

INDUSTRY TRENDS AND OPPORTUNITIES DESIGN

Sarasota County is poised to enhance its national reputation as a leader in design and design thinking.

The Sarasota County Five-Year Economic Development Strategic Plan, identified “design” as one of its three key platforms—a promising potential initiative that could be leading edge, first of its kind, and/or generate significant economic benefit for Sarasota County and the region.⁶

The region's creative talent includes professionals and businesses with skills and expertise in design, interactive media, web-enabled technologies and performing arts. A growing demand for digital content and web-enabled tools, as well as the increasing use of design and creativity as part of research and product development for other industries, create an array of opportunities for industry sectors from software to performing arts.⁶

This paper further highlights the Design Opportunity for Sarasota County, including providing some key facts for emerging design industries, so that our community partners might develop a deeper understanding of design and help the County achieve its goals.



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October 2009

The Definition of Design

Many people believe that the only task of design is to provide styling to the visual appearance of products. This is a misconception. While visual expression is an important part of the work of the designer, the fundamental work lies in discovering the central argument of a product: the dramatic plot that shapes human interaction.¹

Design is the planning that lays the basis for the making of every object or system. In a broad sense, design means applied arts and engineering. There are many design disciplines: from commerce and communications to applications, physical and scientific.²

The Design Economy

We have entered the design economy. It's a world in which consumers have a lot of choice among high performing products and services, and the companies and industries with the best design win. One value-added activity that countries like the United States have to offer is creativity, imagination, and "out of the box" thinking--design.³

Economic contributions from creative industries have been increasing, particularly as manufacturing industries have become automated and process-driven. The economic contributions are often cited as being a growing part of the global economy.² Global design studies increasingly recognize that the larger economic impact of design is felt in the value that design brings to other industries.⁶

Design and creative-based businesses are outperforming their peers and offer huge potential for creating jobs, generating wealth and growing local and export markets. Creative industries include graphic design, advertising, film and video, music, performing arts, fashion design and product design, new media such as the Internet and mobile technology, publishing, radio and television, visual art, architecture and crafts. Other traditional mainstream industries such as financial services are also tapping into

the benefits of innovation to ensure their products and services stand out.⁴

Design Thinking

Design thinking is a discipline that uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity.⁷ Human-centered design thinking can inspire and inform business strategy. Design thinking in businesses strategy can help to explore growth opportunities, solve complex problems, and achieve meaningful differentiation.⁸

Now, rather than asking designers to make an already developed idea more attractive to consumers, companies are asking them to create ideas that better meet consumers' needs and desires. The former role is tactical, and results in limited value creation; the latter is strategic, and leads to dramatic new forms of value.⁷

As business increasingly turns to India and China to provide low-cost goods and services, companies must focus on innovation to be competitive. That driving need makes design thinking the hottest trend in business culture today. If engineering, control, and technology were once the central tenets of business culture, then anthropology, creativity, and an obsession with consumers' unmet needs will inform the future.⁹

Design and Our Community

Sarasota County is in a unique position to capitalize on the Design Opportunity. The high location quotient of the arts, entertainment, and recreation industry in Sarasota County, and the presence of a significant arts and cultural scene, including professional theatres, an opera, orchestra and multiple cultural events, such as the Sarasota Film Festival, indicate a creative strength in the workforce. The highly ranked Ringling College of Art and Design provides a training ground for students not only in the fine arts, but also in advertising design, digital film and computer animation.

US News & World Report's "2010 Edition of America's Best Colleges" recognized Ringling College of Art and Design as one of the nation's most unique art and design schools.

While many regions have concentrations in different aspects of creative services, Sarasota County's breadth of talent, along with a nation-

ally recognized design school, are not common in a region this size. Connections between Sarasota County's leading-edge design community and other industries could yield more transformative ideas and technologies, faster and more efficiently.⁶

Key Design Industries

Design industries like online marketing and social networking are transforming the marketplace. The digital arts industries of animation and gaming are projected to grow rapidly. Changes in how people view and produce film are creating new market opportunities. Design is making a powerful impact on business strategy as it becomes a whole new way of thinking, rapidly growing as a productivity and development tool.⁵

Online Marketing and Social Networking

While 2009 total US advertising is projected to decrease 10% to \$252.1 billion, US Internet advertising revenue will grow 6.1% to \$28.3 billion:¹⁴

- 45% rise in video ads to reach \$850 million
- 4.9% growth in search marketing to reach \$12.3 billion
- 8.9% growth in US internet ad spending to reach \$25.7 billion

Social networking is growing fast as users increase across all age ranges and companies utilize social networks as a cost-effective advertising medium.

In 2008 nearly 80 million internet users visited a social networking site; this translates to about 41% of the US Internet user population; up 11% over 2007. By 2013 this share is expected to rise to 52%, as more and more people turn to social media sites for their daily updates.¹¹

The share of adult internet users who have a profile on an online social network site has more than quadrupled in the past four years -- from 8% in 2005 to 35% in 2008. Adults make up the bulk of the users of these websites. Adults make up a larger portion of the US population than teens, which is why the 35% number represents a larger number of users than the 65% of online teens who also use online social networks:¹⁰

- 50% of adult social network users have a profile on MySpace
- 22% have a profile on Facebook
- 6% have a profile on LinkedIn

Overall, 45% of Facebook's 45.3 million active users in the US are now 26 years old or older. Nearly a quarter of all Facebook users are over 35 today - quite a change from Facebook's roots as a social networking tool for college students just a few years ago.¹²

Advertising spending is projected to increase dramatically for social networks. Marketers have found that social network users not only see the ads that appear on their blogs and profile pages, but interact with them. Members of this group are, after all, the ultimate multitaskers. Which is why lead generation firms have found some of the new inventory available through social networking sites to be high converting inventory:¹³

The multi-billion dollar markets of social networks, interactive technologies and Internet broadcasting allow for many possibilities for Sarasota County's software and IT, design and advertising, film and video and performing arts businesses.⁶

Growing demand for digital content and Web-enabled tools for Internet advertising and social networking represent additional opportunities for existing companies that overlap the creative services and information technology clusters.⁶

Digital Arts

Digital art is created using the computer as a medium for art and design. As a paintbrush is used to create paintings, the computer is used by the artist to create pixel canvases. Rapidly growing digital arts industries include animation and gaming.

Animation

The rapid advancement of technology has made computer animation available to the masses and the animation industry is one of the fastest growing industries. The demand for animated entertainment has expanded with the increase in broadcasting hours by cable and satellite TV along with the growing popularity of the Internet. In the past, animation series were aimed at children aged nine and below. In recent years however, TV stations have been producing animation series for teenagers, adults and the whole family.¹⁶

The global animation market touched \$59 bil-

lion in 2006 and is expected to expand to \$80 billion by 2010. From the software development perspective, the market for animated content and related services is expected to cross \$34 billion by 2010. The entertainment segment is projected to be the key driver of the animation market, contributing almost three-fourths of the revenues generated.¹⁵

Gaming

The global gaming market is expected to touch \$42 billion by 2010, at a compound annual growth rate (CAGR) of around 18 % during 2006-2010. From the perspective of developers, the worldwide gaming content segment is expected to notch up a CAGR of 17%, to achieve a turnover of \$13 billion during the 2006-2010 period. Within the gaming segment, it will be mobile and online gaming that will create the maximum impact, recording CAGRs of around 30 and 25% respectively.¹⁵

Film

The production and distribution of motion pictures and television programs is one of the nation's most valuable cultural and economic resources. In 2007, the motion picture and television industry was responsible for: 2.5 million American jobs; an average salary of \$74,700 for production employees; \$41.1 billion in wages to workers in America; \$38.2 billion in payments to U.S. vendors and suppliers, small businesses and entrepreneurs; \$13 billion in income and sales taxes; and \$13.6 billion in trade surplus.¹⁸

Florida is one of the top ten film production states in the US. In 2007, the wages paid by the motion picture and TV industry in Florida totaled more than \$1,47 billion.¹⁸

Sarasota County has a critical mass of residents and workers with relevant expertise in film and video.⁶

The output of US motion pictures and videos is forecast to grow at an annual compounded rate of 4% between 2008 and 2013.¹⁷

An increasing amount of film and television production is taking place throughout the US. Regional film locations are using lower costs and higher incentives to lure budget-conscious productions out of Hollywood and a powerful impact is being felt on tourism as fans are eager to visit locations featured in movies and television shows.

The Sarasota County Film & Entertainment Office (SCFEO) promotes the area as a good place for film and new media production. Since its inception in February 2007, SCFEO has assisted nearly 500 productions that spent \$3.5 million in the community. According to the Association of Film Commissioners International, that economic impact of that spending is between \$5.25 million - \$10.5 million.

Filming locations are highlighted in DVD Special Features and online sites with behind-the-scenes information, making it easier for film fans to identify destinations that they want to visit. A location featured in a successful film can see an increase of up to 75 percent in tourism the year after the film is released.²

Conclusion

Sarasota County's leading-edge design community could help other industries develop more transformative services and technologies.⁶ With help from our community partners to grow firms and jobs in design-related industries and develop new design-based products and services, Sarasota County will achieve its economic development goals and enhance its national reputation as a leader in design and design thinking.

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