

However, evidence regarding the resilience of the creative industries is mixed. The arts sector in the United States shrank by 3% between 2005 and 2010 (Americans for the Arts, 2013). The growth rate in creative goods exports from the EU has also slowed from 6.7% for the period 2002-10 to 0.4% for the period 2006-10 (Staines and Mercer, 2013). The indicators are mixed in Denmark, with some sectors of the creative industries growing in the period 2003-10, while others declined. In 2010, total revenue in the creative industries was almost the same as in 2003, while revenue for Danish business and industry as a whole had increased by around 30%. Employment declined more in the creative industries than in the business sector in general (Ministry of Business and Growth Denmark, 2013).

Overall, the available figures seem to indicate that the creative industries have continued to grow in spite of the economic crisis, although this is not the case in all sectors and locations. As emphasised in a recent UNESCO report (2013), creativity makes an overall contribution to long-term sustainability by supporting the networks and processes that are essential for innovation and future growth. Furthermore, the creative industries are expected to continue to be a leading sector of the economy in many countries in the foreseeable future, underlining their potential to support economic growth and job creation.

Innovation and Business Skills Australia (2011), for example, forecast significant growth in employment in most creative industries sectors to 2015, including creative arts (13%) and screen and media (9%). Forecasts also remain good in the United Kingdom, where:

...a consortium of creative industries saw the potential for a 9% growth rate, which would boost GVA to GBP 85 billion (USD 131 billion) and create 185 000 new jobs, while the UK Commission for Employment and Skills believes that culture, media and sports occupations are forecast to have the fastest rates of employment growth in the economy between now and 2017. (The Work Foundation, 2010:6)

Stimulating innovation and knowledge networks

Creativity is a vital asset for innovation because innovation essentially involves the successful application of creative ideas. As a result, countries have begun to link the creative industries directly to innovation policy. Creativity and the ability to attract creative people have become a key factor in societal development, innovation activity and competition between regions in Finland, for example, where the creative economy refers to the economic added value generated by creative expertise and creative industries in the national economy (Ministry of Education Finland, 2009).

The approach in Finland demonstrates that creativity is also being applied across and between different sectors, producing innovative new creative forms, or “crossovers”. This trend is particularly evident in emerging sectors such as gaming, where computer games are utilising music, artwork, film and new media. For the consumer, this also marks the growing integration of content across platforms and a blurring between entertainment and learning, or “edutainment”. This can also be seen in the case of Korea (Box 4.1), where music and drama are being used to attract tourists and to project Korean culture and creativity internationally.

Many policies related to the creative industries have been oriented towards supporting key sectors of content development, such as the film industry, music business or animation sector. In Canada, investment by the Ontario Media Development Corporation has produced more than 1 600 cultural media products, created around 1 000 new jobs and generated CAD 123 million (USD 123 million) in extra revenue from interactive digital media products, book publishing revenues and the music industry (Ministry of Tourism, Culture and Sport Ontario, 2013).

Networks and clusters are vital sources of innovation. The creative industries as a whole can be conceived of as a system of social networks that circulate ideas and stimulate innovation. Creative industries networks also play a key role in linking local and regional places into national and global circuits of information and resources. The places where network connections converge and concentrations of creative industries are found are usually referred to as clusters. Clusters have become more important to the new economy, not just as physical locations, but also as nodes in knowledge networks. The development of creative clusters in Shanghai, for example, has served to stimulate tourism demand and boosted the creative industries in the city (Box 3.3).

The Danish experience, however, shows that clusters do not provide an automatic recipe for success. A number of “experience zones” in sectors such as music, fashion and computer games were established in 2008, but the policy was abandoned in 2012 because of administrative complexities and lack of collaboration between the partners (Bille, 2013).

Regenerating urban and rural areas

There is a long tradition of using culture as a motor for regeneration and in the past this has often been based on “hard infrastructure” such as museums and other iconic cultural locations. Increasingly, cultural regeneration is based on “soft infrastructure”, such as events, creative spaces, cafes and bars. The creative industries have been at the forefront of many regeneration programmes in both urban and rural settings, as the

contribution that both culture and creativity can make to the regeneration and branding of creative cities has become more obvious (UNESCO, 2009b: 7). Creative businesses and entrepreneurs often pioneer the rehabilitation of run-down inner city areas, while the propensity of creative entrepreneurs to locate in rural areas for quality of life reasons can kick-start much needed economic development there.

In rural Australia, the example of Creative Clunes illustrates how very small population centres can use creative assets, in this case literature, to develop relatively significant tourism flows and to increase the quality of place (Box 2.4). Creative tourism is also being harnessed to support development at regional level in Thailand (Box 3.4).

Box 2.4. Literature as a creative asset for rural development in Creative Clunes, Australia

The formation of the non-profit organisation Creative Clunes in 2006 and the adoption of the Booktown concept first pioneered in the United Kingdom kick-started a revival of the small rural gold rush town of Clunes, Victoria. A one-day festival was staged to test the Booktown concept, which has become a two-day festival, growing from 6 000 participants on its inception to approximately 18 000 in recent years. Today there are eight permanent bookshops in Clunes and a dispersed programme of cultural activities to help attract year-round tourism. Clunes was awarded International Book Town status in 2012.

Creative Clunes aims to develop cultural tourism products, promote the town and region as a creative-friendly environment and enhance the creative pursuits of those within the general population of Clunes and the wider community (Creative Clunes, 2007). Different target groups are reached with a range of events, including the main Booktown Festival, a Children's Booktown programme and a series of author presentations. Funding has come mainly from public sector bodies (which is also an issue in terms of sustainability), particularly the Advancing Country Towns programme of the state government, which is partnering with Creative Clunes to attract more book shops and increase tourism to Clunes; develop a marketing plan to promote Clunes across Australia and overseas; create an online bookshop to support Clunes book traders; and enhance communication with book lovers and encourage participation in cultural events.

The results of the programme have been very positive, with significant rural regeneration and place-branding benefits, increasing visitor numbers and significant economic impact, estimated to be between AUD 2-4 million (USD 1.9-3.8 million) (Kennedy, 2011). The success factors of the programme include the effective use of existing heritage and cultural capital and the existence of a knowledge institution to support creative development and effective networking. The development of a clear vision for the programme created a strong focus around one specific form of creativity and innovation of new products and experiences.

Source: Based on research by Creative Clunes and La Trobe University.

In the United States, a report by New England Foundation for the Arts (2007) suggested that “a relatively higher concentration of creative enterprises and creative workers in a geographic area yields a competitive edge by elevating the area’s quality of life and improving its ability to attract economic activity”. This is important because the growing competition between places for inward investment, attraction of talent and visitors has placed a new emphasis on the quality of life and other “soft factors” as a means to attract attention and resources to places.

In summary, the creative industries are important to the economy because they support growth and job creation and they can be used to develop the potential of the creative or knowledge economy. The creative industries are also strongly linked to attraction factors, such as quality of place, knowledge networks and creative content, and they can help to support cultural and social development.

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Chapter 3

Creative tourism as a source of growth

Creative tourism differs from traditional models of cultural tourism, primarily in being based on intangible skill and knowledge-related assets. There is a shift towards value networks, a focus on innovation and co-creation with consumers. There is evidence that these new models of creative tourism can deliver considerable added value, increasing tourism demand and diversifying tourism supply. Linking tourism and the creative industries can also aid image building, atmosphere creation and attraction of talent. The innovation sparked by the creative industries is driving trends, including the emergence of new creative intermediaries, the sharing economy and the growth of relational tourism. The important implications for policy are also discussed in this chapter.

The growth of the creative industries and the new synergies that are being created with other sectors offer interesting opportunities, including for the tourism sector. Indeed, the creative industries and tourism are more and more viewed as closely related and mutually supporting areas of economic activity. UNCTAD (2010) recognises tourism as one of the major drivers of the creative economy worldwide, as tourists are major consumers of creative goods and services. The European Commission (2011) has also underlined the role the cultural and creative industries play in the attractiveness of regions and in directly contributing to jobs and growth in the tourism sector.

The growing importance of the creative industries has thus led to stronger links with tourism. Tourism products and experiences use creative content, while creativity constitutes a growing area of tourism activity. However, this view of the creative industries and tourism as intersecting areas of economic activity understates the potential synergies of creative and tourism systems, policies and practices.

From “cultural” to “creative tourism”

The development of the creative economy offers many new opportunities for tourism development and marketing. While the relationship between culture and tourism is well developed, the creative industries provide a broader umbrella and therefore necessitate a wider scale of policy approaches than more traditional approaches to “cultural tourism”.

Whereas the core assets of cultural tourism are largely related to built heritage, the core assets of the creative industries related to tourism are knowledge and skill-based. In cultural tourism approaches, much of the supply is managed or funded by the public sector, whereas creative tourism is likely to have a greater degree of commercial supply and participation. This shift is also distinct from the emerging concept of “intangible heritage”, where the emphasis is on traditional cultural and creative practices. The creative industries are more concerned with contemporary creativity, even if they may often use traditional culture as a source of inspiration.

Figure 3.1 illustrates the change from cultural tourism, which is largely based on the resources of the past, towards the creative industries as a source of future potential, with a resulting shift in the externalities produced by tourism from conservation towards innovation.

Product-based cultural tourism is supplemented by new structures based on creative content that can be supplied across a range of different channels and platforms. The provision of information also changes from a broadcast model of interpretation of culture towards collaboration with the consumer through “co-creation” of knowledge. The need to work together with

consumers, residents and others to develop value in the creative tourism system leads to a shift towards wider value networks rather than restrictive value chains, and the production of value also moves towards the downstream distribution and application of content rather than upstream content generation.

Figure 3.1. **From cultural tourism to creative tourism**

| | Cultural tourism | Creative tourism |
|----------------|------------------|-----------------------|
| Orientation | Past | Future |
| Externalities | Conservation | Innovation |
| Structure | Products | Platforms and content |
| Process | Interpretation | Co-creation |
| Value creation | Value chains | Value networks |
| Value focus | Upstream | Downstream |
| Funding | Public | Commercial |

These changes imply a number of new policy challenges, such as the need to work together with a wider range of partners, including the consumer, creating new content and platforms, and working within value networks across many sectors and types of actors rather than concentrating on the tourism distribution chain.

The shift from a cultural tourism market dominated by heritage products such as museums and monuments towards the integration of more popular and contemporary cultural elements emerged in the 1990s. The “Cool Britannia” campaign, for example, was developed to promote the United Kingdom as an innovative and exciting place to be, based on creative elements such as music, film and lifestyle. This style of place-making

campaign based on the creative assets of a destination has been adapted in many places, including Japan (Box 3.1).

Box 3.1. Cool Japan strategy

In June 2010, the Japanese Ministry of Economy, Trade and Industry established a new Creative Industries Promotion Office to promote the cultural and creative industries as a strategic sector under the single, long-term concept of “Cool Japan”, to co-ordinate different government functions and co-operate with the private sector. It had a budget of JPY 19 billion (USD 238 million) in 2011. The programme aims to develop new collaborations between culture and industry, organisations in Japan and abroad, virtual and physical networks and different industry sectors and occupations. Examples of specific actions abroad include:

- Promotion of Japanese food in Korea by creating venues for exchange between agricultural and fishing villages in Kyushu and Korean urban areas, stimulating tourism to Japan.
- Development of satellite stores in Brazil, promoting sales of Japanese regional products to Brazilian hotels and restaurants.
- Development of the Japanese fan base in Singapore, increasing demand for Japanese street style and food brands.
- Cool Japan trade fair in India focusing on anime characters aimed to project Japanese fashion, food, toys and stationery brands.

Japanese crafts are also being repositioned as luxury brands by bringing together cutting-edge creators, artists and brand curators to develop a crafts renaissance. This will be supported by inviting overseas fashion leaders and journalists to exhibitions.

Source: Ministry of Economy, Trade and Industry (Japan), www.meti.go.jp/english.

The synergies between creativity and tourism became even more evident with the development of “creative tourism” at the turn of the century. Creative tourism arguably emerged as a reaction to the development of cultural tourism as a mass tourism market in the 1990s, as consumers went in search of more authentic and engaging cultural experiences and became eager to develop their own creativity through tourism. These experiences need to be embedded in the destination so that people have a reason to be creative in a particular place. Destinations have to identify characteristic creative content and activities that connect with the needs of visitors and residents.

Originally, the creative tourism concept mainly referred to active learning experiences, often linked to elements of tangible culture, such as crafts. Over time, the creative tourism label has been applied to a growing range of tourism activities, to include more passive forms of creativity, such as taster experiences and shopping, as well as less tangible forms of culture like media and lifestyle. In Korea, the new approach to creative tourism goes one step further, integrating creativity and tourism across the economy as a whole. This has produced opportunities to develop inbound tourism related to “K-pop” performances and Korean film products, but has also supported the development of creative exports.

The new features of “creative tourism”, or the interlinking of tourism and the creative industries, have important implications. In the past, the integration of cultural content into tourism has been based largely on discrete attractions and experiences. Consumption of cultural attractions such as museums and monuments was often based on learning activities related to increasing cultural capital or consumption skills. Recent years have seen the emergence of “creative tourism” as a specialised niche within cultural tourism, based primarily on learning experiences. This is now shifting towards a more extensive relationship between tourism and the creative industries.

In the creative economy, the focus is no longer on specific forms of culture but rather on creative content and the platforms that make the distribution of such content possible. Museums, for example, have become platforms for the distribution of cultural meaning through physical visits, education programmes, museum shops, virtual visits and social media. Tourism has also shifted from an information-based paradigm (Poon, 2003) to a knowledge- and skills-based paradigm, in which the skills and knowledge of the visitor also contribute to the tourism experience (Richards and Wilson, 2007). This shift necessitates a more active role from producers, consumers and places (destinations) in the development, processing and distribution of knowledge and a greater level of creative skill in using that knowledge. Destinations should therefore understand not only what visitors want, but also what they can contribute to the places they visit.

The developing field of creative tourism is therefore more than just a new tourism niche, but an expansion of tourism as a whole, a source of innovation and a new means of disseminating tourism experiences. The relationship between tourism and the creative industries opens up new synergies with different industrial sectors, as well as linking tourism and creative talent. These new potential synergies mean that the relationship between these sectors can act as an important stimulus for growth and innovation in tourism. The case studies developed to support this report illustrate the different aspects of this new approach to value creation.

Diversifying tourism through creativity

Creative tourism development can help to attract visitors, increase and diversify demand, reach new target groups and stimulate growth. However, data on these linkages is limited and more research is needed to measure the impact of creativity on tourism (Box 3.2). This section draws together some of the available evidence, while the case studies presented in Part II provide further support.

Box 3.2. Towards improved measurement of the impact of creative tourism

Measuring the economic impact of linking tourism and the creative sector is challenging and there is limited research in this area. This is in part due to challenges in quantifying the impact of creativity and a lack of recognition of potential synergies between the sectors. A number of countries are now attempting to address this issue and some of the limited available data and methods are presented below. In Indonesia, the Central Statistics Agency plans to add more components to tourism-related data such as destination development and the creative-industry sector to support the Ministry for Tourism and the Creative Economy. A number of countries are also developing cultural and creative satellite accounts, including Australia, Canada, Colombia, Finland, Portugal and Spain, which may provide opportunities to capture the impact of culture and creativity on tourism and vice versa.

Malta: An attempt to measure the economic contribution of tourism to the creative economy was made part of the creative industries strategy for the country. This research was based on establishing the expenditure on different elements of culture and creativity by residents and tourists. Residents were surveyed via the national statistical office as part of the ongoing measurement of household expenditure. The Malta Tourism Authority Tourist Expenditure Survey and Tourist Profile Survey were used to reveal tourist spend on different creative and cultural products. Total tourist expenditure in the cultural and creative industry sectors in 2012 amounted to around EUR 77 million, which is almost 8% of total tourist expenditure. This share is up from the 2009 estimate of around 6% of tourist spending, which compared with 3.4% of household expenditure for Maltese residents. This suggests that tourism generates higher levels of spending on creative goods and services than normal leisure time expenditure by residents.

Singapore: Input-output analysis of the creative industries showed that the tourism industry derived 2.4% of its inputs from the creative industries, and hotels and restaurants almost 3%.

Spain: A small-scale attempt to measure the contribution of creative tourism to the creative industries was made in Barcelona in 2010. A survey of creative enterprises by Barcelona Turisme Creatiu (2010) indicated that cultural organisations in the city had hosted almost 14 000 creative tourists in 2010, with an estimated expenditure of EUR 2.8 million.

Sources: Economic Policy Division and Creative Economy Working Group (Malta) (2012; 2014 forthcoming), A report on Malta's Creative Economy and a strategy for the Cultural and Creative Industries, Ministry of Finance, the Economy and Investment and Ministry of Tourism, Culture and the Environment, Valletta; Ministry of Trade and Industry (Singapore) (1995), "Economic contributions of Singapore's creative industries", Ministry of Trade and Industry, Singapore; Barcelona Turisme Creatiu (2010), "Creative tourism study", FUSIC, Barcelona, Spain.

In the United Kingdom, research shows the creative industries have an important role in attracting overseas visitors and offer considerable potential for future growth. A report by Visit Britain (2010) notes that “there also seems to be a shift away from purely heritage-based tourism towards something that includes heritage plus culture, or heritage plus culture and creativity. This is most clearly illustrated in the success of cultural events across Europe, which are based on creative rather than heritage assets”. The United Kingdom is strongly associated with creative sectors such as film, music, pop videos and modern design. Over a third of international tourists indicate that films influenced their decision to visit, although actual trips to film or television locations are fewer: in 2006, 2.3% of overseas visitors (765 000) visited television/film locations. In the same year, around 10% of overseas visitors (3.3 million) went to the theatre, ballet, opera or concert.

The creative industries also help to extend the appeal of the destinations in new tourism markets. Research by Visit Britain (2010) shows that in the Brazilian youth market, for example, the United Kingdom is seen as a destination offering the best in terms of music, fashion and alternative scenes. The availability of cultural events, music and festivals is a “hidden opportunity”, as many tourists associate the United Kingdom with contemporary culture such as music (44%), films (41%), sports (39%), pop videos (36%) and modern design (32%). The report notes that “encouraging more visitors to get involved with these activities once they have decided to come to Britain in the first place should help drive repeat visits and recommendation of Britain as a destination.”

The World Youth Student and Education Travel Confederation (WYSE, 2013) indicates the importance of creativity to younger tourists. Developing their creativity is an important motivating factor for a third of young people. Those who participated in creative activities while travelling (12%) were likely to be more highly educated, female and from Asia, with North America and Oceania the most popular destinations. Creative tourists spent less time in major gateway cities, suggesting the potential for creative forms of tourism to spread visitors to other towns and cities or in rural areas, strengthening regional markets and smaller cities.

Research on the Creative Tourism Barcelona programme (www.barcelonacreativa.info) similarly indicates that tourists attracted to creative learning experiences are predominantly professional and highly educated and tend to stay in the city for a relatively long period of time. They also interact with local creators and audiences, helping to strengthen the cultural vibrancy of the city. Many of these tourists are repeat visitors to the city, which underlines the importance of creativity as a potential motive to return to the destination.

Many of the case studies in this report similarly show that tourism demand for creative products has increased in recent years. In the People's Republic of China, for example, the number of visitors to creative attractions in Shanghai grew from 4.5 million in 2010 to 5.0 million in 2011 and is expected to reach 6.7 million in 2015 (Box 3.3).

Box 3.3. Creative clusters, the new calling card for urban tourism in Shanghai, China

Shanghai is a metropolis with a population of 23.9 million, in which the creative industries employed 1.3 million people in 2012 and are growing at more than 10% per annum. This growth has been achieved by a combination of policies to direct and market the creative industries and creative clusters in the city. Leadership is provided by the Shanghai Cultural and Creative Industry Promotion Leading Group Office, comprised of 22 organisations, including the economy and publicity department of the city. Planning guidance has been issued for the creative and design industry, setting clear objectives for the development of the creative industries. At a more operational level, policies have been developed to shape the services and management of creative clusters.

This centralised approach has been developed in response to the closure of large factories in the centre of the city linked with economic development since 2005. These have been regenerated, with the government leasing some of them to management companies at low rates. Specific support has been provided for the creative industries, including tax refunds, land tax relief, VAT reductions, a creative investment fund and support for training. As a result, the number of creative clusters developed in former industrial areas had grown to 103 in 2013, with 9 298 creative enterprises and 200 000 employees.

The Shanghai Promotion Centre for City of Design and Shanghai Tourism Industry Association has helped to raise awareness of the emerging creative clusters, with information on “design hot spots” and a design map. Such promotion has helped boost visits to creative clusters from 2 million in 2006 to almost 5 million in 2011. The link between the creative industries and tourism was also cemented during the Shanghai Expo in 2010, when an integrated “creative tourism system” was developed, including the core creative themes of the expo, the creative activities at the expo itself and derived content such as publishing and souvenirs. Challenges encountered include managing creative clusters in the centre of the city where property issues are complex and unified management is difficult. Management measures have been introduced to annually appraise and encourage improvements in services for creative companies in the clusters and publicise public sector involvement and tourism attractions, but implementing this requires the different parties to work together.

Source: Based on information from the Shanghai UNESCO Creative City Promotion Office.

In Wellington, New Zealand, one of the major creative players in the local film industry, Weta Studios, runs the Weta Cave interactive tour. The tour of its studio and production facility is particularly popular with cruise ship visitors, growing by an average of 30% per year since 2008-09. In 2012-13, Weta Cave welcomed 150 000 visitors, an increase of 50% on the previous year (Box 1.3).

The Ystad Municipality in Sweden earned EUR 17 million (USD 22.5 million) in direct income from the filming of the Wallander television series. A 60% increase in tourism turnover in the period 2002-11 was recorded, while tourism employment grew by 44%. In addition, filming helped improve the image of Ystad, with positive media coverage estimated at more than EUR 11 million (USD 14.6 million) in 2012 (Euroscreen, 2013). Ystad has now developed a film museum which has exhibitions, guided tours and other visitor activities.

Many destinations profile themselves via creative niches and there is evidence of growing tourism demand in specific areas of the creative industries, while creative learning experiences also represent an important niche for many destinations. The Špancirfest event in Varaždin, Croatia, for example, has developed a creative community around creative thinking, imagination and freedom of expression. As well as musical performances, the event also stages many creative workshops. The most recent edition contained almost 500 different events run by over 700 creative producers. It attracted over 170 000 visitors from Croatia and abroad in 2013, generating around EUR 2.3 million (USD 3 million) in tourist spending.

In Thailand, the “Discover the Other You” campaign in 2012 invited visitors to engage in a wide range of creative activities in Thailand, including Thai cookery, Thai massage, Thai boxing and performing arts, achieving 24 million webpage visits (Box 3.4).

There has also been a marked growth in the number of major exhibitions related to design, architecture, film and fashion in recent years. In 2012, the Harry Potter Exhibition at the Powerhouse Museum in Sydney, Australia delivered AUD 46.9 million (USD 43.2 million) in economic impact for New South Wales and generated 260 000 additional bed nights, with almost half of visitors to the exhibition (48.3%) travelling from outside Sydney. According to the annual league table of art exhibitions for 2012, many creative exhibitions attracted significant numbers of visitors (Art Newspaper, 2013). These exhibitions and events are not just able to attract visitors, but are also a means for engaging a global audience with creativity. The Smithsonian American Art Museum, for example, invited the public to help select the video games to be included in the Art of Video Games exhibition based on a short list selected by an advisory group consisting of

game developers, designers, industry pioneers and journalists. More than 3.7 million votes were cast by 119 000 people in 175 countries. The exhibit is being shown at ten other venues across the United States between 2013 and 2016.

Box 3.4. Creative tourism to support regional development in Thailand

The Thai government has developed a creative economy approach to development which involves a significant tourism component. At regional level, creative tourism programmes are being implemented by the Designated Areas for Sustainable Tourism Administration, which is working with local communities to develop creative experiences. Ten provinces have also been selected as “creative city prototypes” under the “Creative Thailand” policy, including Chiang Mai (fine handicrafts theme), Lop Buri (renewable energy innovation), Lampang (creative ceramics) and Ang Thong (drum-making). One of the emerging ideas from the Tourism Authority of Thailand is to link the creative economy to “Thai-ness”, which includes Thai experience, way of life and culture. This link between the way of life of a country or region and creativity is an interesting example of how intangible resources can be used creatively to develop new tourism products. Research indicates that creative tourists in Thailand are generally female (59%), aged between 25 and 34 (57%) with a degree or postgraduate education (75%) and with relatively high incomes.

Sources: Thai Government Public Relations Department (2011), Unseen Planet (2008), Information Provider and Consultants (2013).

Design is also becoming more prominent as a generator of tourism. Urban design adds to the atmosphere of places, making them more attractive for tourists and residents alike. More recently, design has been used as a stimulus for events aimed at developing the creative industries and supporting place promotion, such as the World Design Capital. In 2012, Helsinki’s World Design Capital attracted an audience of 2.5 million and generated considerable international media attention. Research indicated that the event provided a 2.5% boost to tourism in the Helsinki region in 2012. In Milan, design is used to attract tourists. It also helps to support innovation and product development in tourism and contributes to the development of leisure tourism, complementing the city’s business tourism profile. This is primarily because the self-styled “world capital of design” has a rich history of design knowledge and education, which provides a solid basis for the branding of Milan as a capital of design (Box 3.5).

The gaming industry can also be used to attract aficionados to specific destinations. As the video game industry seeks to offer players much more realistic depictions of places with cultural landmarks, players visit these sites in the physical world such as the hot spa resort in Yamanouchi, Japan

because of its apparent similarity to a town in the Monster Hunter game. This has sparked an increasing trend of small Japanese towns trying to boost their economy by launching events and promotions that tie in with the country's most popular games. Cucuel (2012) argues that Japan's dominance in the production of video games for over two decades has given the country a specific "cultural flavour" valued by tourists.

Box 3.5. Innovation and design tourism in Milan, Italy

The Italian city of Milan integrates tourism and design in many ways, feeding into the development of leisure tourism, events and accommodation development, offering new ways to experience the city and positioning the city strategically. The development of design- and fashion-induced tourism also contributes to boosting the city's cultural and creative industries. The self-appointed world design capital concentrates an immense stock of design knowledge and institutions. The embedding of design in the city is underlined by the development of design events and the emergence of design clusters in the Totona district, Lambrate/Ventura area and the historic neighbourhood of Brera. Milan and the wider Lombardy Region was designated a Design Metadistrict in 2001 and is at the centre of the Italian design system, with a dense concentration of actors and resources in the region, including 52 museums dedicated to design.

The Milan Design Fair incorporates the *Salone Internazionale del Mobile* (International Furnishing Accessories Exhibition), which is the leading player in the link between business and leisure tourism. The exhibition attracted 285 698 visitors in 2013, over two-thirds of whom were foreign visitors. It is estimated that the International Furnishing Accessories Exhibition generated an induced spend of over EUR 200 million (USD 265 million) in Milan and the wider Lombardy Region. The exhibition has spawned a number of other cultural and creative events combined into the Fuorisalone, which attracts leisure tourism and supports the creative life of the city. Milan Fashion Week, meanwhile, generates an estimated induced tourism spend of around EUR 28 million (USD 37 million), the majority of which is distributed between accommodation, shopping and restaurants.

The design DNA of the city is reflected in the incorporation of design into the accommodation offer, with a range of design hotels and pop-up accommodation. Design also influences Milan's image and is actively used in place-branding strategies. The Fuorisalone promotes design and contributes to building the image of Milan as a capital of design. The Brera Design District, meanwhile, is a recent place marketing initiative led by private sector actors, with the support of the city of Milan. Many of these interactions between design and tourism have largely been spontaneous and bottom-up, rather than planned in a top-down way.

Source: Based on research by the Silvia Santagata Research Centre and the International University of Languages and Media, Italy. See the Design-Induced Tourism in Milan, Italy case study in Part II of the current volume.

In Finland, Rovio Entertainment has developed four Angry Birds theme parks linked to the popular mobile game and this concept is now being exported to China, Spain, the United Kingdom and the United States, where there are Angry Birds Space Encounter parks at the Kennedy Space Center Visitor Complex in Florida and the Space Center in Houston, Texas. Finland is now actively promoting itself as the “home of Angry Birds”, utilising its success in gaming, which is due to a “unique combination of creative madness, technological know-how and a storytelling culture” (Visit Helsinki, 2013).

The available data indicate that the creative industries can deliver considerable tourism growth that in turn can help fuel demand for the creative industries. At present, it seems that such crossover synergies are particularly important in Asia, where the link between contemporary popular culture, the media and tourism has been strongly developed. This is important because these are emerging markets that are likely to stimulate additional tourism growth worldwide in the future. The creative industries can also be used to develop new demand for tourism, for example by adding creative tourism or creative technology-related tourism to existing cultural tourism products.

Developing linkages and synergies between creativity and tourism

Effectively linking tourism with the creative industries can have a range of potential effects that go far beyond increasing demand for tourism experiences. These include:

- increasing tourism demand and/or changing tourist profiles by generating new and engaging tourist experiences
- image building through increasing the application of creativity to place marketing and the better design of places
- developing “soft infrastructure” such as small-scale creative businesses, creative spaces, courses, experiences, cafes and restaurants that function as nodes in creative networks, allowing producers and consumers to interact
- atmosphere creation in order to make places more attractive to creative workers, tourists and residents
- attracting creative talent by increasing the quality of life and the quality of opportunity in both tourism and the creative industries

- stimulating innovation by adding creative impulses and new technology to tourism development and challenging the creative industries to find new ways of managing tourism and improving tourism business operations
- driving exports through products that link creative content, places and culture in order to increase general levels of interest in local creativity and stimulate tourist visitation
- clustering and network building to help establish places as nodes in creative networks, stimulating both business and leisure travel and bringing creatives together in permanent (clusters) or temporary nodes (events)
- knowledge and skill development as a result of increasing contacts between creative and tourism industry professionals, between producers and consumers and between consumers and residents.

Much added value from linking tourism and the creative industries comes from the convergence between different creative industries, activities and lifestyles. This convergence is based on the growing importance of knowledge as a source of economic and cultural value, the application of technology and new media and the ability to exchange knowledge through global networks. The challenge for destinations is to develop engaging creative content that can be embedded in specific places so that they become nodes in the global knowledge networks that support the creative industries (Potts et al., 2008). Linking creativity and tourism therefore involves the use of technology to create relationships between different creative sectors and between individual creative producers and consumers.

The emergence of tourism or leisure clusters has underlined the added value that can be created by bringing creative producers and consumers together (Richards and Tomor, 2012). This helps to stimulate processes of “co-creation” (Binkhorst and den Dekker, 2009) that can generate higher levels of value creation than traditional models of tourism. Such changes mean that the focus of value creation is shifting down the value chain towards the end consumer.

Consumers are increasingly sharing and co-creating knowledge, as well as contributing skills relevant to the creation of tourism experiences. This is evident in the development of tourism review websites based on “user-generated content” or the way in which couchsurfing or hospitality exchange networks have begun to provide alternatives to conventional forms of accommodation. The tourism sector therefore needs to find creative ways of developing new business models and links with the creative sector to offer an interesting avenue for achieving this.

Emerging creative tourism trends

A number of trends are influencing the synergies between the two sectors and will have policy implications, including the growing role of new creative intermediaries, arrival of the “sharing” economy, emergence of relational tourism and development of new tourist spaces.

The anchoring of global flows of knowledge in places depends on the role of particular individuals or organisations who act as intermediaries or “switchers” between different networks or groups of producers and consumers (Castells, 2009). Networks are important conduits for knowledge, new ideas and innovation in the creative industries (Potts et al., 2008). The growing influence of travel blogs, for example, is underlined by the fact that major travel companies and destinations now actively employ bloggers to promote and position their products. These creative intermediaries therefore have a growing role in pointing consumers to specific places and experiences. This is also the reason that Creative Austria targets leading figures in creative networks with its marketing material, to be spread by these people through their networks. The multiplier effect of this “word of web” is likely to be much higher than traditional “word of mouth” recommendation.

The sharing economy being stimulated by the Internet will also have large implications for the creative dimension of tourism and the relationship of travel to the creative industries. User-generated content, in particular, is becoming important. The implications of Web 3.0 or mobile Internet are potentially even greater for tourism, as people use their smartphones or tablets to make bookings. The economic transformations such technologies bring about are much more than the technical: they require the new infrastructure environments, business models and cultural norms.

Such creative innovations in tourism will therefore require the re-making of the travel system itself, shifting from a traditional value chain towards a more extensive and diffuse “value web” that not only includes travel suppliers, but which also involves consumers, residents and other non-travel actors in a process of travel experience co-creation. Such co-creation systems are already being employed in tourism, for example in the development of Welcome City Labs in Paris. These labs are designed to drive innovation by bringing creative entrepreneurs and tourists together to develop new creative experiences (Box 3.6).

The growth of the Internet and new media also stimulates more direct contact between tourists and hosts, a phenomenon now referred to as relational tourism. Many direct contacts are being facilitated through experiences allowing tourists to “live like a local”. Much of this type of

activity is being developed by intermediaries from the creative industries, introducing tourists to local creativity. For example, Nectar and Pulse (www.nectarandpulse.com) offers guides that link tourists with creative “local soul mates” in cities around the world, while Plus One Berlin (www.myplusone.net) offers the opportunity to hang out with the locals in “cool neighbourhoods” in the German capital.

Box 3.6. Developing creative experiences through Welcome City Labs in Paris, France

Paris has made creative tourism one of its tourism policy priorities, positioning the city as a destination where you can come and practice your passion through a course or a creative workshop and promoting synergies between the tourism and creative industries. A suite of courses and creative experiences are offered through the portal www.creativeparis.info. Launched in 2012, the site lists over 400 arts centres and more than 1 000 courses in areas such as photography, multimedia, digital arts, fashion, design, jewellery, culinary arts and gastronomy, and literature. The site receives about 10 000 unique visitors per month, 30% of whom are international. These workshops respond to the recent explosion in individual creative expression, stimulated by digital technology. The tourism world is also seeing a surge of new practices related to “collaborative consumption”, such as eating with the locals and home exchange. Creative Paris therefore aims to enable the emergence of new forms of social interaction and conviviality between people, especially among locals and tourists.

The Welcome City Labs programme enables co-creation between tourists and residents and supports innovation. A total of 90 creative tourism enterprises applied to participate in the first Welcome City Labs, 18 of which were selected to develop their creative experiences further. These include Cookening (www.cookening.com), which offers “a unique moment combining authentic cuisine and great people at a unique place”, by bringing individual diners together with hosts in the city who will share a meal with them. Not only does this develop “cultural exchange through cooking”, as people have an authentic gastronomic experience created by their hosts, but it also creates new relationships between residents of the city, traditional tourists, long-term visitors and other “temporary citizens”. Many of the concepts developed in this way rely on the new possibilities for sharing experiences that have emerged as a result of new technology and the growing need for people to come into contact with each other via “relational tourism”. One of the key supporting roles of public authorities can play is to create the conditions which bring together local actors and tourists. Public spaces along with traditional places such as cafés play a key role in the development of creativity, because they generate encounters and exchanges. This is particularly useful for the creative classes, consisting of many individuals working alone and who sometimes need to be in common work areas, or so-called “co-working spaces”. This highlights the importance of urban development and spatial policy.

Source: Based on information from the French Ministry of Economy, Finance and Industry and the Mayor of Paris Office.

These trends are gradually being recognised by tourism administrations. Barcelona, for example, refers to tourists as “temporary citizens”, underlining that many visitors stay for a considerable length of time in the city and become involved in local life. In Paris, there is also recognition that these short-term citizens will mix with local creatives, adding to the creative life of the city.

The “live like a local” trend also creates new tourist spaces in many cities and rural regions. The creative industries are particularly important in providing the kind of scenes that are attractive to people who live in the city for a few weeks or months but are not integrated into the formal labour market or recorded as official residents (mobile “post-bohemians”), such as international exchange students or people taking a gap year. It is no coincidence that the Gràcia neighbourhood of Barcelona analysed as a new tourist space by Arias Sans and Russo (2013) also has one of the major concentrations of small creative enterprises in the city (Interarts, 2005).

The importance of the creative industries in pioneering new spaces is also demonstrated in the case of the ruin bars which serve as hubs in the Budapest cultural scene (Lugosi et al., 2010). The ruin bars have been developed in run-down buildings in the inner city by creative entrepreneurs, who have developed creative programming and a bohemian atmosphere that is attractive for locals and tourists alike. The ruin bars represent a form of guerrilla hospitality that generates symbolic capital attractive to creatives, who in turn play a role in attracting other customers. Design values play a major role in the attractiveness of these venues.

Active policy approaches to generate value

While tourism and the creative industries are viewed as closely related and mutually supporting areas of economic activity, specific challenges arise from the nature of these two sectors. Both industries involve a range of different branches and are predominantly comprised of small and medium-sized enterprises (SMEs), while knowledge and financial resources are often fragmented across sectors and between countries and regions.

Working with the creative industries involves a number of adjustments for tourism policy makers. These include the shift towards intangible content as the major product shared by tourism and the creative industries. Tourism organisations will have to develop a greater role in content production and distribution. This, in turn, requires the deployment of more creative skills within tourism organisations, which as UNESCO (2013) suggests should include general technical, entrepreneurial, networking and leadership skills as well as networking for financial services. In contrast to

current approaches to cultural tourism, commercial organisations are likely to have a more central role with less direct public sector support for cultural production.

For policy makers, the challenge is not just to understand the creative industries and how these link with tourism but to appreciate the fundamental changes stimulated by the growth of the creative economy. The emerging relationship between tourism and the creative industries requires a broader and deeper range of policy tools to ensure countries, regions and cities can effectively capture the added value offered by the growth of both creativity and tourism. Because the creative industries are intimately linked to key issues such as innovation, knowledge development and SMEs, there is a need to develop policy approaches that involve different areas of government activity.

This has a number of important policy implications, including:

- policies should focus on knowledge as a primary driver of value creation
- policies should aim to bring producers and consumers together in order to co-create value
- new technologies provide the essential linkages between producers, consumers and places
- the creative industries are largely based on intangible content, which generates new policy challenges compared to tangible culture
- to fully exploit the added value potential of the creative industries, there needs to be more integration and convergence between industries and sectors.

The creative industries are relatively complex and policy makers will need to absorb a lot of new information in order to design adequate policies. The potential benefits of dealing with this complex area lie primarily in the significant economic value of the creative industries and their extensive scope, which provides potential linkages to many other industries, including tourism.

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Chapter 4

Creative tourism policies and practices

This chapter reviews the policies and practices adopted at national, regional and local level to capitalise on the potential growth and development opportunities of strengthening connections between tourism and the creative industries. It particularly draws on recent case studies prepared by OECD and non-member countries, illustrating innovative practices on the development and promotion of tourism associated with the creative industries.

There are a wide range of potential benefits to be realised from developing the linkages between tourism and the creative industries. These include the generation of added value, enhanced place attractiveness, increased innovation and sustainable growth and job creation. These impacts are important because they build the creative and knowledge economy and expand the opportunities for sustainable value creation. Creative tourism also has the potential to overcome some of the challenges associated with more traditional cultural tourism products, such as the overuse of non-renewable resources and decay effects related to blockbuster events and iconic buildings (Richards and Wilson, 2007). However, these synergies and linkages are not currently fully realised and awareness of the potential for growth and new product/experience development is low. A whole-of-government approach is needed to capitalise on these linkages, address market failure, raise awareness and promote synergies.

Co-ordinated, integrated governance approach

Developing a cohesive policy approach is important to enable integration and convergence between tourism and the creative industries to take place. UNESCO (2013:26) notes that governance of the creative economy requires an awareness of the complex nature of the sector. The creative economy cuts across a range of policy concerns and its success is not just expressed in price information and income but also bound up with intrinsic values and identities. Tourism is similarly complex, as it both influences and is influenced by other policy domains.

Both sectors are also highly fragmented, creating additional challenges in developing and co-ordinating linkages. Effective co-ordination is needed between government agencies and the private sector, as well as between the private sector actors. Only then can the added-value benefits of this relationship be fully realised. Integrated approaches can create a range of benefits, such as stimulating innovation through cross-fertilisation of ideas between different sectors, generating positive image spin-off by promoting the creative industries together with tourism, and identifying and removing barriers to creative industries development.

As the potential to generate mutually beneficial outcomes becomes more apparent, countries are now actively linking tourism and the creative industries. However, analysis of the current relationship indicates that a silo mentality exists in different sectors. This tendency towards sectoral thinking and policy making needs to be overcome in order to fully take advantage of the synergies. Linkages between the two sectors remain under-developed and there appear to be relatively few approaches to developing the creative economy as a whole in relation to tourism. Austria and Korea are examples

of two countries where a more comprehensive approach is evident, as part of a broader push towards creative economy development.

In Korea, the development of creative tourism is set within a wider national policy framework for the development of the creative economy. Creative tourism has been used as a means to develop content and also to foster integration and convergence between different creative sectors and tourism. In particular, contemporary cultural content including fashion, film, music and cuisine, known as Hallyu, or the Korean Wave, has been globally disseminated, improving the country's image, raising interest in Korean culture and stimulating visitation.

The development of Hallyu tourism has been an important factor in growing inbound tourism to Korea in recent years. It is estimated that almost 11% of inbound tourists are attracted by Hallyu locations or personalities. At the same time, there has also been strong growth in the cultural and creative content industries in Korea. Content exports were worth USD 3.2 billion in 2010, an increase of 22.3% compared to 2009. Since 2008, content exports have exceeded imports, suggesting that the Hallyu programme is positively affecting both tourism and the creative industries (Box 4.1).

Box 4.1. Integrated approach to stimulating innovation and creative tourism in Korea

Creative tourism in Korea involves the creation of new tourism products and services and discovery of high value-added tourism resources through the application of creativity and imagination, integration across industries, use of creative networks, and linking and integrating different tourism elements. This integration of different content and platforms has helped to boost tourism and improve the image of Korea.

Hallyu tourism: A good example of how tourism is developing in the new creative economy is provided by the Korean Wave, or Hallyu, related to Korean pop music and other creative products. Korea has made Hallyu contents available abroad through broadcasting, Internet, mobile and theatre to generate increased interest in the country, ultimately increasing the number of visitors. The economic impact of Hallyu tourism was estimated to be around KRW 1.6 trillion (USD 1.4 billion) in 2010, supporting some 25 642 jobs. The Korean National Tourist Office suggests that more than 500 000 foreign tourists have chosen to visit locations after seeing them in television series, while inbound tourism figures from the United Kingdom showed a 10.6% increase in 2012, apparently because Gangnam Style and K-Pop had attracted a new audience to the country. The spin-off effects of Hallyu tourism include higher value-added products related to Korean fashion, beauty, medical, shopping and cuisine experiences. Realising such benefits requires a more integrated policy approach to marketing an entire lifestyle or taste culture and promoting this interactively in real time via a variety of different media. Plans are now underway to monitor the global image effects of Hallyu.

Box 4.1. Integrated approach to stimulating innovation and creative tourism in Korea (cont.)

Creative Tourism Contest Project: The project aims to help tourism grow through convergence with other industries. It includes an “idea group” with students and entrepreneurs with less than five years’ experience in their present business. The selected projects receive prize money and access to a new business start-up fund. They also get support to start up a new business, including professional training on accessing new markets and overseas benchmarking. The Korean Tourism Organisation is the largest sponsor and selected companies sign an agreement to co-operate in the promotion of Korean tourism.

Blinking Seoul (<http://dabeeo.com>) was the overall winner in 2012. This app provides tourist information and maps to inbound tourists in Seoul. It has been designed to provide independent travellers with access to a seamless supply of relevant travel information, overcoming the barriers of region, time and technology. Blinkingtour.com combines a travel portal site with the automatic travel builder web system, which makes travel scheduling easy and fast. The Blinking Service consists of three systems which are operated organically:

- Blinking Tour App enables travellers to find their destination using an offline map service
- Blinking Station is an advanced version of Digital Signage Kiosk, sending content to tourists’ handsets
- Blinking Smart Tour Planner enables tourists to minimise the time taken to establish an itinerary.

The company received early stage financing from the government’s R&D budget. Finance is also secured from sales of its Blinking service and through high added-value ICT items. Commercialisation is supported by working in co-operation with the Korean Tourism Organisation, local government tourism departments and a global content partnership with Hana Tour, Korea’s largest tour agency.

Source: Based on research by the Korea Culture and Tourism Institute. See the Hallyu and Technology Based Tourism in Korea case study in Part II of the current volume.

In Austria, the strategy among a number of destinations is to promote convergence by concentrating on content generation, which can then be used across a range of different sectors. Creative Austria is a content communication platform for member cities and regions focusing on target groups with high interest in contemporary culture (Box 4.2). The Creative Austria case shows that effective partnerships can be developed between the public and private sectors, with the private sector leading content development and the public sector providing marketing support and funding. The importance of clearly defining the roles and responsibilities of the

different partners is also emphasised in the Creative Austria case, echoing previous OECD work on tourism governance which also highlighted the need to establish collaborative networks. Creative Austria also highlights the role of tourism organisations in linking with creative sector actors. Destination marketing organisations may play an important leadership and co-ordination role within a destination in linking up the very different types of organisations.

Box 4.2. Creative Austria governance structures

Creative Austria is organised as an association under Austrian law. It is the outcome of a general initiative of the Austrian Ministry of Economy and Tourism to support marketing and communication for Austrian tourism destinations in the field of contemporary culture. Originally composed of a wide range of tourism and cultural institutions, challenges in agreeing a common focus, activities and rules of the group soon emerged. Creative Austria now brings together a small group of institutions with similar roles in their respective destinations (Vienna, Graz, Linz, Salzburg and the state of Vorarlberg), such as tourism organisations and cultural departments, along with the Austrian National Tourism Organisation. The narrower focus has produced strong branding and increased the ability to reach international target groups. In addition, the creative freedom afforded the content editors fits well with the ethos of the creative sector itself, making the links stronger.

Funding comes from membership contributions, with additional public sector support. One member, currently the Graz Tourism Organisation, runs the financial and administrative management of Creative Austria on behalf of the other partners. The accounting is controlled by another full member who reports to the member-assembly. Executive activities are the responsibility of BSX-Schmölzer GmbH, which has a long-time and high-profile experience in the field of international cultural marketing, communication and cultural content editing and has been involved in successful international cultural events. After four years of activity, the association decided to open itself to new destination members and talks with three new potential destination partners are ongoing.

Source: Based on research by Creative Austria. See the Creative Austria Content Communication Platform case study in Part II of the current volume.

Many studies have emphasised the need to raise awareness of the significance of the creative industries and their particular policy issues, including a recent report in Austria (Austrian Federal Economic Chamber, 2013). However, creating awareness requires tangible evidence of a creative “industry”, underscoring the need to develop strategic alliances between industry players and links to government. This also applies to the emerging relationship between the creative industries and tourism.

In Finland, a broader model of co-operation involving enterprises, government and research institutions in the field of tourism and creativity exists. A national umbrella programme for the development of cultural and creative tourism, Culture Finland, promotes co-operation between national and regional development clusters. The Finnish Ministry of Education and Culture and other public funding organisations support measures to promote tourism product development involving creative industry sectors. Culture Finland co-operates with the Tourism and Experience Management Cluster programme, which brings actors in the tourism and creative sectors together to create new tourism products and experiences. The cluster receives funding from the national Ministry of Employment and Economy as well as regional partners. A regional Centre of Expertise acts as an intermediary between different sectors and between public and private bodies (Box 4.3).

In Australia, Creative Clunes is an incorporated association and a registered non-profit organisation which has developed a fruitful partnership with the regional government. More recently, in 2013 it also entered into a partnership with the Federation University, allowing students to take part in business, marketing and artistic internships along with joint workshops and writers' residences. Creative Clunes has also established important networks with the Melbourne UNESCO City of Literature, the Wheeler Centre for Books Writing and Ideas and the International Organisation of Booktowns (Box 2.4). Partnership approaches have also been central to the positioning of Wellington as New Zealand's Creative Capital. This has been achieved through collaboration with arts organisations, businesses and residents, supported by a series of city council policies and strategies (Box 1.3).

Promoting co-operation between actors is essential for successful creative tourism development, but this can be challenging. In the case of film, Euroscreen (2013: 31) notes that "partnerships are essential in order to capitalise on the potential impacts of screen products on tourism. However, these partnerships are not obvious for all stakeholders". Film producers pay little attention to the tourism potential of their products, and tourism organisations are often unfamiliar with the use of screen products for marketing purposes. It may take time to develop a positive spiral of creativity and for the benefits of creative tourism to become evident to all stakeholders (Brouder, 2012), but tourism organisations may be able to take the lead in stimulating creative development, particularly in peripheral locations where the local creative sector is weakly developed.

Innovation and experience creation

The role of creative industries in innovation is one of the major reasons for government support. Not only are the creative industries themselves an important area of product, service and experience innovation, but their input

also stimulates innovation in other areas of the economy, including tourism. The creative industries have also become important in providing content and supporting the narratives that drive experience creation. This is evident in a number of areas, including the development of regional and local themes, cultural routes and gastronomic experiences. As consumer demand becomes more fragmented and less predictable, it becomes more important to innovate new content and experiences. The shift towards the experience economy has driven demand for creative skills and content that can underpin the development of engaging experiences for consumers.

Through the Culture Finland programme and the Tourism and Experience Management Cluster, Finland is developing innovative products and services by linking tourism, cultural and creative enterprises together in a national network. Finland also provides an interesting example of how the intellectual property developed through the creative industries can be used to stimulate innovation and tourism (Box 4.3).

In Milan, new hospitality concepts are being developed by architects, such as the Public Camping and the Bed Sharing (www.bedsharing.org) projects by Esterni and the concept-brand TownHouse Street developed by Alessandro Rosso and the architect Simone Micheli (www.townhouse.it). Other examples include the Camping House in Barcelona, designed by Esther Rovira (www.estherrovira.com/Go-Local-Barcelona) and the Pixel Hotel in Linz (www.pixelhotel.at). What most of these projects have in common is their aim to re-use urban space in creative ways for tourism. This trend toward a closer relationship between hospitality and design is supported by Milan's structured training system, which pays attention to the design of restaurants, hotels and the hotel experience. Tourism has been identified as an area of strategic development for training provision and the last decade has seen a flourishing of design studies and the emergence of new professions.

Catalan chef Ferran Adria's latest project, the El Bulli Foundation, provides another interesting example of using creative input to stimulate innovation in other areas of the economy, including tourism (Box 4.4).

Korea has attempted to stimulate innovation through open exhibitions and contests via its Creativity Tourism Contest Project run by the Ministry of Culture, Sport and Tourism and the Korea Tourism Organisation. The aim is to identify innovative creative content ideas for tourism. Start-up funding is provided for contest winners and partnerships with Google and other technology firms are stimulated to develop global content dissemination. Of a total of 90 creativity tourism projects discovered during 2011-12, 64 are currently being established through starting up a business or converging with an existing business to create new jobs. The Blinking Seoul

project which won the competition in 2012 integrates tourism and technology to stimulate innovation and create new types of tourism (Box 4.1).

Box 4.3. Innovative product development to support regional growth in Finland

Creativity is integrated into everyday life in Finland. As a result, creative tourism is included as part of a broader understanding of cultural tourism, which is seen as a vehicle for export development as well as a support for regional creative industries and regional development. The development of networks were regarded as crucial to this and so regional centres of expertise were established to intensify the transfer of knowledge between companies, regions and research centres. A national action programme led by the Finnish Tourist Board together with the Finland Festivals organisation aims to strengthen the economic importance, employment and internationalisation of culture and other creative industry sectors together with the tourism industry. Funds have been provided for product development, which has helped to stimulate collaboration between the creative and tourism sectors.

Under the umbrella programme Culture Finland, the creative sector has been involved in developing attractive new services for tourists and new operational approaches. These activities are aimed at tourists who are particularly interested in design, architecture, cultural heritage and the way of life of local people. In addition to building networks, the Culture Finland programme has organised sales and networking events and has mapped retailers, intermediaries and distribution channels in various countries. An extremely successful combination of tourism and creativity is the “Sauna vs. Divas” programme, which combines dance performance and a sauna experience in a hotel setting. The Tourism and Experience Management Cluster actively brings tourism and creative industries players together to innovate new products. The Culture Finland steering group consists of tourism and cultural sector representatives.

Many tourism innovations also come from creative sectors such as film and gaming. The Vares feature films based on the bestseller detective novels written by Reijo Mäki have given a major boost to film tourism and film production in Turku, where the book is set and the films have been made. The West Finland Film Commission has also started a year-long project that aims to turn the Turku Region into nationally and internationally significant animation production centre.

Source: Based on information from the Ministry of Employment and the Economy and the Ministry of Education and Culture, Finland; Culture Finland and the Finnish Tourist Board.

One of the distinctive features of the creative economy is the use of technology to develop innovative crossover products. Cross-platform digital media consumption has boomed as growing numbers of consumers use

Smartphones and tablets, while mobile Internet is becoming a popular medium for accessing travel information. Location-based applications are being used in the cultural heritage field to allow users to access contextual information while visiting museums or/and cities. The provision of information in real time and *in situ*, for example, can considerably enhance the visitor experience, such as “Looking for Achille Castiglioni”, which is a mobile location-based application designed to lead visitors to the discovery of Castiglioni’s architectural projects in central Milan.

Box 4.4. El Bulli, a new recipe for gastronomic experiences in Spain

Ferran Adria closed his world-renowned El Bulli restaurant in Catalunya in 2011 and is now developing the El Bulli Foundation to carry on his work developing creative ideas outside the restaurant. A new museum and visitor centre themed around the restaurant will be called El Bulli 1846, reflecting both the 1 846 dishes created at El Bulli and the year that Auguste Escoffier was born. Adria aims to attract some 200 000 people a year, far more than could eat at the restaurant when it was open. The El Bulli Foundation will draw inspiration from sources such as the Cirque du Soleil, Salvador Dali and his museum in nearby Figueres and MIT’s Media Lab. The new centre will cost EUR 6 million (USD 7.7 million) to build and EUR 3 million (USD 3.9 million) a year to run when it opens in 2015.

Adria’s gastronomic crossover projects include collaborations with artists, a work of classical music inspired by his food and a role in the Disney film *Ratatouille*. El Bulli and its offshoots have effectively become a creative content hub, reaching global audiences through the creative industries. At the same time, these creative elements have remained largely anchored in the place where they were first generated, adding to the image of Catalunya and Spain as gastronomic trend setters. This has helped to support the development of many other gastronomic products and experiences in Barcelona and other parts of the country. This illustrates that creativity has the potential to add value far beyond the physical confines of the tourist experience, where physical presence is required, because it allows creative products to be consumed globally through new technology and the media as well.

The integration of technology and new media into tourism experiences is an important aspect of creative tourism. New means of providing information and content via digital media and mobile Internet can enhance the quality of experience and also facilitate new forms of value creation. The integration of new technology also requires adequate user interfaces and design, and the creative industries also have an important role in adding value and utility to basic technology through design and symbolic content.

In Shanghai, the acrobatic extravaganza “Era” is a combination of traditional Chinese acrobatic arts and modern technology. Produced and performed by the Shanghai Acrobatic Troupe since 2005, the show combines acrobatics with technology, lighting and sound effects, elaborate costumes and original live music. By November 2011, the play had been performed 2 453 times for an audience of almost 2.5 million, grossing CNY 257.75 million (USD 39.8 million) in ticket sales. In 2010, it launched a new brand of time-and-space-themed performance: Kaleido. In Egypt, high-tech 3D laser scanners have been used to create an exact replica of the tomb of Tutankhamen, harnessing new technologies to prolong the life of the original site. Opened in April 2014, the replica is expected to attract 500 000 visitors a year.

Small and medium-sized enterprises and entrepreneurship

Entrepreneurship is an important policy issue for tourism and creative industries alike, as both sectors are dominated by SMEs, which co-exist with a few large global players. Supports for SMEs and business start-ups form an important part of creative industry policy in many countries. The creative industries often have different business models from the traditional economy and it can be hard to attract finance from traditional institutions. Investing in new technology or intellectual property rights can also be a major challenge for smaller enterprises with limited financial means. Start-ups often lack sufficient human resources to support significant R&D activities and therefore business support services are often provided by governments to meet this need.

Measures to stimulate entrepreneurial activity in the creative sector are evident in many of the case studies. In Tel Aviv, measures have been taken to develop the city as a hub for business start-ups, and therefore to develop “start-up tourism” to the city. The Tel Aviv case also illustrates how multimedia events are becoming important in attracting audiences and linking producers to stimulate innovation (Box 4.5).

As part of its creative tourism programme, Paris has launched the Welcome City Labs programme to support creative tourism innovation and entrepreneurship (Box 3.6). The provision of incubator facilities for new creative businesses has also been used elsewhere. Such policies aim to solve the problems of lack of finance for creative start-ups and “crowding out” by rising land prices and gentrification. Amsterdam has had a long tradition of providing “nursery spaces”, usually at low or nominal rents, which has arguably strengthened the city’s creative sector. Creative businesses in Shanghai can benefit from low rent and tax breaks if they locate in a designated creative district, while the development of a “harmonious

entrepreneurship demonstration area” has also been part of the programme of creative district development in Hangzhou, China (Box 4.7).

Box 4.5. Hi-tech is boosting creative and tourism enterprise in Tel Aviv, Israel

Tel Aviv is the second largest city in Israel, with a population of 414 600. It attracts 2.5 million international visitors annually. It has the world’s largest concentration of Bauhaus-architecture and was designated a UNESCO World Heritage Site in 2003. Tel Aviv is home to a wide range of creative industries, including the culinary arts, music and film. A major strength is the hi-tech industry in Tel Aviv-Yafo, which houses 23% of all hi-tech companies in Israel. Tel Aviv is particularly attractive as a location for hi-tech start-ups and between 2007-11, 635 new companies were created. This creative and innovative profile has stimulated the city to profile itself as a “creative city” to make it attractive to “global creatives” and boost the economy, creative industries and tourism. The city has developed a “start-up” brand that emphasises the innovative and welcoming aspects of the city, including the “non-stop” party culture and the gay scene.

Creative enterprises and “start-up tourism” have also been attracted by events such as the Digital Life Design (DLD) Innovation Week. Originating in Munich, Germany, the DLD acts as a platform for an exchange of future visions and experiences, driven by a mission to create a network of innovation, digital prospects, science and culture. The Tel Aviv version of the DLD was established in 2011 to provide a showcase for Tel Aviv as an innovation hub. New elements were added to the DLD format, such as Open Startup, an open doors event featuring start-up companies around the city and Start-Tel-Aviv, an international start-up competition. BrainTech Israel, meanwhile, brings together scientists, entrepreneurs and leading multinationals to network and discuss new brain technologies from Israel and around the world. It was attended by 700 delegates in 2013. The DLD Tel Aviv Innovation Festival 2013 attracted 20 000 visitors including 2 000 international guests. The DLD Tel Aviv Innovation Festival is an initiative of Yossi Vardi, who is a leading figure in the global technology sector, in partnership with the city of Tel Aviv-Yafo and with the backing of major corporations.

Source: Based on information from Tel Aviv Global & Tourism.

Santa Fe, New Mexico in the United States has developed programmes to support cultural entrepreneurship related to tourism through the city’s Economic Development Division. The development of creative tourism in Santa Fe involves a series of creative courses and activities that can be undertaken by visitors. Business development supports including training and customised consultations are available to provide creative practitioners with specific skills and tools to participate in creative tourism, including

fundamental business and marketing practices that improve the viability of their creative tourism product in the market place. Santa Fe has also engaged in a range of awareness-raising activities including conferences, workshops and international exchanges (Box 4.9).

Creating easier access to finance is a major issue for SMEs and it is important to remove barriers to support innovative products that bridge these two sectors. The Creative Industries Council (2012) in the United Kingdom identified a number of important steps in removing barriers to finance for the creative industries, including developing innovative forms of financing, more creative industries-friendly financial interventions by government and improving the information and understanding between the creative and financial communities.

An example of a new funding mechanism in Austria is the Creative Voucher, which aims to generate awareness at SME level of the innovation potential from co-operating with the creative industries. It facilitates the cross-regional visibility of creative service providers and anchors the creative sector as a key factor to improve the competitiveness of the Austrian economy. The Creative Voucher further develops the understanding of innovation as a creative process beyond pure technical innovation, at regional and national policy-making levels. Such initiatives can also help to bring together the sectors for the first time and remove barriers.

In addition to making sure that creative enterprises have access to finance, the public sector can also play a role in supporting creativity financially. In the United States, the city of Santa Fe reserves 1% of its hotel bed tax revenues to support local arts organisations. A similar system is in place in Austin, Texas where a portion of the hotel occupancy tax has been allocated to support non-profit arts and cultural groups and artists. The city has spent about USD 5 million on 240 non-profit arts groups in recent years. In this way, a virtuous circle is created between artistic liveliness, increased tourism and growing support for the arts and creativity.

Network and cluster development

Establishing networks can help to link actors within and between the two sectors, while clusters function as important nodes in these networks. Networks and clusters are also an important mechanism to manage the interface between the tourism and creative actors. The networks that underpin the creative industries can be both formal and informal, while clusters can emerge in a bottom-up manner or be developed in a top-down fashion.

Network development is an important part of most of the cases examined, as evidenced, for example, by the Finnish case (Box 4.3). In Santa Fe, which is designated by UNESCO as Creative City of Folk Art and Design, the Creative Tourism Network links creative producers to develop creative experiences for visitors and residents. The UNESCO Creative Cities Network formally designates cities in different areas of the creative industries, linking local actors into an international network (Box 4.6).

Box 4.6. UNESCO Creative Cities Network

The UNESCO Creative Cities Network aims to help cities develop their creative economy, with an emphasis on specific sectors such as design, music and literature. The network adopted a definition of creative tourism in 2006: “Creative [t]ourism is travel directed towards an engaged and authentic experience, with participative learning in the arts, heritage, or special character of a place. It provides a connection with those who reside in this place and create this living culture”. The UNESCO network has now designated 34 creative cities in the fields of literature, film, music, crafts and folk art, design, media arts and gastronomy. Many of the cities in the network are actively using the designation to develop tourism and brand the city.

Santa Fe is a designated UNESCO Creative City in Folk Art and Design and has developed a specific creative tourism programme. Edinburgh’s City of Literature designation is expected to generate almost EUR 5 million a year in total economic benefit. It is now focused on developing creative tourism experiences related to literature, including literary events. Glasgow has used its designation as City of Music to develop the Celtic Connections Festival, which attracts an audience of 100 000, many of whom are international visitors, and generating an estimated economic impact of EUR 11.6 million (USD 15.3 million) in 2010. Glasgow has also attracted the Music of Black Origin (MOBO) Awards, which is estimated to generate almost EUR 3.5 million (USD 4.9 million) in economic benefit as well as considerable image benefits.

The 11 design cities in the UNESCO network have also begun to work on linking the creative industries and tourism. Graz, one of the cities promoted by Creative Austria, was elected as UNESCO City of Design in 2011, coinciding with a record influx of tourists and a 10% increase in overnights (907 964) compared to 2010. The city is now actively promoting design shopping and design and architecture tours.

Sources: UNESCO Creative Cities Network (www.unesco.org); Wardrop, K. (2011), “UNESCO’s Creative Cities Network, Part 1, Edinburgh City of Literature”, Place Management and Branding blog, <http://blog.inpolis.com/2011/10/31/unescos-creative-cities-network-part-1-edinburgh-city-of-literature>; Stocker, K. (2013), *The Power of Design: A Journey Through the 11 UNESCO Cities of Design*, Springer, Vienna.

Platforms to distribute creative content, such as Creative Paris (Box 3.6) and national and international networks, such as Creative Tourism New Zealand and the Creative Tourism Network, are also being developed. Before these platforms and networks can be created, however, there is often a need for government to map the creative organisations and networks that can take part. The public sector also has an important role to facilitate platforms that will encourage the networking and knowledge exchange vital to the creative industries.

Given the advantages related to clustering in the creative industries and the desire to develop attractions with a critical mass of cultural and creative content that can attract tourists, the development of creative and cultural clusters has become an important area of overlap between tourism and creative industries policy. The development of creative clusters has been used as a major policy tool in cities in particular. There are many examples where the creative industries have been at the forefront of attempts to regenerate inner city areas, including Amsterdam, Barcelona, Brooklyn, London, Manchester, Montreal, Rotterdam, Sydney and Toronto.

Attempts by governments to stimulate cluster development, strengthen existing clusters or to market specific creative clusters for tourism are evident in many countries, as the case studies in this report indicate. In Shanghai, China, for example, the development of creative clusters throughout the city helped to generate almost 5 million tourist visits in 2011. The role of government has been crucial in establishing and shaping many of these clusters (Box 3.3). However, clusters also often emerge in an organic fashion before they are picked up on the policy radar. Wen (2012) argues that “there needs to be some organic impulse that policy can follow, but then leadership and direction are needed”. This is evident in the Chinese city of Hangzhou, where the municipal government has developed a major creative industries cluster programme, partly based on civic initiative (Box 4.7).

As most studies point out, the challenge is to maintain a balance between top-down direction and designation of “creative districts” and the bottom-up creative process. Very often these developments succeed precisely because they kick-start processes of gentrification, upgrading the physical infrastructure and attracting wealthier people. However, these processes very often remove the “edginess”, authenticity and low rents that attract the creative industries and pioneering visitors in the first place (Pappalepore et al., 2013). Once formalised, clusters run the risk of becoming over-commercialised and losing the creative atmosphere that attracted creative producers and visitors in the first place.

Box 4.7. Creative industries development in Hangzhou, China

The experience of Hangzhou illustrates how cities can build on their cultural heritage to become recognised creative centres and attract tourism. Located in China’s most industrial province, the creative industries are playing a key role in transforming the city. This process was originally kick-started by the occupation of empty factory buildings by artists, designers and creative entrepreneurs in 2003. Since then, the public sector has taken the lead in developing a number of creative clusters, including the White Horse Lake Eco-Creative City. This project was developed in partnership with the China Academy of the Arts to develop the largest cultural and creative industries zone in China. The aim of the White Horse Lake Eco-Creative City is to fuse innovation, creativity and tourism, with a focus on animation, arts and information technology. The project includes the conversion of farmhouses on the rural fringe of the city into fashionable work studios, an experimental creative park, an animation plaza and museum. In addition to the top-down planned clusters, many creative workers have identified places including disused industrial sites to start businesses, reflecting the entrepreneurial spirit in the region.

These clusters support the branding of the city as the “happiest city in China” and are designed to attract creative people. The cluster development has helped the added value of cultural and creative industries in the city to grow from CNY 70.2 billion (USD 10.4 billion) in 2010 to CNY 106 billion (USD 16.8 billion) in 2012. The 15th West Lake International Expo in 2013 was expected to attract 10 million visitors on the basis of the creative image of the city and the blend of cultural attractions and landscape. From 2000 to 2012, the expo achieved an aggregate trade turnover of CNY 155 billion (USD 24.5 billion), attracted USD 11.4 billion in foreign direct investment and was host to 188 million visitors.

Known as the pearl of Hangzhou, West Lake was included on the UNESCO World Heritage List in 2011. Impression West Lake is an ambitious outdoor performance project integrating art, pyrotechnics and sound to give a new lease of life to local myths and legends. Impression West Lake’s success lies in the integration of education, entertainment and aesthetics. It provides employment and enhances the brand equity of Hangzhou as a city of culture and creativity.

Source: Based on research by Shenzhen University, China and Queensland University of Technology, Australia. See the Developing Creative Service Industries in Hangzhou, China case study in Part II of the current volume.

The development of creative clusters in rural areas has also arguably been one of the driving forces behind the development of “creative tourism” in recent years. For example, the first creative tourism network was established in New Zealand in 2002 in the rural area around Nelson. The lack of alternative sources of income for creatives in rural areas probably pushes them harder to seek links with tourism than their counterparts in

urban areas. Examining the development of a “creative outpost” in northern Sweden, Brouder (2012) concludes that tourism provides vital support for local networks, linking them to new markets, injecting new knowledge and supporting local amenities.

Clusters need to develop a critical mass of creative activities over a number of years to sustain their creative energy. This can be done by harnessing the growing range of events specifically aimed at the creative industries and particularly at creative start-ups. The Pioneers Festival in Austria (<http://pioneers.io/festival>), for example, aims to bring innovative minds together and similar events have been rolled out in different European cities. The European Capital of Culture event can also be useful in stimulating economic impacts and developing the creative industries, as the Guimarães example shows (Box 4.8).

The Tel Aviv “innovation economy” has also been helped by creating a version of the global Digital Life Design innovation conference, a platform linking global creatives (Box 4.5). This illustrates how cities and regions can anchor global events and networks in their location, while at the same time strengthening the global flows of knowledge from which these events feed and developing a local or regional node for a particular area of creativity.

Milan Fashion Week in Italy is another temporary cluster which generates an induced tourism spend of around EUR 28 million (USD 37 million), mainly distributed between accommodation, shopping and restaurants. Fashion activity also supports the brand value and image of the city. Research indicates that the Milan Fashion Week creates much more social media buzz than a sporting event such as the start of the Giro d’Italia (Brunia et al., 2013). In line with the blurring boundaries between creative industries sectors, d’Ovidio (2010) found that fashion designers in Milan have increasing links with the art world. Fashion houses sponsor art exhibitions and create spaces for the presentation of their collections, which also act as multifunctional cultural spaces. Collections are also presented in art galleries and music and multimedia and visual arts are used to communicate the emotions of a particular brand.

A number of governance arrangements to co-ordinate such networks and clusters can be identified worldwide, including public sector-led approaches, such as the development of clusters in Shanghai and Hangzhou, public sector-enabled approaches, such as Creative Austria and Creative Tourism Santa Fe, and private sector-led approaches such as Creative Tourism Barcelona and Creative Iceland. The public sector partners often provide seed funding for creative development and legitimacy for new ventures, whereas the private sector is usually responsible for developing creative content and experiences.

Box 4.8. Guimarães, Portugal, European Capital of Culture 2012

The programme for Guimarães 2012 European Capital of Culture (ECOC) used the creative industries as a major engine for creative development and image change for this small city in northern Portugal. The year was seen as an opportunity for economic regeneration through creativity and innovation, increasing competitiveness and stimulating job creation, particularly in the cultural and creative industries. The creative industries theme of the ECOC meant it was also able to benefit from European Union Structural Funds. A large proportion of the programme was staged in converted venues, such as the former ASA textile factory. Many elements were oriented towards the creative industries, such as the Fashion Platform connecting fashion designers to textile industrial production, Contextile 2012 with textile art production in an industrial context, Editoria bringing together contemporary design and traditional craftsmanship and Talentos 2012, a promotional programme for creative entrepreneurship. Creative business incubation facilities were also developed in the Platform of Arts and Creativity, a Design Institute established and new infrastructure for film production was developed. Over three-quarters of creative enterprises regarded the impacts of the ECOC on the cultural and creative sectors as good or very good and reacted by improving their products and services (41% of creative businesses), developing partnerships with local agents (39%), introducing new organisational procedures (39%) or acquiring new competences (35%).

The event had a significant tourism impact, as between 20% and 30% of the visitors in 2012 were motivated to visit the city because of the ECOC. As a result, the number of accommodation guests rose by 29% and the number of overnights grew by 43%. Local businesses reported increased sales of around 12% for 2012. Increased tourism demand also stimulated new creative businesses. About half of the new creative companies incubated in the new Creative Labs in Guimarães in 2012 are dedicated to offering new products to the tourism of the city and the region, especially in the segments of cultural and creative tourism. The development of an audiovisual production platform allowed more than 50 films to be produced during the ECOC. The new creative offer has in turn stimulated demand and the ECOC programme was visited by more than 2 million people in 2012.

Source: Based on information from the Fundação Cidade de Guimarães.

Place branding and promotion

Culture has become not only a vital ingredient of national identity and branding, but has also become a marker of local distinctiveness and a tool of international projection (UNESCO, 2013: 34). Similarly, the creative industries play a key role in branding places and tourism marketing programmes due to their high symbolic content. The development of new creative tourism products and experiences also requires effective branding and brand support through content generation and storytelling.

Creative regeneration strategies often go hand-in-hand with branding places as centres of creative production and consumption. This is sometimes also applied to entire countries, as the Creative Austria or Creative Scotland labels suggest, while the creative industries are key in promoting Great Britain as part of the GREAT campaign. More commonly, creative branding is linked to regions or cities, as in the case of Creative Paris (Box 3.6), Creative Brisbane or Berkshire Creative in the United States. Such branding is usually associated with innovation and fast-growing sectors of the creative industries such as media, design and fashion that are attractive as place markers. Creativity is used as a means not just to attract tourists, but also to make countries, regions and cities attractive places to live, work and invest (Haddock, 2010).

Creative tourism has become an important support for the creative “brand pillars” for the city of Santa Fe in the United States. Four of the seven brand pillars which inform the Convention and Visitors’ Bureau branding and marketing efforts are specifically linked with the creative industries: history and culture, gastronomy, visual arts and performing arts. By establishing these creative brand pillars, Santa Fe has been able to leverage the Creative Tourism programme and the work of wider creative sector into a formalised marketing plan reflected across the bureau’s activities (Box 4.9).

Creative Austria makes extensive use of the creative industries in its branding, which has been applied not just to the website, but also to other marketing tools, such as rickshaws, flags, bags and themed areas at events. It has developed a clearly defined brand and brand position concept, identifying target markets and target groups that reflect the brand concept. The active involvement of the creative scene and the independence of the editorial team have also been essential for the credibility of the Creative Austria brand.

Many creative clusters are used by local and regional governments as a branding exercise, hoping to mark out particular locations as creative places with atmosphere or buzz. The Hangzhou case study, for example, shows that the city is seeking to brand itself as the “happiest city in China” in an attempt to attract creative people. The White Horse Lake Eco-Creative City has also become a brand that is used to support the idea of Hangzhou as a creative place, which in turn has helped to attract creative people and make the city a desirable location for events.

One of the objectives of Austin’s Convention and Visitors Bureau, meanwhile, is to develop a strategic branding of the city as the Live Music Capital of the World. Music is used in tourism marketing activities and supports branding by booking live music acts for conventions and corporate

meetings and by encouraging patronage of Austin music venues by business and leisure tourists. Practical measures include developing music content on the website, creating a music guide and developing music merchandise.

Box 4.9. Leveraging creative assets to generate tourism in Santa Fe, United States

Santa Fe, New Mexico has leveraged creative assets, public policy and UNESCO Creative Cities designation to generate new tourism revenues and build economic benefit for the entire community. The connection between tourism and the creative industries is integral to the local economy. Santa Fe has focused on building an infrastructure to connect the creative industries with training, technology and tourism partners. This included the creation of a Santa Fe Creative Tourism website, www.santafecreativetourism.org, which is promoted through social networking sites. Daily blog postings create desired content and build online visibility and audiences. The city also offers business development services for the purpose of preparing local artists to participate in and benefit from the creative tourism economy, including evening classes and one-to-one consultations. The Creative Tourism programme has produced tangible results in a short time. In 2012, it generated USD 62 782 in direct economic benefit for artists. The number of offerings by participating artists has grown from 40 workshops in 2009 to over 235 ongoing workshops in 2013.

Originally a stand-alone initiative in the Arts Commission, the Creative Tourism initiative is now integrated into a wider framework of cultural, social and economic development and is more closely aligned with other city agencies, including the Economic Development Division and the Convention and Visitors' Bureau. Santa Fe uses the creative industries extensively in the development of the Convention and Visitors Bureau's brand pillars, which include legendary history and culture; world renowned cuisine; diverse visual arts; vibrant performing arts and rejuvenation and relaxation. These areas are also linked to a wide range of creative tourism experiences, from traditional quilting to landscape painting, pottery and three-dimensional printing. The reputation of Santa Fe as a creative place helps to attract visitors to undertake creative activities, which in turn strengthens the cultural life of the city and its branding.

Initiated by the Economic and Development Division and funded by the city of Santa Fe, the annual business plan competition is open to individuals with business concepts that have the potential to create jobs, enhance the quality of life and fill a product or service gap. Successful applicants complete a six-month series of workshops and mentoring sessions that result in a final business plan. Winners receive cash prizes and access to consultants to bring their plan to reality. Each year, several participants represent businesses from the creative sector. The Velocity Project, meanwhile, is designed to propel start-up companies forward via an eight-week programme.

Source: Based on research by the city of Santa Fe. See the Creative Tourism in Santa Fe, United States case study in Part II of the current volume.

Under a common brand, creative storytelling can be used to more effectively communicate and sell the stories and local characteristics of the area. It has also become an important tool in regional development, helping to tie together images, identities and cultural resources into coherent visitor experiences. This can help redefine an area as a modern competitive tourism destination and create a unique offering to attract visitors.

The Nordic countries have led the way in the use of storytelling as part of modern destination development and marketing. This approach can enhance tourist attractiveness, marketing and direct experiences to extract economic benefit. Engaging stories or narratives can also link the experience of the consumer with the culture and creativity of the destination. Evidence from a study of the Nordic countries' experience reveals that stories can act as a framework for co-ordinating and packaging the tourism offer if they communicate the core values and attributes of the destination in an understandable way. Narrative and storytelling is extremely powerful through word of mouth and in social media, which creates demand to visit the area.

The Efteling theme park in the Netherlands, for example, has used its long experience in narrative and storytelling related to traditional fairy tales in developing themed attractions. In recent years it has reinvented itself as a content production organisation, allowing it to spread its content to other regions and creative sectors (Hover, 2013). The expertise gained from developing creative attractions is also now being used to provide consulting and advisory services to other attractions and events (see also Box 1.8). In this way, the creative content can be distributed far beyond the physical confines of the theme park itself, helping to grow the potential market.

Storytelling can also generate other forms of creative content, as illustrated by the activities around the 200th anniversary of the publication of the Brothers Grimm Fairytales in 2012. This was marked by a major exhibition in Kassel, Germany. The exhibition included an interactive examination of their "Work and Influence" and a virtual visit to a 3D reconstruction of the Grimms' apartment in Kassel. A group of young architects and designers also built the "Grimm City", a miniature cityscape based on the Grimm fairytales, which was later exhibited at the Design Museum in London. The exhibitions also linked to fairytale routes covering the many locations in Germany connected with the Grimm stories.

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Part II

Creative tourism case studies

Creative Austria content communication platform

This case study is based on research by Creative Austria.

Creative Austria (www.creativeaustria.at) is a communication platform that supports the marketing of a number of Austrian cities and regions, focused on target groups with a high interest in contemporary culture. Creative Austria communicates appropriate content from contemporary culture or the creative industries that can raise international interest in the Creative Austria member destinations. It does not focus on a specific creative industry sector, aiming to highlight any relevant content to generate general interest in the partner destinations.

This applies to established cultural institutions or festivals in the field of contemporary culture as well as to specific sub-cultural activities and scenes in the destinations. Creative Austria is especially interested in topics in a transition zone between contemporary culture and creative industries, such as architecture, street-arts, contemporary music, fashion, design, film, etc.

Programme features

Creative Austria is currently the umbrella brand for the cities of Vienna, Graz, Salzburg and the state of Vorarlberg. It complements the classic tourism marketing activities of these Austrian partner destinations by addressing highly interested and involved target groups in the field of contemporary culture and creative industries. This also provides a complementary opportunity for members to address these groups in their core value environment directly, without having to overstretch their individual destination brand positioning concepts.

Creative Austria is a content communication platform, which covers any relevant content in the field of contemporary culture and the neighbouring sectors of the creative industries. The partners of the association have agreed in a joint workshop process on a brand positioning concept for Creative Austria that focuses on the core brand values of being innovative, creative, ironic and cheeky.

The main cultural tourism target markets approved by the association members for the last five years are France, Germany, Italy, Japan, Switzerland, the United Kingdom, the United States and other European Union countries. Creative Austria especially targets cultural opinion leaders from subcultures related to contemporary culture and creative industries, cultural journalists, cultural and creative industries professionals, and cultural tourists from younger target groups.

The activities of Creative Austria comprise a wide range of content, media and promotion tools.

Media channels

Media channels include a webpage and social media platforms on Facebook and YouTube and a monthly newsletter for 16 000 international subscribers. Most subscribers are professionals from the fields of cultural management, art, design and cultural journalism, with a focus on Central European countries. In addition to these online channels, Creative Austria also publishes a bilingual print magazine and produces content for cultural television programmes on Austrian television channels ORF and 3sat.

Creative Austria magazine

The *Creative Austria* magazine features background articles in German and English about the partner destinations. These provide a personal insight into the subcultural scenes in these cities, with a focus on contemporary culture and initiatives in the field of the creative industries. Since the distribution concept of the *Creative Austria* magazine is focused on opinion leaders and people highly interested in the field of culture, it is essential for the credibility of the magazine that the editors of the articles are writing independently and competently, and at the same time in ironic and cheeky language. The purpose of these articles is to provide “insider knowledge” for readers, who are well-regarded opinion leaders and opinion makers in their own social peer groups. Typical stories for background features can be, for instance, a reportage about Shutterland, a street-artist project in Vienna that can only be discovered at night, when the famous “Wiener Naschmarkt” has closed the shutters of its stores or a tour through a young designers district in Graz that portrays young designers and their backyard studios.

The *Creative Austria* magazine also provides articles on upcoming festivals, events and exhibitions in the partner destinations for the coming three months, focusing on contemporary culture and the creative industries. Besides the established institutions in this field, Creative Austria especially highlights young festivals and new initiatives which are often not generally known in their home cities. The strategic aim is again to profile Creative Austria as an expert platform for cultural opinion leaders in the target markets. The magazine also provides additional information about upcoming events, television programmes and books on the topics covered.

Creative Austria newsletter

The monthly Creative Austria newsletter currently has approximately 16 000 subscribers, composed mainly of professionals in the cultural field and the creative industries. Among them are about 6 000 international

cultural journalists with a special focus on the Central and Western European markets.

The newsletter offers detailed programme information about upcoming cultural events in the partner destinations. One section of the newsletter is dedicated to international activities of young Austrian creatives in the target markets. In co-operation with the Austrian cultural forums worldwide, the Creative Austria newsletter provides information about “getting-in-touch” opportunities for young Austrian creatives in their own cities.

Since many articles in the Creative Austria newsletter feature topics about young creatives who are still at the beginning of their international career, the newsletter has become a highly regarded expert information tool. The webpage statistics of the newsletter articles show that subscribers open an average of 2.8 articles, which is a high level compared to other business-to-business newsletters.

Creative Austria Internet platform

The Internet platform of Creative Austria provides culturally interested people access to the services of the partner destinations. The Creative Austria Ticket Shop offers online tickets for about 80% of all of the partner destinations’ events. The Creative Austria Web Shop features books and design products in the content fields of Creative Austria.

General recommendations for cultural institutions, museums, galleries, hotels, shops, restaurants, bars and other services that match the positioning and target groups of Creative Austria are featured in destination channels of the platform. The recommendations have a playful, ironic and critical approach and avoid any content that cannot fulfil the expectations of the target audience.

Creative Austria television rubric

In co-operation with the public broadcasting stations ORF and 3sat, Creative Austria produces its own television features for the most regarded cultural TV programmes of these two stations: “Kulturmontag” on ORF and “Kulturzeit” on 3sat. These features give insights into contemporary subcultural developments and are linked to the protagonists and special local qualities of Creative Austria’s partner destinations. Importantly, the editors of the films are free in their work. And as in all other Creative Austria content channels, the films always have a critical component and often an ironic approach to their respective topics.

Typical stories include, for instance, insight reports on the Viennese rap scene, a feature about young designers in Graz in the twilight zones between professional product design and street-arts and the exploration of public

spaces on the fringe zones of the historical city centre of Salzburg and their neighbouring districts in the course of the “Salzburger Sommerszene”, raising questions about the sociological impacts of intense cultural tourism on the people living in that city.

With regard to the other media channels of Creative Austria, the media function of the Creative Austria television features is to provide emotional anchors for the target groups and personalise their expertise via the protagonists featured in the films. Since Creative Austria produces these films on its own, all copyright is property of Creative Austria. This provides the possibility of offering the material for other purposes, like in-flight content for airlines, hotel television channels and any appropriate Internet channel.

Promotion and packaging

To reach its target groups directly and effectively, promotion and below-the-line marketing activities are focused on major European cultural events that attract large numbers of international cultural opinion leaders and journalists. These include “La Biennale di Venezia”, “Frankfurter Buchmesse”, “Salzburger Festspiele” and international film and music festivals. The activities at these events range from simple magazine production to branding and guerrilla marketing tools, such as branded rickshaws, flags and bags, to Creative Austria stages and cafés in the Austrian areas of international book fairs.

Young Austrian creatives and artists are integrated into these promotional activities in different ways. In the launch period of the brand, the “Chicken Ernie” art project of the Austrian artist and experimental film-maker Edgar Honetschläger was chosen as the mock testimonial for Creative Austria. The covers of the *Creative Austria* magazine are always dedicated to Austrian artists. The Creative Austria stages have provided opportunities to dozens of Austrian writers to present themselves to a professional international audience of editors and journalists. Creative Austria infoscreens are used by the Austrian Chamber of Commerce at international design fairs. Young Austrian video-artists and VJs have their work framed by the infoscreen system, which features animations and effects developed by young Austrian visual effects and 3D artists.

The editors of the articles for the Creative Austria media channels are themselves curators, writers, film-makers and festival organisers with a background in the Austrian creative scene. Active involvement of the creative scene gives the brand a high reputation not only in the target groups of Creative Austria but also in the creative scene itself. As a result of this high involvement in the communities and subcultures, the editorial board of

Creative Austria has access to information and activities in these scenes long before they are widely publicised, which is essential for the expertise that Creative Austria can provide to its professional target groups.

Funding mechanisms

Creative Austria is funded by membership fees of the partner destinations and financial support from institutions with a general interest in the activities of Creative Austria. It is a strict rule that the members of the network represent broader interests than just a single institution, festival or company. Partners therefore have general tasks in supporting Austrian destinations in the field of contemporary culture, design and other creative industries. This policy ensures the independent selection and promotion of topics from the partner destinations, including those that have not developed a strong profile of their own. This is especially important in order to highlight the activities of young creatives.

Governance structures

Creative Austria is organised as an association under Austrian law. One of the members – currently the Graz Tourism Organisation – runs the financial and administrative management of Creative Austria on behalf of the other partners. The accounting is controlled by another full member that reports to the member-assembly. Executive activities are carried out by BSX-Schmölzer GmbH, which has a lengthy experience in the field of international cultural marketing, communication and cultural content editing. It has been involved with successful international cultural events, including “Graz 2003 European City of Culture”, “Wiener Mozartjahr 2006”, “Linz 2009 European City of Culture” and “Haydn Year 2009”. BSX also produces cultural and documentary television content.

Development issues

Creative Austria is an outcome of a general initiative of the Austrian Ministry responsible for Economy and Tourism to support marketing and communication of Austrian tourism destinations in the field of contemporary culture. In the launch period of Creative Austria, a wide range of tourism and cultural institutions were involved, including museums and festivals. It soon emerged that the wide range of parties involved made it difficult to agree on the general focus, programmes and rules of the group. With this experience, a smaller group of institutions with similar roles in their respective destinations, such as tourism organisations and cultural

departments, formed a smaller group which was able to define a common policy and strategy.

The initial partners were Vienna, Graz, Linz, Salzburg and the state of Vorarlberg. These destinations covered at that time the majority of contemporary cultural activities in Austria. The Austrian National Tourism Organisation, Österreich Werbung, was also nominated by the Austrian Ministry responsible for Economy and Tourism as a co-operative partner of the group. Major steps in this initial period were the definition and creative development of a clearly defined brand and brand-positioning concept, identifying target markets and target groups, defining a list of topics that reflect the brand concept and developing rules for the group that guarantee the independence of the editorial team, which was seen as essential for the credibility of the Creative Austria brand.

The founding members agreed that during the first few years, the group should first define its profile and rules and evaluate the effectiveness of its activities before inviting other new destination members to join. After four years of activity, the association decided to open itself to new destination members, provided they accept the rules of the association. Currently talks with three new potential destination partners are ongoing. The focus on destination organisations underpins the long-term vision of the group to promote contemporary Austrian cultural and creative content and programmes that have the capacity to interest the target groups for the destination from which this content originates.

Results and evaluation

In June 2013, 199 000 articles on www.creativeaustria.at were visited by about 63 000 individual users, only 29% of whom were from Austria. The Creative Austria Newsletter has 16 000 subscribers, including 6 000 international cultural journalists. Since Creative Austria strongly focuses its on- and offline activities on high-profiled cultural multipliers, it is reasonable to assume that these recipients multiply the outcome of these communication activities within their own peer groups.

Creative Austria also gets qualified feedback from the Austrian cultural and creative community itself. Its international promotional activities are well known and monitored with interest by the Austrian creative scene. The editors of the Creative Austria media channels are always among the first to be informed about future cultural projects. This is because the creatives themselves are interested in being featured by Creative Austria in its international communication channels.

Critical success factors

Definitely the most important success factors of Creative Austria are the clear rules and concentrated communication goals that the association has given itself. The decision to focus on content that can clearly be related to one of the member destinations in the field of contemporary culture and creative work provides a focused and open framework for the content coverage.

The strategy of complementing the established marketing programmes of the tourism organisations with a focus on highly interested cultural multipliers gives a clear framework for the planning of the operational marketing activities and allows, even with a fairly small budget, international target groups to be reached very effectively.

Moreover, the independent editorial team, coming from the creative scene itself, gives Creative Austria high credibility in the target communities and, because of its ironic and cheeky behaviour, high levels of understanding.

Developing creative service industries in Hangzhou, China

This case study is based on research by Wen Wen, Shenzhen University, People's Republic of China and Michael Keane, Queensland University of Technology, Australia.

Creativity is changing the People's Republic of China according to Li Wuwei (2011), a leading Chinese economist and policy advisor. The nation is learning to embrace a “third industrial revolution” (Rifkin, 2011) while banking the economic capital of the carbon-dependent manufacturing economy. Urbanisation is also driving change and consumer culture (Gerth, 2010).

Most of China's high-value creative service industries are found in the large urban centres of Beijing, Shanghai, Guangzhou and Shenzhen in the coastal provinces. China's second-tier cities, including Hangzhou in Zhejiang province, are also seeking to make capital out of culture, albeit with different strategies than the coastal hubs. The Hangzhou metropolitan area is the fourth largest in China, with 8.8 million residents. Zhejiang province was once known as the “land of rice and fish.” However, with the increased emphasis on productivity in China's economic reforms since 1978, the province became an economic heavyweight, characterised by small and medium-sized enterprises often working together to produce complementary products.

As more growth occurs in second-tier cities like Hangzhou and the environmental impact of the manufacturing industries are more apparent, service industries are gaining momentum and support from government think tanks to support growth. Hangzhou is an example of a Chinese city trying to reimagine its future in the post-industrial stage of development. Located in China's most “industrial” province, it illustrates synergy between entrepreneurship, creative industries and cultural preservation. This links directly into the tourism industry.

Hangzhou's tourism credentials

The city has been a significant cultural centre for centuries. Hangzhou was the last capital of imperial China during the Southern Song Dynasty (1127-1279), after which the Mongol dynasty established the new northern capital now known as Beijing. Despite this shift of power northwards, Hangzhou retains its identity. In China, people often remark: “Up above is heaven; down below are Suzhou and Hangzhou”, perhaps explaining why the city's leaders have sought to capitalise on tourism assets. The city has long been renowned for its scenery and waterways and is synonymous with open lifestyles as well as tea, silk and porcelain industries. Almost 1 000 years ago, the Venetian traveller Marco Polo described it as the “most magnificent city in the world”. The pearl of Hangzhou – the West Lake, around which the city is built – is the most renowned feature of the city and is compared to Xi Shi, one of the four beauties of ancient China, whether richly adorned or plainly dressed.

Tourism, recreation and exhibition industries support the city's goal of being a "City of Quality Life". Hangzhou's reputation for lush hills, scenic lakes and an affluent and relaxing lifestyle generates an appealing brand. In reimagining its future, policy makers are keen to take advantage of reputational effects. Titles such as the "happiest city", the "global exemplary city of leisure" have been bestowed on Hangzhou by the Tourism Research Centre of Chinese Academy of Social Science. Accordingly, the municipal government has been striving to accelerate the tourism industry, as well as facilitate complementary leisure and exhibition industries. Indeed, much of Hangzhou's positive image comes from tourism. People who have been there often speak highly of its virtues. Hangzhou was acknowledged as the "Best Tourism City of China" of 2006 by the National Tourism Administration and World Tourism Organization; it was awarded the *Prix international de Vénus* by the *Fédération Internationale du Tourisme* in 2007.

Hangzhou's experience illustrates how cities can exploit cultural heritage to capture tourists and become recognised creative centres and it has become an important destination for international travellers. In 2011, tourism services accounted for almost 6% of the city's gross domestic product (GDP). In 2012, the total income from tourism amounted to CNY 139.2 billion, or 6.2% of municipal GDP. The majority of tourists are drawn from within China, with domestic tourists numbering more than 70 million in 2011. Tourists from abroad come mainly from Chinese Taipei; Hong Kong, China; Korea; Japan; and the United States. In the first quarter of 2013, total tourism revenue was CNY 28.6 billion while domestic revenue accounted for CNY 25.7 billion of this amount (Hangzhou Municipal Government, 2013a).

Despite the global financial crisis, Hangzhou's tourism market has remained buoyant. Much of this resilience can be attributed to proactive campaigns by the Hangzhou Municipal Tourism Commission supported by the Chinese Communist Party Hangzhou Committee and the municipal government. In 2009, the commission released 2.4 million sets of coupons with a total value of CNY 150 million combined with a total CNY 50 million value in gate tickets as giveaways to residents of cities in China as well as Chinese Taipei; Hong Kong, China; and Macau, China.

Creative industries initiatives

The creative industries are playing a key role in the post-industrial transformation. In 2004, the State Administration of Radio, Film and Television designated Hangzhou a National Animation Base. The goal is to create a "City of Animation", building on the province's competitive

advantage in animation – its capacity to attract workers to these young industrial sectors (Dai et al., 2012).

The first tangible indication of creative industries entrepreneurship occurred when several designers and artists commandeered an unused fibre factory in Gongshu district in 2003. The occupants later named this the LOFT49 Creative Industries Park. When the momentum for cultural and creative clusters broke out in China after 2007 (Keane, 2011), LOFT49 was recognised by the local government as a model for future developments, although its potential has been hampered by the surrounding real estate development. This commercialisation has constrained access by visitors.

Following the directives of the national 11th Five-Year Plan (2006-10), and Zhejiang's initiative of "Building a Cultural Province" (2005), the Hangzhou municipal government established a Cultural and Creative Industries Office. The Cultural and Creative Industries Office subsequently identified eight sectors: information service, animation and gaming, design, media, crafts, education and training, cultural recreation and tourism, and cultural exhibition. Several new clusters were officially designated. In 2008, the office announced that Hangzhou would aspire to be the National Cultural and Creative Industries Centre, an initiative which was included in the Regional Plan of the Yangzi River Delta, ratified by the State Council in May 2010.

In 2010, 6 creative cluster projects were accredited, taking the total to 16. In the draft document of Hangzhou's 12th Five-Year Plan, development projects such as these are described as "optimising and upgrading the industrial structure". According to the Municipal Bureau of Statistics, the added value of cultural and creative industries in 2010 was CNY 70.2 billion, or 11.8% of the GDP of the city. By 2012, this figure had climbed to CNY 106 billion, or 13.6% of the GDP of the city (China Hangzhou Network, 2013). In 2013, Hangzhou was ranked third in "cultural creative industry competitiveness", behind Beijing and Shanghai (Hangzhou Municipal Government, 2013b).

The line between tourism and creative industries (often called "cultural industries") is quite blurred in the city. Hangzhou's policy makers have included recreation and tourism as one of the leading cultural and creative industries sectors. Although it is problematic to assert that a form of tourism is non-cultural, as everything derives from cultural memory in some way, "cultural tourism" is likely to contain more aesthetic and symbolic elements than adventure or lifestyle tourism. Policy makers and academics in China are therefore keen to advance the claim that cultural tourism contributes greatly to the creative industries and vice versa; for instance, the policy advisor Li Wuwei (2011: 69) writes: "Creative tourism accords special

attention to the integration and transformation of social resources in addition to resources such as natural landscapes and cultural heritage.”

The relationship is co-dependent: the creative industries contribute a lot to tourism. Li goes on to say: “[Tourism] seeks to apply creative strategies to transform tangible and intangible resources into marketable products. Creativity is a means for transforming resources into capital and is also a way for the tourism industries to develop, exploit and integrate resources more deeply and extensively.” For instance, the popularity of Xixi National Wetlands Park adjacent to West Lake and a Jiang’nan Club in Hangzhou were featured in the popular Chinese film *If You Are the One* (2008). As witnessed with the film *The Lord of the Rings*, which generated substantial tourism revenue for the south island of New Zealand, cinema can be a vehicle for place branding.

Cultural precincts have the potential to become consumption hot spots; leisure zones also become cultural quarters. Smaller clusters and cultural quarters that attract visitors include the Ideal & Silian 166 Creative Industries Park where artists, designers, musicians and photographers gather to exchange ideas. There are also seminars, concerts and theme parties in the park, while Nanshan Street showcases a nightlife scene with traditional teahouses and modern pubs.

Impression West Lake

Encircled by Hangzhou’s Central Business District in the east and mountains on all other sides, West Lake is said to “epitomise China’s typical landscape, the interaction between the nature and human beings, who respectively turn the [l]ake into marsh land and conduct reshaping, in past thousands of years” (Hangzhou Municipal Government, 2010). This spectacular natural landscape is suffused with legends and stories, many of which are well known to people of Chinese heritage.

In 2011, West Lake was included on the UNESCO World Heritage List (www.worldheritagesite.org/sites/westlake.html). From 2002, the city government restricted the sale of tickets to scenic spots; it also started protection and reconstruction projects. With the support of government and citizens, the management committee of West Lake has endeavoured to promote a new “West Lake” each year; projects like West Lake Xintiandi and *Impression West Lake* have resulted in increased awareness of Hangzhou. West Lake remains the first and the only free 5A scenic spot (top category tourist attraction) without an entry fee in China. It is said that the free access to the scenic spot has contributed greatly to the sense of happiness of the local residents.

Impression West Lake is an ambitious outdoor performance project integrating art, pyrotechnics and sound. The performance of cultural stories in tourist locations is not a new strategy in China and demonstrates the increasing autonomy and professionalisation of artists. There is a long tradition of cultural performance in modern China. In the past this was supported through government funding. In the early 1980s, the urge to professionalise was facilitated by a change in cultural policy in 1978. Throughout the 1980s and 1990s, a series of reforms moved art closer to the marketplace until in 2001 the government formalised the term “cultural industries” (Keane, 2007).

A few years later, the cultural industries were challenged by an imported model, the “creative industries”. Tourism came to the fore as China’s trump card. With a recorded civilisation dating back some 4 000 years, China had plenty of resources; the issue was how to make these attractive to a new generation.

Tourists provide bread and butter revenue for cultural troupes throughout China. Repertoires tap into local cultural traditions. The involvement of film directors is a newer development and has led to greater professionalisation of tourist services and tie-ins with creative industries. The so-called “landscape play” provides us with a perspective on what Nestor García Canclini (1992) calls “cultural reconversion”; that is, the process of turning older forms of culture into newer forms. The landscape play was devised by Mei Shuaiyuan, a native of Guangxi province. Mei instigated *Impression Liu Sanjie* in Guangxi in March 2004, a fable about the beautiful third daughter of a peasant who used to sing to workers in the rice fields. By the end of 2012, *Impression Liu Sanjie* had been performed more than 2 700 times, accruing more than CNY 600 million in earnings (Xinhua News, 2012). In many respects, the landscape play model achieved its success largely because of Mei’s collaboration with the renowned film-maker Zhang Yimou, who is probably best known for choreographing the opening and closing ceremonies of the 2008 Beijing Olympics.

Zhang and Mei continued the series with *Impression Lijiang* in 2006 and *Impression West Lake* a year later. *Impression West Lake* is staged in Hangzhou. Like its predecessors, it emphasises folk stories, which are given a new lease of life with innovative and technical stage effects set against the beauty of the natural landscape. What is interesting about *Impression West Lake*, moreover, is the addition of pop stars and celebrities. Jane Zhang (Zhang Liangying), the runner up of a Chinese version of *Idol* called *Supergirls (chaoji nüsheng)*, sings the theme song. The Japanese new age musician, Kitaro, also joins the team, his atmospheric effects hinting at a broader pan-Asian appeal.

The core concept of *Impression West Lake* is concerned with myths and legends of West Lake. The official website describes the performance as leading the viewer to a sweet 1 000-year dream. Indeed, the slogan “Authentic Dream” extends an invitation to explore Chinese culture and this is a marketing pitch directed at international travellers, one segment of *Impression West Lake*’s target audience. *Impression West Lake*’s success therefore lies in the integration of education, entertainment, escapism and aesthetics (Pine and Gilmore, 1999). Targeting domestic and international audiences, *Impression West Lake* commodifies collective identity, inspires love of national culture and educates the community about their common cultural heritage.

White Horse Lake Eco-Creative City

The White Horse Lake area is located at the southern part of Hangzhou’s Binjiang district. The northern area promotes its achievements in hi-tech industries such as micro-electronic information, biomedicine, optical-mechanical-electrical integration and various computer applications. The northern area of Binjiang also hosts a “National Animation Base.” The less-developed southern part has primarily relied on agriculture. In recent times, however, the green land of the urban fringe has become a new site for redevelopment according to Hangzhou’s modernisation programme.

Mountains and creeks surround the southern part of the lake, providing a natural landscape with potential for tourism. The White Horse Lake area is well endowed with cultural significance and is home to a number of historical heritage sites, including the City of the King of Yue (built in 493 BC), the Xixing Canal (excavated in 301-312 AD), and the Guanshan Temple (first built in the late 12th century). In order to facilitate the city’s goal of becoming a “national centre of cultural and creative industries”, in November 2007 the Binjiang district government tendered a design contract to the China Academy of Arts. The intention was to build the White Horse Lake Eco-Creative City focusing on the use of natural resources, and as the name suggests, which would organically nurture creative endeavour.

The project has a designated area of 20.5 km², making it the largest cultural and creative industry zone in terms of scale in China. Eighteen villages with a population 52 000 residents are included in the development. The site is situated close to transport infrastructure, including the Hangzhou Xiaoshan International Airport and the urban subway.

The project includes the establishment of a national cultural and creative industries precinct, a tourism and recreation site, an urban aesthetics and architectural aesthetics “demonstration area”, and a “harmonious entrepreneurship demonstration area”. The slogan is “to live, to work, to

visit and to experience the culture” (White Horse Lake Eco-Creative City, 2012). The project began with the conversion of farmhouses into fashionable work studios, known as “farmhouse SOHOs”, for cultural and creative professionals. The overall farmhouse SOHO scheme covers 500 households in 4 villages. The farmers are encouraged to either sell or lease their houses to the government. By 2012, there were 160 enterprises occupying farmhouse SOHOs (White Horse Lake Creative Eco-City, 2013).

An experimental precinct – China Academy of Arts SOHO Creative Park, or SOHO Park for short, was opened in April 2009. At least one enterprise of each of the eight sectors of Hangzhou’s designated cultural and creative industries is located in the SOHO Park. Closer examination reveals that over half of the companies and work studios are related to the China Academy of Art: some are even the creative practice bases of the academy’s students.

Another major project is an animation plaza, designed by the China Academy of Art around the traditional Chinese concept of “mountain and water”; it includes a convention and exhibition centre, office buildings as well as hotel facilities. It opened in April 2010 for the China International Cartoon and Animation Festival (CICAF, 2013) and has become the permanent site of this festival. In 2011, the Animation Plaza became one of the three main sites of a Leisure Expo. An animated work called “Scene of Southern Song Dynasty” was exhibited, from the producers of the much acclaimed “Riverside Scene at the Qingming Festival” which was a star exhibit in the Shanghai World Expo 2010.

The planners of the White Horse Lake Eco-Creative City endeavour to fuse innovation, creativity and tourism. Efforts are dedicated to implanting innovation and creativity into the rural locale; for local residents, the introduction of the creative class has changed the population mix. Policy makers are hoping that this experiment will pay dividends. The focus on animation, arts and information technology is based on proximity to the high-tech zone, from which an inflow of innovation and creativity is expected.

The farmhouse SOHO model anticipates a new approach to creative reconversion. In many instances, creativity is used to gentrify obsolete industrial areas. In the case of White Horse Lake Eco-Creative City, the conversion of farmhouses suggests an eco-friendly process. Agricultural sightseeing and tourism are also promoted as part of the reconversion package: the project includes the construction of a museum of fishing culture. The infusion of the creative industries into the district has the appeal of raising the cultural level of the locals while bringing the more materialistic city dwellers into closer union with nature. In terms of

“experiencing culture”, farmers are being educated in arts and creative industries; some have started enterprises in art and tourism-related fields. Meanwhile, it is hoped that the “creatives” who move to the area will embrace rural life and appreciate the simplicity and honesty of the farmers. The project caters to a key plank of the harmonious society programme, where farmers and creatives nurture each other, working together harmoniously (Keane and Wen, 2013).

By June 2012, CNY 3 billion had been invested in the White Horse Lake Eco-Creative City. The animation plaza and SOHO Park were in use and a number of creative tourism sites were underway including the Zhu Deyong Humour Museum, the Greatdreams Creative Park and the National Animation Museum. In addition, a Cross-Strait Cultural and Creative Industries Research Alliance initiated by several universities in China and Chinese Taipei has recognised White Horse Lake Eco-Creative City as the permanent conference site.

Concluding remarks

A critical success factor underpinning Hangzhou’s tourism industry is that the government has made the city’s cultural assets available to both local residents and tourists. Free entry into the precincts of the West Lake, including the popular Xixi Wetlands precinct, indicates a positive gesture of appreciation and welcome for visitors. The loss of income from tickets is compensated by income from hotels, restaurants and the purchase of souvenirs. Branded as the “happiest city of China”, Hangzhou is also seeking to become a place that attracts creative professionals. Some comment that Hangzhou is a “place for creation” (Wen, 2012).

Hangzhou has an impressive pedigree in art and design. At the official level, it has one of the top art education institutions – the China Academy of Art. Considering itself as a “city builder”, the China Academy of Art is involved in many municipal projects. At the “grassroots” level, a tradition of entrepreneurship exists, reflecting the entrepreneurial spirit found in Zhejiang province. In addition to top-down planned clusters, many creatives have identified specific locales, usually disused industrial sites, to start businesses. As mentioned above, creative workers in fashion design, animation and graphic design have taken up the offer of moving to the urban fringes.

Government has invested heavily in both tourism and the cultural and creative industries. Investment in infrastructure and protection of cultural heritage and the environment has resulted in Hangzhou having a range of attractive destinations for tourists. *Impression West Lake*, while a franchise operated by Zhang Yimou and Mei Shuaiyan, provides a great deal of

employment and tourism training for local residents. It also enhances the brand equity of Hangzhou as a city of culture and creativity. In the White Horse Lake Eco-Creative City, creative tourism has become a manifesto. The government has played a role in attracting cultural celebrities and providing work studios, aiming at generating a “halo effect.” These include the cultural producer Yang Lan, writer Yu Hua and cartoonist Tsai Chih Chung, as well as the British creative economy consultant, John Howkins.

There have been problems with some of the high-profile projects. *Impression West Lake* has received criticism for excessive commercialisation and the amount of government investment required to subsidise the project. The White Horse Lake Creative Eco City project remains aspirational and only time will tell if it will achieve its outcomes. It may take time for farmers and creatives to appreciate and nurture each other. Conflicts have taken place when farmers are unhappy with the conversion of their houses into artist spaces.

However, Hangzhou’s ambitions to convert cultural assets into modern lifestyles and to reposition itself in the “third industrial revolution” are playing to the strengths of its tourism industries. Hangzhou’s “happy” mix of entrepreneurial creativity and cultural heritage reflect a strong city brand and a robust cultural identity.

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Design-induced tourism in Milan, Italy

This case study is based on research by Martha Friel, Silvia Santagata Research Centre (EBLA) and Armando Peres, International University of Languages and Media (IULM), Italy.

There has been much debate in recent years in Italy about the role of culture for the country's economic and social development. On the one hand, cuts in public funding and the urgent need to find models of governance that are able to open the doors to the private sector and to new resources have created new interest in this issue in civil society too. On the other hand, studies of the cultural and creative industries (Santagata, 2009) have revealed that cultural production generates considerable added value and employment in Italy: data for 2011 record almost EUR 76 billion in turnover and 1.4 million employees (Fondazione Symbola and Unioncamere, 2012).

In this context, it is surprising to note how little has been said, except in “extractive” and instrumental terms, with reference to the cities of art and to the main state museums, on the strategic role that culture plays in the travel and tourism economy in Italy. However, tourism can generate benefits not only for the enhancement of heritage, but also for supporting the production and promotion of contemporary culture (Friel, 2012).

The consumption habits of tourists are changing profoundly, and the competitiveness of destinations, especially in urban areas, increasingly relies on the diversity of the offer (Richards, 2007; OECD, 2009). However, the integration of cultural experiences into everyday life (e.g. art in the subways, design in hotels, gastronomy in trains), and the progressive integration of cultural tourism with other tourism types are still under-investigated in Italy and this is also the case with the analysis of the relationship between cultural tourism and culture and creativity.

However, tourism has always interacted spontaneously with the creative industries and contributes to their evolution. There is the classic combination, although nowadays rapidly evolving, of tourism and publishing and links between tourism and cinema, tourism and material culture. There is also a strong relationship between tourism and the performing arts, particularly intense in the age of festivals and “Eventful Cities” (Richards and Palmer, 2010). These links have often been investigated from the demand side as tourism types, but not in terms of their mutual evolution.

In the field of production of digital content, the tourism-creative industries combination is particularly evident in the development of new forms of entertainment and of cultural tourism experiences, as well as in the promotion and marketing of tourist destinations. There are now hundreds of Smartphone or tablet apps intended for tourist use and cultural entertainment, ranging from guides to games and augmented realities. This case study describes Milan as a particularly interesting example of the relationship between tourism and creative industries and its dynamics.

Milan is a prominent tourist city, ranked third in Italy for overnight stays (7.7 million in 2012) and self-appointed World Design Capital. Here tourism and the creative industries connect on two levels: first the integration of design culture with the city's leisure offer, and second the contribution that design (including fashion design) makes to the supply of tourist services (in terms of intermediate goods and services).

After briefly describing Milan as a design capital, the case study illustrates how design is an element that is now able to “sweeten” the business component of Milanese tourism by offering new ways of experiencing the city through events, places and services, thus contributing to the innovation of the city's tourism supply. It also describes how the interactions between the design and tourism sectors in Milan have taken place in an almost spontaneous, bottom-up way, without there being any planning of the phenomenon from above, and suggests a series of policy implications.

Milan as a design capital

Italy is characterised by a strong, self-generated “culture of design”, which grew up in a spontaneous unplanned way, continuously fed by endogenous entrepreneurial, financial and cognitive resources, as in the case of the industrial districts (Simonelli, 2003). Although industrial design is a widespread activity in different areas of the country, when Italian design is mentioned it is often identified with the area of Milan, which is the centre of the Italian design system and which is design's historical birthplace. Moreover, Milanese design and the “Made in Italy” concept have been developing in tandem and gaining international leadership.

This system was, at least at an early stage, fuelled by a demand from companies based in the region, in particular those operating in the furniture sector, and then expanded to support the entire country, thanks to the rich local production system (Bertola et al., 2002). Today some of the most well-known international design firms and industry leaders operate in Milan. Here, the first Italian university course in industrial design was established in 1993 at the Politecnico, followed by the first faculty of design.

Lombardy and Milan are the main Italian centres for design training, with 54 design schools offering over 350 courses. Furthermore, there is a vast range of support services for the design and manufacturing processes, as well as communication and production, from fairs to publishing, with 80 specialist publishers and 125 magazines published in the region. This highlights the systemic nature of design in this region, together with the density of actors and resources in the area involved in the processes of innovation and communication of “Made in Italy”. Given its heterogeneous

nature, this system obviously goes beyond what could be defined as a district and presents itself as a cultural, scientific and productive system more like a “cultural macro-operator” (Manzini, 2002).

A first step in the institutionalisation of the design sector was taken in 2001 with the establishment in the Lombardy Region of the “Design Metadistrict”, an area comprising 65 municipalities of 6 provinces and 11 research centres. The Design Metadistrict created a direct relationship between the traditional district areas of specialisation – in which enterprises tend to use design as a competitive resource – and the places where knowledge of design and about design was being generated, above all the universities and research centres. In 2007, the Triennale Design Museum, the first Italian museum dedicated to design, was opened. This was a result of an agreement between the Italian Ministry of Culture and the Lombardy Region and the signal of a process of historicisation and cultural recognition of Milanese and Italian design.

Milanese experience of design-driven tourism

In terms of attracting tourists, it is useful to distinguish between business tourism flows generated by the presence of companies and trade fairs, and design as a product of the city’s cultural/leisure offer. Moreover, it is also interesting to understand the points of integration and overlap of these perspectives, which are difficult to separate not only due to the lack of data, but also to the increasing porosity between these different types of tourism.

The economic and productive base of Milan’s metropolitan system is still the most important factor of attraction for the city – representing about 85.2% of the total inbound tourist flows to Milan. About 3.5 million business tourists a year (including MICE tourism: meetings, incentives, conferences and exhibitions) stay on average two nights and spend over EUR 350 a day not only to do business, but also to dine, shop and visit the symbolic places of Milanese culture. According to the Milan Chamber of Commerce, the revenue generated by this segment amounts to EUR 2.5 billion and feeds a system of over 80 000 jobs.

The link between the city and the business sector is a combination that, even in the collective imagination, is quite strong and immediate and contributes strongly to create the identity of the destination. The quality of services and infrastructure in the Milan area is very high, and the city and is home to congresses, conventions and exhibitions of national and international appeal. These include many design-related events such as the *Salone Internazionale del Mobile* (International Furnishing Accessories Exhibition), MACEF (International Home Show), MadeExpo and Expocomfort.

Fashion Week is a major international event linked to a cultural industry. It generates an induced tourism of around EUR 28 million, mainly distributed between accommodation (EUR 17 million), shopping and restaurants (more than EUR 8 million).

The International Furnishing Accessories Exhibition (www.cosmit.it/en/salone_internazionale_del_mobile) is by far the most economically important event and is today a leading player in the link between business and leisure tourism. With nearly 300 000 visitors in 2013 and 350 000 in 2014, international design businesses that act in the orbit of the International Furnishing Accessories Exhibition generate more than EUR 200 million in tourism spend in one week, 73% of which is concentrated in Milan. The benefits of this event also extend to Como (4.8%), Varese (5.5%), Monza (7.9%) and other provinces of the Lombardy Region.

Of this EUR 204 million, more than EUR 158 million go to the hospitality system, while EUR 19 million are attributable to shopping by buyers (in particular, the many people from Asia, who are the main spenders according to the shopkeepers) and visitors (Table 1).

Table 1. Estimated induced tourism expenditure generated by the International Furnishing Accessories Exhibition in Lombardy Region, 2013

By expenditure type

| | EUR | % |
|-------------------------|-------------|--------|
| Accommodation | 158 343 000 | 77.5% |
| Transport | 3 842 000 | 1.9% |
| Shopping | 19 099 000 | 9.4% |
| Restaurants | 17 973 000 | 8.8% |
| Others | 4 941 000 | 2.4% |
| Lombardy Province total | 204 198 000 | 100.0% |

Source: Monza and Brianza Chamber of Commerce, 2013.

The value of the International Furnishing Accessories Exhibition, however, is not only due to its induced tourism spend, since it is also an important link with the creative and cultural offer of the city and it has been a major player which helped turn the spotlight on the world of Milanese design as a tourist product. Starting in the 1980s, a number of spontaneous initiatives sprang up around the exhibition, developed by companies working in the furniture industry and in the industrial design sector, who organised the “Fuorisalone” (www.fuorisalone.it), a set of events and

exhibitions that enliven Milan during the International Furnishing Accessories Exhibition, which takes place in the Rho exhibition venue on the outskirts of the city.

Over time, this event has become international and has begun to attract thousands of visitors from around the world. The project has also attracted sponsors and international companies and has now become a showcase for emerging and established creative design and architecture studios. Although the Fuorisalone is closely related to the International Furnishing Accessories Exhibition, with time it has been able to gain its own importance and, in recent years, even manage to influence the main show.

The success of the Fuorisalone is linked to the ability to attract not only business flows but leisure tourism and flows formed mainly of young people, and the ability to “activate” the cultural offer of the city with hundreds of events spread around the urban space – the 2013 edition saw the organisation of more than 700 events. These are mainly concentrated in three districts, namely the Tortona district, the area of Lambrate/Ventura, and the historic neighbourhood of Brera.

Zona Tortona, a former industrial area home to important international and Italian companies such as Ansaldo, Bisleri and General Electric, has undergone a requalification process since the 1980s thanks to the reuse of old industrial sites and to a series of activities related to fashion and design. Today Zona Tortona is one of the trendiest and most creative districts of Milan also thanks to the events with international visibility that animate the neighbourhood during the Design Week.

In contrast, the Brera Design District is a recent place marketing operation intended to enrich the cultural offer and appeal of the district in order to combine tradition – Brera houses, in addition to the Academy of Fine Arts and the Art Gallery, historic shops, artists’ studios and art galleries – and innovation in the world of design. Although the Brera Design District project has the patronage of the city of Milan, it has been designed and implemented by private actors: Assomab, Dealers Association of Solferino and San Marco in Brera, and Studiolabo, a young company in Milan that deals with communication design.

The events of the Fuorisalone involve dozens of cultural and training centres, which open to the public for the occasion. In addition, the Design Week serves as a magnet for Milan’s museums and exhibition halls, which organise special exhibitions for the event. Often these initiatives are not stimulated by public sector support, but are the result of informal networks of associations, artists and creative people working in the metropolitan area. Exceptions are, for example, agreements for the free entrance to the civic

museums between the city of Milan and Cosmit, the trade fair authority that created the International Furnishing Accessories Exhibition in 1961.

Finally, the role of Fuorisalone is to promote design as a cultural component of the Milanese offer and to contribute to the construction of the image of Milan as a capital of design. Design Week is not the only element of the tourist offer of Milan linked to design: so too are the outlets of the major brands in the world of design and decor such as Alessi, Artemide and Cassina, and the system of museums linked to design history. Indeed, the success of Milanese design is also a result of its capacity to promote and represent itself effectively in places designated for the preservation of original works as well as in factories and workplaces, in temporary exhibition spaces and in the city itself, used as a great “stage”. Among the most important nodes in this “visibility network” is the Triennale Design Museum and a number of other museums and archives associated with leading protagonists of Milanese design, such as Vico Magistretti and Achille Castiglioni or Franco Albini.

The phenomenon of company museums and archives, district museums and territorial museums is another important piece of Milan’s tourist-cultural offer which is connected to the activities of some important companies such as Alfa Romeo, Campari, Pirelli, Kartell and others. In Lombardy, there are 52 museums dedicated to design, 26 of which are company museums and archives, 12 are related to district/territorial structures and 14 are museums and home-museums (Design Directory, 2006).

The diffusion of museums and the increase in exhibitions related to the design and production culture contribute to the cultural recognition of design and confirm the values of creativity and innovation of the region.

Design for hospitality and destination branding

Today, the design district offers more and more products, services and skills that help to support the tourism industry and to distinguish and enrich its supply. Design is involved, for example, in the construction and innovation processes of accommodation services and of catering/food, in the setting of cultural spaces and, more recently and to a lesser extent, in urban design. The hotel industry is the context in which the intervention of design and fashion design, with fashion hotels, is perhaps the most evident, and provides elements of stylistic innovation and thus repositioning.

The phenomenon of “design hotels”, which has grown significantly in recent years at international level, has found fertile ground in Milan as a type of accommodation that is well suited to accommodate the types of

tourism that characterise the city. In addition, some of the most recognised brands of Italian fashion – Armani, Bulgari and Moschino – have chosen Milan as the location for their brand hotels. It is also interesting to note that, in Milan, some of the hotels belonging to the design hotel category, such as the Nhow Milano, actively participate in local cultural and artistic events.

Design is also being incorporated into the repositioning strategies of low-budget accommodation solutions. A number of new hostels have flourished in recent years in Milan, and experiences of alternative and “emergency” hospitality such as those implemented in the framework of the Public Design Festival by Esterni, a Milan-based group that develops interventions and cultural and communication projects in urban public spaces. Since 2005, Esterni has designed temporary homes-hostels in the framework of “The Designer’s House” project and organised emergency hospitality solutions such as the “Public Camping” and the “Bed Sharing” projects.

The trend towards a closer relationship between hospitality and design is further supported by Milan’s structured training system. There is now a lot of attention for hotel and restaurant design and for hotel experience design, and tourism has been identified as an area of strategic development for training provision.

Design also helps to define Milan’s image and design is actively used in place-branding strategies. On the demand side, design can be perceived as an identity element of the destination, and on the supply side, design can be used by stakeholders as a strategic element of territorial marketing. There is a need to analyse if design contributes to the definition of the tourist product and to the achievement of synergies between different economic sectors through the application of brand values.

As regards the first question, recent surveys (Università IULM, 2008; Università Bicocca, 2012) have shown that there is a clear recognition at international level of Milanese excellence, linked particularly to fashion, design and furniture. This recognition can also be clearly seen from an analysis of the main tourist guides and main magazines dedicated to tourism. However, poor promotion of the associated tourist attractions (historical shops, company museums, industrial archaeology, etc.) persists, as well as themed attractions (Università IULM, 2008), with the exception of several itineraries on the tourist portal of the Milan City Council. This despite the fact that the official website of Milan tourism lists creativity and design as one of the ten top reasons to visit Milan and that the Province of Milan in 2004 launched the “Milan Project City”, a network of museums and company museums, to foster a greater knowledge of this heritage.

It should therefore be reiterated that the interactions between the design and tourism sectors in Milan have taken place largely in a bottom-up way involving a number of different actors from the private sector but without any planning. This opens a window through which institutions can take advantage of Milan's positioning on the international scene as a city of design.

Concluding remarks

Design is multifaceted and multidimensional and it is therefore difficult to define it as an industry. However, it is now one of the most important strategic levers for responding to the instances of innovation that emerge from the economic and productive system, including tourism. In recent years, design has widened to new spaces and identified new areas of research while trying to combine its two souls: that of “noble engine of the industrial economy” (Branzi, 2008) and that of an “overall creative discipline with an artistic and poetic matrix” (Alessi, 2011). Both of these souls are strategic assets for promoting Milan as a tourist destination.

Thanks to a spontaneous process of cultural re-appropriation of design within the creative industries, and to the growing awareness of its role not only in terms of economic activity induced by manufacturing and the creation of new services but also in terms of tourist attractions, the last decade has seen the flourishing of design studies and the emergence of new professions.

The development of design-induced tourism (and also fashion-induced tourism), which is largely international, has also contributed to boosting the city's cultural and creative industries. This is particularly evident in sectors such as publishing, communications and interior architecture but also in the development of commercial display spaces and museums, where the products of design and fashion are exhibited not only as commodities but also as objects of art. There is also a progressive integration of the fashion system with that of design, not only in hotels but also in luxury furniture, furnishing complements and *art de table* in which big fashion brands have been increasing their investment and for which the Milanese Design Week and tourists in the city provide extremely important marketing opportunities.

With a good grasp of the economic impact of its design industry, Milan has a huge chance to co-ordinate and manage its image and build a more focused brand. This is even truer today with the Expo Milano 2015 on the horizon: a unique opportunity for Milan, with an estimated 20 million visitors arriving from all over the world. This will not only stimulate tourism

development but will also support the promotion of Italian design internationally through tourism.

A first result in this direction and attributable to the imminent expo has been the establishment by the city of Milan of a programme of reconnaissance and public debate on the “brand Milano” which, in the course of 2013 and 2014, led to preparation of three different reports on the national and international image of Milan and of an exhibition “Identity Milan” that took place at Triennale. In addition, in 2013, the city of Milan, along with the National Chamber of Italian Fashion, Altagamma Foundation (that gathers together high-end Italian companies whose brands are famous at international level) and Cosmit, launched the project “Milan Creative City” with the aim of bringing together under one logo the fashion, food and design events that will take place for Expo 2015 and after.

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Contemporary art and tourism on Setouchi Islands, Japan

This case study is based on research by the Ministry of Land, Infrastructure, Transport and Tourism, Japan.

The Seto Inland Sea is surrounded by the Japanese islands of Honshu, Shikoku and Kyushu. It has been an important transport route linking the Kinki region, including Kyoto, Nara, Osaka and Kobe, with the Kyushu region and other Asian countries. Since the 1980s, Naoshima Island, one of the islands in the Seto Inland Sea, has housed several contemporary art projects, such as museums, outdoor artworks and workshops. Known as the Benesse Art Site Naoshima (www.benesse-artsite.jp/en), these projects have been supported by Benesse Holdings, Inc., an Okayama Prefecture-based correspondence education and publishing company, and the Fukutake Foundation, which was established under Benesse's patronage. As Naoshima became known as "the island of contemporary art", similar art projects spread to other islands. This long-term art project is the first topic of this case study.

In 2010, the first Setouchi International Art Festival (www.setouchi-artfest.jp/en), also known as Setouchi Triennale, was held in the seven islands in the Seto Inland Sea and Takamatsu and Uno ports. The Setouchi Triennale Executive Committee is composed of representatives from the government, creative industry and local business, including from the tourism industry. The second topic of this case study is this festival's impact on tourism and local economy.

While the islands have become an attractive tourism destination, their population is very small and has declined in the last 15 years. The population of Naoshima (3 277 in 2010) has decreased by more than 17% and the share of people aged over 65 has increased from 24% to 33%. Naoshima Island's economy was developed by the smelting industries, pollution from which damaged the environment of Naoshima and its neighbouring islands. While the municipal government and the smelting company have made efforts to support reforestation, the image of Naoshima was primarily industrial (Kasahara, 2011). However, contemporary art projects have changed the image of these islands to "islands of art" and created added value for tourism. The groundwork for the change was laid by Benesse Art Site Naoshima since the late 1980s.

Benesse Art Site Naoshima

The development of tourism in Naoshima is based on the town development plan established in the 1980s. This plan aimed to develop the south side of Naoshima Island as an educational and recreation site to promote sustainable tourism. In 1985, the founder of Fukutake Publishing (the precursor of Benesse) and the mayor of Naoshima subsequently agreed to co-operate in developing the south side of Naoshima as an educational and cultural site. Succeeding his father in 1986, Soichiro Fukutake later

presented the “Naoshima Cultural Village” concept, which aimed to develop Naoshima as an educational place for visitors. The Naoshima International Camp for children and tourists was developed in 1989 under the supervision of Tadao Ando, a 1995 Pritzker Architecture Prize winner (Ihara, 2007; Kasahara, 2011).

Soichiro Fukutake established and financially supported the art projects through his network in the creative industries and launched the Setouchi Triennale, with the vision of turning Naoshima into a world-class island of nature and culture, preserving its natural beauty and synergising it with contemporary art to attract visitors to the island for community revitalisation (Jodidio, 2006; Ministry of Land, Infrastructure, Transport and Tourism, 2009). The islands’ beautiful natural environment and its history of environmental pollution are believed to accentuate messages of contemporary artists, which might be lost in urban museums (Fukutake Foundation, n.d.-a). This concept has attracted tourists and contemporary artists and improved the tourist offer of the islands.

Site-specific artworks

An outdoor sculpture by Karel Appel was installed in the Naoshima International Camp in 1989, followed in 1992 by the opening of the Benesse House Museum, which included a hotel designed by Tadao Ando, thus launching the contemporary art development of Naoshima (Kasahara, 2011). Contemporary art was not an immediate success on the island. Several planned exhibitions and workshops were held in the museum between 1992-95, but the number of visitors to the Benesse House Museum was only 11 000 in 1997, which is about one-ninth of the number of visitors in 2011 (Japan Tourism Agency – JTA, 2012).

From 1996, the Benesse House Museum began to commission artists to create site-specific works (Ihara, 2007). Artists ponder how their works look in the surrounding environment and how their works can connect with regional culture and history. The 1994 exhibition, *Out of Bounds: Contemporary Art in Seascapes*, was a catalyst for site-specific works. Contemporary artworks were exhibited in the natural surroundings of the island, which allowed visitors to enjoy the island along with the artworks.

Site-specific works have since expanded from the south of the island, where the museum is located, to the whole island. In 1998, the Art House Project began to preserve the historical townscape, with Benesse buying or renting old unoccupied houses and land and then commissioning artists to turn these spaces into artworks. In 2001, the exhibition *Standard* featured the work of 13 artists in old houses and public spaces in the island (Mizuho,

2007; Kasahara, 2011). By 2013, seven artworks of the project had been completed and permanently displayed.

Civic participation and impact on tourism

The shift to commissioning site-specific works established a relationship not only between artworks and the nature of the island but also between artworks and residents. The contemporary art museum and exhibitions were not initially welcomed by the aging population of the island (Mizuho, 2007). The major industries on the island had been milling and fishing; art and tourism had no relationship with daily life. To promote residents' understanding of contemporary art, the museum provides free admission to residents and invites them to art events.

The Art House Project, which began in the middle of the community, cultivates in residents a sense of affinity to contemporary art (Kasahara, 2011). Artists created their works in a zone of daily life and residents could not only see the creative efforts of struggling artists but also participate in the creative process themselves. The flow of visitors has been strengthened by a number of events, such as the opening of the Chichu Museum designed by Tadao Ando for a permanent display of works by Claude Monet, James Turrell and Walter De Maria in 2004, the *Standard 2* exhibition in 2006, the opening of Naoshima Public Bath designed by artist Shinro Ohtake in 2009 and the Setouchi Triennale festival in 2010. In 1995, 11 000 people visited the Benesse House. Visits to the Benesse Art Site Naoshima have since risen to reach 512 756 in 2012, covering nine different museums and projects and peaking in 2010 (704 460) (JTA, 2012; Benesse Art Site Naoshima, unpublished raw data). The majority of the buildings are located underground to ensure the museum does not affect the natural scenery of Naoshima. The museum itself is one of the site-specific works.

The large tourist flows have made residents think about how they can make their town more attractive to tourists. For example, residents began to lead art projects in which they use local artist-designed Japanese curtains and nameplates at the entrance of old buildings to beautify their townscape. Residents also recognised the need for an effective tourism operation and established the non-profit Naoshima Tourism Association in 2003. The association operates a tourist information centre and the Naoshima Public Baths. In 2004, members of a local history study group established an association of tour guides. This association aims to introduce local history and culture to tourists visiting art projects. They guide an average of 2 000 tourists a year (JTA, 2012; Kasahara, 2011). The art projects on Naoshima have thus promoted citizen participation, which is indispensable for success in tourism and local revitalisation.

Site-specific works also have stimulated tourism. For example, in 2000, Naoshima was listed by American travel magazine, *Condé Nast Traveller*, as one of the seven wonders alongside Paris, Berlin, Alexandria, Bilbao, Rio and Dubai. The opening of the Chichu museum in 2004 captured more attention. The Benesse Art Site Naoshima was quoted by about 20 foreign and 160 domestic media in 2007, about 30 foreign and 150 domestic media in 2008 and 133 foreign media in 2011 (Fukutake Foundation, n.d.-b). The share of foreigners among guests staying at the Benesse House hotel was about 18% in 2009, most of which were from France, Korea or the United States (Kasahara, 2011).

In 2008, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Japan National Tourist Organisation (JNTO) chose Naoshima as one of the four areas advertised in its promotion activities marking the 150th anniversary of the establishment of diplomatic relations between Japan and France and subsequently continued to support the promotion of this region. Benesse and the Fukutake Foundation held an exhibition in France and Italy to introduce Naoshima. The number of visitors to museums and artworks has increased. While before 2004 there was no restaurant in the Honma district in Naoshima, by 2012, about 50 new restaurants and inns had opened to meet growing demand (JTA, 2012).

In order to leverage the creative economy for tourism, it is necessary to link creative products with tourist destinations. While a masterpiece of architecture or contemporary art is not replicable and attracts people by itself, if there is no linkage between the artworks and their location, it will not become a resource for sustainable tourism. In the Naoshima case, however, commissioned site-specific works establish a strong relationship between the landscape/seascape of the island and the artworks, which strengthen the oneness and uniqueness of the artworks along with the attractiveness of the island as tourist destination.

Regional revitalisation

The annual influx of tourists is more than 100 times larger than the municipal population, which creates opportunities for elderly residents to communicate with young visitors and strengthens their feeling of pride in their island (Committee, 2010). The large number of local volunteers demonstrates a positive attitude of residents to the art projects.

The number of service industry employees, including tourism, increased by about 38% from 2000 to 2010 while other areas of employment have remained steady or declined (Kagawa, n.d.; Naoshima, n.d.). While the population of Naoshima has declined by more than 17% in the last 15 years, the net number of out-migrants is declining. This might be caused by a

decrease in the number of young people leaving the island due to employment or advancement to higher education, but the art projects and tourism-related business might also influence population outflow (Nomura, 2012).

Operating structure

The Benesse Art Site Naoshima is joint operated by Naoshima Bunkamura Inc., a wholly owned subsidiary of Benesse, and the Fukutake Foundation. Naoshima Bunkamura Inc. runs the Benesse House, while the foundation runs the other museum and art projects. The foundation is financed by admission fees and dividends from Benesse stocks (Mizuho, 2007). Benesse's support of the development plan of the municipal government is one of the critical success factors for increased tourism. The Naoshima municipal government spent about JPY 19 million in 2011 for social education, including the establishment and operation of educational facilities such as museums, community centres or libraries (Kagawa Prefectural Board of Education, 2012). The Benesse Art Site Naoshima has also improved the corporate image of Benesse and in 2006, Benesse and the foundation received an award for their work on Naoshima. Benesse's patronage is indispensable for building and running the art museum and commissioning artworks. For a local government which faces financial challenges, strengthening the relationship with private patronage is an effective method to revitalise the community and promote tourism.

Local government

The then mayor of Naoshima provided the original vision to develop sustainable tourism using natural and cultural assets rather than developing a large-scale resort which tourists might see anywhere (Ihara, 2007). This has been the basis for development by Benesse, with Soichiro Fukutake's support for this vision indispensable. The Naoshima municipal government has not been actively involved with the art projects since the 1980s, based on a development agreement with Benesse. The government has, however, made an effort to preserve the historical townscape to retain the island's attractiveness, created by a contrast between contemporary art and the historical and natural assets of the island. In 2002, the government established the regulation for landscape preservation, in which the government subsidises building renovations that meet the purpose of the regulation. The municipal government also began to subsidise the Japanese Curtain Projects mentioned above (Kasahara, 2011).

In 2004, the Fukutake Foundation carried out a preliminary research project to establish an art network in the Seto Inland Sea. This regional network aims to promote domestic and international tourism using the

popularity of contemporary art at the Benesse Art Site Naoshima. This project strengthened co-operation not only between local government and the foundation, but also among communities and non-profit organisations (Kasahara, 2005). While the Benesse Art Site Naoshima has been mainly led by Benesse, the local government, especially the Kagawa prefectural government, has played an important role in launching and operating the Setouchi International Art Festival.

Setouchi International Art Festival

As part of its goal to develop more art tourism in the area, in 2007 the Kagawa prefectural government announced its participation in the Setouchi International Art Festival. The Kagawa Art Tourism Plan 2010-15 aims to leverage contemporary art in the islands in the Seto Inland Sea to pull in visitors to other museums in the wider region, traditional cultural sites, such as shrines and temples, natural sites in seaboard cities and restaurants with local specialty food. The target is a 5% increase in the number of tourists and length of stay of domestic and international tourists in the prefecture. The Setouchi International Art Festival is the most important tool to achieve this goal (Kagawa, 2010).

The Setouchi Triennale has been developed through collaboration between the local government, aiming at tourism promotion, Soichiro Fukutake supporting regional revitalisation by art and the art director Fram Kitagawa. The art projects in Naoshima have strengthened the belief that interaction among elderly residents, young tourists, artists and volunteers through art activities revitalises local communities. This has been influenced by the Echigo-Tsumari Art Triennale, which has been held every three years since 2000 and which aims to revitalise the aging communities in mountain forests in the Niigata prefecture (MLIT, 2009). This contemporary art festival is directed by Fram Kitagawa, who was later invited to be the art director of the Setouchi Triennale.

Operating structure

Established in April 2008, the Committee brings together representatives of local government, the local business community and the creative industries. The Committee is chaired by the Governor of the Kagawa prefecture. The President of Kagawa Prefecture Chamber of Commerce and Industry and the Mayor of Takamatsu are the vice chairs. The President of the Fukutake Foundation, Soichiro Fukutake, is also a leading figure in promoting, managing and producing the festival. The director is Fram Kitagawa, who has vast experience in the operation of international art festivals and is the art director of the Echigo-Tsumari Art Triennale.

The Committee is operated mainly by the Kagawa prefectural government. For the 2010 festival, the secretariat of the Committee was composed of 12 officials from the office of Setouchi International Art Festival in the Kagawa prefectural government, which was established in 2009, and 3 officials from the Takamatsu municipal government, supervised by a chief and a deputy chief of the Tourism Exchange Bureau in the Kagawa prefectural government (JTA, 2012).

Impact of the 2010 festival on tourism and regional revitalisation

The first Setouchi International Art Festival was held between July and October 2010 on the seven islands in the Seto Inland Sea and at Takamatsu and Uno ports. Seventy-five artists groups from 18 countries and territories participated (Committee, 2010). According to the report by the Committee (Table 1), the 2010 festival had more than 900 000 visits. The total number of visits was counted at 24 places on the islands and the Takamatsu port. If one visitor visited three festival sites, this counted as three visits.

Table 1. Visits to the festival, 2010

| Islands | Visitors |
|------------|----------|
| Naoshima | 291 728 |
| Teshima | 175 393 |
| Megijima | 99 759 |
| Ogijima | 96 503 |
| Shodoshima | 113 274 |
| Oshima | 4 812 |
| Inujima | 84 458 |
| Takamatsu | 72 319 |
| Total | 938 246 |

Source: Committee (Executive Committee of Setouchi International Art Festival) (2010), “Report of the Setouchi International Art Festival 2010” (in Japanese), www.setouchi-artfest.jp/images/uploads/news/report_20101220.pdf.

A survey showed that more than 70% of visitors were from outside of the Kagawa prefecture, about 70% were female and more than 70% were under 40 years old. About 1% of visitors were from abroad, mainly from Australia, Chinese Taipei, France and the United States (Committee, 2010). While the share of foreign visitors to the Kagawa prefecture is small, in 2010 it grew by 65% from the previous year (JTA, 2010; 2011).

The festival not only exhibited artworks but also hosted 208 symposiums, stages and concerts, which had more than 53 000 visits. In addition, “municipal day” events were held to promote tourism sites and local products in each municipality during the festival. The local

governments aimed to leverage the festival to introduce their tourism spots and local products to tourists. These events had about 26 000 visits (Committee, 2010).

The 2010 festival produced JPY 104 million in surpluses from donations and ticket sales, while contributions from the local government and the foundation covered more than half of the expenditure. Ticket sales revenue was JPY 222 million and donations totalled JPY 152 million. In 2009, the festival received nearly JPY 9 million in government subsidies from Japan's Agency for Cultural Affairs, which aims to support regional creative activities and human resource development in the creative industries (MLIT, n.d.).

Although it was hoped that festival visitors would visit other tourist sites in the wider region, more than half of visitors only took a day trip and about three-quarters visited only the festival. During the festival period, the number of tourists to other major tourist sites in the Kagawa prefecture had decreased, such as Ritsurin Garden (19.6%), Yashima (11.8%), Kotohira (5.7%) and Syodosshima (3.3%). However, the number of tourists visiting Kagawa from outside the prefecture has increased from 7.9 million in 2005 to 8.9 million in 2012 (Kagawa, 2013). The Benesse Art Site Naoshima and the Setouchi Triennale are likely to be among the causes of this growth.

The Takamatsu branch of the Bank of Japan estimated that the economic impact of the 2010 festival was about JYP 11.1 billion, which is more than twice the predicted JPY 5.5 billion. The bank affirmed that the main reasons for the 2010 festival's success are synergy between artworks and natural assets as well as the hospitality of residents and volunteers. They also identified challenges in terms of co-operation with surrounding tourist sites and commercial facilities in the wider region, meeting growing demand for local food restaurants and hotels, the expansion of the festival venue and improving satisfaction among foreign visitors (Bank of Japan Takamatsu Branch & Committee, 2010). After the festival, some of the artworks continued to be exhibited on the islands. While the number of tourists to Benesse Art Site Naoshima decreased from 2010 to 2011, they rose from 2011 to 2012.

During the 2010 festival, the local authorities hired almost 300 people using the emergency job creation fund by the Ministry of Health, Labour and Welfare. The foundation and Benesse hired 51 employees. However, further study is needed to evaluate the festival's long-term impact on employment (Committee, 2010).

Public relations activities led to the Setouchi International Art Festival being quoted in 645 media, including 40 foreign media. The foundation held exhibitions about Naoshima at Venice Biennale and in Paris in 2009. The

official website of the 2010 festival had 980 000 hits from June to October 2010 and the number of Twitter followers was 10 759 in October 2010 (Committee, 2010).

While only 69% of residents surveyed said they had expected that the festival would revitalise the communities, more than 82% of them agreed that it supported revitalisation. More than 88% of residents also acknowledged that artworks exhibited in their communities had a positive impact. About 89% of residents appreciated the activities of volunteers and affirmed that the festival had attracted young tourists. In November 2010, the number of registered volunteers was 2 606, about 40% of whom are from the Kagawa prefecture and about 16% from the Okayama prefecture. The festival provided residents opportunities to communicate with young volunteers and tourists (Committee, 2010).

2013 festival

In 2013, the second Setouchi International Art Festival was held. The Committee changed the 2013 festival period to three seasonal sessions: spring, summer and autumn. This provides tourists with opportunities to appreciate artworks in three different natural surroundings and eases the burden of residents who live around festival venues. The new structure also contributes to overcoming the summer-dominated seasonality that the Kagawa prefecture faces. The Committee also expanded the festival by adding five more islands, to show the diverse culture on the different islands in the Seto Inland Sea.

The Japan Tourism Agency implemented public relations on the Art Site Naoshima and 2013 festival in the International Luxury Travel Market 2012 in Shanghai and conducted a familiarisation trip to the islands in the Seto Inland Sea for foreign tourism agencies.

The Committee reported that the 2013 festival attracted record visit numbers by the end of the year with more than 1 million visits.

Concluding remarks

In 2009, the JTA appointed Soichiro Fukutake as a “Visit Japan Ambassador” in appreciation of his efforts for regional development by contemporary art and development of the islands’ attractiveness for visitors. Contemporary art has played an important role in various regional development projects in Japan. The Benesse Art Site Naoshima and the Setouchi International Art Festival provide lessons about collaboration between the creative industry and the tourism sector. Key identified outcomes to date are as follows:

- commissioned site-specific works attracting international and domestic artists and tourists, enhancing natural and cultural assets of the region
- active participation by local residents in art projects and tourism
- collaboration between a robust municipal development plan and significant long-term local corporate support to promote creative activities in the region
- contemporary art festival as a means of regional branding, revitalising ageing local communities, promoting art and culture, and stimulating tourism
- strengthened relationships between the representatives of local government, local business and the creative industries for developing creative tourism in the wider region
- the art festival’s significant impact on tourism and the local economy, energising local communities.

It should be noted, however, that despite the significant achievements of the festival, the Committee needs to develop a new strategy to pull in festival tourists to other tourist sites and increase their length of stay to promote tourism in the wider region. While further studies are needed to evaluate the effects of 2013 festival and the long-term impact on the local economy and regional revitalisation, the Art Site Naoshima and the Setouchi Triennale clearly demonstrate that the creative industries and contemporary art can revitalise local communities and promote the tourism industry.

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Hallyu and technology-based tourism in Korea

This case study is based on research by the Korea Culture and Tourism Institute.

Creative tourism in Korea includes the creation of new directions in tourism through the application of creativity and imagination; the development of new tourism services through integration across industries; the creation of creative tourism products through the use of creative networks; and the discovery of high value-added tourism resources through linking and integrating tourism elements.

Creative tourism should have the following features:

- creativity: contributing to tourism through differentiation from existing tourism products and services
- innovation: increasing efficiency, for example through realising cost reductions by integrating advanced technology within tourism
- convergence: expanding tourism areas by producing products and services based on the linkage between tourism and other industries
- technology: enhancing the efficiency of tourism-related services through convergence with the latest technologies
- economic impact: creating jobs and contributing to economic growth at both national and local level by attracting tourists and promoting tourism
- sustainability: producing sustainable growth without government support.

There are, broadly speaking, two policy streams with regard to creative tourism in Korea. The first is the government's support for Hallyu tourism, which connects tourism with the cultural contents of Korean pop culture, known as Hallyu, or the Korean Wave. Hallyu tourism is not normally referred to as part of creative tourism, yet on closer examination, a legitimate claim can be made for its inclusion as it has created a new type of tourism through connection with cultural contents, such as K-pop tourism and beauty tourism. This has been accomplished through convergence with Korean pop culture contents (dramas, movies, K-pop), thereby enhancing the added value created.

The second policy stream is seen in the Creative Tourism Contest project which has been run since 2011 by the Ministry of Culture, Sport and Tourism (MCST) and the Korea Tourism Organisation (KTO) to discover creative projects in tourism. The grand prize winner, "BlinkingSeoul" is an app-based tourism information system, which demonstrates superior creativity, innovation and technology in the private sector.

Linking Hallyu and tourism

Hallyu, the Korean Wave, began with the Korean drama “What Is Love?” in the late 1990s. Later, Korean pop music became the catalyst for the tremendous growth enjoyed by Hallyu, which was taken to heart by fans in countries such as the People’s Republic of China and Chinese Taipei, where viewers first got to know the stars through Korean dramas. From the early to mid-2000s, Hallyu dramas including “Winter Sonata” and “Dae Jang Geum” stimulated a boom that saw these products distributed internationally, including to China; Hong Kong, China; Japan; and other countries in Central and Southeast Asia and Eastern Europe. Since the late 2000s, Hallyu has been enjoying a global surge thanks to the tremendous success of K-pop.

As Hallyu has so far been private sector led, there have not as yet been substantial attempts to approach Hallyu as a target or objective for government policy. Although Hallyu has long been promoted through cultural policy, there has of late been a notable increase in government support for Hallyu culture through a comprehensive and systematic policy framework, kick-started by the Hallyu Culture Promotion Taskforce under the MCST in 2012.

Hallyu tourism

Hallyu tourism involves tourists who are engaged by Hallyu contents, targeting those who want to experience Korean pop culture and cultural contents, as well as more traditional forms of culture in Korea. It particularly aims to attract foreign tourists from countries including China, Japan and Southeast Asia. Tourists come to visit movie/drama locations, catch a performance involving their favourite K-pop stars, participate in fan meetings with Hallyu celebrities and engage in interesting events and activities related to the dramas and songs they love. Increasingly, tourists come to shop for fashion items and enjoy skin beauty services as a way to emulate the look and style of K-pop stars.

Hallyu tourism has three main strands. The first is the presentation of Hallyu contents, such as live concerts, to tourists in Korea. Visitors can be said to be active consumers who come to Korea to experience Korean culture and take in a performance. The second is for tourists coming to see the locations used in their favourite Hallyu dramas and movies. This kind of tourism attracts tourists through the places or stories related to the contents of particular movies and dramas. For this type of tourism, production companies and local governments create tourism products based around well-known movie/drama locations. The third strand of Hallyu tourism is related to the purchase of products associated with Hallyu. As Hallyu tends

to enhance Korean products more generally, consumers also come to buy non-Hallyu products, typically including food and cosmetics.

Hallyu tourism products are derived from the convergence between Korean cultural contents and other industries, including performance tourism, food tourism and shopping tourism. Reflecting the spread of Hallyu in the 2000s, promotions were run which targeted the development of tourism products utilising Hallyu content, including inbound tourism products based around Hallyu performances and events, along with tourism products involving Hallyu drama locations. The linkage between Hallyu pop cultural contents and tourism can be understood as a connection situated within the bounds of creative tourism, thereby creating new types of tourism. The number of foreign tourists visiting Korea has seen a noticeable increase since the mid-2000s when the development of Hallyu tourism products was first stimulated.

Public and private sector involvement

The KTO has used Hallyu for international tourism promotion and marketing business. To attract more foreign tourists, the Korean government is undertaking global promotion of Hallyu by hosting foreign film production and staging a world concert tour. The KTO has developed inbound tourism products using Hallyu performances and events, while also effectively utilising such performances and events to promote Korean tourism. For the promotion of Hallyu tourism, for instance, the KTO has supported a “Non-verbal Festival” since 2006 and the World B-Boy contest since 2007. It also held K-pop concerts in foreign countries in the first half of 2011, thereby increasing global awareness of the Korean tourism industry.

The Visit Korea Year Committee (2010-12) has staged a Hallyu Dream Concert and the K-pop Dance Cover Festival in Gyeongju as a way to get foreign tourists into regional cities through K-pop. The committee also promoted the Visit Korea Year programme in Paris, France, to create demand for Hallyu tourism through K-pop. It also planned to provide policy support for Hallyu-related tourism marketing and promotion.

In spite of government support, Hallyu tourism products are mainly developed by private tourism companies, who connect Hallyu with tourism through creative ideas. It is typically private companies that provide creative tourism products, such as tourist spots for Hallyu drama/movie locations as well as the Hallyu drama centre, tourist train and performances. The development and promotion of Hallyu tourism products requires the participation and co-operation of various institutions, including KTO, the MCST and many private companies.

Promoting Hallyu tourism products developed by the private sector requires co-operation between the relevant authorities. Therefore, the KTO plays a pivotal role as a promoter of Korean tourism in connection with Hallyu performances and events under the government's budgetary umbrella. In addition, the KTO supports familiarization tours of Hallyu film locations and sponsors conferences related to the Hallyu content industry. The Korean cultural centres located in foreign countries also work in co-operation with the KTO to support the promotion of Hallyu tourism abroad.

The source of creative tourism through Hallyu begins with creative ideas from the private sector. When such ideas are brought to market with the government's support, creative tourism can be truly successful. Therefore, it is critical to have an effective division of roles between the private and the public sectors and to stimulate co-operation between them.

Art performances and K-pop as Hallyu tourism products

The spread of Hallyu has helped propel the diversification of Korean tourism products. "Performance tourism" targeting foreign tourists is now evolving as a niche market. The Hallyu fans who were interested only in musicals featuring Hallyu stars are now turning their attention to the full gamut of the Korean musical scene. In addition, non-verbal performance, which has been the centre of the performance tourism market since the early 2000s, is attracting renewed interest, with a glut of new works in the pipeline. It is noticeable that as a lot of Japanese tourists are interested in tourism products related to the Korean wave, production companies are actively tailoring contents to them.

A range of strategies have been implemented to integrate various genres, including non-verbal performance, b-boy culture, traditional performances, operas and musicals. Such genres are now seen as part of a trend towards performance/event marketing, with strategies enacted to effectively promote and diffuse this trend. In September 2012, the first K-pop 3D movie theatre opened.

Having started as a niche market, performance tourism has now grown to such an extent that it has formed its own market, forging a new concept that combines "performance" and "tourism". A single performance can allow foreign tourists to understand and experience the country's culture, providing a positive image of the country on the international stage and, in the process, increasing the likelihood of a revisit.

"Korea In Motion" is comprised of a total of 43 works including 14 non-verbal works such as "Nanta" and "Jump" and other plays and musical works. It has become one of Korea's leading performance tourism

festivals through the operation of integrated ticketing and marketing. K-pop concerts and related events are important in attracting foreign K-pop fans to Korea. Fan conventions incorporating performances, exhibitions and experiential events generate KRW 10.6 billion (USD 10 million).

The “R-16 Korea World B-Boy Masters Championship” played a crucial role in promoting Korea in many countries, including China, Japan and the United States, as well as across Southeast Asia. In the extra events held in the Olympic Park, including poppin, rocking, 1:1 battle, performance and crew battle and R-16 graffiti exhibition, over 150 b-boys and artists from 16 countries were present to battle it out in front of over 50 000 audience members, including 2 396 foreign tourists. The event was aired in over 120 countries through EUROVISION, KBS World TV and YouTube. The effect was to promote the appeal of Korean tourism worldwide, delivering effective promotion which monetises at KRW 139.4 billion (USD 132 million) based on conversion of ad-rates both online and offline.

In addition, new performance tourism products were developed and overseas roadshows co-hosted by performance production agencies held. The purpose was to develop overseas tourism products through overseas promotion. Performance guidebooks and guide maps were produced and distributed to tourist information centres and hotels around Seoul to improve the accessibility of individual foreign travellers for performance tourism products.

Effects of Hallyu tourism

Increasing numbers of inbound tourists

Although global tourism was hit by the financial crisis in 2008, inbound tourism to Korea has posted double-digit growth every year since 2009 (Table 1), passing the 10 million mark for the first time in 2012. The recent sharp increase in inbound tourism is generally agreed to be caused by a combination of different factors, among which the role of Hallyu is thought to be crucial.

Table 1. **Growth rate of the world tourism arrivals and inbound tourists to Korea**

| | In % | | | | |
|-------------------|------|------|------|------|------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| World arrivals | -3.9 | 6.6 | 5.0 | 4.0 | 4.0 |
| Arrivals to Korea | 13.4 | 12.5 | 11.3 | 13.7 | 9.3 |

Source: Korea Culture and Tourism Institute (2013), www.tour.go.kr.

In 2006, respondents to the annual International Visitor Survey were offered an additional option in the question on visitor motivation: “To visit drama/movie locations and experience fan meetings with Hallyu stars.” The average number of tourists who selected this newly added option between 2006 and 2011 was 10.7%, which indicates Hallyu is an important factor in selecting Korea as a tourist destination.

Diversification of high value-added tourism products linked with Hallyu

Linking Hallyu and inbound tourism is having a positive influence on the development of inbound tourism products based around Hallyu content. It is used to develop convergence tourist products related to the influence of Hallyu, including fashion, beauty, shopping, food and medical services. It also contributes to attracting more tourists through the diversification of tourism products in connection with Korean traditional culture, such as traditional types of Korean food, houses and plays.

Improving marketing and promotion of Korean tourism

Interactive advertising techniques have been used to maximise the reach of advertising and amplify consumer interactions. 2010 saw a mega event held in which ten leading Hallyu celebrities participated. In 2011, an interactive movie featuring Hallyu stars was made and used specifically for the promotion of Korean tourism. In addition, the “Touch Korea Tour” campaign in which K-pop stars and foreign Hallyu fans get together to experience different types of Korean food, as well as to take in Korean shopping and entertainment sights, was able to improve the image of Korean tourism, promoting the hidden charms and culture of Korea globally. Utilising the recent interest in Korea generated by Psy’s global hit “Gangnam Style”, major tourist spots in Gangnam have been highlighted and familiarisation tours have been run, improving the promotion and marketing of Korean tourism.

Creative Tourism Contest Project

The KTO’s “Creative Tourism Contest Project” aims to “create jobs and secure the innovation and competitiveness of domestic tourism by fostering tourism venture companies that can create new values and synergies through collaboration with existing tourism businesses through creativity, innovation, openness and technology” (KTO, 2012). Operated by the MCST and the KTO, it seeks to help tourism grow through convergence with other industries. The focus is on discovering and developing new tourism venture companies by fostering professional tourism human resources and

expanding the underlying tourism market. The creation of new jobs in tourism can be understood as a policy measure to facilitate the creation of various new business types outside the tourism sector. Given the characteristics of employment in tourism, a policy of promoting the establishment of new small-sized businesses is likely to be more effective at delivering jobs because of the synergy effect of creating jobs through new businesses.

The Creative Tourism Contest Project consists of an open exhibition and a contest. A total of 90 creative “tourism venture companies” were established in 2013, compared with 10 in 2011 and 80 in 2012. The open exhibition consists of an “idea group” including students and start-up entrepreneurs and more established entrepreneurs who have less than five years of experience in their present business. The selected projects are awarded access to a new business establishment fund as well as prize money. In addition, they receive one-stop support for starting up a new business. This support ranges from professional training for business establishment through to new market opening, as well as being given the opportunity for overseas benchmarking. The KTO provides start-up management support consulting services as well as custom training support. It supports office lease and establishment of business infrastructure, including information technology (IT). The KTO also supports the marketing costs involved in new market openings and runs a programme that supports co-marketing in association with its related organisations.

Main areas of creative tourism

With the increasing demand for cultural experiential tourism, there are attempts to connect tourism with cultural contents. This can be understood as culture-based creative tourism. Likewise, when it comes to connecting information technology with tourism in the provision of tourism information, such efforts are evolving into creating IT-based creative tourism businesses. According to the “Creative Tourism Contest Project” concept, creative tourism can be largely divided into three types: culture-based, IT-based and industry convergence-based.

- Culture-based creative tourism is a type of tourism that uses cultural content and which includes various cultural experiential activities (e.g. Hallyu cultural experiential tourism, relic tourism, arts tourism, lifestyle tourism).
- IT-based creative tourism (or “smart tourism”) is a new type of tourism created through integration with IT or other tourism types that are realised by innovating connections with IT.

- Industry convergence-based creative tourism is a combination of the primary, secondary and tertiary industries and tourism, which contributes to improving added values of existing industries and creating new types of tourism (e.g. agricultural/fishing village tourism, industrial tourism, medical tourism and service tourism).

BlinkingSeoul

“BlinkingSeoul” (<http://dabeeo.com>) won the grand prize at the Creative Tourism Contest 2012. It is an app that provides useful tourist information and maps to inbound tourists in Seoul. The app has been designed to enable individual foreign travellers, whose numbers are increasing across the world, to have access to a seamless supply of relevant travel information, overcoming the barriers of region, time and technology. BlinkingSeoul provides information on tourist spots, courses, restaurants and accommodation in Seoul. It also has a navigation function that provides an easy method to find your way around, which is frequently cited as the greatest inconvenience faced by inbound tourists. As it is also equipped with an offline map, inbound tourists are able to use it with ease and without having to rely on an expensive data roaming service. It also supports multiple languages: English, Chinese and Japanese.

The Blinking Service consists of three systems which are operated organically. Blinkingtour.com combines a travel portal site with the automatic travel builder web system, which makes travel scheduling easy and fast. The Blinking Tour app enables travellers to find their destination using an offline map service. The Blinking Station is an advanced version of Digital Signage Kiosk, which sends tourist content to the handsets of foreign and domestic tourists. In addition, the Blinking Smart Tour Planner allows minimising the time taken to establish an itinerary. This is significant as this task is frequently the most time intensive in the build up to travel.

The company is financed from the R&D budget of the government at an early stage and service provision for customers. The service also independently secures finance by expanding profits on the sales of its Blinking service and creating profits through high added-value ICT items. It has laid the foundation for the commercialisation of the service at home and abroad through having worked in co-operation with the KTO and local government tourism departments and global content partnership with Hana Tour, Korea’s largest tour agency.

In 2012, the service trebled its revenues compared with 2011, launched collaboration through technical support for tourism agencies and tourism authorities, and completed the signing of a global content partnership with Hana Tour. The service displays information through existing digital

signage products (i.e. media billboards) and provides a seamless experience to consumers by introducing transmission technology for the contents displayed on mobile phones. It has also developed a derivative service through which users can use the Blinking Seoul app to obtain real-time statistical information (comparison by language, the number of visits and region) of tourists who visited tourist spots through location information. For example, it is able to create statistical information on visits, such as how many foreign and local visitors have visited a specific area and, in particular, what specific event zone attracted them to that area.

Funding and operation

The funds for the Creative Tourism Contest Project are provided by the Tourism Promotion and Development Fund. The KTO supports start-up funds for office lease and IT-based infrastructure or app construction to the selected tourism business entities. For an existing tourism company, the KTO supports part of its initial operational funding requirements from government subsidy. As the primary agent of the Creative Tourism Contest Project, the KTO is the largest sponsor of the project. Companies selected as a Creative Tourism company sign an agreement with the KTO to co-operate in the promotion of Korean tourism. For IT-based creative tourism, for example, the company needs to co-operate with other IT companies such as Google and Expedia to provide a global service. It is also seeking to collaborate with IT-based Naver, Daum or KakaoTalk within Korea itself. When it comes to culture-based creative tourism, the KTO is co-operating with the Cultural Heritage Administration and with local governments in charge of managing local cultural resources, as well as with private tourism companies.

Performance of the initiative

The Creative Tourism Contest project aims to create jobs and is seen as a way to reinforce the competitiveness of the domestic tourism business by strengthening the commercialisation competence of start-ups through capitalising on creative ideas. Of the 90 creative tourism projects discovered over the last two years, 64 projects (68%) are currently being embodied through starting up a business or converging with an existing business to create new jobs.

The initiative contributes to the expansion of new tourism businesses and revitalisation of the domestic market thanks to its positive impact on the sales of the selected companies and increased numbers of tourists. The “Chuncheon Mulre-gil” programme, for instance, provides wooden canoe rides on Lake Uiam in Chuncheon. It has trebled its revenue thanks to its

press release and online promotion campaign. The “Blinking Tour Planet Service”, which won the grand prize at the Creative Tourism Contest 2011, also posted revenues of KRW 140 million (USD 132 000) including exports by March 2013 thanks to providing tourism navigation free from data roaming, which is a groundbreaking service.

The initiative is also contributing to the regional economy. The “Dongju Salt Farm” programme on Daebu Island in Ansan enables tourists to produce and harvest salt themselves. It received 6.2 times as many visitors in 2012 compared with the previous year and is evaluated to have made a huge influence even on the revitalisation of the adjacent regional business areas.

The project remains in its initial stages. Thus, it is necessary to monitor whether the selected creative tourism companies can make profits autonomously and to evaluate whether they will be able to continue to grow in the future.

Critical success factors

In general, the objectives of Korean creative tourism are a strong focus on creating new jobs in the sector as a whole, pushing the boundaries of tourism through convergence, and developing sustainable tourism based on imagination and creativity. The lessons learnt and implications of this study are summarised below.

Reinforcing creativity in the private sector. Creative tourism is based on the creativity of the private sector. As shown in the analysis of the Hallyu cases, Hallyu is the result of creative ideas from the private sector. Hallyu performances, K-pop and Hallyu tourism products are all based on creative ideas coming from private tourism businesses. IT-based creative tourism has also been created through a combination between domestic IT businesses and the tourism information service. For this reason, it is fair to say that it is based on the technical innovation of the private sector.

Revitalising creative tourism without a border between industries. As a new type of tourism that effectively operates without any border between industries, creative tourism is continuously developing new types of tourism unimaginable in the past, including performance tourism, medical tourism and ecological tourism. As customer needs diversify, tourism products should follow suit and diversify. The border between industries is, in essence, meaningless to the development of tourism products that can meet the expectations of customers. Such products require the convergence between tourism and other industries.

Reinforcing co-operation between government authorities and private-public co-operation. Creative tourism projects require effective co-operation between competent government authorities, particularly through a private-government co-operation system. The government's role in creative tourism should not remain as a top-down provider or a catalyst. It is important to form a partnership through thinking outside the box when it comes to the division of roles between central and local government, the private and public sectors, and the government and citizens. Discovery of creative tourism companies through the KTO's Creative Tourism Contest is a prime example of realising creative ideas within tourism businesses.

Expanding R&D budgets. It is necessary to reinforce R&D investment in tourism and to expand investment in professional human resources with rich creativity. It is necessary to attract dynamic people with brilliant ideas who can develop creative tourism software and contents within the field of tourism. This will boost business convergence between tourism and other industries, including IT, leading to substantial synergies and contributing in the process to broadening the horizons of the tourism industry.

Expanding investment in tourism start-ups. Attracting private investment is far from easy, so the government needs to support the commercialisation of creative tourism through a range of supporting policies accessible to start-ups. It is also necessary to induce local tourism businesses or related companies to play a leading role in evolving ideas into various tourism businesses. The Creative Tourism Contest Project supported by the KTO is still in its early stages. Therefore, it is necessary to provide continued interest and support to creative tourism businesses so that they can be successfully implemented.

Constructing a profitable model of a new tourism company. In order to survive once governmental support is withdrawn, new tourism companies or tourism businesses need to be able to grow autonomously by creating profits themselves. For this reason, the government should enhance policy support to establish a system to discover high value-added tourism business items and ideas and support them directly. Tourism businesses also need to innovate between various profit models so that they can be run autonomously.

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Wellington, “Creative Capital” of New Zealand

This case study is based on research by the Wellington Regional Tourism Organisation, Positively Wellington Tourism, the Wellington City Council and the New Zealand Ministry of Business, Innovation and Employment.

Wellington’s collaboration with its creative industries justifies the city’s claim to be New Zealand’s “Creative Capital”. This collaboration – particularly over the past 20 years – is now paying dividends into the city’s economy and has gained recognition throughout the country. The city and the creative industries have an inclusive relationship with Wellington’s citizens, who frequently buy tickets to festivals, events, exhibitions and shows. They can also attend fringe events that sometimes occur in the streets, restaurants, cafés and Wellington’s waterfront area.

The relationship between Wellington and the creative industries has been picked up by visitors to the city. Wellington has seen a dramatic increase in international tourism and a rise in hotel guest numbers. It is also seeing substantial economic returns, growth in arts and cultural sector employment, and an increase in companies working in the creative industries.

A deliberate strategy

The positioning of Wellington as New Zealand’s “Creative” as well as political capital city has been a deliberate economic strategy based on maximising the benefits of a strong, tightly connected arts and cultural sector, the presence of national arts organisations including the New Zealand Symphony Orchestra and the Royal New Zealand Ballet, and some spectacular venues. As the capital city, Wellington had historically been characterised by its role as host to central government. However, with the shrinking of the public service and the recession of the 1980s, it needed a new identity that would revitalise the city and encourage economic growth based on its points of difference from New Zealand’s other major cities – Auckland in the north and Christchurch in the south.

The groundwork for the change was laid with a series of important decisions in the late 1970s and 1980s. A new Wellington concert hall, the Michael Fowler Centre, was opened and the Wellington Town Hall, which had been scheduled for demolition, was instead restored. Other historic venues in the central city were also saved and restored, namely the Opera House, the St James Theatre and the Embassy Theatre, which all now have New Zealand Historic Places Trust category 1 listings and provide a range of stylish venues for arts, film and music festivals, ballet, opera, symphony orchestra, theatre and a host of other events throughout the year. In December 2003, the Embassy received international media attention when 100 000 people turned out to the world premiere of the final part of Peter Jackson’s *Lord of the Rings* trilogy. The city’s population at the time was 178 000. The Embassy also hosted Jackson’s *Hobbit* world premiere in 2012 and every winter the theatre is the centrepiece of the New Zealand

International Film Festival. The nearby St James Theatre is now home to the Royal New Zealand Ballet.

Since the 1980s, a series of City Council strategies and policies, and partnerships between the city and arts and cultural organisations, have embedded Wellington’s cultural identity nationally and internationally.

Festivals

The new direction was marked with the start of the New Zealand International Festival of the Arts in 1986 – the first festival of its kind in New Zealand and still one of the most important events on the arts calendar. The Wellington City Council was instrumental in creating the event and the festival, run by the New Zealand International Festival of the Arts Trust, which now has a biennial turnover of NZD 12.7 million. In 2012, the festival attracted an audience of around 295 000 (31% from outside the Wellington region) and returned NZD 56 million to the Wellington economy. Investment in the festival’s international free events programme has increased the accessibility of the event for New Zealanders from all backgrounds. In 2012, 165 000 people attended free events.

The festival also plays an important role in training and retaining events management staff, many of whom also work across other major events such as World of Wearable Arts™ and on other regional festivals. The council and central government partners have used the festival’s production capacity to deliver a range of large-scale events which bring significant economic benefits to Wellington and New Zealand. The 2000 Edinburgh Military Tattoo in Wellington was attended by more than 178 000 people – 90% of whom said it was a “once-in-a-lifetime” experience.

Investment in other trust projects has enabled the trust team to bring a suite of events to the city. The 2013 Wellington Jazz Festival on Cuba attracted around 25% of its audience from outside the Wellington region and was attended by over 10 000 people.

The New Zealand Fringe Festival, held every year since 1990, is a community-based open-access festival providing the most concentrated mix of new talent across all art forms in Wellington. The Fringe Festival is open to anyone wanting to stage an original piece of art in any form – there are no limits or constraints. Wellington City Council is a major funder. More than 30% of shows in 2013 were free (Creative Capital Arts Trust, 2013).

World of WearableArt™

World of WearableArt™ – or WOW® – is another principal event in Wellington’s arts calendar, bringing significant economic and cultural benefits to the city. The audience has increased more than 18% since WOW® moved to Wellington in 2005. Most city hotels enjoyed 95% occupancy over the course of the event in 2012 and many Wellington retailers and restaurateurs reported a significant sales boost. The WOW® Awards Show attracts an audience of more than 47 000, predominantly from out of town (Wellington City Council, 2012).

The Wellington retail sector is encouraged to join in with the WOW® Window Dressing Competition. The competition highlights the retail sector to the out-of-town market and encourages foot traffic and spending in “WOW-minded” stores by visitors. The economic benefit to the city has been estimated at NZD 15 million per annum (McDermott Miller Ltd., 2009). In October 2012, the Wellington City Council completed negotiations with WOW® to secure a longer term relationship for the event in Wellington and renewed funding for a further nine years.

WOW® has now gained funding from the Major Events Development Fund of the New Zealand government, which will provide NZD 900 000 to support three key World of WearableArt Ltd. initiatives over the next three years, including:

- three international touring exhibitions, to be staged at museums in Asia, Europe and North America
- an international education programme, including opportunities for international design students to enter the competition and a focus on attracting international students to study in New Zealand
- opportunities for international business representatives to be hosted, both at the main event in Wellington and at the touring exhibitions.

Film

Wellington is home to a significant share of New Zealand’s billion dollar film industry, which has brought an international profile, benefits in employment and film-related tourism to the city. Weta Digital, one of the world’s leading digital effects companies, was established in Wellington in 1993. Weta is seen as the dominant player in New Zealand’s digital content sector. Its global reputation has had an impact on perceptions of New Zealand – and Wellington – as a creative place to live and work and creates flow-on benefits for other digital content and technology firms. Weta

Digital is one of a number of film companies operating from the Miramar Peninsula in Wellington, including Sir Peter Jackson’s production company WingNut, Park Road Post Production, Weta Workshop, Weta Ltd. (Collectibles) and Stone Street Studios. The company currently employs around 900 people (predominantly contractors) in Wellington. Weta is also working with Victoria University of Wellington to boost digital skills and develop graduates who can deliver growth in Wellington’s digital industries.

To the delight of visitors, sculptures produced by Weta have been installed in the city during film premieres. The Wellington City Council commissioned Weta to create the Tripod sculpture for the Courtenay Place entertainment precinct as a tribute to the New Zealand Screen Production industry and another sculpture was commissioned for the city’s hosting of the 2011 Rugby World Cup. Weta has also developed a very popular tour which allows visitors to tour its physical and digital production facilities. This segment of its business has seen incredible growth with the approximate visitor numbers for the 2012/13 financial year at 150 000, an increase of 50% on the previous year. Prior to this visitor numbers had grown by an average of 30% per year since 2008/09. A significant contributor to these visitor numbers comes from cruise ship visitors, who provide a high level of demand for this attraction.

Wellington had 789 companies working in the film industry in 2012. Central government tax initiatives and film grants to encourage local and international film-making have benefited the Wellington film industry and there has been local collaboration to install the faster broadband the industry needs.

Partnerships and policies

A series of Wellington City Council policies and strategies are cementing the “Creative Capital” identity in the city’s economic future. These have included the establishment of Toi Pōneke, a centre for local artists to meet, work, rehearse, learn and exhibit (2005); Public Art Fund and Panel (2006); City Arts Team (2007); Wellington Venues Ltd. to manage council-owned theatres and concert halls (2010); Wellington Towards 2040: Smart Capital (2011); Arts and Culture Strategy (2011); Digital Strategy and Action Plan (2011); Public Art Policy (2012).

One of the four goals of the City Council’s Wellington Towards 2040: Smart Capital strategy is to have a “dynamic central city” that supports creativity, exploration and innovation (Wellington City Council, 2013a). The city’s Public Art Policy (Wellington City Council, 2013b) sees public art as a way to stimulate new thinking and activity that directly inspires

innovative new businesses and social activity. The aim of the council’s Digital Strategy (Wellington City Council, 2013c) is to see Wellington recognised globally as a creative digital city. It has three key components: make Wellington a place where talent wants to live; inspire shared knowledge and development of ideas and creativity; make Wellington a world-leading place for digital activity. Under its Arts and Cultural Strategy, the council takes a role as advocate for arts organisations, to encourage investment and to facilitate collaboration between arts organisations, training organisations and the creative industries to develop new strategies to retain and grow talent. Wellington provides tertiary training opportunities in all art forms and has the highest rate of attendance at cultural activities in the country (Creative New Zealand, 2008).

The council has formed key partnerships to achieve its “Creative Capital” vision, for example with the World of Wearable Art™ and Te Papa Tongarewa – National Museum of New Zealand. The council also has an Art and Culture Fund to “support the city as a hothouse for talent” and “to encourage [its] creative future through technology” (Wellington City Council, 2013e).

Te Papa and the Wellington waterfront

A partnership between the Wellington City Council and Te Papa Tongarewa – National Museum of New Zealand provides an opportunity to profile Wellington’s cultural identity for economic, social and cultural benefit to both Wellington and Te Papa. This includes showcasing Wellington internationally as New Zealand’s capital city and home to innovative and creative enterprises. A key objective of the partnership is to retain and attract visitors, investment, businesses and talent to Wellington. The Monet and the Impressionists exhibition at Te Papa (2009) brought in total new spending in Wellington estimated at NZD 34.5 million (Martin Jenkins, 2011).

Te Papa is a showpiece on Wellington’s waterfront. The waterfront has been redeveloped since the 1980s and is now a major outside venue for festivals and the home of much prized public art. Except for the land occupied by Te Papa, the waterfront is owned by the people of Wellington.

Economic impact of the creative industries

Research commissioned by the Wellington City Council in 2011 showed Wellington making an important contribution to both the region’s and New Zealand’s arts and culture sector. Wellington City accounted for 80%

of all regional employment in the arts and culture sector and 14% of national employment in the sector, and the city hosted the majority of the region’s arts events (Martin Jenkins, 2011).

Research indicated that in 2009, direct value added to the Wellington city economy by the arts and culture sector was at least NZD 284 million. When flow-on effects were accounted for, the total estimated value added to the Wellington city economy in 2009 was at least NZD 495 million. Growth has been driven by strong employment and productivity increases in the sub-sectors of design and screen production and radio. There was particularly strong growth in the number of employees in film post-production services and architectural services, including the design sub-sector. Screen production and radio also had high growth in the number of independent contractors.

The continuing success of “Wellywood” helped the New Zealand film industry grow to beyond NZD 3 billion during 2012. Revenue from film in Wellington generated NZD 828 million in 2012, up from NZD 495 million in 2011 (67% increase) (Ministry of Economic Development, 2012a). The economic impact of the World of Wearable Art™ on Wellington has been significant – the last economic impact study in 2009 estimated that NZD 15.1 million was pumped into the city during the show, with NZD 4.9 million of that going to the city’s retailers.

Tourism to Wellington continues to increase. Over 4 million visits are made to Wellington every year, with 750 000 international and over 3.4 million domestic tourists. Visitors spend over NZD 1.4 billion every year in Wellington (Ministry of Economic Development, 2012b). Tourism operators in Wellington have received positive exposure and business growth as a result of the strong film sector. Events relating to the films, namely the premiere events, have greatly boosted the business of film-related tourism offerings. One tour company has reported constant growth over the last seven years, which has averaged at 37% per year. Reasons for this growth include the steadily increasing reputation of New Zealand as the “home of middle earth”, which makes demand for these tours higher, as well as the tour companies such as Rover gaining more experience in what kind of product visitors want and improving their tours to match that. This growth is only for a single business, but as most of these tours take up either half or an entire day, it is reasonable to conclude that there are benefits to other industries, such as hospitality and souvenir businesses.

Concluding remarks

Looking to the future, the Wellington City Economic Development Strategy has announced investment in programmes that will “grow a creative, digital and knowledge-intensive economy” (Wellington City Council, 2013f). One of its four programmes, “Destination Wellington”, has the job of attracting increased investment talent and new business to the city. Another programme, “Smart Capital”, aims to create a business environment where innovative and knowledge-intensive firms have the resources they need to grow and where tertiary and research institutions work closely with the business community.

The “Creative Capital” vision has turned out to be an excellent fit for Wellington and Wellingtonians, and the city’s “Creative Capital” status is noted nationally and internationally. It has provided a growth path for the city’s future and breathed new ideas into the city. It has been achieved through a unique kind of collaboration with arts organisations, businesses and the people who live there.

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Creative tourism in Santa Fe, United States

This case study is based on research by the city of Santa Fe, United States.

For centuries, individuals have travelled to Santa Fe, New Mexico seeking a new experience, environment and understanding. Blessed with abundant natural assets, Santa Fe's history is one of dynamic exchange and blending of cultural traditions. This unique crucible of landscape, history, culture and art has long attracted creative individuals, giving birth to a creative industry interwoven in the very fabric of the community. Arts and cultural industries are, and always have been, a principle engine of Santa Fe's economy, creating jobs, attracting investment, generating tax revenue and enhancing the quality of life for the entire community. But how does such a city continue to cultivate a diverse mix of creative individuals and generate economic growth while preserving its unique character? This case study will explore how the city of Santa Fe's Creative Tourism programme has leveraged cultural assets, public policy and the UNESCO Creative Cities designation to develop a creative industry that generates new tourism revenues and builds economic benefit for the entire community.

Background to Santa Fe

Santa Fe, New Mexico is located in the southwestern United States. At an elevation of over 2 134 metres, Santa Fe is a high-desert climate that experiences four full seasons with warm daytime temperatures and cool nights. Santa Fe is surrounded by mountains, with the city proper nestled at the foot of the Sangre de Cristo Mountains, which are the southernmost tip of the Rocky Mountain range. To the east and west are the Ortiz and Jemez mountain ranges. The Santa Fe River emerges from the mountains in the north and crosses through the heart of the city. Santa Fe's air quality is consistently ranked among the cleanest in the country. The community's abundant natural assets have attracted people to the area for millennia.

The earliest inhabitants of Santa Fe were Native American peoples. Archaeological excavations in Santa Fe's historic downtown have found evidence of settlements as early as AD 600. Santa Fe was established in 1610 by Spanish explorers who built smaller clusters of European-type dwellings among the flourishing Native American pueblos, or villages. Soon, Santa Fe would become the seat of Spanish power in El Norte, or the north, becoming a major crossroads of international exchange via the Camino Real from Mexico and the Santa Fe Trail from the eastern United States. With trade came cultural exchanges, creating a dynamic environment that gave birth to unique forms of cultural and artistic expression that still flourish today.

The Spanish settlers found Native American people who possessed artistic traditions stretching back for a millennium. Santa Fe is fortunate that Native communities continue to share these traditions, including weaving,

pottery, jewellery and dance. The Spanish brought artistic enterprises from the Old World and Mexico, in addition to developing unique colonial art forms that still thrive today. These customs include a unique cuisine that relies heavily on red and green New Mexico chile, as well as beans, squash and corn; folkloric dances that represent a fusion of the Moorish influences brought by the Spanish and indigenous forms found in Mexico and New Mexico; and the straw applique and tinwork elements found in traditional Spanish Colonial artwork. The Native American and Spanish Colonial traditions were enhanced by an influx of painters and writers from the eastern United States during the early half of the 20th century. Artists such as Gustav Baumann, Marsden Hartley, Georgia O’Keeffe and Fremont Ellis left an indelible mark on Santa Fe’s arts community. Even such a brief overview gives one a sense of the rich cultural tapestry that has made Santa Fe a creative centre for centuries.

The creative sector in Santa Fe

According to Richard Florida (2002), Santa Fe has more cultural assets per capita than any other city in the United States. With a population of less than 100 000, Santa Fe ranks as the number one metropolitan area by percentage of writers and authors in the labour force (National Endowment for the Arts, 2011). The same study notes that Santa Fe is tied with San Francisco for the highest concentration of architects, writers and fine artists in the United States. The Bureau of Business and Economic Research (2005) at the University of New Mexico found that Santa Fe’s creative industries generate USD 1.1 billion annually and attract USD 814 million from outside Santa Fe. For a city of its size, Santa Fe boasts an impressive number and range of museums and cultural institutions, with over 75 non-governmental arts organisations in operation, including the New Mexico Museum of Art; the Georgia O’Keeffe Museum; the International Folk Art Museum; the Museum of Contemporary Native Art; the Santa Fe Opera; the Aspen Santa Fe Ballet; the Santa Fe Chamber Music Festival; and the Lensic Performing Arts Center. In addition, Santa Fe is home to nearly 250 private galleries.

Santa Fe hosts three major annual art markets: the Santa Fe International Folk Art Market, the Traditional Spanish Colonial Market and the Indian Market. More recently, contemporary art, new media, design and folk art of all types have become strong economic elements of Santa Fe’s creative industry sector, demonstrating the community’s interest in embracing new and exciting creative elements. Art Santa Fe, a “homegrown” contemporary art fair, attracts participants from around the world, while Currents Santa Fe is becoming a major venue for new media and digital arts. Indeed, with an

abundance of creative enterprises employing curators, designers, dancers, musicians, actors and more, Santa Fe remains a rich melting pot of talent and creativity.

The shared pride and participation in these creative industries creates a sense of community, enables an open exchange of ideas and facilitates consensus around arts policy in Santa Fe. The municipal government of Santa Fe has been proactive in recognising the importance of the creative industries to the local economy, including creating jobs, attracting capital, generating taxes and enhancing the quality of life of the community. Since the passage of the citywide Economic Development Plan in 2002, the city of Santa Fe has been highly engaged in designing new ways to cultivate and showcase its creative economy. From the Economic Development Plan, Creative Santa Fe was established to provide a link between the creative sector and the city in developing initiatives to strengthen the creative industry sector. The connection between tourism and Santa Fe's creative industries is integral to its economy. Santa Fe has received numerous accolades that demonstrate its success in marketing the creative economy, including: “#1 Cultural Getaway” (2012), *Travel + Leisure*; “Top 10 International Cities for Art/Architecture” (2012), *Hotwire.com*; “Top 24 Art Markets” (2012), *American Style*; and “Most Artistic City in the US,” *Richard Florida*. Throughout this process, the goal has been to preserve Santa Fe's unique character while enhancing its international visibility and growing new markets for the creative sector.

Through its Arts Commission, the city of Santa Fe develops programmes and policies that promote and sustain the arts in Santa Fe. Through the commission's Percent for Public Art programme, the city dedicates 2% of the cost of city building and infrastructure to support site-specific public artworks that employ artists, build awareness of the arts in the community and enhance civic spaces throughout the city. Over the past decade, the commission has built the diversity of the programme, increased its geographic scope and worked with the city's Public Works programme to incorporate artwork directly into the civic infrastructure. In addition, the city allocates 1% of Santa Fe's hotel bed tax to support local arts organisations that present performances, exhibitions and festivals that help maintain a flourishing arts community, employ artists and attract tourism. Funding supports important endeavours, such as performance poetry for teens led by the city's Poet Laureate; preservation of Santa Fe's flamenco traditions through the Juan Siddi Flamenco Company; presentation of classical music by the Santa Fe Symphony and Chorus; awe-inspiring outdoor opera at the internationally acclaimed Santa Fe Opera; and hands-on art-making for children at the Santa Fe Children's Museum.

The Arts Commission also operates the Community Gallery, which exhibits and sells the work of area visual artists and artisans. The mission of the Community Gallery also includes educational programming for artists to develop business skills as well as network with others. Artist demonstrations and workshops are provided for artists and the public as well. The gallery was born from the need to create a space where local emerging artists could display their work. Through a series of theme exhibitions, the gallery presents high-quality artwork, generates income for artists through the sale of their work, and, most importantly, creates a destination for the viewing of exclusively locally produced art.

UNESCO Creative Cities Network

In 2004, UNESCO announced the Creative Cities initiative, aimed at developing international co-operation among cities and encouraging them to develop partnerships in line with UNESCO's global priorities of "cultural development" and "sustainable development." Central to this programme was the recognition that cities increasingly play a vital role in harnessing creativity for economic and social development. It was Santa Fe's honour to be selected as the second city in the Creative Cities Network – and the first city in the United States to be admitted. Over the past eight years, the Creative Cities Network has grown to 34 cities, representing local governments and a wide range of partner communities (see Box 4.9). Each city is selected in a specific creative industry designation. The benefits of Santa Fe's participation in the network have been tremendously significant.

Participation in the network has increased the visibility of Santa Fe, affording it the opportunity to make presentations at international conferences. These presentations have resulted not only in increased interest in Santa Fe's cultural sector, but also in tourism benefits such as reaching new group travel markets in Chinese Taipei. In 2013, Santa Fe was honoured to welcome the "I-Walker" film crew, who shot a three hour documentary of New Mexico's unique creative and cultural tourism offerings. In addition, Santa Fe's membership in the network has fostered opportunities for participation in exhibitions and festivals around the world. Partnerships with Korea have been particularly fruitful, including contributing to an exhibition at the 2011 annual meeting in Seoul, the Incheon Ceramics Biannual, and the annual Incheon Sculpture Exhibition.

Membership of the network has created opportunities to participate in professional development exchanges that benefit the local economy. Elected officials, civil servants, curators and artists have travelled to other cities to take part in conferences and festivals including Arts Commissioner Michael Namingha representing the city at a design symposium in Kobe,

Japan; new media presentation at the Seoul, Korea Creative Cities Network conference; and artist exchanges with Icheon, Korea. Joint economic development opportunities for Santa Fe and Icheon, Korea have included Icheon master artist Han Sug Bong participating in the Santa Fe International Folk Art Market and at Gebert Contemporary Gallery in Santa Fe, as well as Santa Fe artists such as Rose Simpson, Heidi Loewen and Todd Lovato participating in exchanges to Korea. To date, there have been exchange visits with Japan, Korea and the People's Republic of China.

The most important benefit for Santa Fe from membership in the network has been the opportunity provided for the city to become a leader in the evolution of creative tourism. Santa Fe's interest in creative tourism began soon after being admitted to the network. By 2005, eight additional cities had been selected in five very different creative sectors. It soon became clear to these early members that themes across designation areas should be explored to help solidify the network's agenda. Santa Fe suggested creative tourism as one such theme. This idea came from the innovative work of Greg Richards and Crispin Raymond (2000), who coined the term "creative tourism". They suggested that creative tourism is a development borne from cultural tourism. While a cultural tourist visits countries to learn about their culture, this learning process is generally fairly passive: walking around museums and galleries, visiting historic buildings and monuments, attending artistic and cultural events. Most of the experiences they sample do not encourage them to express themselves. They are more likely to be observers than participants.

In contrast, a creative tourist becomes actively involved in the culture of the countries and communities (s)he visits. While the cultural tourists enjoys visiting a pottery studio or sampling a range of local foods, the creative tourists takes part in a pottery course or learns to cook local dishes. The creative tourist is always a participant, someone who learns by doing, someone who finds enjoyment and fulfillment in developing new abilities, someone who wants to interact with local people. As a result, creative tourists get closer to the cultures of the countries they visit.

In Confucius's words: "I hear and I forget, I see and I remember, I do and I understand." Together with seven other members of the Creative Cities Network, Santa Fe convened a conference planning meeting that resulted in the following definition to guide the international conference design and future creative tourism activities: "Creative tourism is tourism directed to an engaged and authentic experience of a place with participative learning in the arts, heritage and special character of a place."

In 2008, Santa Fe co-sponsored the International Conference on Creative Tourism: A Global Conversation with UNESCO. The first conference of its kind, the dialogue brought into focus the potential for creative tourism to transform local economies and launched Santa Fe's efforts to increase its creative tourism infrastructure. The conference was attended by over 200 delegates from 16 countries. Over 50 creative tourism experiences were provided to delegates, ranging from traditional New Mexico cooking, to hand-building clay vessels, to Rio Grande weaving, to Chinese brush painting. As a result of the conference, Santa Fe edited and published a seminal reference book, *Creative Tourism: A Global Conversation, How to Provide Unique Creative Experience for Travelers Worldwide* (Wurzburger et al., 2009) which presents practical applications of experiential tourism.

Developing creative tourism in Santa Fe

Santa Fe has since developed its creative tourism activities based upon the concept of building an infrastructure to connect artists with tourists. The significance of Santa Fe's creative tourism initiative is that it leverages Santa Fe's long-standing creative assets to build and strengthen its tourism and travel industry. Building upon Richards and Raymond's belief that the modern day traveller seeks a deeper, more authentic experience of place, Santa Fe's Creative Tourism programme links creative industry workers with training, technology and tourism sector partners.

As a first step, the city of Santa Fe, through the Arts Commission, created a Santa Fe Creative Tourism website, www.SantaFeCreativeTourism.org. With more than 200 creative tourism experiences available in the Santa Fe area, the website allows artists, hotels, visitors and the community to connect and engage with creative tourism. As the programme has continued to develop, great success has been found in promoting the website through other various social networking sites, such as Facebook, Twitter, Trip Wolf and others. These arenas provide a cost-effective and accessible tool for reaching visitors as well as building excitement and interest in the programme. Daily blog postings are another essential component, allowing the city to create desired content, and build online visibility and audiences. The programme has actively connected with similar organisations, creating a mutual return on investment by expanding online venues and shared content across online calendars, e-newsletters, blogs and social networks. Hotel partnerships provide a venue for artist demonstrations where they can present their workshops directly to visitors, forging genuine connections.

Central to the success of building infrastructure among participating artists is what Becky Anderson, founder and former Executive Director of “HandMade in America,” refers to as “preparing artists to receive guests.” To this end, the city offers business development services for the purpose of preparing local artists to actively participate in and benefit from the creative tourism economy, which the city is growing. The services include a series of evening classes and one-on-one consultations. The classes combine lectures and demonstrations, while the consultation appointments are offered to artists, artisans and crafts-persons interested in working with the Creative Tourism programme. Topics include: building a website, basic business skills, creating and distributing press releases, photographing their artwork, as well as various ways artists can network throughout the community.

In 2011, the city launched “DIY Santa Fe Art Month” – DIY being short for “do-it-yourself.” This event is a month-long celebration of the creative tourism experience. Local artists offer workshops in their homes and studios while hotels host demonstrations onsite and provide package accommodations for participating visitors. This series showcases the varied talents and resources of New Mexico’s artists. The DIY experience is a direct, participatory experience where visitors learn and build connections with local artists.

The city’s Creative Tourism programme has experienced tangible results in a short time. In 2012, the programme generated USD 62 782 in direct economic benefit for artists, compared with USD 40 790 in 2011. In total, the programme has generated USD 134 166 in reported income for participants since 2010. Since 2011, over 300 people have participated in business development classes and/or received personalised consultation to develop creative tourism experiences. The curriculum has included project management, website and blog development, content development, building online visibility, developing social media presence and improving visitor engagement skills.

Artists and arts businesses that provide creative tourism experiences submit listings to Santa Fe’s creative tourism’s project managers for inclusion on the website, social media postings, calendar listings and other forms of online and traditional marketing. The number of offerings by participating artists has grown by nearly 600%, from 40 workshop activities in 2009 to over 235 ongoing workshops in 2013.

Through the Business Development programme, artists become fully acquainted with Santa Fe’s extensive arts and business networks while acquiring the skills necessary to build engagement with potential visitors. This increases their ability to identify and cultivate new business relationships and develop revenue streams. Artists have reported that they

have gone from never or infrequently offering workshops throughout the year to adding multiple workshops each month.

Finally, direct inquiries to the webmaster indicate that individuals from all 50 states and around the world are inquiring about and planning travel to Santa Fe specifically to participate in these creative tourism experiences. Hotel partners and artists report that visitors are staying at Santa Fe hotels, eating at local restaurants and shopping at the various art supply stores. According to artist reports, workshop participants have stayed at many local accommodation establishments.

Long-term creative development

The initial success of the Creative Tourism programme has made clear the long-term potential to expand the activities even further and create enhanced economic benefits for the cultural industry, tourism economy and the overall quality of life in Santa Fe. In assessing successes and challenges to date, it is evident that providing creative practitioners with specific skills and tools to participate in the creative tourism industry is critical. Of particular importance are fundamental business and marketing practices that improve the viability of their creative tourism product in the marketplace.

When it was originally launched, creative tourism was a stand-alone initiative within the Arts Commission. While it benefited from the type of informal cross-pollination that naturally occurs within any agency, there was no specific agenda that interwove the Creative Tourism programme into a larger set of arts or cultural policies. The Arts Commission's "2010-2013 Work Plan" represented a major step in creating formal links between the growing Creative Tourism programme and citywide policy. The "Work Plan" placed creative tourism within a larger framework of cultural, social and economic development for Santa Fe, calling for the development of strategic programmatic alignments with other city agencies, including the Economic Development Division and the Convention and Visitors' Bureau.

Within the Economic Development Division, policies and programmes were developed to support cultural entrepreneurship. First, an annual business plan competition was created. Initiated and funded by the city of Santa Fe, the annual competition is implemented by Mix Santa Fe, an organisation and website that provides a mechanism for the development of ideas, business and projects, with corollary opportunities for promotion, recognition and start-up funding. Individuals with business concepts that have the potential to create jobs, enhance the quality of life and fill a product or service gap within Santa Fe can apply to compete in these annual competitions. Accepted applicants then complete a six-month series of

workshops and mentoring sessions that result in a final business plan. Winners receive cash prizes as well as further access to consultants to bring their plan to reality. Each year, several participants represent businesses from the creative sector.

The second economic development initiative to support cultural industries is the Velocity Project. Again, the programme is funded by the city, yet whereas the business plan competition helps develop new businesses, the Velocity Project is designed to propel start-up companies forward via an eight-week programme. Businesses must be local and have an established product or services in order to be eligible to apply. Both programmes are part of the city's effort to target economic development spending under an overarching banner of entrepreneurship.

The policy linkages established with the Convention and Visitors' Bureau have taken the form of defining the creative industries as various "Santa Fe Brand Pillars" that inform the entirety of the bureau's branding and marketing efforts. Of the seven "pillars", four specifically link to Santa Fe creative industries: history and culture, gastronomy, visual arts, and performing arts. Establishing these creative "brand pillars" has allowed the city to leverage the Creative Tourism programme and the work of the larger creative sector into a formalised marketing plan reflected across the bureau's activities.

Within the Arts Commission's own programmes and policy, links with creative tourism are also being established to create a more integrated delivery of services. A partnership has been forged with the New Mexico Lawyers in the Arts to present a series of art law presentations for local artists. The first of three such presentations was recently completed with over 40 artists attending. Further, greater emphasis will be placed on embedding artist professional development across Arts Commission programming, and specifically the Community Gallery, so that greater integrations of arts services for artists can be achieved. Moving forward, the Community Gallery manager/curator will be working in concert with the Creative Tourism programme to identify artists' needs, cultivate further networks within the community and present professional development programming that serves artists throughout the community.

Implementation of the creative tourism programme since 2009 has also demonstrated the need to continually update and evolve an online presence through which to promote the programme. In 2014, the website will be enhanced to increase the ease with which artists may post workshops and activities. It will also facilitate easier search capacities for the end user. Plans also include leveraging social media contests to generate increased traffic. Utilising the Wishpond application, five contests, such as photo

interest, essay or video contests, will be created. The contests will collect and identify regional contacts creating connections with related groups, organisations and interested partners. Another new website initiative will be the creation of original content, articles and videos featuring artists and activities listed on the website. Not only will this content expand information for potential visitors currently available on the website, but it will also assist in educating artists on the benefits of participating in the programme.

Concluding remarks

The emerging development of creative tourism, both in Santa Fe and around the world, underscores its great potential to fundamentally shift our thinking about culture, tourism and the economy. This is just the beginning for communities like Santa Fe to preserve and strengthen their cultural heritage while engaging the visitor in an authentic, hands-on experience of place.

Santa Fe has focused its efforts on building a creative tourism infrastructure that is successfully growing its creative identity by leveraging cultural assets to strengthen tourism. Other approaches are being tested worldwide, with models for creative tourism abounding across the globe. When Santa Fe commenced its creative tourism journey, the only information on the subject was Greg Richards and Crispin Raymond's newsletter article from 2000. Now, a search of the Internet will identify scores of creative tourism offerings ranging from belly dancing in Bali, to bone carving in New Zealand, to make-up design in Barcelona and insect hunting in England. Global tourism leaders recognise that the competitive edge will increasingly go to destinations which offer pleasure travel that is more deliberate, more customised, more experiential and more authentically tied to the creative experience of a place. The Santa Fe experience clearly demonstrates that creative tourism programmes can indeed provide this edge.

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Tourism and the Creative Economy

As the significance of the creative economy continues to grow, important synergies between tourism and the creative industries are emerging offering considerable potential to grow demand and develop new products, experiences and markets. These new links are driving a shift from conventional models of cultural tourism to new models of creative tourism based on intangible culture and contemporary creativity. This report examines the growing relationship between the tourism and creative sectors to guide the development of effective policies in this area. Drawing on recent case studies, it considers how to strengthen these linkages and take advantage of the opportunities to generate added value. Active policies are needed so that countries, regions and cities can realise the potential benefits from linking tourism and creativity. Key policy issues are identified.

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