

MAKING PLACES WHILE BUILDING NETWORKS

An Exploration Of The Role Of
The Urban Environment In Book Publishing

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Making Places While Building Networks

**An Exploration of the Role of
the Urban Environment in Book Publishing**

Plaatsen in netwerken

De betekenis van stedelijke omgeving voor boekenuitgeverijen

(met een samenvatting in het Nederlands)

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door

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geboren op 14 september 1982
te Rotterdam

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*I am grateful to my supervisors
Irina van Aalst, Oedzge Atzema and Ron Boschma,
for their encouragement, patience and inspiration.*

Voor de Reis

Men noemt haar: ruimte.

*Gemakkelijk te omschrijven met dat ene woord,
zoveel moeilijker met meerdere.*

(...)

Wel, en dan is er nog die reis van A naar B

Vertrek 12:40 plaatselijke tijd,

en een vlucht boven kluwens lokale wolken

langs enig oneindig

nietig strookje hemel.

(Uit: Hier, W. Szymborska, 2010)

De omgeving van de mens is de medemens

(Uit: Renaissance, J.A. Deelder, 1994)

Mum, dad, friends and colleagues, thank you for travelling
along, often inspiring and always supporting me.

Table of contents

1. Introduction	11
Rationale and relevance	11
The business of book publishing	14
Different dimensions of place	18
Place from an evolutionary perspective	20
Place as a process	21
Personal networks: multiple motives and different stakes	23
2. Creative clusters in Berlin: entrepreneurship and the quality of place in Prenzlauer Berg and Kreuzberg	27
Introduction	28
Understanding the micro level of creative clustering	30
Creative entrepreneurship and local networks	31
Creative entrepreneurship and meeting places	34
Creative entrepreneurship and the look and feel of places	35
Methodology and empirical setting	37
Berlin	38
The utilitarian value of place: informal networks, knowing-who and facilities	44
The symbolic value of place: inspiration, reputation or just being part of it	48
Conclusions	51

3. Performing in Dutch book publishing 1880–2008: the importance of entrepreneurial experience and the Amsterdam cluster	55
Introduction	56
The effect of spinoffs and clusters on firm survival	58
<i>The role of spinoffs</i>	58
<i>The role of place and clusters</i>	59
<i>Hypotheses</i>	62
The long-term evolution of the Dutch publishing industry 1880–2008	65
Main findings	70
Conclusions	81
4. Place-making from publishing house to book fair: Dutch book publishers and the role of place in establishing trust and reputation	85
Introduction	86
Publishing as a cultural-product industry	88
Place, face-to-face contact and cultural-product industries	89
A closer look at trust and reputation	92
Judging, being judged and the local environment	95
<i>Inner-city Amsterdam as a feeding ground</i>	95
<i>Close communication prevails over place in promoting books</i>	97
<i>Place employed for socialization rather than co-location and trust</i>	98

<i>Local environment employed as brand</i>	99
Zooming in on localities and their role in socialization and reputation and trust	100
<i>Localities as sites for socialization and establishing a reputation</i>	100
<i>Localities and the generation of trust</i>	102
<i>Publishing house as brand</i>	105
<i>From fixed third places in clusters to dynamic meetings in hubs</i>	106
Conclusions	107
5. Social networks and cultural intermediaries: the multiplexity of personal ties in publishing	111
Introduction	112
Social networks and the nature of personal ties	113
Multiplexity of ties in publishing	118
<i>Ties between publisher and author</i>	118
<i>Ties between publisher and the press and booksellers</i>	121
<i>Ties between publishers</i>	123
Publishers as cultural intermediaries on a tightrope	125
<i>The publisher on a tightrope between culture and commerce</i>	126
<i>The publisher as entrepreneur in a commercializing field</i>	130
Conclusions	132

6. Conclusions	137
Summary of main findings	137
The meaning of place in and beyond agglomerations	141
Making places while building networks	143
Methodology and reflection	145
Avenues for future research	147
References	153
Appendix A Descriptive statistics & correlations	173
Appendix B Characteristics of interviewees	174
Nederlandse samenvatting	175

1. Introduction

Rationale and relevance

Dutch book publishers are having to hold their ground in a more competitive market and a changing literary field. Turnovers of printed media are decreasing and the sales and payback time of book titles are shrinking due to the large supply and rapid succession of new titles (*SMB/GfK*, 2012). Competition in the book market is increasing and publishers are now competing not only with each other for authors and prominent places in bookstores, but also with online suppliers of alternatives to books. The current trade book market is predominantly based on bestsellers, and today's bestselling authors soon become celebrities. Publishers have to be more commercial while retaining their top authors and distinguishing themselves from other publishers.

Although publishing is still a people business, the personal networks of publishers now seem to centre less on their traditional gatekeeper function. After the recent merger of the publishing houses Arbeiderspers and Bruna, the former relocated from inside the ring of Amsterdam's canals to an industrial site alongside a motorway in Utrecht, indicating that the role of particular locations may also be changing. The traditional publisher was a distinguished gentleman sitting in his office in a canal-side house in Amsterdam's inner-city, where he would meet with colleagues and authors at illustrious bars. The city of Amsterdam, and specifically its ring of canals, has long been the backdrop to Dutch book publishing (Deinema & Kloosterman, 2012). However, this hegemony may be coming to an end. The publisher of the future might well be an entrepreneur sitting in front of a computer in a modern office park...

This thesis discusses whether the role of place and networks is indeed changing. Book publishing has been studied in fields as diverse as sociology, book history, and book and digital media studies (e.g. Bourdieu, 1983; de Glas, 2003; Dongelmans, 1992; van der Weel, 2011). While there is an extensive literature on the history of publishing and the book, there has been relatively little research on

the contemporary publishing field. Thompson's (2005) work on the book publishing industry in Britain and the United States is a notable exception. He examined contemporary academic and educational publishers and showed the changing role of these publishers in the light of the growing concentration in publishing, the rise of online retail, the globalization of markets and the impact of new technologies. The present work focuses on contemporary trade book publishing¹ while accounting for the historical context. It provides more insight in the role of place and networks for book publishers and their firms through combining an evolutionary economic approach with an in-depth case study rooted in urban geography and relational economic geography. This contributes not only to our knowledge on publishing but also to the discussion on the role of geography in cultural production and in contemporary society more broadly.

Research on the production systems of cultural-product industries is important in finding answers to what makes cities grow and thrive economically (Scott & Storper, 2009). These industries are no longer the icing on the cake but form a substantial part of the economy of cities (Pratt, 2008). Culture and economy are increasingly intertwined, and the aesthetic content and identity is vital for all kinds of commodities (Lash & Urry, 1994). Not without reason, the spatial concentration of cultural-product industries in cities has received much attention in human geography and related disciplines, such as economics and sociology (e.g. Scott, 1998, 2004; Banks et al., 2000; Caves, 2000; Pratt, 2000, 2005; Grabher, 2001; Sedita, 2008; Sunley et al., 2008). In policymaking, attracting cultural-product industries has become a commonly employed instrument to regenerate former industrial sites or run-down inner-city areas, and to boost the economic vitality of a city as a whole. By studying cultural-product industries and their value chains in depth, it is possible to link the productive city of agglomeration economies and the city of cultural consumption, and breach the dichotomy of culture and economy (Pratt, 2008). In order to accomplish this, more

¹ Trade book publishing is defined here as the publishing of books for the general consumer market and can be distinguished from educational publishing and professional and academic publishing.

knowledge is needed of how cultural value is produced and of the relationships between the creation of cultural value and the urban environment (Helbrecht, 2004; Pratt, 2008; Scott & Storper, 2009).

This thesis contributes to the existing knowledge on cultural-product industries and their concentration in cities in three ways. First, it critically examines the importance of local concentrations for cultural-product industries without dismissing the role of place. Florida's (2002) idea that urban growth can be realized simply by attracting people from the creative class, coupled with the reproduction of cluster success stories, has created a generally bright picture of the concentration of cultural-product industries that emphasizes the positive attributes of 'creative clusters', 'cultural quarters' and 'knowledge spill-overs' (Martin & Sunley, 2003; Boschma & Kloosterman, 2005). Here, the influence of these spatial concentrations on firm performance is not taken for granted. Moreover, it is recognized that the concentration of cultural-product industries can also lead to increased rivalry and may not be beneficial to all firms (Grabher, 2001).

Second, a dynamic and multidimensional conceptualisation of place is combined with an exploration of personal networks in book publishing. This is consistent with the geographic literature on social networks in which the role of geographical proximity is no longer taken for granted, but is studied in relation to social connections and cognitive similarities (e.g. Nooteboom, 2006; Ter Wal, 2009). In addition, social networks are related to different dimensions of place and the multiple meanings of the urban environment for the creation of cultural value. This shows that place is not merely a condition for social interaction and knowledge spill-overs.

Third, this thesis explores the role of place for those who bring together culture and commerce and production and consumption, namely cultural intermediaries. While the meaning of the urban environment for the creation of cultural value has been researched for artists and cultural producers (e.g. Drake, 2003; Molotch, 2003; Hutton, 2006; Rantisi & Leslie, 2010), the perspective of the cultural intermediary is relatively unexplored in geographic literature on cultural-product industries (Foster et al., 2011). It is, however, a particularly interesting perspective from which to study the multi-

scalar networks of cultural production, as cultural intermediaries match the multiple interests of people, projects and organizations and bring together culture and commerce.

The aim of the research was to gain more understanding of informal and formal interactions and of the creation and maintenance of trust and reputation in and outside local concentrations of cultural-product industries in relation to the process of making places. This was investigated from the perspective of book publishers as cultural intermediaries. This resulted in the following main research question:

To what extent do book publishers benefit from being located in urban places, and how do they employ those places to create and sell their cultural product?

This research took a pragmatist perspective (Rossman & Wilson, 1985; Onwuegbuzie & Leech, 2005), combining quantitative and qualitative methodologies to profit from the strengths of both (see page 119 (Chapter 6) for a section on methodology reflection). This enriches our understanding of place and networks in relation to the creation of cultural value by exploring the meaning of multiple dimensions of place (Chapters 2 and 4), place as a dynamic concept (Chapters 3 and 4) and multiplex personal networks (Chapter 5). Before discussing the chapters and the underlying research questions of this thesis and expanding on the concepts of place, place-making and personal networks, the following section elaborates on the book publishing sector and existing research in the field of publishing.

The business of book publishing

While most readers will have an idea of what book publishers actually do, it is useful to cover the latter's tasks in more detail in order to clarify the idea of publishers as cultural intermediaries and illustrate why publishing is an interesting sector to examine the role of place and networks in cultural production. Book publishing houses are content-acquiring, risk-taking organizations that produce a cultural product, namely the book. Publishers add value to the book chain in a number of ways: they acquire content and build the book list, they function as bankers by investing in book projects and taking the largest risks, they develop content, they control the quality of the

content, they coordinate the overall process of making a book, and are responsible for sales and marketing (Shiffrin, 2000; Epstein, 2001; Thompson, 2005; own interview data).

Whereas book publishers traditionally functioned primarily as cultural gatekeepers who merely let through culturally valuable manuscripts (Coser et al., 1982), the process of selecting, producing and selling a book now includes more exchange between the various actors involved. This requires book publishers to adopt a more proactive role (Thompson, 2005). The value chain is not a one-way supply chain, but involves a continuous interplay between the main actors in making and selling books. In addition to the publisher/editor, the actors include (in rough chronological order) authors, the various freelancers and companies involved in copy-editing, design and typesetting, printers, distributors and booksellers. In the case of bestselling authors, the chain may also include literary agents, who partially take on the role of publisher/editor; however, literary agents are not yet common in the Netherlands (Thompson, 2005; own interview data).

The sequence described above is not fixed. Book publishers deal with all of these actors several times during the process. In addition, publishers operate in a specific field in which they compete and collaborate with other publishers in relation to the various actors in the value chain. A specific publishing field is more than a market; it functions as a social environment with specific kinds of rewards and recognition. The field of trade book publishing is geared towards publishing for the market of general readers, and includes networks with the reviewing press and fellow publishers along with relationships with authors, printers and booksellers (Thompson, 2005; Dorleijn & van Rees, 2006). Through these networks and literary awards, publishers and their authors can establish their position in the field and be competitive. Contemporary trade book publishers thus function as cultural intermediaries in the field and value chain of books.

Publishers fulfil their intermediary role in a strongly concentrated market (Epstein, 2001; Shiffrin, 2000; *SMB/GfK*, 2012). Although there are still many independent publishers in the Dutch publishing industry, the majority of the market share in trade books is held by

three publishing conglomerates: WPG, NDC-VBK and the Belgian conglomerate Lannoo.² In their biographical accounts of the US publishing sector, Epstein (2001) and Shiffrin (2000) vividly described how the rise of conglomerates, retail chains and the focus on 'light entertainment' bestsellers in trade book publishing brings about an existential tension between the cottage industry and craftsmanship that publishing once was, and the new corporate structure that is focused on high returns on investments. The present study examined whether a similar tension exists in Dutch trade book publishing and how publishers operate in the current market conditions.

The Dutch publishing industry has been researched in various disciplines. The present research is complementary to studies on Dutch contemporary trade book publishing in the empirical sociology of literature and in book and digital media studies (Absillis, 2009; Weel, 2011; Rutten, 2006). Influenced by the work of Bourdieu (1983), the empirical sociology of literature (e.g. van Rees, 1996; de Glas, 1998) problematizes literary quality and cultural value as being the result of a complex interaction between readers, critics, publishers, teachers and academics. This research similarly understands book publishing as the creation of cultural and economic value in the field of publishing, and focuses on the role of publishers, reviewers and booksellers (who are situated between publishers and readers) in this cultural field.

Book-historical studies (e.g. Dongelmans, 1992; Kuitert, 1993, 1997) aim to sketch the literary *zeitgeist* in the Netherlands in various

² If one counts all organizations and people that have published at least one manuscript in the Netherlands, the country has over 4,500 publishers. However, only 191 publishers were members of the Dutch publishers trade union in 2011 (<http://www.kvb.nl>). Of these latter publishers, 95 were trade book members, of which 25% belong to one of the three major publishing houses, 15% are part of foreign conglomerates and 60% are independent publishing houses (edited from <http://www.gau.nl>).

historical periods and provide insight into the histories of single publishing houses. They do not, however, provide general insights into how trade book publishers operate in the publishing field and value chain. While the empirical sociology of literature initially lacked an historical perspective on book publishing, more recently a number of studies have combined approaches and findings from literature sociology with those of book history (Absillis, 2009). Combinations of book history and literature sociology (e.g. van Voorst, 1997; de Glas, 2003; Dorleijn & van Rees, 2006) contribute to our general knowledge on the cultural field of publishing from a more long-term perspective. These studies scarcely relate to theories outside book sciences, however, and are descriptive rather than explanatory in nature (Absillis, 2009). This study used an evolutionary economic approach and a relational interpretation of place to address these critical remarks.

This thesis is also related to book and digital media studies (e.g. van der Weel, 2011, Rutten, 2006), which place the book industry in a broader technological perspective and examine the impacts of digitalization on the role and meaning of the book and on the transfer of knowledge. In agreement with Thompson (2005), these authors indicate that the different form in which content is produced will not change the added value of publishers, but will have a profound impact on the power relations in the field and value chain and on the way information is transferred. While their emphasis is on technological developments in publishing and their effects on society at large, here the focus is on the social relations within Dutch trade publishing. A contribution is made to the existing literature on the publishing industry by placing book publishers in their socio-spatial context and providing a detailed account of how publishers adapt to changing market conditions by building networks with authors, booksellers, the press and other publishers. By taking a geographic viewpoint and focusing on urban places, this work provides interesting insights into the role of place and networks in publishing.

The number of geographical studies on publishing is limited both in the Dutch context and internationally. Boggs (2005) investigated the spatial concentration of book publishing houses in Germany. He thoroughly examined the role of localization economies and specialization for the performance of publishers in Frankfurt and

Berlin. This thesis adds to this study by providing a dynamic perspective and exploring the role of place and personal networks in the creation of cultural value. It examines the role of urban place and specifically Amsterdam for creating a cultural product. Kloosterman and Deinema (2012) showed that Amsterdam strengthened its position as the main concentration area of publishers in the period 1900–2005. Deinema (2012) further examined the primary role of Amsterdam as an international hub in academic publishing from an institutional-historical perspective. The present research complementarily investigated the role of Amsterdam as the main publishing concentration in trade book publishing and critically examined the importance of ‘being there’ by combining an evolutionary economic perspective with insights from relational economic geography. After determining whether and under what circumstances location in Amsterdam matters, it explored how publishers as cultural intermediaries use place and personal networks in the field and value chain of books.

Different dimensions of place

In most of the economic geographic literature on clustering and local networks of knowledge-intensive industries, place mainly refers to geographical location at one point in time, that is, being in or outside a ‘cluster’. This is a very limited and static account of place, which leads to only a partial understanding of the role of spatial concentrations and networks in economic activities and growth. Place is not just a geographical location represented on a map and is more than a place to meet. It might be an event and an embodied experience (Agnew, 1987). Most literature on knowledge exchange in cities entails a representational perspective and perceives places merely as geographical locations and meeting places (Helbrecht, 2004). In contrast, non-representational accounts conceptualize place as embodied experience rather than as merely a site for social interaction (Thrift, 1999, 2007). Although this thesis is not an example of a non-representational study, it uses the insight that places are experienced, lived, dwelled in. Several authors have demonstrated that sense of place, namely how places look, feel and smell, can be important for entrepreneurs in cultural-product industries. Not just for artists or designers engaging with their

physical surroundings and finding inspiration in places (Jacobs, 1985; Molotch, 2003), but also for cultural entrepreneurs who are stimulated by and/or strengthen their identity through the look and feel of their surroundings (Helbrecht, 1998; Hutton, 2004). Helbrecht (1998, 2004) demonstrated that cultural-product entrepreneurs value their urban environment both for being close to other entrepreneurs and exchanging ideas in meeting places, and for the stimulating effect of dwelling in this environment. Combining the role of geographical proximity with how places are experienced might lead to a better understanding of the role of place in knowledge creation and exchange. Rather than perceiving place as an objective and one-dimensional concept, this thesis pays attention to the subjective and symbolic qualities of place and distinguishes between various dimensions of place.

To this end, Chapter 2 first explores the various qualities of place and unravels the meaning of urban place as a site for social networks and/or a space for inspiration and reputation for different cultural-product entrepreneurs. This chapter provides an answer to the research question:

1) To what extent and in what ways do the utilitarian and symbolic values of urban place play a role in the location choice and location evaluation of cultural-product entrepreneurs?

This was investigated by means of a systematic analysis of semi-structured interviews with cultural-product entrepreneurs. These entrepreneurs were situated in two neighbourhoods in Berlin, a city that has a relatively large and rapidly growing cultural-product industry (Bader & Scharenberg 2010). In this exploratory research, maximum variation sampling (Hay, 2000) was used to investigate whether there are common patterns for all cultural-product entrepreneurs and whether there are distinctions between subsectors. The characteristics of the entrepreneurs were compared to their validation of and statements about the different codes on the value of place.

Place from an evolutionary perspective

It is also important to examine place from a dynamic perspective. Whereas Chapter 2 investigates the role of place mainly on the scale of the neighbourhood and employs a static approach, the subsequent chapters examine the role of place and networks from a more dynamic perspective and start to integrate different geographical scales for the case of book publishing. Place as a dynamic concept is conceptualized in two ways in this thesis. The role of place is investigated from an evolutionary perspective and by perceiving place as process. In evolutionary economic geography, it is assumed that the spatial organization of an industry is not a static given but results from past occurrences. Economic action and the spatial agglomeration of firms are path-dependent processes whereby knowledge and skills acquired in the past influence the behaviour and location choice of firms (Martin & Sunley, 2003).

In agreement with this insight, Chapter 3 deals with the evolution of the Dutch publishing industry in space and puts the current spatial dynamics in the publishing industry into an historical perspective by tracing the Dutch publishing industry back to 1880. This chapter provides an answer to the research question:

2) To what extent did being located in Amsterdam influence the performance of Dutch book publishing firms in the period 1880–2008, controlling for prior experience in publishing and related industries?

By taking the characteristics of publishing firms into account, the role of place in the success of publishing firms is critically examined rather than taken for granted. Cox regression hazard models were used to test the influence of firm location in Amsterdam and prior experience in publishing, printing and/or bookselling on the survival of Dutch book publishing firms. In addition, descriptive statistics and location quotients provide insight into firm dynamics in the Amsterdam agglomeration. The industrial dynamics of cities that host smaller publishing concentrations, mainly The Hague and Utrecht, were also investigated, but the substantially smaller number of firms and entry and exit rates eventually led to a focus on the Amsterdam region.

The analyses were based on a unique dataset on the entry, exit, location (municipality and COROP level), relocation and pre-entry

entrepreneurial background of all book publishing firms that entered the industry between 1880 and 2008. This database was built from scratch by the author by tracing back the existence of book publishers in trade books, archives and catalogues on Dutch book publishing. The information from the trade books was complemented and cross-checked with information from an overview of biographies and prospectuses of Dutch publishers and a book catalogue registering all books published in the Netherlands (the catalogue of the Dutch Royal Library (*Koninklijke Bibliotheek*)). Data on entrepreneurial background and information on mergers and acquisitions were traced from conglomerate overviews in trade books, references in trade books, and biographies and prospectuses. The empirical analyses were based on the idea that routines that coordinate and control behaviour at the micro level of the firm explain the spatial and economic outcomes at the meso level of the publishing industry. Whereas a dynamic interplay between structure and agency is presumed when investigating the spatial evolution of the publishing industry, the focus here is on the spatial structure of the book publishing industry.

Place as a process

To gain more understanding of the role of agency and power relations in economic processes, Hassink and Klaerding (2012) called for insights from evolutionary economic geography to be combined with insights from relational economic geography. While this thesis does not integrate these theoretical strands, it identifies with the need to combine their insights. The research on the spatial evolution of publishers was therefore complemented with an exploration of relations on the micro level of individual publishers. This exploration unravelled the role of place and personal networks in the cultural field and value chain for publishers as intermediaries. It is recognized that place is structured by social relations and differences in power (Pred, 1984; Massey, 2000, 2005). Whereas non-representational accounts of place focus on experience and the multiple meanings attached to place(s), Pred (1984) emphasized the social structures and relations involved.

Chapter 4 explores the multiple meanings of place for publishers as they employ places for screening and socializing and for generating trust. Places are considered fluid sites of networks of social relations rather than bounded areas. The chapter provides an answer to the research question:

3) How do different dimensions of urban place contribute to creating and maintaining trust and reputation in book publishing, and how does this differ for publishers in and outside Amsterdam?

The chapter critically assesses the importance of the Amsterdam publishing concentration for developing and selling books. Building on Chapter 2, it distinguishes between multiple dimensions of place, ranging from place as location, through place as meeting site to place as experience (Agnew, 1987). Place is also perceived as a social construction (Hoelscher, 2011) and considered a process rather than a static and given entity (Massey, 2005). This implies that place is not a fixed thing but involves a multiplicity of meanings. Places are constantly made and remade, and this involves both individual and social practices. Whereas changes through time were not studied, it is recognized that places are continuously changing and that their future is open. Different dimensions of place on multiple levels of scale were explored in relation to the different functions of face-to-face contacts, moving beyond place as a location to meet. Such contacts are seen not as just a communication technology, but as a way to create trust and incentives in relationships and as a means for screening and socializing and building reputation (Storper & Venables, 2004). In cultural-product industries, these other functions of face-to-face contact are particularly important due to the subjective, taste-dependent value of cultural products and the related uncertainty about which products will become a success (Caves, 2000).

This was investigated by means of semi-structured interviews with the owners and/or directors of publishing houses that are active in the trade book market both in and outside the Amsterdam agglomeration. The data gathered from the interviews were compared with information from secondary sources (publisher biographies and interviews) and systematically analysed. Interviewees were selected by purposive sampling from the created

database on Dutch publishing firms. This database was updated to 2010, and complemented with firms that were active before 1880 and still existed at the time of the research. From this dataset, only those publishers who were active in the trade book market and in publishing fiction were selected by checking the publishing record of each firm in the catalogue of the *Koninklijke Bibliotheek*. This selection was made to create an internally comparable group of publishers who function as cultural intermediaries between author, press and booksellers. In order to see whether and, if so, how the Amsterdam agglomeration contributes to the reputation and success of publishing houses, publishers from established and new publishing houses both in and outside the Amsterdam agglomeration were selected.³ The selected publishing houses included independent publishers and publishers from each of the three main conglomerates in the Dutch book publishing market.

Personal networks: multiple motives and different stakes

The idea of place as a social construction indicates that place should be studied in relation to networks. People create places by engaging in networks of social relations. This implies that the motives for constructing these networks should be taken into account when studying the meaning of place for doing business as a publisher. In the cluster literature, relatively little attention is paid to how people build relationships, or how networks are shaped for different reasons and are linked to different identities. This is because networks are usually studied with respect to their structural dimensions. Most network studies are quantitative in nature and investigate how the structure of social networks (in local industrial concentrations) affects the local transfer of knowledge (Jack, 2010). These studies provide insight into the importance of tie strength in business networks and the role of face-to-face contact and geographical proximity in knowledge exchange, but exclude the motives behind network relations. In a

³ Here, 'new' publishing houses are those that were less than 10 years old in 2010, while 'established' publishing houses were more than 10 years old in 2010, had published more than 50 publications per year and/or had won literary prizes in 2000-10.

solid account of the strength of ties, Uzzi (1997) argued that weak ties are essential for obtaining new knowledge and coming up with new ideas, while strong ties are important for joint problem-solving and the exchange of complex, situated knowledge based on learning by doing. The outcomes of studies on the role of weak and strong ties in knowledge exchange are, however, very diverse. The strength of ties relates to their emotional intensity and intimacy and the reciprocities exchanged (Granovetter, 1973), yet most studies measure tie strength only by the amount of time invested (Jack, 2005, 2010).

A number of qualitative studies that examined to some extent the intimacy of ties, concluded that especially informal networking enhances firm performance in cultural-product industries (e.g. Crewe & Beaverstock, 1998; Banks et al., 2000; Currid, 2007). Socialization primarily involves weak ties, whereas trust is built through strong ties. Banks *et al.* (2000) showed how trust and strong ties in localized networks are important for small cultural-product entrepreneurs in Manchester (UK). Currid (2007) demonstrated that reputation and socialization are crucial for freelancers and entrepreneurs in fashion, art and music in New York. Various studies have explored how individual actors (freelancers, artists, owners of small firms) profit from geographical proximity to other people and firms within similar or related sectors and the interplay between personal and professional networks. What this interplay entails has not been further explained, however, and these individual experiences have not been related to the level of the firm or other organizational structures. In addition to exploring the role of trust, socialization and reputation in networks, it is crucial to examine the different motives and identities behind network ties (Daskalaki, 2010). Only then is it possible to gain more understanding of how personal and professional network ties are mixed and what informal networking actually means.

Chapter 5 contributes to filling this gap in our knowledge on business networks by investigating the multiplexity of network ties of publishers as cultural intermediaries. While Chapter 4 shows that places are used by publishers to establish trust and reputation and build their personal networks, this chapter examines publishers' personal networks and deepens our understanding of such networks by exploring not only the role of trust, socialization and reputation,

but also the different motives and identities behind network ties. The research question that is answered is the following:

4) In what ways do publishers create and maintain personal network ties, and how do these ties affect the creation of cultural value in the book publishing industry?

This is investigated by means of a further examination of the data gathered from the semi-structured interviews with trade book publishers. It became apparent that the distinction between formal and informal network ties does not do justice to the myriad network relations of publishers and their diverse roles as cultural intermediaries.

Many studies on the local networks of cultural-product industries suffer from the perception that networks are only positive, and do not distinguish between different positions in these networks (Grabher and Ibert, 2006). This chapter investigates networks in book publishing from the perspective of the publisher as cultural intermediary, in relation to publishing house and conglomerate. Following Grabher (2001, 2004), this study paid attention to the relation between the individual and the organizational level and to the tensions arising from multiplex motives on different social scales. The publishing community is not a coherent entity but involves people with different motives and stakes. When studying networks from the perspective of cultural intermediaries, it becomes clear that network ties and meeting each other face to face have other functions in addition to the exchange of knowledge. Moreover, different ties are used for different purposes not only within creative projects but also in cultural fields or professional communities (Daskalaki, 2010).

The discussions on place and networks indicate that there is more to local concentration than just the question of proximity and face-to-face contact as a communication device. This thesis is consistent with a critical view on local concentrations of cultural-product industries, but argues that this does not mean that the role of place should be completely discounted. Social interaction and interpersonal relations in relation to place should be further scrutinized but without a too strong fixation on a particular geographical location and scale.

Chapter 6 comprises the conclusions of this thesis. It brings together the various insights presented in the previous chapters, reflects on research and methodologies, and makes recommendations for further research.

2. Creative clusters in Berlin: entrepreneurship and the quality of place in Prenzlauer Berg and Kreuzberg

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Abstract

Urban creative clusters are currently a major focus of attention, as their prominent position in both local political and academic circles makes evident. Many authors stress the importance of spatial concentration for creative industries. However, only a few studies have focused on the individual entrepreneur. As a result, empirical evidence of the meaning of urban place as a site for social networks and a space for inspiration is still scarce. This is of some consequence as entrepreneurs provide a crucial link between creative activities and economic change and development. This study contributes to the existing literature by investigating how different creative entrepreneurs choose and evaluate their location. Using qualitative interviews with entrepreneurs in two creative clusters in the Berlin neighbourhoods Prenzlauer Berg and Kreuzberg, this article shows the significance of the look and feel of specific places and explains how and for whom local networks are important.

Introduction

Creative industries are becoming more important in advanced urban economies (Scott, 2000; Kloosterman, 2004). These are industries that produce products and services with a high symbolic and aesthetic content. Such products and services respond to consumer demand for creating experiences for individual expression and lifestyles (e.g. Caves, 2000; Scott, 2000; Hartley, 2005). The outputs are valued for their aesthetic rather than solely utilitarian functions (Scott, 2000). Three major domains can be distinguished: media/entertainment, creative commercial services, and the arts (Manshanden et al., 2004). As their prominent position on both local political and academic agendas demonstrates, clusters of creative industries are currently a major focus of attention. They have an important role in urban economic development policies (Hall 2000; Scott, 2006), which aim to brand the city as a whole and/or to boost particular neighbourhoods as creative destinations. Old industrial areas often find a new function as creative clusters either through specific cluster policies or through more autonomous processes. This provides these areas with a new vitality, but also evokes new fields of tension between art and commerce and between economic development and inclusion and social welfare. In relation to the latter, the current focus on stimulating creativity and creative clusters is criticized for being elitist and exclusionary (e.g. Peck, 2005).

The clustering of creative industries is also linked to the ongoing scientific debate about the relevance of place in the social sciences. Creative clustering indicates that local ties remain important despite globalization processes. Many authors stress the importance of spatial agglomeration for creative industries (e.g. Hall, 1998; Landry, 2000; Pratt, 2000; Scott, 2000, 2004; Drake, 2003). The general assumption is that place matters, because social networks are grounded in particular places where culture is produced and consumed (Markusen, 2004; Currid, 2007). Most studies on creative industries depart from the level of the firm and focus on the advantages for creative firms of being located in a cluster (e.g. Crewe & Beaverstock, 1998; Scott, 1998, 2004; Gordon & McCann, 2000; Pratt, 2000; Banks et al., 2002). These authors state that creative firms profit from being geographically proximate to each other since proximity generates more opportunities for face- to-face contact and informal knowledge

exchange. These contacts may be deliberately planned, but they are often spontaneous events. Clusters facilitate an unintentional coming together of gossip, ideas, pieces of advice, and strategic information. A variety of synergetic and innovative effects and advantages is generated, transforming a cluster into a creative field (Scott, 1998, 2006). This unintentional coming together and the synergy it generates are referred to by a number of different terms such as local 'buzz' (Storper & Venables, 2004), 'noise' (Grabher, 2002) and 'something in the air' (Crewe & Beaverstock, 1998). How, when, and for whom these local synergies are important and how they affect economic success remains rather vague. In addition, place may matter not only because networks are grounded there, but place also provides space for the generation of inspiration and identity (Helbrecht, 1998, 2004). To create a better understanding on whether and how place matters it is necessary to focus on the micro level of the creative entrepreneur. The main aim of this article is to unravel the meaning of urban place as a site for social networks and/or a space for inspiration for creative entrepreneurs. This would be of considerable interest in its own right, but would also allow us to move a little closer to the objective of linking the creative industries with any tangible economic impact as they may have.

Here entrepreneurs are not only people who start their own businesses. Following de Bruin and Dupuis (2003), we see entrepreneurship as a continuum of activities ranging from running one's own business to being an innovator in the Schumpeterian sense, that is to say being a key agent of change in a particular sector. In this view, entrepreneurship involves not only totally new activities for which markets are not yet well established and where the production function is not clearly known, but also more routine-based activities (Leibenstein, 1968). In addition, entrepreneurship includes not only the founding or creation of a business, but also later stages in which the (re)creation of (particular parts of) a business may be necessary in response to changes in markets or in the environment. In line with Long (1983), entrepreneurship involves three main characteristics: uncertainty and risk; competence in deciding on location, structure, and the use of goods, resources, and institutions; and creative opportunism. Creative opportunism differs from innovativeness as it may lead to innovation in some cases, but not in all. Thus, entrepreneurship is not about innovation per se, but involves the

creation or identification of opportunities and the enabling of these opportunities. In this study, we use Rae's (2007, p. 55) definition of creative entrepreneurship: 'creating or identifying an opportunity to provide a cultural product, service or experience and bringing together the resources to exploit this'.

This article starts with a brief overview of the existing literature on creative industries and clustering and a discussion of how focusing on creative entrepreneurship can contribute to this literature. Subsequently, we report our empirical study of two creative clusters in Berlin. We start this section by providing a full description of the empirical setting. Subsequently, we discuss how creative entrepreneurs from different creative sectors choose and evaluate their environment. This part of the empirical section is loosely structured along the themes to emerge from the literature overview. In the final section we present the conclusions of this study on the micro level of clustering.

Understanding the micro level of creative clustering

The clustering of creative activities in cities has been studied extensively over the last two decades (e.g. Crewe & Beaverstock, 1998; Pratt, 2000; Florida, 2002; Drake, 2003; Scott, 2004; Currid, 2007; Sunley et al., 2008). Many of these studies, with Florida's work (2002) as the most famous example, simply assume that there is a direct link between creative industries, innovation and economic development. Florida goes as far as stating that the mere presence of a large creative class is sufficient for an innovative climate and economic development. He argues that urban amenities are crucial to attract creative class people and to stimulate economic growth. Storper and Scott (2009) criticize Florida's assumption that individual locational choices of creative class members determine economic development and urban growth. They see a large and diverse offer of urban amenities more as an effect than a cause of economic growth and convincingly argue that it is crucial to look at how production and work are organized rather than at consumer preferences only to explain how cities grow. In line with Pratt and Jeffcut (2009), we believe that most studies on creative industries fail to show how and in which cases creative activities lead to innovation and economic

growth. Notable exceptions are the studies by Sunley *et al.* (2008) and Aage and Belussi (2008) on innovation in design. These authors stress the importance of cognitive content and the recombining of ideas and symbols through inter- and intra-firm interaction. This focus on the production side is crucial in unravelling how local networks and learning contribute to innovation, but at the same time the importance of urban amenities and of the visual landscape for innovation should not be overlooked (Scott, 2010). The link between learning, inspiration and knowledge exchange in clusters and innovation and economic development in cities should be explored by zooming in on the entrepreneurs in these clusters. In our view, starting from the perspective of the entrepreneur will not only tell us more about how ideas and symbols are recombined, but also on the role of urban amenities and the quality of place in this process of recombination. We will now discuss how a focus on the entrepreneur can contribute to three main themes related to the clustering of creative industries: local networks, meeting places and the look and feel of place.

Creative entrepreneurship and local networks

For a long time, explanations of spatial clusters have been based on Marshall's concept of agglomeration economies. Marshall (1920) departed from the level of the firm and put forward three main reasons why similar firms would be found in the same geographical area. First, to make most of the flow of information and ideas. Second, to draw upon and add to the local provision of non-traded input, which reduces transportation and transaction costs. Third, to benefit from the availability of a local pool of specialized labour. In the literature on creative industries, many authors have found similar explanations for the development of spatial clusters of creative firms (e.g. Molotch, 1996; O'Connor, 1998; Pratt, 2000; Scott, 2005, 2010; Malmberg & Maskell, 2006). In his analyses of a multi-media cluster (1998) and the Hollywood film cluster (2004), Scott asserts that creative industries can benefit from inter-firm labour migration or informal contacts between members of different firms to increase information flow and creativity. In addition, non-traded inputs can also play a significant part in the clustering of creative industries. Creative firms that are located in clusters may benefit from better

local services regarding both availability and efficiency, and from better local availability of financial capital. Examples of such local services are specialized schools, workers' organizations and cultural facilities (Scott, 1998). In addition, the availability of local pools of specialized labour could be a reason for locating in a cluster (Scott, 2004). Creative clusters can provide entrepreneurs with a flexible workforce possessing expertise and creativity, low labour costs, and high productivity. Other authors have put less emphasis on the economic rationale behind clustering and have paid more attention to the importance of social relationships within clusters (Crewe & Beaverstock, 1998; Gordon & McCann, 2000; Pratt, 2000; Banks et al., 2002). In line with social network theory (Granovetter, 1985) these authors assert that clustering results from a combination of economic opportunities and social integration. They perceive creative clusters as contexts of trust, socialization, knowledge exchange, innovation, and inspiration for creative firms and as safe havens in an uncertain and competitive business climate. In their study of the Lace Market, a cultural quarter in the English town of Nottingham, Crewe and Beaverstock (1998, p. 299) state for example that 'the bases for competitive advantage are often intensely local, hinging on an interwoven social, cultural and political milieu, the invisible but indispensable scaffolding which structures the cultural quarter and generates the intangible "something in the air" ... we can begin to see how network relations are constituted by confidence, solidarity and trust: people know each other, they are friends as well as business acquaintances, their work and life so often indivisible.'

Concepts such as 'something in the air' (Marshall, 1920; Crewe & Beaverstock, 1998) and 'buzz' (Storper & Venables, 2004) are used to denote the informal exchange of knowledge and socialization within clusters, but a clear definition of these concepts is lacking (Asheim et al., 2007) because how this knowledge exchange and socialization actually takes place in these clusters remains unclear. Focusing on the creative entrepreneur in relation to his/her environment may help to open up this black box. Rae's study (2004) of creative industries showed that entrepreneurial learning takes place in three key domains: personal and social emergence; contextual learning; and the negotiated enterprise. Personal and social emergence refers to the process by which people develop their personal and social identity as an entrepreneur through self-perception and social interaction.

Contextual learning involves recognizing opportunities through participating in social and industry networks and gaining experience, understanding, and know-how in an industry/community and in entrepreneurship. The concept of negotiated enterprise is about learning to engage with others to meet common goals both within the enterprise and outside it with key individuals and networks, such as customers, suppliers and investors: 'The enterprise depends on its identity, practices and the credibility of its message – its story – being accepted and understood within its chosen networks' (Rae, 2004, p. 498). The importance of geographical proximity in being accepted and understood within particular networks comes to the fore in Currid's work (2007). She has stressed the importance of reputation mechanisms in downtown New York's creative cluster. She claims that, in relation to job searching and the high levels of insecurity that most creative workers face, geographical proximity to cultural gatekeepers is an important advantage of being located in a creative cluster. Since the value of creative products is highly subjective, and cultural gatekeepers play an important part in determining this value, gaining a reputation within a creative community and getting into contact with its gatekeepers is crucial. In their study of creative workers in the fashion and new-media industries, Neff *et al.* (2005) emphasize the importance of making contact with gatekeepers. Furthermore, they stress how the temporality of jobs and the ephemeral quality of reputation make networking compulsory for these creative workers. Currid (2007) and Neff *et al.* (2005) show that a micro perspective can provide new insights into what happens in clusters.

Rae's (2004) three domains of entrepreneurial learning show how entrepreneurs use social interaction for different purposes and for accumulating different types of knowledge, and how learning or acquiring knowledge changes the entrepreneur. By looking at what the role of local interaction within clusters is in each of these domains, a start can be made in opening up the black box of knowledge exchange and socialization in clusters. When and for whom local interaction is important would be interesting to know. The importance of local interaction may differ between starters and more established entrepreneurs and between creative entrepreneurs in different sectors. In addition, we consider it interesting to explore whether entrepreneurs search for proximity to other creative firms,

to suppliers or customers or to family and friends. According to Dahl and Sorenson (2009), this last category may be crucial for entrepreneurs either for acquiring the necessary resources for running a business or just because they value their presence.

Creative entrepreneurship and meeting places

In addition to the arguments of agglomeration and social networks, the literature on creativity and clustering features the role of cultural facilities in establishing networks as third places (Oldenburg, 1999): places for informal public gatherings. Florida (2002) argues that spatial clustering is primarily the result of urban amenities that persuade creative workers to live and work in certain areas rather than others. Drake (2003) asserts that for creative entrepreneurs the availability of cultural facilities – such as cafés, bars, restaurants, clubs or museums, theatres, and ateliers – is important, because they function as informal meeting places. According to Currid (2007), creative workers pursue work, ideas, and friendships in bars and restaurants and other public meeting places. This behaviour is both part of their lifestyle and necessary for making contact with cultural gatekeepers. In their study of new media workers and fashion models, Neff *et al.* (2005, p. 321) find that there is a ‘fluid boundary between work-time and playtime’ in the new media and fashion world and that clubs and restaurants function as gathering places to network with important people in the scene. More than Currid (2007), however, Neff *et al.* (2005) emphasize the disadvantages of such a fluid boundary: networking at after-hours events is compulsory for creative workers, because obtaining new projects largely works through these networks. This situation may apply especially to freelancers, but could also be the case for entrepreneurs with a small business. Is meeting in bars, restaurants, and clubs also part of their lifestyle or their social obligations, and does that activity differ between sectors?

Creative entrepreneurship and the look and feel of places

Above, the clustering of creative industries in particular city neighbourhoods is explained by the importance of meeting places and geographic proximity to other creative individuals or to friends and family. Clusters provide opportunities for social interaction and contacts with people who are important in one's life and work. However, the reasons for creative entrepreneurs to locate and stay in a particular neighbourhood can also be related to the look and feel of the place itself. To users and citizens, places represent memory, meaning, identities, and association (Montgomery, 2003). These meanings and associations can relate to both the built environment and the people in this environment. In relation to the latter, Florida (2002, p. 7) describes how creative workers are attracted to and stimulated by environments with other creative people and environments with a diverse mix of people:

'Creative people don't just cluster where jobs are. They cluster in places that are centers of creativity ... Successful places are multidimensional and diverse ... they are full of stimulation and creativity interplay'.

In his view, places with a diverse mix of creative people are more likely to generate new combinations and speed up knowledge flows. Moreover, places characterized by an urban climate of tolerance attract creative people. Creative workers feel drawn towards tolerant and open urban communities that offer a diversity of people, because the intrinsic values of a tolerant environment are perceived as stylish and provide inspiration (Florida, 2002, 2004). However, Florida's analyses are on an aggregate level and only consider correlations between tolerance indicators and numbers of creative people. Apart from the question of whether these correlations also indicate causal relationships, he does not explain how a diverse mix of (creative) people stimulates creativity. Again, this seems to be something in the air. Drake (2003) provides more insight into how being around other creative people is important for people working in the creative industries. He states that creative entrepreneurs in clusters value being close to other creative individuals not only because of the opportunities for social interaction, but also because such association provides their products with a brand, a creative reputation in the outside world, and stimulates individual inspiration. However, Drake does not expand on if and how a diverse mix of people, in terms of ethnicity, preferences and opinions enhances inspiration.

The role of diversity in finding inspiration involves not only a mix of people in the environment, but also diversity in the physical environment. The environment as an explanation for the clustering of creative industries has not received as much attention as it should have had. Helbrecht (2004) raises this issue in a plea for integrating insights from representational theory (the most common perspective on creative clusters involving abstraction, construction and representation) with non-representational theory (involving the concrete, experiences and dwelling). She sees the production of knowledge as both a physical and a mental activity. Places are not just meeting places; they provide geographical capital. In a much earlier, and now classic, work Jacobs (1961) also emphasizes the locational dimension and considers diversity in population, facilities, and buildings, along with multifunctionality, to be vital prerequisites to economic development. In her view, urban quality can be recognized primarily at the micro level: for example, having facilities within walking distance; clear organization of the area; small-scale mixture of facilities and buildings; an emphasis on the historical element in individual quarters. Similarly to Helbrecht, Jacobs (1985) perceives the physical environment as a crucial element for inspiration. Indeed, Helbrecht (2004, p. 199), explicitly drawing on Jacobs (1985, p. 222), notes that *'[i]nnovations are highly motivated by "aesthetic curiosity" as well.'*

In an earlier study of the location decisions of design and advertising firms in Vancouver and Munich, Helbrecht (1998) found that creative firms often chose their locations because of the look and feel of a building, neighbourhood and/or city. A study by Hutton (2006) of creative clusters in Singapore, London and Vancouver also indicates that the built environment is crucial for many creative workers. Inner-city locations and industrial buildings are preferred by creative workers, because they value old industrial buildings and feel connected to their historical meanings. Also with respect to the look and feel of the physical environment, it would be of interest to see how creative entrepreneurs from different sectors and with different levels of experience value this aspect.

Methodology and empirical setting

We explore the perspectives of creative entrepreneurs by means of an empirical study of two creative clusters in Berlin, one in the Prenzlauer Berg neighbourhood and the other in Kreuzberg (Figure 2.1). In total, 40 semi-structured interviews of approximately 45–60 minutes were conducted, 10 of which were in Kreuzberg (in 2006) and 30 in Prenzlauer Berg (in 2007). The majority of the entrepreneurs interviewed were owners of a micro enterprise with less than five employees (80%) or of a small enterprise with less than ten employees (see Table 2.1). The interviews were not designed to generate representative results in the statistical sense, but rather to enhance understanding of the role of the local environment for entrepreneurs in different creative industries. The entrepreneurs were selected according to the distribution of these creative sectors in Berlin (see Table 2.2). In addition, the entrepreneurs interviewed represent owners of starting and established firms to identify and seek explanations for differences between creative entrepreneurs in Prenzlauer Berg and Kreuzberg.

Figure 2.1. Berlin neighbourhoods.



The major themes in these interviews were: the history, activities, and products of the firm; the location decision of the entrepreneur; the meaning of the location for the entrepreneur today; the spatial extent of cooperation opportunities and networks of the firm and the recent development of the neighbourhood. In addition to the interviews, textual sources such as firm web sites and 10 interviews with local key persons have been used to support the analysis. All the interviews were recorded, transcribed and analysed by means of coding and categorization of meanings with the software program Maxqda. This program is an instrument for text analysis and helps to evaluate and interpret the transcripts systematically.

Table 2. 1: Overview of business characteristics of interviewed entrepreneurs.

	Prenzlauer Berg (N=30)	Kreuzberg (N=10)
Size of business		
1 employee	15	2
2 – 5 employees	12	4
> 5 employees	3	4
Age of business		
< 5 years	7	3
5 – 10 years	16	4
> 10 years	7	3
Year of establishment in the neighbourhood		
Between 2000 and 2007	15	8
Before 2000	15	2

Berlin

The creative sector in Berlin is growing rapidly (Krätke, 2004; Bader & Scharenberg, 2010). Almost one in ten jobs (150 000) in Berlin is now in creative-industry sub-sectors (Merkel, 2008). The number of creative firms increased by 33 per cent from 2000 to 2006, to 22 934 firms (see Table 2.2). Since the fall of the wall in 1989, Berlin has provided a unique situation: a large amount of open space in combination with vague planning situations functioning as a breeding ground for such (sub) cultural initiatives as alternative movements and experimental and non-commercial creative scenes and, more recently, for all sorts of creative industries (Hertzsch & Mundelius,

2005; Lange, 2006; Ebert & Kunzmann, 2007; Lange et al., 2008). The lack of government interference in this breeding ground makes Berlin a good laboratory in which to study the relationship between creative entrepreneurs and their location. Only very recently, the Berlin government initiated policies to support creative industries; these policies are still in their infancy (Senatsverwaltung, 2005, 2008). ‘You could run a gallery here for a year without anyone coming to tell you that you have to pay taxes ... nothing here is right or wrong. I feel that I am not regulated here’ (Respondent P13).

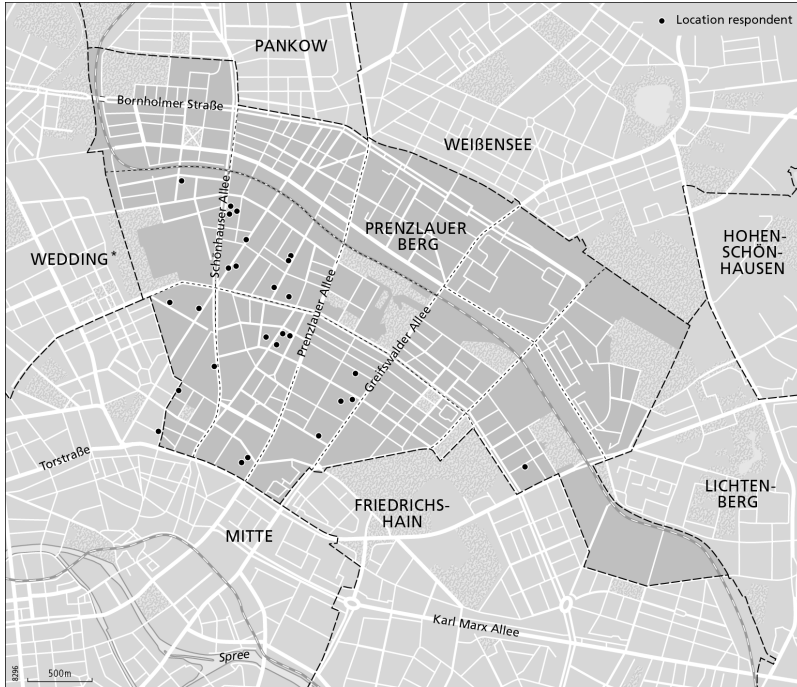
Table 2.2: Creative industries in Berlin, 2006.

Creative industries – Subsectors	Number of firms	Relative to number in Berlin Development (in %)	2000–2006 (in %/ N)
Publishing industries	5252	22.9	+ 38 (1440)
Film and television	2104	9.2	+ 20 (347)
Music industries	1632	7.1	+ 33 (402)
Software development/Games	2894	12.6	+ 113 (1537)
Advertising	2552	11.1	+ 26 (518)
Architecture	2992	13.0	–3 (–93)
Design	2441	10.6	+ 47 (780)
Arts	1844	8.0	+23 (343)
Performing arts	1222	5.3	+ 45 (378)
Creative industries (total)	22,934	100	+ 33 (5,653)

Source: Senatsverwaltung (2008), pp. 24–25

Almost all the entrepreneurs interviewed indicated that they chose to locate in Berlin because of the city’s tolerant and dynamic atmosphere together with a large supply of relatively low-priced studios and working spaces. According to the entrepreneurs interviewed, the combination of low-priced working space and a tolerant and dynamic environment was predominantly available in two districts of Berlin: Pankow (in which Prenzlauer Berg is situated) and Friedrichshain-Kreuzberg. The entrepreneurs’ decision to locate in either Prenzlauer Berg or Kreuzberg was not the result of a clear preference for either of these neighbourhoods, but came rather from their social and professional networks and opportunities. This result corresponds with the different populations of creative entrepreneurs in Prenzlauer Berg and Kreuzberg: the former has a higher percentage of artists and designers, whereas the latter has a higher percentage of media and entertainment entrepreneurs and architects (Senatsverwaltung, 2008, pp. 104–116).

Figure 2.2. Research area Prenzlauer Berg.



Note: three respondents are not included in the map since they moved out of Prenzlauer Berg.

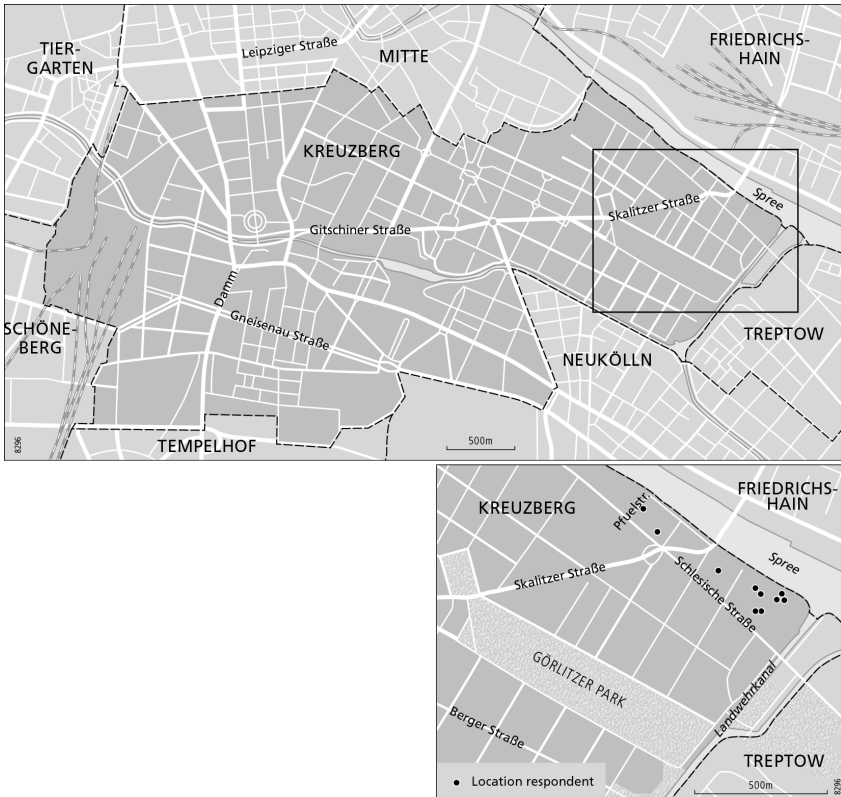
Prenzlauer Berg is situated in former East Berlin (Figure 2.2); in the nineteenth century it was a brewery district. Nowadays, the neighbourhood has 145 000 inhabitants and a relatively young population, a high birth rate, no large minority groups, and many highly-educated inhabitants. The majority of the current building stock still consists of nineteenth-century *Altbau*. During the time of the German Democratic Republic (GDR), the regime disapproved of Prenzlauer Berg's *Altbau*, because it was not communist in style. The regime invested in modern high-rise *Plattenbau* in surrounding neighbourhoods. The GDR government had no money available for the renovation or demolition of the dilapidated housing stock in Prenzlauer Berg and most of its residents left the neighbourhood for modern apartments in one of the surrounding neighbourhoods (Levine, 2004). Only those residents who could not afford to move to the new *Plattenbau* stayed behind. At the same time, those who opposed the GDR ideology moved into the neglected and ignored

neighbourhood and squatted in the vacant houses. Prenzlauer Berg turned into an enclave of dissidents, activists, students, writers, and artists (Huron, 2002; Levine, 2004).

After the fall of the wall, Prenzlauer Berg continued to attract artists and began to attract other creative entrepreneurs and, shortly afterwards, foreign investors. A process of gentrification set in and has been further strengthened by feelings of excitement and expectation in both the national and international media. Today, over 95 per cent of the housing stock is in the hands of investors (Huron 2002), but the gentrification process differs significantly from such classic examples as SoHo in New York (Zukin, 1982, 1991) and Montmartre in Paris (Remarque, 2006). A certain degree of cultural and economic displacement has taken place, but office prices have not increased greatly owing to the high rate of office vacancies in Berlin. Ownership situations in East Berlin are often unclear, so not all the buildings have been bought and renovated.

All the entrepreneurs interviewed who came to Prenzlauer Berg after 2000 have their working space under tenancy or a subletting tenancy and are situated in one of the few non-refurbished houses in the neighbourhood. This situation seems to indicate that gentrification processes indeed make it more difficult to establish a business in the neighbourhood. At the same time, however, a transformation from within the neighbourhood can be observed where former squatters and creative pioneers have developed along with the neighbourhood. Many of the entrepreneurs interviewed who came to Prenzlauer Berg in the 1980s or 1990s combine their work and home life there. The neighbourhood is praised for its possibilities for offices at home and many perceive the neighbourhood as a safe and comfortable place in which to raise children.

Figure 2.3. Research area Kreuzberg.



Kreuzberg is a former working class neighbourhood with 148 000 inhabitants including a large Turkish population (Figure 2.3). The neighbourhood consists of some housing estates dating from the 1970s and a part – where most of the creative entrepreneurs are located – where most buildings are nineteenth-century *Altbau*, as in Prenzlauer Berg. After the wall was built in 1961, Kreuzberg suddenly became a peripheral location in the West Berlin enclave, enclosed by the East on three sides. Many streets became cul-de-sacs, Kreuzberg's economy stagnated, and many middle and upper-middle class residents moved to wealthier and more central districts in West Berlin, leaving the underprivileged behind (Bader, 2005). At the same time, Turkish guest workers moved into this part of West Berlin in large numbers (Bernegg, 2005). In addition, a new population of “young alternatives” (who liked the multicultural and anti-authoritarian atmosphere) squatted in the empty buildings in the

neighbourhood. In the 1970s and 1980s, neglected Kreuzberg turned into Berlin's alternative district, where residents' movements, squatting movements, the gay scene, and student milieus founded networks of counter-cultural organizations (Bader, 2005). With the demolition of the Berlin Wall in 1989, Kreuzberg regained its central location in the city. However, Kreuzberg did not profit immediately from its regained centrality. The small number of wealthier inhabitants declined further as many of them moved away to suburbs near Berlin or to "new" neighbourhoods in former East Berlin. The less affluent Turkish population remained in Kreuzberg and became further marginalized (Cochrane & Jonas, 1999; Bernegg, 2005). Squatters and alternative residents also moved away in large numbers. Most of them moved to Mitte, Prenzlauer Berg, and Friedrichshain, former Eastern neighbourhoods, which then became the new sub-cultural centres.

Over the last decade Kreuzberg, particularly the area near the waterfront of the Spree, has started to redevelop with creative firms and many more bars, clubs, and restaurants coming into the area. The Media Spree Project aims to redevelop the waterfront area into a media cluster and an attractive economic and cultural location (Herwarth & Holz, 2007). Since 2002, the Universal record company has been situated in an old storehouse, next to the Oberbaum bridge. Two years later, in 2004, the broadcasting company MTV also moved into one of the buildings. These international companies decided to locate their headquarters in this area for two main reasons: they favoured the creative atmosphere and they received incentives (subsidies) from the Berlin Senate Department of Urban Development (Bader, 2005, p. 110; Lange et al., 2008, p. 536; Bader & Scharenberg, 2010, p. 80). Since the arrival of Universal and MTV many creative businesses have moved to the Kreuzberg side of the Spree in and around the Schlesische Strasse (Krätke, 2004) (Figure 2.3). The image of the neighbourhood has undergone major changes, which is illustrated by some newspaper headlines:

'The arrival of Universal has worked like a vitamin pill for Kreuzberg's quarter around the Oberbaum bridge' (Tagespiegel 22 July 2003). 'The scene is back – Kreuzberg catches the eye again with culture, cafés and cocktails ...' (Berliner Morgenpost 9 April 2005).

The official from the economic development department of the Berlin Senate who is responsible for creative industries policy realizes that the symbolic value of a place is a crucial factor in the development of creative clusters. She states: *'Club scenes are very important for the development of creative clusters. We have to be open to new ideas and initiatives, even in semi-legal spheres'* (10 February 2006).

The utilitarian value of place: informal networks, knowing-who and facilities

The interviewees differed markedly in their assessments of the importance of the neighbourhood as a place of informal exchange, feedback, and co-operation with other entrepreneurs. Only five entrepreneurs depended substantially on local exchange, feedback, and co-operation; these were all artists and designers in Prenzlauer Berg. These entrepreneurs had either just started their businesses or were experimental and did not value commercial success greatly. For 15 entrepreneurs, local opportunities for exchange, feedback, and co-operation were not at all important. An entrepreneur from a graphic design company comments on his recent move from Prenzlauer Berg to Wedding (a bordering neighbourhood): 'The environment is not important. We could work on an island as long as we had the Internet' (Respondent P17). Local opportunities for face-to-face contacts were often not considered important, particularly by entrepreneurs providing creative services. These entrepreneurs saw each other primarily as competitors:

I believe the people here are more 'lone wolves'. That is my impression: there is always competition, but there is no important co-operation. (Respondent K2)

We have international partner-firms: we co-operate with a firm in Paris and with our British partner located near Oxford. I think that working together with firms in the area to develop new ideas fits other firms better. (Respondent K6)

For half the respondents, informal local networks complemented their established (inter)national networks. These were mostly artists and media-entertainment entrepreneurs.

In comparison with entrepreneurs in creative services, they were more dependent on face-to-face contacts and often perceived proximity to cultural gatekeepers as important. For half the artists, reputation did play a part in the form of being part of certain art scenes. For media and entertainment firms, contacts within the music/film scene and especially with gatekeepers within this scene were most important:

All the actors, directors, and producers live here [in Prenzlauer Berg]. This was already the place where all the actors lived before the wall fell. Here were the political opposition, the free-minded people. Every month someone from Cologne or Hamburg calls me to say that they are living in Prenzlauer Berg now. They come here to get into contact with directors and producers. It is a very personal business. Everything revolves around contacts, conversations, everybody is here. (Respondent P10)

It is quite good that MTV is nearby because it is easier to make an appointment quickly. You can say: I will pay a short visit and show you a video ... or we could meet during a lunch in a restaurant. (Respondent K10)

However, not all media entertainment entrepreneurs are convinced of the advantages of being proximate to large players in the creative industries. An entrepreneur of an alternative music label in Prenzlauer Berg states: 'I hate meeting people from Universal in clubs ... they are the poison in the club scene' (Respondent P13). The latter entrepreneur sees the commercial music industry and cultural gatekeepers as a threat to those who value experiment and independent subcultures.

The importance of local networks also changed with the entrepreneur's stage of development. About a quarter of the interviewees indicated that they had a strong need for feedback and co-operation in their direct environment when they started their businesses, but this need gradually declined when they became more established. During the start-up phase, interaction with other entrepreneurs, but also with friends and acquaintances in their neighbourhood, was important in shaping their entrepreneurial identity. In addition, other (established) entrepreneurs in their environment helped these new entrepreneurs develop their ideas and sell them. A performance artist in Prenzlauer Berg stated for example:

For me as a young artist, it was very important that people had time and energy for a good idea ... I always have a team of ten people around me. Graphic designers, programmers, people who can build ... Almost all of them live in the neighbourhood. I run into them everywhere. At parties, in bars, via via ... Those people are always up for good ideas, even if you don't have any money. That's the freedom of Berlin. They have to earn money, but not as much as in New York. (Respondent P2)

Similarly, an illustrator said:

In my early years, I shared a studio with three other illustrators. We worked together on a number of comic books. These were inspiring and educational years and reflection was paramount. (Respondent P23)

When entrepreneurs became more established, they replaced their neighbourhood networks by networks on higher levels of scale or they combined these networks with networks outside the neighbourhood either in Berlin or on an (inter)national scale. The illustrator who used to share a studio with other illustrators stated:

[A]t a certain moment, it began to irritate me. Nowadays, I would rather work alone or I choose who I co-operate with. When I see people's work in magazines, on the Internet or at exhibitions and I would like to co-operate with them, I phone them. (Respondent P23)

Networks within the neighbourhood seem particularly important for starting or more experimental entrepreneurs with little growth ambition. Networks in Berlin, however, remain crucial for many entrepreneurs. Half of those interviewed use networks on the city level to make contact with cultural gatekeepers, to exchange new ideas, build up a reputation or find new employees. At the same time, national and international networks are important in creating a market for products and in some cases for co-operating with partner firms:

We have, I would say, three networks: the network here in Berlin of friends and acquaintances. With them, you call, or email or you meet to exchange ideas or help each other out. Then you have the Internet as a network, where you hear about stuff on a non-personal level. And then we have a third network, within a group of 3D animators. In this network we talk to people from London, Belgrade, and Sweden ... When we do motion capturing here in Berlin, sometimes we do not make the end product

ourselves, but we put our draft on the central server in London, so that the people from Belgrade can use the data, work on the draft, and put it back on the server again. (Respondent K8)

Whereas for established entrepreneurs networks were not so important anymore for creating an identity and gaining experience, they remained paramount for the exchange of ideas and for acquiring and maintaining reputation. In addition, for a number of entrepreneurs with growing businesses, networks became important for finding appropriate employees. In particular, entrepreneurs who had recently started their firms and more experimental entrepreneurs indicated that establishing contacts and exchanging new ideas took place in restaurants, bars, and clubs. However, the importance of the club scene for creative entrepreneurs should not be overestimated. For half the respondents, clubs and bars in the vicinity were an important advantage to the location, but more in terms of entertainment and atmosphere than as a place to network. This attitude is illustrated by an entrepreneur from a music/electronics business:

We did not want to move here at any cost because of the creative environment ... I wouldn't have liked a place though where the easiest and nearest opportunity to go out and eat something would be a canteen for, say, 120 other new- economy firms. Here we have a quite interesting bar culture, just around the corner. We just go out of the front door and we come to the local bar. All around here there are new bars, cafés, and things like that. So, that is really nice. It's important for me to work at a location where I can pop out for a beer late at night. (Respondent K5)

Exchange and talking about work mostly happens with neighbouring companies both within the (shared) office and in restaurants 'to have lunch together'. The other half of the entrepreneurs interviewed did not need clubs or bars in the immediate surroundings (anymore). For some of the entrepreneurs in Prenzlauer Berg whose networks have shifted to higher scale levels, the neighbourhood now functions mainly as a living area. In Prenzlauer Berg, 10 respondents stated that the club scene used to be important for them, but that they are now settling down and are more interested in parks, play-grounds, and grocery shops.

The symbolic value of place: inspiration, reputation or just being part of it

Although opportunities for informal networks and the presence of local facilities in the form of bars and clubs were essential for some of the interviewees, the symbolic value of the neighbourhood – the neighbourhood's look and feel – was important for almost all of them. This symbolic value of the environment involved aspects of the physical environment and intangible aspects. The entrepreneurs interviewed considered their physical environment to be an important aspect of their business location. For an artist in Prenzlauer Berg, the authenticity of the buildings was important:

The history, which is still visible in the buildings, inspires me. Many things are still open, not finished yet, anything could happen and I can contribute to this. There are still so many unspoilt corners; you can live here just as you want. (Respondent P3)

You can see the whole history of life here, in separate layers. Even traces of a hundred years back are still visible. It isn't covered up, it's not polished. (Respondent P8)

These entrepreneurs, and many others, perceived the physical environment in which history is – or seems to be – visible as a source of inspiration. According to the artists interviewed, their direct surroundings were particularly important for inspiration. Some artists use specific elements of Prenzlauer Berg in their work; others are more loosely inspired by elements of the neighbourhood.

While most entrepreneurs valued the authenticity and the unmodified or only partially renovated buildings in Kreuzberg and Prenzlauer Berg, some entrepreneurs selected their office building for its representative looks or fashionable architecture. Service-oriented entrepreneurs in particular perceived the appearance of their office and the creative image of the neighbourhood as factors strengthening their corporate image. For an architect in Kreuzberg, the combination of new and old buildings functions as a source of inspiration and as a business card:

For me, the waterfront location and the architectonic atmosphere of the area were important in deciding on this location. The water in combination

with the quality of this area and the architectonic construction: this combination of old, classical Gewerbehöfe [craftmen's courts: buildings with small businesses structured around a courtyard] with new roof constructions is inspiring. This representation of the place has attracted many architects and designers and has also created a certain image towards people from outside. (Respondent K1)

One can really show this location off. It isn't as though you have to hide it. We just say in our brochure: good location, good people. (Respondent K1)

Although for artists and media-entertainment firms building a good reputation within networks/scenes of fellow entrepreneurs and cultural gatekeepers and for creative commercial services is important, it is even more important to create a good image towards their (potential) customers; for all entrepreneurs the physical environment is important in reproducing and strengthening their and their companies' reputation of being 'creative'. In this sense, place becomes a marketing device. Presence here not only amounts to an opportunity to establish local contacts and to access localized resources, it takes on the qualities of a strategic tool that enables the entrepreneur to reach out beyond the neighbourhood. Related to this, a dynamic environment with other creative entrepreneurs was considered essential by two-thirds of the entrepreneurs:

The presence of other creative people gives a creative feeling and ambience in the neighbourhood, even without direct interaction and co-operation. (Respondent P29)

The entrepreneurs interviewed described such an environment as lively, rich in contrasts, and continuously changing. Almost half the interviewees mentioned a tolerant environment as important for inspiration and/or personal development and well-being. Remarkably, such a tolerant environment is predominantly associated with room for experiment and self-expression:

The freedom can be found in the tolerance. You could wear green shoes here and nobody would look at you twice. (Respondent P6)

Many entrepreneurs indicate that they enjoy being around people like themselves, although some people in Prenzlauer Berg think the

neighbourhood is too homogeneous and too cut off from the 'real world':

Sometimes I think: it's a bit like Playmobil toys. It's nice and clean, it fits, nothing gets disturbed, and there is no confrontation. It meets expectations ... but it's a bit dull. (Respondent P18)

We lose contact with reality. We have so many friends who live in this street. Every day we meet each other in the same bars and cafés. Our favourite café is next to our favourite bar. It feels like a little village, which is nice and Berlin just works like that. (Respondent P13)

Only six entrepreneurs mentioned that a tolerant environment in terms of multiculturalism and open-mindedness to other political ideas was important:

I like it that there are more Turkish people [in Kreuzberg] than here [in Prenzlauer Berg]. There is more diversity. (Respondent P13)

No more than two entrepreneurs deliberately considered the presence of a multicultural environment in their location choice. A number of entrepreneurs refer to change and contrast as important features of Prenzlauer Berg and Kreuzberg. Several entrepreneurs find the unification of Germany and the surviving contrast between East and West Berlin inspiring. Both Prenzlauer Berg and Kreuzberg have a history as a place of refuge for dissidents and artists. Since the fall of the wall, both neighbourhoods have been transformed from peripheral and alternative places into creative centres in the city centre, but at the same time, the East-West divide remains in the minds of many Berliners. Seven entrepreneurs also mention another contrast: the tension between rich and poor. In Kreuzberg, this tension is tangible within the neighbourhood: many Turkish families have to live on the minimum wage or social welfare, but the new inhabitants and visitors go to Eco-shops and fashion-design stores. There is a similar tension in Prenzlauer Berg between old and new residents and between Prenzlauer Berg and the surrounding neighbourhoods such as Wedding, where many minority groups live:

Wedding is only ten minutes from here, but it's a totally different world. It's a working class neighbourhood. A large Turkish community lives there. There are alcoholics, unemployed people, shops that have closed down. It

feels completely different. The first time I went there, I thought: wow, this really is horrid. It's a challenge to see beauty in it, to make something of it. (Respondent P24)

That Prenzlauer Berg and Kreuzberg are valued both for their dynamism and for their relaxed pace is a paradox that could be unique to Berlin. While the low cost of living and minimal regulations in the city leave room for experiment and a relaxed way of life, the many creative entrepreneurs and continuous changes and contrasts in the city create a dynamic and competitive environment.

Conclusions

The article reports our investigation of the aspects of the urban environment that are important for creative entrepreneurs in Prenzlauer Berg and Kreuzberg. How did these entrepreneurs choose their location? What is the relevance of networks on the neighbourhood and city scale? To what extent is place itself important for these entrepreneurs? These are important questions which tie into the current debate on how creative activities in cities are linked to innovation and economic development. Instead of taking the relation between creative industries and innovation for granted, we investigate this relation by exploring how networks and quality of place affect the opportunities, identity and credibility of creative entrepreneurs.

In the literature on the clustering of creative industries, two perspectives can be identified: the representational perspective that focuses on geographical proximity to facilities and people and the non-representational perspective that emphasizes the experience and meaning of the urban environment. Most studies on creative clusters have adopted the first perspective and have stressed the importance of trust, socialization, and the informal exchange of knowledge in such clusters. However, as the vague notions of 'buzz' and 'something in the air' illustrate, it is still unclear when, how, and for whom local interaction is important. Networks and networking, though, are not solely nor even primarily ends in themselves. They perform important functions to the aspiring and established entrepreneur alike, albeit perhaps in different ways.

An essential factor in the entrepreneurs' decision to locate in Prenzlauer Berg or Kreuzberg has been the availability of relatively inexpensive space in these neighbourhoods. Rather than *opportunities* for informal networking, *already established* networks of friends and colleagues in Berlin were vital in the entrepreneurs' decision to locate in Prenzlauer Berg or Kreuzberg. Starting and more experimental entrepreneurs indicated that once they were located in Prenzlauer Berg or Kreuzberg local interaction did play an important part in shaping their identity as entrepreneurs, establishing contacts with cultural gatekeepers, and building a reputation within one of Berlin's creative communities. In the first years of being in business, coming together unintentionally and planned meetings with friends, colleagues, and employers in the neighbourhood were both important in the creation of ideas and in establishing the necessary contacts. More established entrepreneurs, in contrast, no longer rely on contacts in their specific neighbourhood. It seems that as entrepreneurs' professionalism and experience increase, their networks progress to higher scale levels. The function of networks also changes to extending reputation and finding employees. All in all, relatively speaking, the importance of networks at the neighbourhood level tends to decrease over time, while the importance of networks on the (inter)national level increases. Yet, the number of networks on the city scale seems to remain stable. This stability can be explained by the enduring importance of the city of Berlin as the main labour market.

Local bars and clubs have functioned as meeting places for some of these entrepreneurs, although not to the same extent as Neff *et al.* (2005) and Currid (2007) found in their analyses of creative industries. We find that starting entrepreneurs and more experimental entrepreneurs do find clubs and bars important as meeting places where they can get into contact with cultural gatekeepers and/or exchange ideas with others. For the rest of the entrepreneurs, however, clubs, bars and restaurants do not really function as meeting places but are merely considered as important facilities for their personal enjoyment. In addition, the more established entrepreneurs reveal a shift from working to living preferences in their appreciation of the local environment. These entrepreneurs appreciate such facilities as parks, playgrounds, and day nurseries rather than clubs or bars. In their view Prenzlauer

Berg's change from a pioneering and experimental environment with a lively nightlife to a more stable and settled creative neighbourhood is no less dynamic than its rise as a creative cluster.

The utilitarian value of place appears to be important for only certain specific groups of entrepreneurs: starters and experimenters. In our survey, the symbolic value of the locality, by contrast, proved to be important for all the entrepreneurs interviewed. Whereas most entrepreneurs value the (perceived) authenticity, historical value, and roughness of their surroundings, some entrepreneurs value polished renovated buildings and fashionable architecture. For the first group of entrepreneurs the environment seems to be of importance mainly as a source of inspiration, while the second group perceive their surroundings as a visiting card, a showcase for their firm. However, in the end, both groups use their environment to reproduce and strengthen their creative reputations. These results correspond with the findings of Helbrecht (1998) and Hutton (2006), who both emphasize the importance of the look and feel of the built environment.

In our research, we combine the look and feel of the built environment with the feel of the presence of other people in the neighbourhood. Most of the entrepreneurs in Prenzlauer Berg and Kreuzberg surveyed indicated the importance of being in a dynamic place with other creative people and with an experimental and tolerant atmosphere. However, this tolerance primarily meant an environment in which they themselves were tolerated: a place with likeminded people where they are free to do whatever they want without eyebrows being raised. For the creative entrepreneurs interviewed in this study, the meaning of tolerance is totally different from how Florida (2002) operationalizes this concept in his work.

Urban policy is oriented to the development of creative clusters as an economic tool. Following Florida's (2002) ideas, these policies intend to create attractive locations with many cultural amenities and a creative ambience. This study shows that the attraction and symbolic value of creative neighbourhoods is also important at the micro level. Creative entrepreneurs deliberately choose to locate their firms in specific types of neighbourhoods, a choice which is only sometimes combined with their living preferences. They are searching for an authentic location which cannot be created exclusively through urban policy measures. They are looking for a historic and unique

environment which fit their creative identity. This landscape serves to reproduce and strengthen the creative reputations of resident entrepreneurs. As such, their position as entrepreneurs in the sense employed by Rae (2007) is reinforced while at the same time place can be leveraged for marketing ends.

This study shows that the relation between urban amenities and a tolerant atmosphere, creative activities and urban growth is more complex than Florida (2002) suggests. In line with Storper and Scott (2009) and Scott (2010), we feel that future research should further explore the production side of creative activities and the role of social networks and the quality of place in the creation of new ideas in creative sectors. Rather than simply stating that there are local spillovers in creative clusters, future studies should further investigate how creative entrepreneurs recognize opportunities, learn and develop routines and create credible reputations in such clusters.

3. Performing in Dutch book publishing 1880–2008: the importance of entrepreneurial experience and the Amsterdam cluster

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Abstract

This article investigates the spatial clustering of the book publishing industry. By means of a hazard model, we examine the effect of agglomeration economies and pre-entry entrepreneurial experience on the survival chances of publishing firms. Although such survival analyses have been conducted for manufacturing industries, they are scarce for cultural and service industries. Based on a unique data set of all book publishers founded between 1880 and 2008 in the Netherlands, this article demonstrates that the clustering of book publishers in the Amsterdam region did not increase the survival of Amsterdam firms in general. Instead, prior experience in publishing and related industries had a positive effect on firm survival. Publishing firms with such prior experience, like spinoffs, did perform better in Amsterdam. Interestingly, the Amsterdam cluster did not function as an attractor for publishing firms from other regions, but rather acted as an incubator for firms that relocated to other regions.

Introduction

This article aims to provide insight in the spatial evolution of the book publishing industry and the effect of urban agglomerations on the survival chances of publishers. Although numerous studies have examined the evolution of industries (see for example Klepper, 1997, 2002), studies investigating the *spatial* evolution of an industry from an evolutionary perspective are still scarce (Boschma & Frenken, 2003). There is increasing attention to the study of cluster life cycles, but empirical studies are still lacking (Menzel & Fornahl, 2009). Studies that do investigate the spatial evolution of an industry have predominantly examined the clustering of manufacturing industries (Boschma & Wenting, 2007; Klepper, 2007). Only a couple of studies have focused on non-manufacturing industries from an industry life cycle perspective (Fein, 1998; Carree, 2003). We investigate the evolution of the book publishing industry. To our knowledge, no study has investigated the spatial evolution of a cultural industry or service industry, exceptions being the global fashion industry (Wenting, 2008) and the Dutch banking industry (Boschma & Wenting, 2010).

Large parts of the cluster literature (Porter, 1998; Martin & Sunley, 2003) claim it can be an advantage to be located in a spatial cluster because geographical proximity and face-to-face contacts are required for the exchange of tacit knowledge. This might apply to knowledge-intensive manufacturing industries, but is this also true for service industries like book publishing? Another reason to study the book publishing industry is that this industry has witnessed a continuous flow of new entrants due to the creation of new content and the opening up of new niche markets. This has resulted in an increase rather than a decrease in the number of firms over the past 125 years. Apparently, the barriers to enter the book publishing market have remained low and, as a result, no shakeout has occurred. How has that affected its spatial pattern? Moreover, many service industries tend to follow the urban pattern, because geographical proximity to customers is often considered crucial (Weterings, 2006). Our data from the Dutch publishing sector confirm this: book publishers can be found in almost every city, large and small. Nevertheless, the Amsterdam region seems to have attracted a disproportionate share of Dutch book publishers, possibly suggesting

a premium effect of this region. The crucial question is why. Is this because it is a cultural product industry that is sensitive to local buzz? Moreover, the book publishing industry is an extremely interesting case because of its high frequency of firm migration. About 20 per cent of the Dutch book publishing industry has moved from one region to another in the period 1880–2008. What one would expect from the cluster literature is that clusters would not only act as an incubator but also function as an attractor for firms elsewhere, because of the local buzz. We will investigate whether the Amsterdam book publishing cluster has indeed fulfilled both roles over time.

This study describes the spatial evolution of book publishing in the Netherlands and investigates the survival chances of publishers by means of a hazard model. For the Dutch book publishing sector, data on entry, exit, location, relocation and pre-entry entrepreneurial background have been collected for all firms that entered the industry between 1880 and 2008. The study makes use of a unique data set of 1849 firms, comprising all recognized book publishers that were founded between 1880 and 2008. Although the beginning of Dutch book trade traces back to the 16th century, it is only since around the start of the 20th century that publishing has turned into a professional industry, separate from printers and book sellers. In line with Klepper (2002), this article examines the influence of location and pre-entry experience on the survival rate of entrants. In addition, the analysis includes the influence of pre-entry vertical integration into printing or book selling. This variable is included because it is quite common for book publishing firms to be active in one of these related activities. Vertical integration is used as a strategy to profit from economies of scale and to reduce risks (Williamson, 1975). In addition, it provides book publishing firms with relevant experience from related sectors. As such, this variable provides us with an alternative, additional way to measure the importance of pre-entry experience for firm performance.

In the next section, we discuss the effect of pre-entry entrepreneurial background and agglomeration on firm survival in the publishing industry, and we formulate some hypotheses accordingly. Subsequently, we present the data and introduce the Dutch book publishing sector and its evolution in space over time. In the section following, we present the main findings explaining the survival of

Dutch book publishers, among others. The final section draws the main conclusions.

The effect of spinoffs and clusters on firm survival

According to evolutionary economics, routines play a crucial role in the behaviour and performance of firms. Firms are not rational agents but are constrained by their organizational routines. Routines involve a large amount of tacit knowledge and are often the result of learning by doing (Nelson & Winter, 1982; Teece, 1982). As a consequence, it is complicated to replicate routines within organizations, let alone to imitate or copy the routines of other firms (Reed & Defillippi, 1990; Teece et al., 1997). When taking an evolutionary perspective on the spatial evolution of an industry, it is exactly this question that is taken up: how can firms still acquire successfully routines from other firms during the life cycle of an industry, and how does their geography (like clusters) impact on that? Recently, the literature has focussed on two mechanisms through which routines can be replicated successfully between firms, which are discussed below: (i) spinoffs and (ii) agglomeration economies (Boschma & Frenken, 2003).

The role of spinoffs

Spinoff companies are new entrants in an industry in which an employee from a firm in the same industry or a related industry starts his or her own firm, or a division of a firm becomes an independent business. A number of studies have recently shown that in some industries, spinoff activity is actually quite important, that is quite a high number of new entrants are indeed spinoff companies, as compared with other types of entrants. However, what is far more important is that spinoff companies tend to perform better than other types of entrants (Klepper, 2009). This is because the spinoff entrepreneur does not start from scratch, but can exploit the knowledge acquired in the parent firm in his or her new firm (Klepper & Simons, 2000). Here, spinoff companies can originate from parent firms in the same industries or (technologically) related industries, or concern diversifiers with a background in (technologically) related industries. In other words, through this spinoff process, routines are successfully transferred from incumbents to new firms, which

impacts positively on the survival of these new entrants. Recently, scholars have started to focus on the role of spinoffs in the spatial clustering of an industry (Arthur, 1994; Klepper, 2002, 2007, 2010; Boschma & Wenting, 2007). Economic geographers have always been interested in the question of why so many industries (especially the most knowledge-intensive ones) tend to cluster in space, and why clusters exist and persist over time. This spinoff literature provides an evolutionary explanation for the spatial clustering of an industry. First, because most spinoffs locate in the vicinity of their parent organization, the spinoff process may induce clustering in a region through higher founding rates when this region generates a number of spinoffs that also give birth to many other local spinoff companies in the early stage of the industry life cycle (Arthur, 1994). Second, because these spinoff companies inherit better routines from their parents, this contributes further to the spatial clustering of the industry, because these spinoff companies have a higher probability to survive the selection process, as compared with other types of firms (Klepper, 2007). In other words, this literature attributes the spatial clustering of an industry (through the successful replication of successful routines between firms) to the spinoff process, rather than cluster externalities (in which cluster firms outperform non-cluster firms).

The role of place and clusters

So far, the discussion on routines and firm performance has not concerned the role of place. Two explanations can be provided for the occurrence of spatial concentrations in industries: (i) higher founding rates, either through high local entry rates and/or inflows of firms relocating from other places; and (ii) better performance and possibly lower failure rates of incumbent firms in that area, because of agglomeration externalities (Sorenson & Audia, 2000). Many—if not most—economic geographic studies focus on the second explanation: they perceive agglomeration economies as the key mechanism underlying spatial agglomerations and clusters, and presume that firms in agglomerations perform better. In the existing literature, three main reasons are discussed why the increasing concentration of an industry leads to localization economies (Baldwin et al., 2008; Potter & Watts, 2010): (i) co-location enables a greater division of

labour between firms, enhancing specialization and the sharing of resources (Marshall, 1920; Gordon & McCann, 2000); (ii) co-location creates possibilities for knowledge spill-overs and the exchange of ideas through face-to-face contact (Jacobs, 1969; Saxenian, 1994; Storper & Venables, 2004); and (iii) co-location generates a local pool of specialized labour (Scott, 2005). This may be especially relevant for cultural-product industries, as shown, for instance, by the study of Banks *et al.* (2000) on cultural-product firms in Manchester; Pratt's (2002) study on the co-location of new media developers in New York and Scott's (2005) study on the agglomeration of the US picture industry in Hollywood.

Such agglomerations also function as social production systems in which trust and 'know-who' play an important role. The project-based character of co-operations and the high inter-firm mobility in cultural-project industries make it important for cultural entrepreneurs to be part of particular networks or scenes (Caves, 2000; Grabher, 2001). And it is in (major) cities where these networks or scenes take root (Scott, 2004). These localized networks are important for yet another reason: it is through these networks that cultural entrepreneurs and firms gain reputation and recognition within their field (Currid, 2007). Although reputation and credibility are important for all firms, they are even more crucial for firms producing cultural products. The judgement of these products is primarily subjective and it is hard to predict which products will be successful ('nobody knows' principle) (Caves, 2000). Gatekeepers determine the value of a cultural product, and to acquire credibility it is important to be geographically close to these gatekeepers and create a positive social relationship with them (Currid, 2007).

This is not different in the publishing industry. Thompson (2005) defines publishers as '*content-acquiring and risk-taking organizations oriented towards the production of a particular kind of cultural commodity*' (p. 15). The key task of book publishers is the acquisition and creation of content and the transformation of this content into books. Other tasks of book publishers are investing and risk taking; further developing the acquired and/or created content; assessing and controlling the quality of content; managing the whole process of book production; marketing; informing booksellers and taking orders for booksellers. Publishers function as cultural gatekeepers and are at the same time actively part of the process of creating a cultural

60

product. Although some (well-known and established) authors work largely autonomous, the creation of a book is often a complex interplay between author, editor(s) and other actors, such as illustrators or literary agents. Publishers—and more in particular editors—require a combination of skills: they need to be intellectually creative, good in networking and well endowed in marketing and finances. Depending on the type of publisher, the focus can be more on intellectual creativity or on marketing and financial skills.

In order to be successful, publishers need to have access to a number of resources. First of all, publishers need to have access to a highly skilled and motivated workforce. In particular, it is important to have good editors, because these workers function as the creative core of the company. Second, publishers need financial resources to be able to take the necessary risks and to compensate for failures in an unpredictable market. Third, publishers need to build up reputation. A good reputation will help in establishing and maintaining relations of trust, in attracting new authors and projects, in attracting skilled workers and in positioning and marketing the produced books in a highly competitive market. When publishers have been able to establish a good reputation, their imprints—or in other words brand names—further reinforce their reputation. A particular name then becomes associated with good books and/or prominent authors. Although the importance of reputation is not specific for book publishers, establishing reputation as a publisher is more complicated because the accumulated reputation is not only related to the publishing firm but also to the authors contracted by that publishing firm and the editors working for that firm. In addition, as is the case in other cultural industries (Currid, 2007), the value of a publisher's books and in relation to that the reputation of the firm is to a large extent dependent on the opinions of reviewers (i.e. other cultural gatekeepers), because the value of books (and other cultural products) is highly subjective. Being in a publishing cluster can give publishers access to the resources mentioned above. Therefore, clusters will not only enhance entry levels (either through local entrepreneurship or inflow of incumbents from other regions), but will also improve performance of cluster firms and, thus, lower exit levels.

However, the idea that a cluster will increase the performance of cluster firms is questioned to an increasing extent (Giuliani, 2007).

Not all publishers in a cluster will have equal access to editors and writers, and equal market shares and reputations. There will be fierce competition and only those with the right routines and access to the right networks or literary scenes within that locality will be able to exploit these resources. Grabher's study (2001) on the advertising industry shows that for agglomerations of cultural product industries, competition and imitative behaviour may indeed be more dominant than cooperation. Thus, clusters may bring all kinds of benefits to local firms but may also be places where strong selection pressures are present. In a cluster, firms compete for inputs, skilled labour and market share. Although local competition for market shares is not always relevant because markets usually operate on a larger spatial scale (Wenting & Frenken, 2008), local competition could still be highly relevant for publishing where it is reviewers and book shops who decide which books reach the market in which quantities. In a study on the long-term evolution of the British car industry, Boschma and Wenting (2007) found that the more the industry concentrated spatially, the harder it was for new entrants to survive in such an environment, possibly due to more intense local competition. So, clusters do increase competition and costs of labour, capital and land, which may hamper the performance of cluster firms. Overall, this implies that clusters generate high entry levels, but possibly also high levels of exit. Therefore, we expect that the turbulence rate is higher in clusters, as compared with other locations.

Hypotheses

Based on the previous discussion, a number of hypotheses can be formulated. The first set of hypotheses involves the influence of geographical concentration on the entry levels and economic performance of publishing firms. Large parts of the cluster literature claim that the spatial concentration of an industry will have positive effects on firm performance, as reflected, for instance, in higher survival rates (i.e. lower hazard rates) of cluster firms. As discussed above, we claim this is not necessarily the case. Instead, we expect clusters to show high rates of turbulence, that is high rates of entry and exit, relative to their total number of firms in that industry. This leads us to the following three hypotheses:

Hypothesis 1a: Publishing firms in agglomerations with higher numbers of publishers show higher hazard rates.

Hypothesis 1b: Publishing firms in the Amsterdam cluster have higher hazard rates than firms located outside the Amsterdam cluster.

Hypothesis 1c: The Amsterdam publishing cluster has a higher turbulence rate than other regions in the Netherlands.

Next to this location effect, we test whether firms with pre-entry experience in publishing and/or related industries like printing and book selling will have higher survival chances than firms lacking such experience. This brings us to the following hypotheses:

Hypothesis 2a: Publishing firms with prior experience in publishing (spinoffs) will have lower hazard rates than publishing firms with no such experience.

Hypothesis 2b: Publishing firms with prior experience in bookselling or printing (experienced firms) will have lower hazard rates than publishing firms with no such experience.

In addition to prior experience in printing, book selling or publishing, being (still) active in a related sector may also improve the performance of book publishing firms. Book publishers function as mediators within the production chain of books. The creation, production and marketing of books are the result of interactive processes between publishers and writers, publishers and graphic designers, publishers and typesetters, publishers and printers and publishers and book sellers. Vertical integration into book selling and printing allows publishing firms to profit from experience from these related industries and makes risk spreading possible. To be more precise, publisher–printers can benefit from experience concerning number of prints, design and typography, can compensate failures of book projects and loss in demand for books with more stable printing orders and have more possibilities to profit from economies of scale. Publisher–book sellers can benefit from experience concerning marketing and customer tastes/ fashions, can compensate failures of book projects and can profit from being their own outlet to the consumer market. This leads to the following hypotheses:

Hypothesis 2c: Book publishing firms with pre-entry experience in printing and/or bookselling that diversified into book publishing will have lower hazard rates.

Hypothesis 2d: Book publishing firms with no pre-entry experience that combine book publishing with printing and/or bookselling will have lower hazard rates.

As discussed before, we do not expect that Amsterdam firms in general will perform better than non-Amsterdam firms. However, a positive cluster effect of Amsterdam might still occur for those firms that are better capable of taking advantage of the benefits in clusters and of dealing with the disadvantages of clusters. We expect this depends on their routines, and we hypothesize that firms with relevant pre-entry experiences, as emphasized in hypotheses 2a–2d, will perform even better when they are located in the Amsterdam region. Thus:

Hypothesis 3: Publishing firms with pre-entry experience located in the Amsterdam cluster will show lower hazard rates than publishing firms with pre-entry experience located in other regions.

Because of the dynamic environment attached to clusters, we expect that clusters will not only increase entry rates but also function as attractors to other businesses in that industry located elsewhere. So, in addition to high local entry, we expect that non-cluster firms that do relocate will have a tendency to move to clusters, adding further to the high entry levels in clusters. This can be tested for the Dutch publishing industry, because the tendency of publishing firms to relocate is relatively high. In fact, about 20 per cent of all Dutch book publishers moved from one region to another during the period 1880–2008.

Hypothesis 4: The Amsterdam publishing cluster has a relatively higher entry rate than the rest of the Netherlands.

Hypothesis 5: The Amsterdam publishing cluster has a relatively higher share of incoming firms that relocate from other regions than the rest of the Netherlands.

The long-term evolution of the Dutch publishing industry 1880–2008

For this study, annual data were gathered from handbooks on the Dutch book trade. The tradebooks published by the Dutch publisher Sijthoff has been the main source for annual data for the period 1880–1929, and the tradebooks of the Royal Book Trade Union (*Koninklijke Nederlandse Vereniging van het Boekenvak*) have been the main source for the period 1929–2008. In addition, the catalogue of the Dutch Royal Library (*Koninklijke Bibliotheek*) and the archives of the Royal Book Trade Union (*Koninklijke Nederlandse Vereniging van het Boekenvak*) have been used to select book publishers. All publishers that published more than five books or have been a member of the Royal Book Trade Union are included in the data set. Consequently, we excluded very small publishers, and we filtered out newspaper and magazine publishers. The data set specifies the location of every book publishing firm at the regional and municipality level, and it includes information on the year of entry and year of exit per location for the period 1880–2008. For 1434 publishing firms, we found information on whether the firm originated from a printing firm or a book selling firm, from another publishing firm, or whether it started as an inexperienced firm. In addition, we know for these publishing firms whether the firm is vertically integrated or not, i.e. whether the firm is also active in printing or book selling at the time of entry.

Contrary to many manufacturing sectors, it is often quite complicated to demarcate the date of birth of a service industry (Fein, 1998). Dutch book trade originated as early as the 16th century, but book publishing as we know it today is a more recent phenomenon (Feather, 2003). With the rise of cities in the 16th century, printer-merchants came into existence who started to print and trade books on a commercial basis. Making books with several prints became possible due to the invention of mechanical paper production and the art of printing a century earlier. However, book publishing as an economic activity on its own—apart from printing and book selling—originated only in the late 19th and early 20th century (Brink, 1987). Until then, the book market had only served a small elite group who could read and had enough spending power to purchase books. In the beginning of the 20th century, high population growth rates and an increase in disposable income led to a strong growth in the book

market. This growth was further stimulated by the emergence of the first public libraries around 1900. Brink (1987) states that the book publishing sector remained in the embryonic stage of its life cycle for several centuries before the growth stage finally set in around the beginning of the 20th century. Our data set starts in the year 1880, the founding year of the Dutch Book Publishing Union. Although this date is somewhat arbitrary, it does include the transition of the sector from its embryonic stage to its growth stage.

Figure 3.1 shows the number of book publishers from 1880 to 2008, while Figure 3.2 portrays the number of entries and exits for this period. Book publishers founded before 1880 are not included in these figures. For this reason, we have to be very cautious to interpret the results of the first decades since 1880, because the number of exits and the number of publishers will be underestimated. What can be concluded though is that there is a tendency of the number of entries to go down from 1880 until the late 1910s, despite a considerable growth in the book market in this period.

Figure 3.1. Number of Dutch Book Publishers per year 1880-2008.

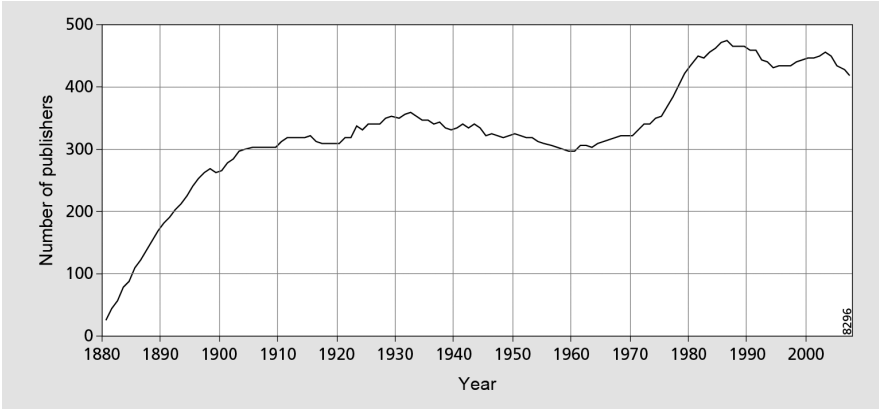
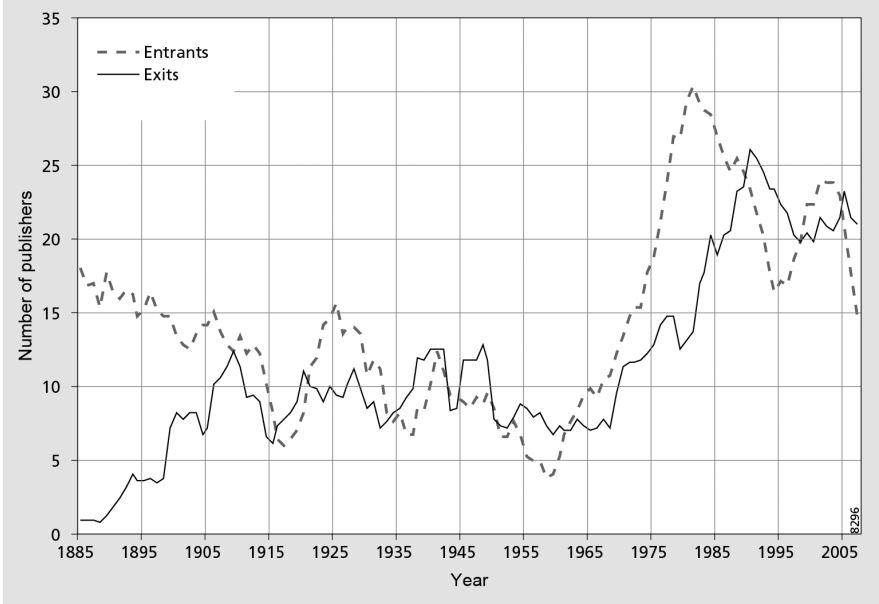


Figure 3.2. Number of entrants and exits Dutch book publishing industry 1880–2008 (5-year moving average).



However, the schooling act of 1900 and the introduction of voting rights in 1917 and 1919 (respectively for men and women) led to a new market of educated readers with a broader interest, which opened up new opportunities for entering the publishing sector in the late 1910s and early 1920s. The period 1930–1960 shows a slight decrease in the number of publishers, a decrease in the number of entrants and, in general, more exits than entrants. In contrast to so many other industries, no shakeout takes place, although market concentration and economies of scale do occur to some extent. The introduction of the pocket book in 1951 marks the beginning of a new period with a greater importance of scale economies and a stronger market concentration due to merger and acquisition activity. Although the idea of pocket books existed since the 1930s, it became economically interesting only after the Second World War when the demand for books had become sufficiently large and innovations in the graphic industry (like offset printing and automatic typesetting) enabled the production of books on a large scale. With the rise of book clubs in the 1960s, the selling of books also became more oriented towards scale advantages and serving a mass market. Despite increasing numbers of exits, the period between 1960 and 1985

shows a sharp growth in the number of book publishers. Numbers of entrants and exits are both high, but entrants outnumber exits over the whole period. Many exiting firms had only entered the market a few years before. It may be that these starting firms were not able to apply process and organizational innovations necessary to create books for a large market (Thompson, 2005).

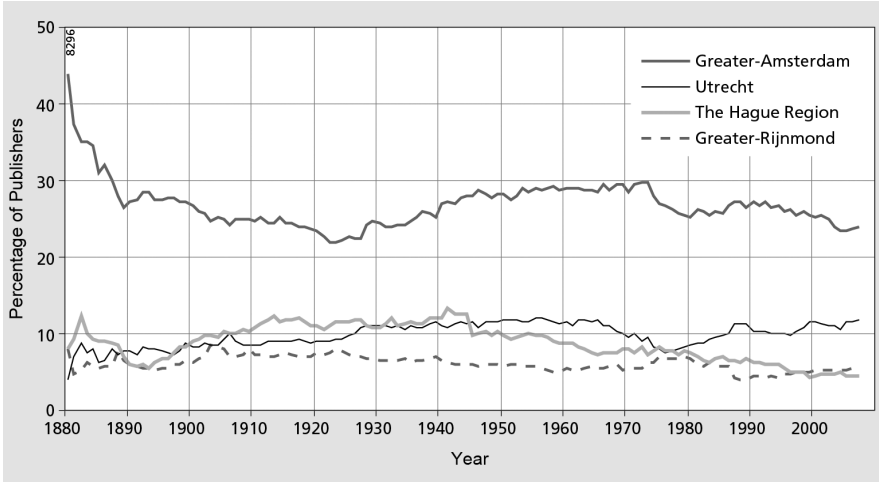
How can the large increase in number of entrants in the 1960s and 1970s be explained? A possible explanation is the rapid growth in demand in that period, combined with the opening up of new niche markets. The large market growth was the result of a couple of societal and macro-economic changes (Brink, 1987). First, an explosive growth in consumer spending occurred in the 1960s, followed by more moderate growth in the 1970s. The explosive growth in consumer spending in the 1960s was the result of an increase in the wage rate in 1964 to equalize Dutch wage levels with the European standard. At the same time, average working time decreased resulting in more time for leisure activities such as reading. In addition, the number of households increased which also led to higher book sales. Lastly, depolarization (i.e. the decreasing segregation of institutions into religious/ideological groups) and higher education, accompanied with more openness and opinion expression generated a broad overall market.

At the same time, new genres and specializations came into existence leading to the emergence of many submarkets. These submarkets created new opportunities for starting firms. Further market concentration, the incorporation of traditional publishing firms into large conglomerates and the commercialization of contacts with authors created opportunities for small (starting) publishing firms that were willing to take risks with new authors (Siebelink, 1993; van Eeden, 2001; Vries et al., 2007). This led to a market with a small number of large firms and a large number of small firms, competing within their own market niches. Fierce competition within market niches and a lack of resources to cover the risks of publishing new titles made that many small firms only survived for a small number of years. Towards the end of the 1970s, it became harder to enter into the book publishing market as scale economies also started to gain in importance in the various submarkets. Entry rates started to drop, and exit rates increased.

The introduction of a desktop publishing program for personal computer use in the mid-1980s was the beginning of electronic publishing on a large scale. Electronic publishing involves the digitizing of content and enables printing on demand or publishing books in electronic format. This new type of publishing requires different skills and a different way of organizing the book value chain. This in combination with the lower financial resources needed for electronic publishing offered opportunities for new entrants again (Thompson, 2005). This led to a new wave of entrants in the 1990s. In most recent years, it seems that the number of entrants is declining again. It remains to be seen, however, if this decline is temporary or not. The period from 1985 until today continues to witness many takeovers and mergers. Although the 'early' mergers and acquisitions were often vertical mergers and acquisitions between book publishing firms and printing firms, the mergers and acquisitions from the 1985s onwards were increasingly horizontal, with large media conglomerates taking over book publishing firms.

As far as the spatial evolution of the Dutch book publishing industry is concerned, we have depicted in Figure 3.3 the relative numbers of publishers between 1880 and 2008 in the four main urban regions in the Netherlands. Again, the findings of the first decades since 1880 must be interpreted with caution, for the reasons explained above. As expected, the Amsterdam region is by far the largest concentration area in book publishing, and its share is remarkably persistent over time, ranging between 25 and 30 per cent of all Dutch firms. It is still remarkable though that over 50 per cent of all Dutch book publishers is located outside the four main urban areas. The Hague region had a total share of over 10 per cent before the Second World War, but its share has declined ever since. This may be attributed to the rise of popular culture during the post-war period (Twaalfhoven, 2005) and its specialization in government-related and legal books. The Utrecht region has held a persistent share of about 10 per cent over the whole period, with a small decline and rise again between 1960s and 1980s. The Rotterdam region has had a modest and relatively stable share of 5 per cent throughout the whole period.

Figure 3.3. Percentage of total number of book publishing firms in four main concentration areas 1880–2008.



Main findings

In this section, we will test the hypotheses formulated above. Many hypotheses concern the effects of variables on firm performance. Because alternative measures of economic performance of firms (like employment and production) are not available for such a long period (1880–2008), we make use of the age of firms, calculated by the year of exit minus the year of entry. Following others (e.g. Klepper, 2007; Buenstorf & Klepper, 2009), we employ a hazard model that estimates the relative risk of failure of firms. We ran standard Cox regressions⁴. Those firms that still exist in 2008 were considered as censored exits. In case exits are caused by mergers and acquisition, the acquired firm is treated as right censored exit, and the acquiring firm survives. In case of relocations, we assigned the firm to that

⁴ A Cox regression requires that the proportional hazard assumption holds. This is the case when the explanatory variables affect the hazard rate proportionally at all ages. If not, a Gompertz specification is needed. The proportional hazard assumption did hold for all variables, except for some experience variables but only at a very high age (480 years). Therefore, we decided to run Cox regressions. We also run a Gompertz model, and compared these results to the ones obtained in the Cox model. Findings in both models were basically the same.

location where it stayed for the longest period. We will do the hazard estimations with all the cases for which all the relevant variables are known. This concerns 1434 firms, which is about 78 per cent of the total number of publishers in our data set. The descriptive statistics of all included variables are summarized in the Appendix A.

First, we tested whether localization economies (that is publishing firms in agglomerations with high numbers of publishers) and location in the Amsterdam cluster increase the survival rate of publishing firms. The variable localization economies were defined as the number of book publishing firms (LN) in the region where the firm set up his or her new business at the time of entry. In the Netherlands, we made a distinction between the so-called 40 COROP regions, which are considered labour market areas. We made a second variable Amsterdam region (defined as the dummy COROP Greater Amsterdam region, which includes the city of Amsterdam and a number of surrounding municipalities), because we also wanted to assess the effect of the Amsterdam publishing cluster on the survival of firms. In each model, the variable time of entry (LN) is included to control for differences in economic circumstances during the life cycle of the industry, which is quite common in these survival studies.

Model 1 in Table 3.1 presents the results. Our hypothesis 1a is confirmed: being geographically proximate to many other publishing firms at the time of entry has a positive and significant effect on the hazard of book publishers. Apparently, book publishers suffer from localization diseconomies in general, which may be due to strong local competition, among other reasons⁵. However, whereas the spatial clustering of an industry may lead to smaller survival chances, this is very different in the case of the Amsterdam cluster. As the negative and significant coefficient of the Amsterdam dummy variable demonstrates, being located in the Amsterdam cluster increases the

⁵ We also included the effect of urbanization economies, measured as population density (LN), that is, the number of inhabitants per squared kilometre in the COROP region at the time of entry. This might capture more general effects of agglomeration economies, like the effect of high local demand. We decided to exclude this variable from model 1, because of multicollinearity problems, due to the high correlation between localization economies and urbanization economies.

survival chance of book publishers⁶. This result is in line with large parts of the cluster literature, but contradicts our hypothesis 1b. However, it remains to be seen whether this result still holds when we control for the pre-entry experience of firms in the subsequent models.

Table 3.1: Cox regression results (standard errors in parentheses): hazard to exit the market.

	Model 1	Model 2	Model 3
Localization economies	0.190*** (0.037)	0.151*** (0.039)	0.158*** (0.039)
Amsterdam cluster	-0.250** (0.101)	-0.171 (0.104)	
Spinoffs		-0.501** (0.124)	
Experienced firms		-0.357*** (0.114)	
Experienced diversifier		-0.381*** (0.112)	
Inexperienced diversified firm		-0.299*** (0.086)	
Spinoffs in Amsterdam			-0.928*** (0.240)
Spinoffs outside Amsterdam			-0.337** (0.145)
Experienced firms in Amsterdam			-0.638** (0.272)
Experienced firms outside Amsterdam			-0.290** (0.124)
Experienced diversifiers in Amsterdam			-0.796*** (0.240)
Experienced diversifiers outside Amsterdam			-0.260** (0.126)
Inexperienced diversifiers in Amsterdam			-0.449*** (0.162)
Inexperienced diversifiers outside Amsterdam			0.261** (0.103)
Inexperienced firms in Amsterdam			-0.055 (0.118)
Time of entry (LN)	0.038* (0.021)	-0.025** (0.025)	0.049* (0.025)
Number of cases	1434	1434	1434
Chi-square	36.81	70.90	77.89
Log likelihood	-65.907.786	-65.737.343	-65.702.383

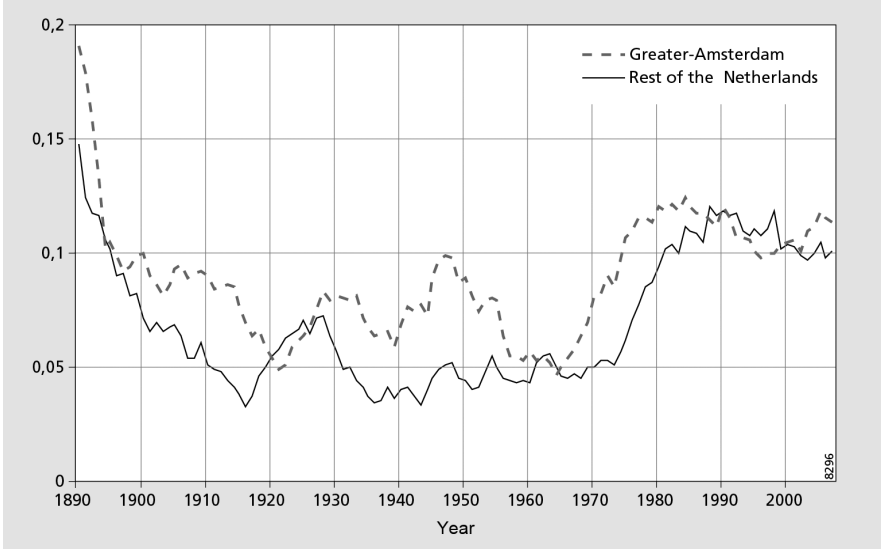
*Significant at 0.10 level; **significant at 0.05 level; *** significant at 0.01 level.

⁶ The same result holds for the Utrecht region, but interestingly not for the Rotterdam and The Hague regions. However, we have not included the Utrecht dummy in the subsequent models, because our main focus is on the Amsterdam cluster.

The control variable time of entry has a positive and significant effect on the hazard rate, which means that late entrants have a lower survival rate than early entrants. This is a confirmation of earlier studies in this field of research.

In addition, we tested whether the Amsterdam publishing cluster has a higher turbulence rate than other regions in the Netherlands. The turbulence rate has been defined as the number of entries and exits, as a proportion of the total number of publishing firms. The results are presented in Figure 3.4.

Figure 3.4. Turbulence rates in the Greater Amsterdam region and the rest of the Netherlands (10-year moving average).



Indeed, our hypothesis 1c is confirmed: the turbulence rate in the Amsterdam cluster exceeds the turbulence rate in the rest of the Netherlands during the whole period. As expected, the Amsterdam book publishing cluster is indeed characterized by a relatively high number of entries and exits.

However, to test whether the Amsterdam cluster positively impacts on the survival of firms, one should control for firm-specific features, like the pre-entry industrial background of the entrepreneurs, as other studies have shown (Klepper, 2007). As explained before, the influence of prior (that is, pre-entry) experience involves two types of

experience: (i) experience in related sectors, that is in book selling and printing and (ii) experience in publishing, that is in book and newspaper publishing. We constructed five dummy variables to test our hypotheses 2a–2d: (i) firms with prior experience in publishing concern spinoffs with a pre-entry background in publishing; (ii) firms with prior experience in related industries concern experienced firms with a pre-entry background in related industries; (iii) experienced diversifiers concern book publishers that were active in related industries like printing and/or bookselling and have diversified into book publishing; (iv) inexperienced diversified firms are book publishers with no prior experience that combine book publishing with printing and/or book selling from the beginning (that is, their year of entry); and (v) inexperienced firms, which is a residual, and which has been treated as the omitted reference category. Table 3.2 depicts the relative shares of these five types of firms for the whole of the Netherlands.

Table 3.2: Absolute and relative numbers per type of firm	
Type of firm	N (%)
Spinoffs	116 (8.1)
Experienced firms	120 (8.4)
Experienced diversifiers	128 (8.9)
Inexperienced diversifiers	245 (17.1)
Inexperienced firms	825 (57.5)
Total number of firms	1434 (100)

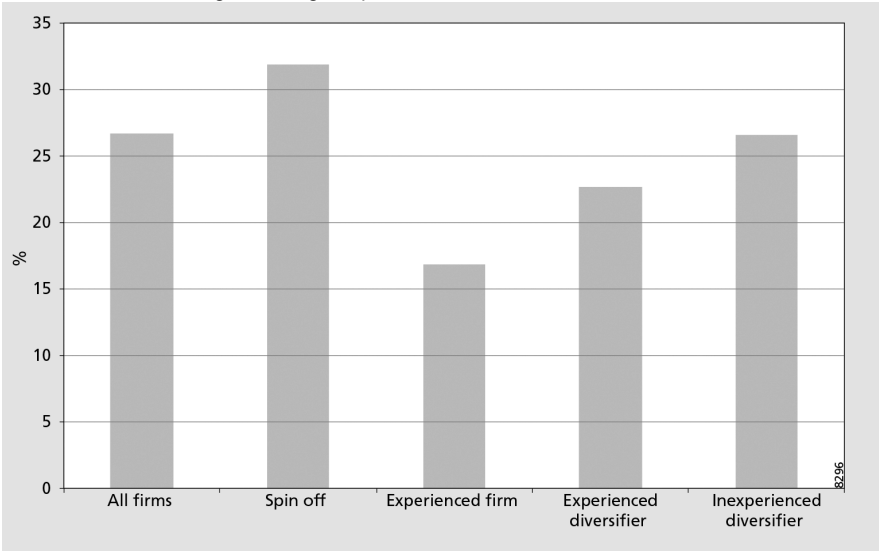
The outcomes are presented in model 2 of Table 3.1. There is overwhelming evidence for the hypotheses 2a–2d. The negative and significant coefficients indicate that prior experience in publishing and in related industries (both as experienced firm and experienced diversifier) lowers the hazard rate and, thus, increases the survival of publishing firms. This is in line with the hypotheses 2a–2c. This is also true for firms with no prior experience but which enter as a diversified firm (inexperienced diversified firms), which confirms hypothesis 2d. What is even more interesting is that the coefficient of the Amsterdam cluster becomes insignificant. Apparently, if one controls for the prior experience of publishing firms, the Amsterdam cluster does not increase their survival. This is in accordance with other survival studies, and also in line with our previous finding of a relatively high turbulence rate in the Amsterdam cluster, meaning that also failure rates (besides entry levels) are relatively high. Thus,

whereas passing on routines through local learning in clusters does not improve firm survival, passing on routines through spinoffs and related activities does improve firm survival.

However, the Dutch publishing industry may also have concentrated in the Amsterdam region because it was capable of attracting a disproportionately high number of firms with these superior routines. Figure 3.5 shows that firms with prior experience in publishing are indeed overrepresented in the Amsterdam region, but that firms with experience in related industries are underrepresented. It may also still be the case that Amsterdam firms with these routines may outperform Amsterdam firms without those routines, because they are better capable of exploiting the benefits of clusters and coping with the disadvantages of clusters. This has been tested in model 3 of Table 3.1, by making a categorical variable with the categories spinoff firms in Amsterdam, spinoff firms outside Amsterdam, experienced firms in Amsterdam, experienced firms outside Amsterdam, experienced diversifiers in Amsterdam, experienced diversifiers outside Amsterdam and inexperienced firms in Amsterdam and inexperienced firms outside Amsterdam. This last category is treated as the omitted reference category. The findings confirm hypothesis 3 to some extent. Logically, all types of experienced firms perform significantly better than inexperienced firms outside Amsterdam. More interestingly, inexperienced firms in Amsterdam do not outperform inexperienced firms elsewhere. Moreover, comparing the coefficients of the different types of experienced firms by chi-square tests shows that spinoffs and experienced diversifiers in Amsterdam perform significantly better than spinoffs and experienced diversifiers elsewhere (χ^2 4.67** and 4.07**, respectively, at the 5% level). This suggests a premium effect of the Amsterdam cluster for these two types of entrants with relevant pre-entry experience. This is not, however, true for the two other types of entrants (experienced firms and inexperienced diversified firms). The effects of the other variables in model 3 did not change⁷.

⁷ In order to control for organizational and technological changes in the publishing industry since the 1960s, we also included an additional cohort in our hazard model. This cohort consisted of firms that entered the publishing industry after 1960. Our

Figure 3.5. The share of the types of firms in the total number of publishing firms in the Greater Amsterdam region during the period 1880–2008.

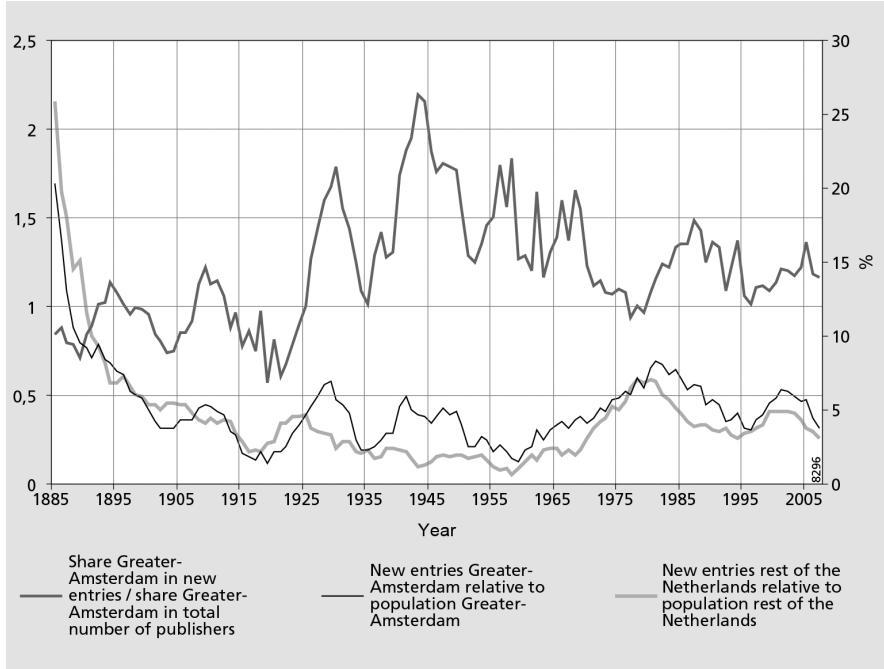


We also tested whether the Amsterdam cluster is an environment that increases founding rates of publishers disproportionately. In Figure 3.6, we show the relative number of new entries in the Amsterdam region for the period 1885–2008 in two ways. First, we compare the share of Greater Amsterdam in the total number of new entries in the Netherlands with the share of this region in the total number of publishers in the Netherlands. This is shown by the dotted line. Scores above 1 (as depicted on the left side of the Y-axis) represent relatively high shares of the Amsterdam region, that is higher shares of new entries than could be expected from the share of the Amsterdam region in the total number of publishers in the Netherlands. The results show that the relative founding rates in the Amsterdam region are indeed persistently higher from 1925 onwards. Second, we have divided the number of entries in the Amsterdam region by the number of publishing firms in the

expectation was that this cohort may have performed better, because firms entering before 1960 might have suffered from the wrong routines, which might have caused problems of adaptation, and thus might have increased their hazard rates, in comparison to the post-1960 cohort. This expectation was not confirmed by our data, and therefore, we decided to leave out this finding in the main table.

Amsterdam region. We did the same for the rest of the Netherlands and compared both outcomes. This is shown by the two solid lines. The scores are in percentages and displayed on the right side of the Y-axis.

Figure 3.6. Relative number of new entries in the Greater Amsterdam region versus the rest of the Netherlands 1880–2008 (5-year moving averages).



The results are similar to the previous finding: the line of the Amsterdam region is persistently higher than the rest of the Netherlands since 1925, meaning that the number of entries relative to the number of publishing firms was higher in the Amsterdam region, as compared with the rest of the Netherlands. In other words, the Amsterdam publishing cluster showed indeed relatively high entry rates. Our hypothesis 4 is thus confirmed.

These outcomes tend to suggest that the Amsterdam cluster acts as a hub of gatekeepers where winners are selected. A literary social scene where starting firms have to mingle with other publishers, journalists and book reviewers and literary agents and establish contacts with able editors, translators and designers and where only those firms with the best qualities and/or the best contacts will make it in the

end. We found some preliminary evidence of this literary social scene by calculating location quotients for book publishing, newspaper and magazine publishing, graphic industries and advertising, design and photography. Based on data from Statistics Netherlands and the LISA employment register of the Netherlands on the number of employees in 2008 in Amsterdam versus the Netherlands as a whole, we found strong overrepresentations of book publishing (LQ: 3.5), newspaper and magazine publishing (LQ: 3.9) and advertising, design and photography (LQ: 2.8) but an underrepresentation of graphic industries (LQ: 0.8). The related sectors that are overrepresented in Amsterdam are involved in the creative part of the production system of books where the cultural value of books is determined. By contrast, the graphic industries that are not involved in the creative process and where conventions of good art do not play a role are underrepresented in Amsterdam. These results are also confirmed by a recent study of Deinema and Kloosterman (2012) which shows that the number of employees in publishing, in advertising and in arts and art venues have been disproportionately high in Amsterdam over the last century, and that the number of employees in broadcasting have been disproportionately high over the last three decades.

Did the Amsterdam cluster also attract relatively many incumbent firms from other regions? As noted previously, about 20 per cent of Dutch book publishers moved from one region to another during the period 1880–2008. In Figure 3.7, we show the relative number of entries through relocation in the Amsterdam region for the period 1885–2008 in a similar way as we did for new firm entries in Figure 3.6. The dotted line represents the share of Greater Amsterdam in the total number of new entries due to relocations in the Netherlands with the share of this region in the total number of publishers in the Netherlands. Figure 3.7 shows that the relative share of the Amsterdam region is almost always below 1, especially since the late 1930s. The solid lines represent the number of entries due to relocations relative to the number of publishing firms in the Amsterdam region and the rest of the Netherlands. What is noticeable is that the line of the Amsterdam region is persistently below the line of the rest of the Netherlands during the whole period. In other words, the Amsterdam publishing cluster has a relatively lower share of incoming firms that relocate from other regions than the rest of the Netherlands. Hypothesis 5 is therefore rejected.

Figure 3.7. Relative number of new entries due to relocations in the Greater Amsterdam region versus the rest of the Netherlands 1880–2008 (5-year moving averages).

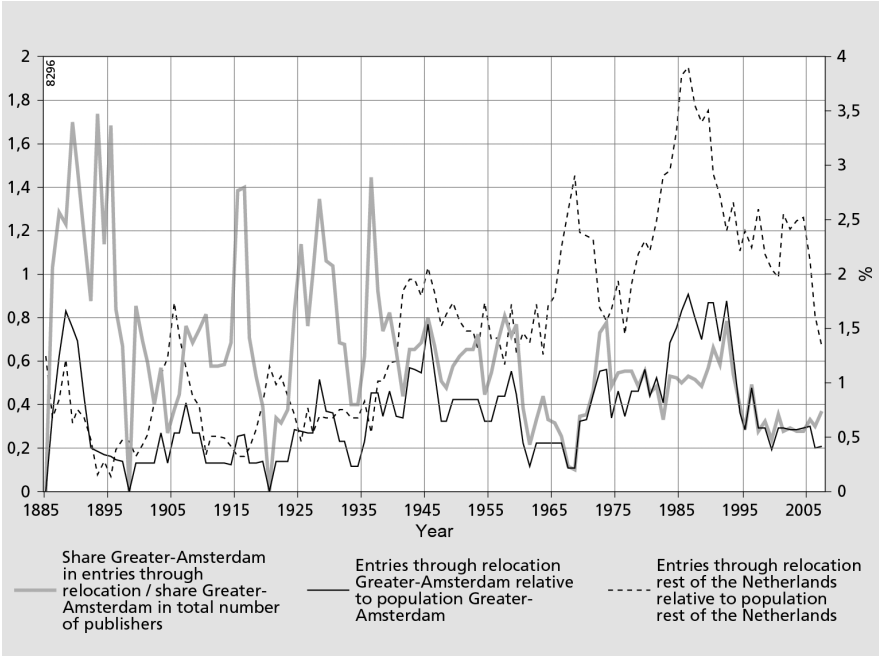
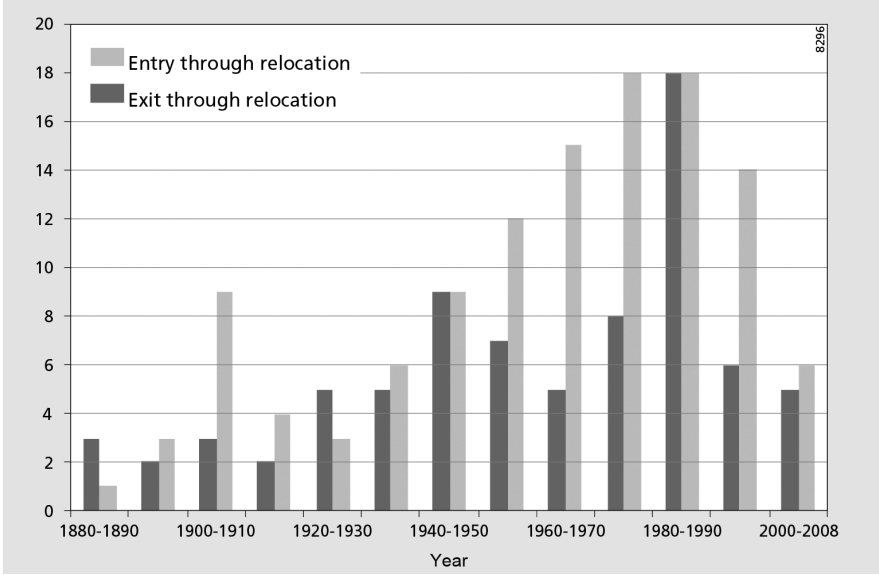
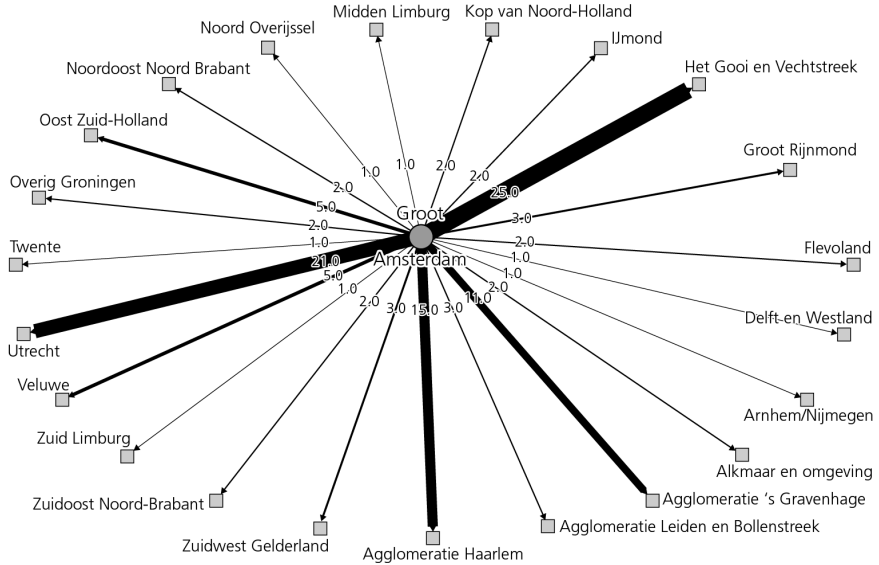


Figure 3.8. Number of entries and exits due to relocation in the Greater Amsterdam region.



In Figure 3.8, we have included both the number of entries due to relocation in the Amsterdam region, and the number of exits due to relocation in the Amsterdam region (that is publishing firms leaving the Amsterdam region for other regions). What is remarkable is that, overall, the outflow of firms is higher than the inflow of incoming firms in the Amsterdam regions, with the exception of the period 1920–1950 when the inflow and outflow of relocating firms are more or less at comparable levels. The outflow of firms increases sharply after 1950, leading to a high net outflow. In sum, the Amsterdam cluster seems to have acted more as an incubator for publishing firms that relocated to other regions at some point of time, than acting as an attractor for firms from elsewhere. As shown in Figure 3.9, the firms that relocated out of Amsterdam predominantly moved to four regions: the Hague, Utrecht, Agglomeration Haarlem and the Gooi-en-Vecht region. Interestingly, the Hague attracted most firms in its hey days before Second World War when this region was still an upcoming cluster (nearly half of the relocations took place before 1925), whereas Utrecht has attracted most firms during its rise in the 1980s and 1990s (more than half of the relocations took place after 1975). Over the course of time, firms have either moved from Amsterdam to upcoming publishing regions or to neighbouring regions.

Figure 3.9. Total number of relocations from Greater-Amsterdam per region.



Conclusions

In the extensive literature on agglomerations, there are accounts of both positive and negative agglomeration effects on the performance of individual firms (van Oort, 2002). In the cluster literature, however, there is often a tendency to appraise the positive sides of clusters. On the basis of a unique data set of all book publishers founded between 1880 and 2008 in the Netherlands, our study demonstrated that the local presence of book publishers did not necessarily impact positively on the survival of book publishing firms. In fact, we found a strong and robust negative effect of localization economies on their performance. When taking a more thorough look at the Amsterdam cluster, we found evidence that the clustering of book publishers in the Amsterdam region did not increase the survival of Amsterdam firms, as soon as one controls for firm-specific features like the pre-entry background of entrepreneurs. In line with previous studies of other industries, prior experience in publishing and related industries like book printing and book selling had a positive effect on firm survival.

Having said that, we found that the Amsterdam publishing cluster had some notable features. First of all, we could demonstrate that the Amsterdam cluster is characterized by a high turbulence rate, meaning that its founding and failure rates are exceptionally high, even relative to the (high) number of publishers in the cluster. The Amsterdam cluster triggered many new entrants over time, and also caused many exits because the selection pressure is high. Amsterdam can be characterized as a highly competitive, dynamic environment with a strong literary climate, where the wheat is separated from the chaff. New publishing firms may perceive being located in Amsterdam as crucial, because the city is known for its publishing scene. Vicente and Suire (2007) speak in this respect about an informational cascade: the location of leading publishers in the Amsterdam region attracts many 'followers' to that region. The brand 'Amsterdam, place of books' may allure starting publishers to open up their business in this region, in line with the ideas of Molotch (2002) and Drake (2003) on the importance of place as a brand for cultural products. Nevertheless, most publishing firms in Amsterdam do not seem to profit from their location in the cluster. Overall, the cluster firms of Amsterdam show no higher survival rate. The Amsterdam cluster did,

however, attract a disproportionately high number of publishers with prior experience in publishing, and these publishers performed relatively well.

Moreover, we found evidence that spinoffs and experienced diversifiers performed better in the Amsterdam region. Consequently, these experienced firms are better capable of exploiting the possible benefits of clusters and coping with the strong selection forces in clusters. This might be due to the fact that firms with better publishing capabilities can more easily integrate in literary scenes as a result of their gained experience and have better access to cultural gatekeepers that are well presented in the Amsterdam cluster. Finally, an interesting feature of the Dutch publishing industry was its high intensity of relocation. Contrary to our expectations, the Amsterdam cluster did not function as an attractor for publishing firms located elsewhere. However, we did find evidence that the Amsterdam cluster acted as an incubator for publishing firms that relocated to other regions, especially after the 1950s.

Of course, this long-term study has its limitations and calls for further research. Obviously, it has not been possible to incorporate additional performance measures next to firm survival such as employment or production growth, due to data availability. Moreover, whereas it is difficult for publishing firms to survive in agglomerations in general, it can still be the case that clusters provide a favourable environment for particular firms, like ambitious firms, firms with the right contacts or firms with specific routines as our study demonstrated. Future research should investigate whether other firm-specific features (than being a spinoff or an experienced diversifier) would do particularly well in clusters (Brown & Rigby, 2011). Third, our study has not gone into the mechanisms through which cluster might be attractive places. How about the functioning of local networks, and how does labour mobility affect spatial clustering (Eriksson, 2009)? And to what extent have trust and reputation or the specific cultural environment, which are often considered crucial factors in cultural industries, contributed to the clustering of Dutch publishers as time passed by? And fourth, we found a high number of relocations in the Dutch publishing industry. Investigating the relocation pattern in further detail and examining the reasons for firms to relocate may provide additional insights to the importance of place and the

evolution of clusters over time. Exploring these questions, among others, will further increase our understanding of how clusters evolve over time and contribute to the further advancement of an evolutionary research program in economic geography (Boschma and Frenken, 2006).

4. Place-making from publishing house to book fair: Dutch book publishers and the role of place in establishing trust and reputation

This chapter is accepted under revisions at *Geoforum*.

Abstract

In-depth interviews with Dutch book publishers revealed that place-making rather than geographical proximity is important for establishing trust and building a reputation as a publisher. Although Amsterdam is at the centre of social networks within the field of Dutch literature, being located in the Amsterdam publishing agglomeration is not crucial for Dutch publishing houses. Inner-city Amsterdam and its many meeting places play an important role in socialization and are employed to enhance a publisher's status, but other places – both fixed and temporary and on multiple levels of scale – are created to generate trust in vertical relations and to build reputations. By including the dimensions of place as locale and place as experience, and by focusing on reputation and trust rather than primarily on innovation and knowledge exchange, this study shows that while place matters for cultural intermediaries such as publishers, its role is more nuanced than in cluster success stories.

Introduction

This paper examines how book publishers use place in building reputations in a cultural field and in developing relationships of trust in the book value chain, and critically assesses the importance of the Amsterdam publishing agglomeration for developing and selling books. Previous studies on the clustering of cultural-product industries in urban areas consider the local environment crucial for the performance of cultural-product firms (e.g. Crewe & Beaverstock, 1998; Currid, 2007). Many studies on cultural-product industries have investigated horizontal inter-firm networks and emphasize the importance of face-to-face contacts and geographical proximity for the exchange of knowledge (Bathelt & Boggs, 2003; Scott, 2004). A number of authors, however, have recently been more critical about the positive influence of urban clusters on the performance of cultural-product firms and the role of knowledge exchange between firms within such clusters (Sunley et al., 2008; Heur, 2009; Heebels & Boschma, 2011). This paper shows that in the case of Dutch book publishing geographical proximity is not important for knowledge exchange yet various dimensions of place are important for creating and maintaining trust and reputation which is vital for doing business as cultural intermediary. The paper contributes to the localized network literature by examining the role of place as a multifaceted process and the role of network relations and face- to-face contacts for purposes other than just knowledge exchange.

Reputation is a significant strategic tool for cultural intermediaries, such as book publishers, gallery owners, and film and music producers (Anand & Peterson, 2000; Allen & Lincoln, 2004; Zafirau, 2008; Lingo & Mahony, 2010). In addition to reputation building in cultural fields, it is important to develop relationships of trust both up and down the value chain, in this case, between publishers and authors and between publishers and booksellers. As part of their market strategy, publishers as cultural intermediaries might make use of particular places to underline their reputation and develop relationships of trust. Place plays a role here, too, but in a way that is different from what is assumed in most cluster studies. This study employed in its analysis a broader perspective of place than just the geographical proximity dimension and also considered the dimensions of meeting places (Agnew, 1987; Massey, 2000), sense of

place (Agnew, 1987) and place as a social construct (Masey, 2005; Hoelscher, 2011). In line with Massey (2005), place was perceived as process in this study. In the Dutch context, the area within Amsterdam's *grachtengordel* (the 'canal ring' around the old city centre) is the principal location for publishers and other cultural-product industries. However, it was found that geographical proximity to other publishing firms does not really matter. Rather publishers both in and outside the Amsterdam agglomeration create/recreate particular places at various levels of scale in which to establish relations of trust and reputation.

The role of place was investigated by means of semi-structured interviews with the owners and/or directors of publishing houses, both in and outside Amsterdam, that publish for the trade book market. These publishing houses were amongst the main producers of trade books in the Netherlands, had won literary awards or were established in the last decade. Appendix B presents an overview of the interviewees and their firms. Only publishers who had participated in one of the main book fairs were interviewed, in order to exclude hobby publishers, who function less as cultural intermediaries. After a number of informal talks with publishers to explore the Dutch publishing sector and the role of place, 21 interviews were conducted on the role of face-to-face contacts and place for the relationships (horizontal/vertical/diagonal) and reputation of publishers and their firms. Other important themes in these interviews were history, location(s), business structure, market of the publishing firm, strategy with regards to e-book and digitalization, and the success of publisher and firm. All interviews were held in 2010. The interview material was systemically coded and analysed using the computer program Nvivo. Open coding was used to examine and compare the data. A hierarchical code structure was developed, and then the codes were related to contexts, consequences and causes with the help of notes taken during the interviews (Corbin & Strauss, 2008).

This paper first discusses book publishing as a cultural-product industry and book publishers as cultural intermediaries. This is followed by an overview of the existing literature on the roles of place and face-to-face contact for cultural-product industries. After this, the concepts of trust and reputation, their definitions, and why they

matter in particular for cultural-product industries and cultural gate-keeping, are discussed. Thereafter, it is examined how place matters for the generation of trust, socialization and reputation in the Dutch book publishing industry, starting with the meso level of the local environment and then zooming in on particular localities. The paper ends with a critical discussion of the role of place for cultural intermediaries, and recommendations for further research.

Publishing as a cultural-product industry

The publishing industry is usually classified as a cultural-product industry: an industry that produces products and services that have a high symbolic and aesthetic content (Scott, 2004). This classification is useful but encompasses a possible danger: it may not do justice to the specificities of the sector and the various roles and tasks of publishers in the book value chain. As a consequence, it might give an incomplete or incorrect picture of the role of place in the book publishing industry and in cultural-product industries in general. Pratt (2005) notes that there seem to be important distinctions between cultural-product industries regarding product chain, network structures and relationships with markets. The present study paid attention to the particular production system of the publishing industry, yet recognized common characteristics of cultural-product industries, as well. Book publishing firms not only produce and exchange symbolic knowledge, but also perform a range of tasks and services. The book production chain should not be considered a unidirectional throughput: the creation of value involves a complex interplay in which publishers fulfil multiple roles and have to negotiate with and between authors, freelancers, editors, printers, booksellers, retailers, journalists and reviewers. It is in this multiplicity of networks that trust and reputation are of strategic interest.

Two characteristics of cultural-product industries are especially important when exploring the role of place for trust and reputation in relation to each of these roles of book publishers. First, cultural products and services are differentiated by their quality and uniqueness (Caves, 2000), and therefore no book will be the same. Second, the value of cultural products and services is primarily

subjective and it is hard to predict their success: no best-seller is certain (Caves, 2000; Currid, 2007). Because of those two conditions, the publisher has a crucial role in the making of meaning, and his or her reputation is vital in this process.

Place, face-to-face contact and cultural-product industries

Most studies on the agglomeration of cultural-product industries examine how place contributes to innovation and intellectual creativity within these industries. This literature fits within a large and rich body of work on social interaction and the exchange of knowledge in spatial agglomerations, and how this leads to innovation in firms, industries and regions (e.g. Jaffe et al., 1993; Feldman, 1994). The relation between place, cultural products and innovation is also implicitly present in Florida's (2002) work on the creative class, in which he suggests that innovation in regions results from attracting creative people. However, Florida (*ibid.*) does not specify how or in which instances interaction between creative people leads to new ideas. In order to make this relation explicit, it is important to look at cultural production systems rather than consumer preferences (Scott & Storper, 2009).

The exchange of tacit knowledge plays an important role in the literature on cultural-product industries (e.g. Brown et al., 2000; Scott, 2006; Currid & Connolly, 2008). In his study of the production system of the Los Angeles film industry, Scott (2004) shows that inter-firm labour migration and informal contacts between members of different firms increase the exchange of ideas and stimulate innovation. As in other knowledge-intensive industries, spatial agglomerations provide a local pool of specialized labour and facilitate face-to-face contact and the informal exchange of ideas. Face-to-face contact and geographical proximity are suggested to be important for innovation in cultural-product industries, because they facilitate learning and the exchange of ideas between cultural-product firms (e.g. Crewe & Beaverstock, 1998; Currid & Connolly, 2008). By just 'being there', people share information, gossip and news (Gertler, 1995). The unplanned coming together of gossip, ideas, advice and strategic information is considered to be extremely important in cultural-product industries (Crewe & Beaverstock, 1998; Asheim et

al., 2007). The 'local buzz' that results from the combination of face-to-face contacts and the co-presence and co-location of people and firms within the same industry and place (Bathelt et al., 2004), may lead to the exchange and development of new ideas. However, the importance of geographical proximity has been overrated in this respect and place is treated as a static concept and condition. To further develop our understanding of the role of place in buzz, the multiple dimensions of both these concepts need to be explored.

According to Storper and Venables (2004), buzz is the combined effect of various dimensions of face-to-face contacts. These authors distinguish four main functions of face-to-face contacts: as an efficient communication technology for exchanging complex, uncodifiable knowledge; as a generator of trust and incentives; as a main element in screening and socializing; and as a creator of psychological motivation (ibid.). Following the example of the literature on geographical proximity and technological spill-overs (e.g. Jaffe et al., 1993; Feldman & Audretsch, 1999), the literature on cultural-product industries and clustering has focused primarily on the aspect of face-to-face contact as a communication technology and the importance of local networks for the exchange of information. In contrast, the present study considered all four aspects. This paper shows that especially the generation of trust and screening and socialization are important to understand the role of place in Dutch publishing.

In recent years, a number of authors have questioned the importance of local networks for innovation. Bathelt *et al.* (2004) state that success in innovation is a result not only of the local exchange of knowledge, but also of a synergy between local networks and global pipelines. Boschma (2005) asserts that geographical proximity is neither a necessary nor a sufficient condition for innovation and should be assessed in relation to other dimensions of proximity, such as cognitive, organizational, social and institutional proximity. Sunley *et al.* (2008) stress that client relations and firm routines are far more important to innovation in design than localized inter-firm networks. They are critical about the role of 'spaces of places' (Castells, 1996) in generating ideas and stress the importance of virtual sources of inspiration as part of 'spaces of flows'. Research by Sunley *et al.* (2008) shows that the relationship between design firms appears to be mainly a competitive one. Moreover, Wenting *et al.* (2011) make

clear that, in the case of Amsterdam, urban amenities and social relations are also important reasons for designers to locate themselves in a city environment. Although these authors are correct in saying that the relation between geographical proximity, inter-firm networking and innovation may not be as straightforward as is often claimed, they seem to forget that place entails more than just geographical proximity and/or that knowledge exchange is not the only aspect of local buzz. The role of place for trust and reputation should be examined in a critical way, taking the above criticisms into consideration.

To do this, the present study not only looked at Storper and Venables's (2004) various aspects of local buzz, but also employed a broader conceptualization of geography and place. Agnew (1987) distinguishes three components of place: place as location, place as locale and sense of place. Hoelscher (2011) adds a fourth component: place as a social construct. While most studies have dealt with place as referring to absolute location – that is, geographical proximity – the present study also investigated the other dimensions. Place as locale (meeting places) adds the component of place as a setting for social relations, a point where activities, connections and interrelations intersect. Sense of place adds the aspect of emotional attachment to place: its look, feel and smell. Place as a social construct emphasizes that structural conditions shape the material environment as well as our understanding of this environment (Massey, 2005; Hoelscher, 2011).

Numerous authors have investigated how sense of place inspires cultural producers (e.g. Molotch, 2002; Drake, 2003; Hutton, 2006; Rantisi & Leslie, 2010). Molotch (2002) and Drake (2003) state that inspiration in design and advertising is the result of the physical and social environment and its look, feel and smell. Rantisi and Leslie (2010) looked at a wider range of cultural producers and found that physical and sensual incentives of place foster innovation and facilitate creative exchange in cultural-product industries. The compactness of inner-city areas (the inner city as locale) supposedly contributes to the generation and exchange of ideas (Hutton, 2006). Sunley *et al.* (2008) conclude that at least in the case of design the importance of place for inspiration has been overestimated. However, specific meeting places and the feelings attached to these places

contribute to the status and identity of publishers and their firms, rather than directly to their innovative capacities.

The project-based character of most cultural-product industries (Grabher, 2001) and the small number of formal contracts (Caves, 2000) make trust and reputation central in these industries. Heebels and Aalst (2010) state that place reinforces the reputation of cultural entrepreneurs and their firms, rather than provides them with inspiration. Moreover, specific meeting places are supportive in building relationships of trust. While reputation mechanisms are crucial in the cultural field of books, trust is essential in a publisher's vertical relations up and down the value chain. According to Asheim *et al.* (2007), cultural-product firms predominantly exchange crafts, practical skills and cultural meanings (which the authors call symbolic knowledge), and therefore it is important to be aware of trends, habits and norms in the respective cultural field. The present paper shows not only that cultural meaning is exchanged at certain localities, but also that both cultural meanings and place are continuously created/ recreated. Places are shaped in the processes of building relationships of trust and establishing a reputation, and vice versa.

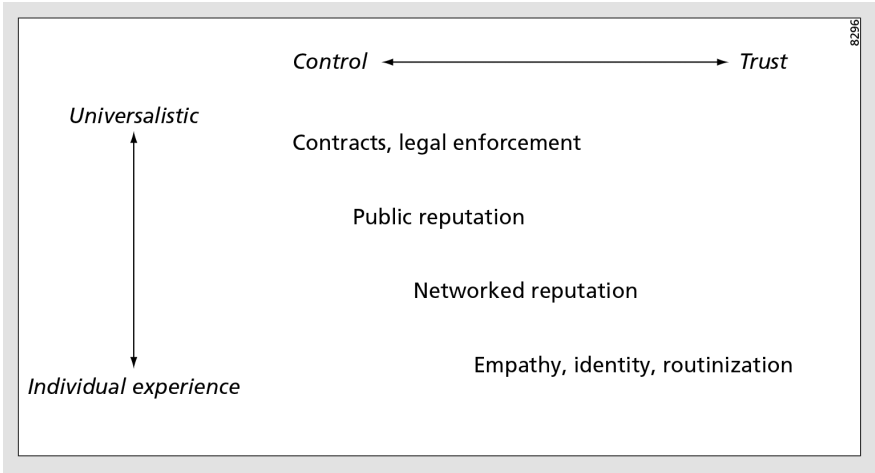
A closer look at trust and reputation

The concepts of trust and reputation are much debated (e.g. Castaldo *et al.*, 2010; Fillis, 2003). For this study, trust was defined as an expectation that a subject will have the competences and goodwill to perform future actions that are aimed at producing positive results for the truster in a specific social structure, whereby situations of consistent uncertainty are temporarily reduced and bracketed. This definition is in line with Nooteboom's (2006) concept of trust, in which trust consist of two elements:

- competence trust: trusting someone's ability to live up to certain expectations;
- intentional trust: trusting that someone will commit him-/herself to perform to the best of his/her ability and will not act opportunistically.

Control and trust have a reflexive relationship and support each other. With formal contracts and agreements, for example, trust and control are both a prerequisite and a result. Figure 4.1 presents a trust/control continuum from opportunity control through contracting, to altruism as a source of positive expectations (inspired by Nooteboom, 2002, 2006, 2007 and Möllering, 2005). Altruism as a source of positive expectations can be based on empathy, routinization and/or identification and entails relation-specific trust. Empathy means knowing and understanding how the other thinks and feels, and calls for mutual openness and the acceptance of control by others. Identification-based trust goes even further and encompasses people thinking and feeling the same way and sharing world-views. When there is routine-based trust, people continue to work together with partners they know and who have not let them down in the past (Nooteboom, 2006).

Figure 4.1. Sources of positive expectations.



In the midst of the trust/control continuum, reputation mechanisms, dependence relations and social institutions – such as values, social norms of proper conduct and moral obligations – provide positive expectations. In this study, reputation was defined as the general conception of a person’s or firm’s competences and integrity within a social network/community, based on past performance, public representation and interaction with members of this network/community. Reputation is based on an individual’s or a firm’s past performance (Shane & Cable, 2002). In this respect,

reputation differs from the related concept of image ('a simile, metaphor, mental representation, an idea or a conception'; Fillis, 2003, p. 239), which does not necessarily relate to past performance. Glückler and Armbrüster (2003) correctly state that reputation comprises a public and a networked component: networked reputation takes shape at the meso level of networks and communities and requires a dense social network. This component of reputation is closely linked to socialization. One may decide to work with somebody on the basis of his/her reputation within a social group, and after meeting/communicating with each other a number of times, a professional or even personal relationship will start to develop. In the creation of art and cultural products such as books, information is highly context dependent and cultural meaning-making occurs through professional communities and/or cultural scenes (Di Maggio, 1987; Thornton, 1997; Currid, 2007). In such communities, people are no longer anonymous and a continuous process of judging and being judged takes place. Caves (2000) emphasized that due to the 'nobody knows' principle of cultural products, gatekeepers or certifiers are of extreme importance for the value of these products: they can make or break a product and its creator(s). Publishers as cultural intermediaries in the book industry are at both ends of the equation: they function as cultural producer and cultural gatekeeper simultaneously and networked reputation is crucial to their functioning.

Public reputation is based on information that is known to everyone and has a general, anonymous source. This component of reputation is diffused by the media and is not based on individual experience. This component is closely related to image, namely the way in which someone or something comes across. Fillis (2003) mainly refers to this kind of reputation, and this is also how reputation is discussed in the corporate reputation literature (e.g. Bennett & Kottasz, 2000; Christensen & Askegaard, 2001; Gotsi & Wilson, 2001). Whereas the corporate reputation literature deals with responsibility to and credibility among end consumers, in publishing it is mainly about credibility in the eyes of authors, journalists, reviewers, colleagues and editors. Drake (2003) states that place can function as a brand and can influence a firm's or an entrepreneur's public reputation. Sense of place may therefore play a role by influencing the image of publishers and their firms, and thus also the general opinion of them.

This form of reputation is more superficial and may in some cases function as a veil which may not only cover what is underneath but also considerably differ from it.

Judging, being judged and the local environment

Inner-city Amsterdam as a feeding ground

How does the local environment play a role in trust and reputation building and the process of judging and being judged in the Dutch book industry? Is it important for a publishing house to be located in the Amsterdam region or within the *grachtengordel*? Amsterdam can be considered the cultural centre of the Netherlands. It hosts a concentration not only of publishers but also of authors, journalists and people in other cultural sectors (see also Deinema & Kloosterman, 2010). Overall, publishers in Amsterdam perceive it as convenient that these actors in the world of books are geographically close. The presence of the world of publishing within Amsterdam's confined *grachtengordel* also stimulates the coming together with authors, potential authors, journalists, colleagues and editors. Moreover, it makes it easy for publishers to keep up with what their colleagues and competitors are publishing. Two publishers whose businesses are located within the *grachtengordel* stated that:

When I started working in Amsterdam, I noticed that place really does matter. A great many people we deal with are living and/or working in Amsterdam. It is easy to make appointments ... you simply run into people. Like, if you were to step outside right now and bump into somebody It is, thus, an informal network of people who ... well, who you share information with. (P6, Amsterdam)

If you go over to Raymond's Deli, which is quite nearby, to pick up a sandwich, you will also run into people from other publishing houses. And you might have just seen them the evening before at a Libris dinner. (P12, Amsterdam)

For publishers of Dutch literature, informal local contacts are instrumental in finding new authors and acquiring content:

If you are located in Amsterdam, it is also easier to make contact with potential authors at receptions and such; for instance, you run into someone – “wouldn’t you want to write something about this and that?” They might be journalists, historians, all kinds of people. (P4, Amsterdam)

I have a wonderful house in France, but I would not even think of starting up a publishing house in the French countryside. That’s not what you should do. That is because a publishing house has to be nourished – like cattle going to their feeding troughs in the meadow, they know where to go for their food; and people who want to get published come here. Because they work for newspapers or weeklies, they are all located here too. So the ones writing for the press as well as people who write background pieces are working here or even living here. (P12, Amsterdam)

What is remarkable in this respect is that, precisely for these reasons, a leading literary publishing firm located outside the Amsterdam region, established a pied-à-terre within the *grachtengordel* when it started to publish more Dutch authors. This publisher developed a good public reputation by establishing a strong list in foreign literature and consequently became part of the Dutch literary world, which made it possible to also publish Dutch literature. While all other publisher houses that are successful in terms of literary awards are located in Amsterdam and are either houses with a long tradition in publishing or are founded by publishers who worked at one of the established houses, this publisher succeeded in breaking into this quite closed community and win literary awards, as well. Moreover, finding authors indirectly is instrumental in acquiring quality manuscripts. Moreover, the networked reputation of authors and publishers, their positive reputation within the small circle of colleagues, journalists, authors and potential authors attracts more authors from this inner circle:

And that’s how – through each other – they expand their network. One person knows somebody else who enjoys reciprocating, so you make yet another acquaintance. You always hope for a favourable cross-pollination, though that does not necessarily have to occur. But one of the most important points of networking is that you always get tips from your own authors; they know people or are approached by people who say something like, well, would you be willing to take a look at this? And in that way you actually draw in others; or rather, that is one of the most fruitful ways to build networks – around your own people, around the people you are already publishing. Often, that

generates something of substance. You approach a certain author – “I think your work is great; would you mind taking a look at this?” It is precisely through that combination that things come in to me, things of which I think, now this is really worthwhile. (P1, Amsterdam)

Close communication prevails over place in promoting books

It can also be advantageous to be in Amsterdam when it comes to bringing books to the attention of reviewers and other media gatekeepers. Most of the media relevant to book publishers – namely the leading newspapers and magazines, and TV and radio broadcasts that pay attention to books – are located in Amsterdam. Publishers located both in and outside Amsterdam state that it is important to be in Amsterdam for their press contacts. According to some publishers, casual meetings and ‘dropping by’ are important because bringing books to the attention of media gatekeepers should not come across as being too pushy. The confined environment of the *grachtengordel*, which people walk or cycle through, makes it easy to encounter people from the media in a casual manner or to pay each other a quick visit. Other publishers, however, consider being physically close to the press as nothing more than convenient. Getting a book discussed in the media is a matter not only of publishing an interesting book, but also of knowing the right people. ‘Know-who’ is crucial, but this does not necessarily mean that geographical location is important. A publisher in a newly established Amsterdam publishing house said that while being located within the *grachtengordel* is not that important, she profits from having been active in literary publishing for a long time. “Knowing the right people” helped to establish credibility in her new firm and new books.

The importance of informal press contacts and casual meetings within the *grachtengordel* should not be overestimated. Formal press contacts are just as important as informal personal meetings. For the promotion of books, being part of a publishing conglomerate with a professional press department may be more helpful than being located in Amsterdam. Finally, the increasing importance of best-sellers in recent decades has led to the decreasing importance of good reviews in the quality newspapers. Such reviews may help to turn a book into a best-seller, but promoting the author on television or in

other popular media (e.g. the Internet) is a better way to reach a large audience.

Place employed for socialization rather than co-location and trust

Banks *et al.* (2000) and Currid (2007) explicitly link the establishment of trust to co-location and clustering. The present study found, however, that in the case of Dutch book publishing the importance of having premises in Amsterdam is not decisive for the development of trust relationships with either authors or booksellers. Although Amsterdam has the largest concentration of bookshops and is home to many authors, co-location does not play a significant role in creating mutual trust. Publishers specifically underscore the importance of visiting bookshops throughout the country. Face-to-face meetings are important, but they take place all over the Netherlands. Nor does a firm's location matter in its relationship with authors. Publishers in Amsterdam consider it convenient that authors can easily drop by, but being located in Amsterdam is not crucial in their relationships with authors:

What really matters, after all, is the personal contact with those authors. Either that personal contact is good or it is not good. (...) The authors usually come see us here, but if we were to be located in Bunnik or on an industrial estate, then that meeting could also be in a bar in Utrecht or I would drive to Amsterdam. (P9, Amsterdam)

The local environment within the *grachtengordel* does play a role in screening and socializing and in establishing and maintaining a reputation as a publisher. Currid (2007) has recently shown that being in the same geographic space as those people who are important for valorizing your product, may help in getting them to notice and like you. Currid perceives place primarily as locale, and shows that downtown New York and particular localities within it are important sites for cultural workers to meet with media gatekeepers and key players in the field. For publishers, in their double role as cultural gatekeepers and producers/promoters of cultural goods, Amsterdam is especially important as a meeting site and feeding ground where they can acquire content, that is, find new authors. The local environment also plays a role for the promotion of books towards media gatekeepers, but the importance of informal meetings

on the street should not be overestimated. Rather, the process of place/sense of place shapes the identity and reputation of publishers (and other cultural gatekeepers) and occurs both in and outside the Amsterdam agglomeration. The relations between the local environment and establishing and maintaining reputation is reflexive and based on the process judging and being judged but also involves the creation of an organizational myth of publishing (Meyer & Rowan, 1977) as we shall see.

Local environment employed as brand

Although Amsterdam as a meeting place is especially important for socializing for publishers of Dutch literature, the look and feel of place contributes to the reputation of all Dutch publishers and their firms. This primarily involves the public reputation component. This is in line with the ideas of Drake (2003), Hutton (2006) and Heebels and van Aalst (2010), who state that the urban landscape and the historicity of the built environment exhibit a sense of belonging and shape part of a producer's identity and image and contribute to his/her reputation. A location within the *grachtengordel* accords prestige to publishing firms. Moreover, publishers in Amsterdam relate to the city's history as a book centre: it has been a book centre for centuries and some firms have been located within the *grachtengordel* for over a hundred years. The environment is part of the firm's identity and contributes to the reputation of both the firm and the publisher among authors and agents and publishers from abroad.

Amsterdam has always, back in the sixteenth and seventeenth, eighteenth century too, been a city where things like freedom of the press have been natural. Things that were prohibited elsewhere were printed here. You carry that tradition along with you and one way or another it plays a role. (P8, Amsterdam)

Foreign writers with a Dutch publisher expect that publisher to be located in Amsterdam. (P9, Amsterdam)

However, publishers do not only employ the specific urban environment of Amsterdam to enhance their public reputation: other publishing places can be and are created. Publishers outside the city

also refer to the history of books in their environment, while others even derive part of their identity and reputation from being located in another city:

Foreign writers with a Dutch publisher expect that publisher to be located in Amsterdam. I myself was in Nieuwegein, though in fact Nieuwegein had no tradition whatsoever in the book trade. At that point, I started to look a little further afield. I preferred to move closer to the scene around Baarn and Hilversum – and I settled on Soesterberg, as nearby Soest and Baarn and their surroundings have traditionally been a publishing region. The hills of De Heuvelrug are originally publishers' territory too. (P21, Outside Amsterdam)

Almost every publishing house will say: if you are building up a list that is strictly literary, then Amsterdam is the place to be. (...) But it doesn't make much sense to compete with a house like Bezige Bij. That would be a losing battle, they're in a different league. They have more money and a much better reputation than we do and you just can't beat them. And it would simply be too ambitious. So Rotterdam is actually pretty good, and I feel it suits our publishing house. Rotterdam is a city of (...) "no nonsense; hey, roll up your sleeves," as we say here. To be active, to want something different and stop at nothing – that kind of goes with this city, and I want to put that into practice in the publishing house. And there is also an advantage: when you say that BBNC comes from Rotterdam, some people find it amusing because it breaks the cliché of being in Amsterdam. And our site here is really rather unique. There are other attractive, unique sites, don't get me wrong, but this is surely a very special setting. So it is an eye-opener to people who come visit us here, and we are learning to exploit that feature. (P20, Outside Amsterdam)

Zooming in on localities and their role in socialization and reputation and trust

Localities as sites for socialization and establishing a reputation

For socialization and reputation building, place also matters at the scale of specific localities. Fixed meeting places in the Amsterdam cluster are only a part of the story; dynamic meeting places created both in and outside the city are also important for socialization and reputation building. Currid's (2007) emphasis on third places in the

process of judging and being judged no longer applies to the same extent to the Dutch publishing scene. Although number of bars within the *grachtengordel* – such as the traditional writers' cafes Café Zwart, De Pels, De Doffer, and Luxembourg – function as places for socialization, publishers stated that bars are not as important as they used to be, and that the image of a publisher or an author as a barfly is an incorrect cliché.

There are authors who frequent certain bars. Quite close by, literally a stone's throw from here, you have a bar called Café De Zwart, and there is a sizable group of authors who go there a lot. But I also know of countless authors who go to great lengths to distance themselves from it. My own partner, well, you will never, but then never ever, see him in Café De Zwart, absolutely not. (P12, Amsterdam)

Not that we are continuously in the bar every day, or at a restaurant, but it is a profession in which you often have engagements outside office hours. And then, if you have to go to a lecture in the evening anyway, then obviously you also go out for a bite to eat beforehand. Maintaining social contacts is an important part of the job. (P8, Amsterdam)

There was a group of people who would be sitting together in that establishment (in Café De Zwart) and they would be drinking very heavily. I have never had much interest in that scene; I think it is far more logical to go to literary evenings, if that interests you, to show your face there – to go to meetings held in Spui because there are discussions that you consider important; to go to the Rode Hoed because there you find discussions that make you think, hey! And then preferably to see authors or to take authors along when an important book has been published here. (...) That is also how I maintain a network myself. As long as I am there anyway, I also talk a while about plans, or about things I have done, and so forth. So that's how you keep it up. Informal contact does not necessarily have to take place in a bar. (P1, Amsterdam)

In addition to third places, the publishing house also functions as a meeting place for publishers and writers:

We regularly give presentations here in house. And that is naturally the advantage of a monumental canal house like this – they always have elegant period rooms where you would not very likely go sit down to work. (...) All those houses have what were formerly, in many cases, garden rooms or libraries and these have often been maintained as such by the owners. Obviously, it is truly monumental inside; of course, it is a listed monument;

and it lends itself quite well to holding receptions, which naturally makes for enormous savings on hall rentals. And if there is a presentation, then you let your other authors know about it. (...) In that way, they get to know one another and so naturally from time to time they can give each other some support. (P1, Amsterdam)

Localities and the generation of trust

When one looks at specific localities and their role in trust, socialization and reputation, one finds that place does matter in creating relationships of trust with authors and booksellers. Whereas geographical co-location does not play a role in creating a relationship of trust, the meeting place does. In the interaction with authors, whereby the publisher functions as coach and co-developer, it is important to develop identification-based trust, or at least empathy. In the interaction with booksellers, routine-based trust is more important, although empathy and identification-based trust can, of course, also develop.

Whereas face-to-face contact on a regular basis is important for empathy, the meaning of place is different for identification-based trust and routine-based trust. In the case of empathy, the relationship between publisher and author is complex, because a publisher functions as both coach and co-creator and uses place differently in these two roles. Face-to-face contacts are important for emotional support/coaching, for creating the feeling of being part of a joint project and for content-related discussion. As regards such discussions, most information is exchanged by email or over the telephone, but meeting face to face can be productive on some occasions; for example, it is useful at the beginning of a cooperation to align ideas and expectations, it helps to solve disagreements and it is efficient for consultations with multiple parties, for instance when discussing a cover design with the designers. In these cases, the publishing house often functions as a meeting site, because this is practical, but sense of place is of minor importance here.

Supporting authors and stimulating their writing process mainly involves trust in intentions, and here, identification, or at least empathy, is crucial. When a writer has problems, whether personal or in relation to writing, his or her publisher is there to help. By being there and through a combination of verbal and non-verbal

communication, the publisher signals to the author that 'we're in this together'. The creation of a cultural product is a very personal matter and it is important that authors feel that they can share their ideas and troubles with their publisher:

At the most abstract level, I think I am a psychologist and psychiatrist for 70 per cent of the time and a publisher for 30 per cent. Of course, you have to talk to people a great deal. Essentially, a book is something special. To me, the same is true of a piece of music. The two have a lot in common; a creative process is something, well something different; writing is special. (...) Look, we are not in the business of nuts and bolts, we are dealing with a product of the mind. (P14, Outside Amsterdam)

In this respect, it is important that authors feel comfortable with their publishers and at home in their offices. Publishers realize this and do their best to make their establishments as cosy and welcoming as possible:

It is a little like creating a nest for writers, and that's just what we do. This is also symbolic, in the sense that it is actually a house, a publishing house. What is a publishing house? It is a collection of individuals, a list. But how does it materialize and take on some form? Well, it takes shape when people feel that it partly belongs to them too. It is our house. And you radiate that sense of belonging a little more convincingly in a canal house, for sure ... it feels rather family-like. (P10, Amsterdam)

As a matter of fact, we just happen to be sitting in a thatched cottage, you might say. It is a bit more romantic here, and I have the feeling that an author would feel at home here. Stepping inside, the author will immediately see that books are what it's all about. (P21, Outside Amsterdam)

We wanted to have a book house, a fine elegant building, to have an apartment where authors can work and sleep. Where they can work together with the editor. (P18, Outside Amsterdam)

Publishers do not employ place in establishing routine-based trust with booksellers. To maintain a good relationship with booksellers and to increase the chance that they will put your books on their shelves, it is crucial to keep in contact. The most important meeting site with booksellers is the bookshop, as by going there publishers show that they have made an effort:

Seeing somebody is worth a dozen phone calls. They think, "You are taking the trouble to come to us, taking the time." Even if it is just for five or ten minutes. And a disgusting cup of coffee, though I must admit that the coffee is better now than ten years ago. Well, so, whether it's on Texel, Terschelling or in Delfzijl ... you have to show your face.
(P17, Outside Amsterdam)

The relationship with booksellers can remain quite businesslike, however. In their research on publisher–bookseller cooperation, Kaye and Johanson (2007) found that publishers and booksellers referred to their relationships as partnerships, indicating that personal ties are important, but can stay business oriented. In addition to getting books into the shop, the relationship with booksellers is valued because they can give advice as trade colleagues on such matters as book design. Here sense of place is of minor importance.

In contrast, sense of place plays a crucial role in the generation of the identification-based trust that is necessary for coaching and emotionally supporting authors and making the creation of a book a joint project. Whereas the publishing house is important for coaching, 'third places' (Oldenburg, 1999) are crucial for creating a feeling of being part of something together. Third places are public places outside the sphere of working and living where people meet informally; in this case, these places are mainly bars and restaurants. Third places play an important role in establishing a personal relationship with authors and making them feel part of a joint project. Celebrating the completion of a book with the author by dining together or giving a book presentation is an important event. This stresses both the capability and the intentions of the publisher; it makes the accomplishment a shared experience. And when meeting an author for the first time, most publishers prefer to buy the author lunch in a local restaurant or bar rather than merely provide coffee at the office. Here, it is an advantage to be located within the *grachtengordel*, because it offers many such meeting places. However, publishers outside the city indicate that they have enough appropriate meeting places in their vicinity. They sometimes travel to Amsterdam for book presentations, but they mostly have a couple of favourite places where they meet writers and can make them feel appreciated:

Quite often I arrange to meet in Amsterdam, for instance, and then I combine the meeting with something else. And what I also do with authors once in a while – something they really enjoy – is to go out afterward to dine here, in the Brasserie Lekker Puh. That is what I usually do when, say, something has been successful. To celebrate something. (...) Not long ago we spent four hours there – with champagne, with wine and with very tasty food. What I do then is have the kitchen prepare a dish of ice cream decorated with the title, for instance. It almost brings tears to their eyes! (P19, Outside Amsterdam)

Publishing house as brand

The look and feel of a publishing house are also important for a publisher's public reputation. According to the publishers who are located within the *grachtengordel*, the monumental canal houses signal distinction and professionalism, and relate to a long tradition of books. This is no different for publishers outside Amsterdam, most of whom are also located in stately buildings:

People come here and look around and say, my my, how stately it looks here ... after all, the impression it gives is important, as it demonstrates how attractive you are. And indeed, it is something you can put to use when you try to cultivate a particular discerning taste, because ... well, face it, from a purely economic point of view, the publishing houses differ little from one another. (...) A canal house does create some sense of tradition – and let it be said that we are not such a traditional publisher – but yes, it does give a sense of ... it actually does radiate something. (P10, Amsterdam)

Publishers said that they do not feel the need to be located in a monumental or chic building, but did emphasize that their premises should be tasteful and have their own identity. Although publishers do not deliberately plan their micro environments, most consider the appearance of their buildings important:

A fine stone plaque was mounted on the facade when the publishing house had been in existence for a hundred years. This is part of the myth of what a publishing house should be – a little ramshackle, books everywhere, wooden floors, low ceilings. A canal house of sorts. It is up to me to cultivate that myth. When authors come here to visit they say, "Hey, a real publishing house." But I don't make a conscious effort to do so, I just carry on with the way things have been. (P9, Amsterdam)

From fixed third places in clusters to dynamic meetings in hubs

The above indicates that publishers (whether deliberately or not) create places and that this simultaneously occurs at specific localities both within and outside Amsterdam and on the meso level of inner-city Amsterdam. In addition, temporary publishing hubs such as the Frankfurter Buchmesse and its various stands are of increasing importance to publishers. Such events enable casual meetings with authors, potential authors, colleagues and members of the press. Although these meeting places are partially in the work sphere, they also have the character of informal get-togethers and leisure events. Most of these events take place within the *grachtengordel*, but each event has a different venue:

And after work there are the bars and restaurants, and you obviously have plenty of choice. Although, we are not all, shall we say, real hard-core bar flies. It used to be worse. Before, that was very common around Spui, at – what’s the name again? – Café De Zwart. However, it was mainly the old guard who used to go there, and maybe they still do a little. But they still often go out for lunch at Café Luxembourg. That’s where you will always find many publishers. And at societies such as Arti. But again, it is the older publishers who go there, not the youngest – they have their own groups such as Witteveen, though not just one location. While that group started out in the Grand Café Witteveen on the Ceintuurbaan, now they keep finding different locations. Young people in publishing who make contact with each other want to discuss things about the book trade and often ask professionals to tell them about the industry. (P4, Amsterdam)

A number of inner-city locations are often employed to host such events. These places to some extent resemble Florida’s (2010) ‘fourth places’, namely flexible places that have more working facilities than third places and are used by entrepreneurs as meeting sites. Moreover, in promotion and marketing, third places are being superseded by virtual places, as publishers tentatively start to make use of social media. According to Bathelt and Turi (2011), virtual interaction is the primary form of interaction between some actors in some situations. These authors hypothesize that some knowledge exchange in projects can be done virtually; they provide the example of Grabher’s (2001) project collaboration in the advertising industry,

which shifts from co-location to virtual work settings. In the Dutch publishing world, virtual environments are not yet used for knowledge exchange in projects; they are used only marginally for socializing and involving consumers in the process of judging and being judged. This might well change in the coming years.

However, international book fairs such as the Frankfurter Buchmesse and the London Book Fair are important spaces for publishers for both casual and planned meetings. In the case of translated books, it is crucial for publishers to be part of international networks of publishers and agents in the same genre/market niche. Face-to-face meetings are essential to keep these contacts warm; such meetings happen at international book fairs or during personal visits. Amsterdam does not host an international book fair, and therefore does not play a significant role in these international networks:

I go to London, every year; to Frankfurt, of course every year; and sometimes to Turin as well. That is ... Frankfurt and London in particular are essential ... to sell our foreign rights, to find out what the others are doing, if they have things of interest to us; after all, it is a rights fair. And to get the latest word from colleagues ... say, "we have just started working with a new author and the arrangements are not ready yet, but as soon as they are firm would you be interested or not?" To hear things in time from publishers with whom you have good contact, because they are working in the same segment as you are. Brotherhood of the same thoughts. You don't want to bother with the very commercial publishers of thrillers because we have nothing to offer them and they have nothing for us. (P7, Amsterdam)

Although fixed places, which are primarily in Amsterdam, remain important, temporary events are also important publishing hubs and in the near future, virtual places may be as important. This finding is in line with Borghini *et al.* (2006) and Malmberg and Maskell (2006), who show the importance of trade fairs for knowledge exchange and additionally stresses that book fairs are employed in the process of judging and being judged.

Conclusions

Amsterdam has been the most important centre of the Dutch publishing sector for many centuries, but is no longer important in

the sense of a traditional cluster. Geographical proximity is neither a necessary nor a sufficient condition for success in publishing. This does not mean, however, that place does not matter in the publishing industry. If one perceives place not just as a location but also as a locale that exhibits meaning and as a social construct, one sees that place is important on multiple levels of scale in supporting social interactions and exhibiting feelings of trust. Whereas it is of minor importance for a publishing firm to be located in Amsterdam, publishers in Amsterdam interact locally with other publishers, editors, people from the press, booksellers and – last but definitely not least – authors. In this interaction, place is deployed and shaped to contribute to a publisher's reputation within the cultural field and to his/her relationships of trust within the value chain. Moreover, public or networked reputations within the field shape the conditions for relationships of trust within the value chain. This happens in specific localities both within and outside the *grachtengordel*. Non-representational studies on cultural-product industries and place have recognized multiple dimensions of place, but they have primarily emphasized how sense of place imparts identity and inspiration to cultural producers (e.g. Molotch, 2002; Drake, 2003). The present research, however, shows that place – at the level of both the building and the urban landscape – has a crucial role in exhibiting reputations and trust, rather than in being important for inspiration. The role of the local environment provides partial evidence to support Hutton's (2006) and Rantisi and Leslie's (2010) ideas on how built structures enable casual meetings. The *grachtengordel* facilitates easy encounters and, as such, contributes to socialization within the world of books. Many people who are active in literature live in Amsterdam, and this further enhances meeting opportunities. Although opinions differ on the importance of such street encounters with colleagues and the press, publishers agree that the area within the *grachtengordel* plays a significant role when scouting for talented Dutch authors. It also functions as a brand and contributes to the public reputation and identity of Dutch publishers, which is in line with Molotch's (2002) idea of place in product. The urban environment and its image are (re)constructed by publishers as subjects to enhance reputation, this crucially differs from the idea of the urban environment as object that enables inspiration or stimulates meeting opportunities. Moreover, the social construction of the inner-city not only relates to the process of judging and being

judged and the strengthening of networked reputation and trust, but also involves the (re)creation of a publishing myth.

When zooming in on the use of specific localities, place does matter for both socialization/reputation and trust. Although third places within the *grachtengordel* function as meeting sites for authors, editors, publishers and media people, it is important to note that:

- a) These meeting places are important not only as informal meeting sites and places of socialization, but also for planned meetings with authors to strengthen relationships of trust.
- b) These meeting places are not only in Amsterdam: publishers outside the city create their own meeting places.
- c) Second places (i.e. publishing houses) are also important places to meet.
- d) In addition to these fixed places, temporary meeting places – such as book fairs and other literary events – are crucial.

Another important finding of this study is that place-making and sense of place play an important role in the generation of trust between publisher and author. While being at a certain location is not facilitate the generation trust as Banks *et al.* (2000) suggest and is not an advantage per se, places are employed to build trust. To create identification-based trust, publishers emphasized that writers should feel at home in publishing houses. Moreover, identification and a 'team feeling' are strengthened by visiting certain local bars and restaurants. Although Sunley *et al.* (2008) state that place has only a small role in innovation and inspiration in design, place can be important for creating new ideas in publishing, albeit not through local proximity in clusters and in a more indirect way than through inspiration from the physical environment.

This study shows that cultural meaning in Dutch book publishing is not created only in the Amsterdam agglomeration: value is created in many places, including virtual ones. Amsterdam functions as a brand and signals tradition and quality to publishers, agents and authors internationally. However, Bathelt *et al.*'s (2004) idea of 'local buzz–global pipelines' does not apply to the inner city of Amsterdam as such. International contacts and contracts are important for publishers, and they use international book fairs like Frankfurt and London as convenient, temporary meeting places.

The importance of reputation and status is evident for publishers as cultural intermediaries who have to deal with trust and control in an ever-changing environment. It would be interesting to see the extent to which these findings are applicable to other cultural industries. Moreover, the role of virtual places is an interesting new field of research (Bathelt & Turi, 2011), as social media may affect processes of judging and being judged in cultural industries and the role of place in this. This study explored the role of various dimensions of place and of social networks for cultural intermediaries and for the creation of cultural meaning. Without telling another cluster success story, it shows that place/sense of place matters for identification-based trust and public and networked reputation in publishing. Future research should further investigate the various aspects of reputation and trust, and how these are created and destroyed, and further examine the role of place as a social construct in cultural meaning-making.

5. Social networks and cultural intermediaries: the multiplexity of personal ties in publishing

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Abstract

Whereas most research on social business networks applies quantitative methods to examine the structural aspects of networks, the present study used in-depth interviews with Dutch book publishers to explore the relational aspects and motives for the formation of personal ties. To book publishers as cultural intermediaries, dealing with a mix of ties that range from professional to private is essential for the creation of cultural value. Informal networking is not primarily based on sociality ties and mutual exchange, as is often assumed; instead, publishers use informal contacts to keep an eye on each other, they share communalities with authors in more private settings and they exchange specific content in more formal ways. Personal ties involve different loyalties and motives, and this increases tensions between career and firm and culture and commerce. These tensions indicate that sociality ties are not the only mechanism behind the clustering of cultural product industries.

Introduction

The structure of social networks is an extensively studied subject in economics and organization sciences. Most of this research is quantitative in nature and provides an insight into the structural aspects of networks (Borgatti & Foster, 2003; Jack, 2010). Many studies have examined the importance of strong and weak ties (Granovetter, 1973) and of bridging and bonding ties (Burt, 1992) in business networks, but less is known about the relational aspects or the multiplex motives for the formation of personal ties. Qualitative research is needed to examine the relational and affective dimensions of different personal network ties (Jack, 2005; Daskalaki, 2010). This paper adds to the existing knowledge by presenting a qualitative exploration of personal ties in book publishing, a sector in which multiplex network ties are fundamental to the creation of cultural value. Publishers function as cultural intermediaries between authors, designers, booksellers and the press. They must simultaneously stimulate creativity and implement this creativity into a product that sells well, and this calls for different network ties.

This paper contributes to the understanding of personal network ties in three ways. First, it provides an insight into the motives and affective nature of personal ties and moves beyond the strong versus weak ties dichotomy. Second, it shows that personal ties are not always positive and are never neutral. Rather than measuring the strength of ties by the amount of time invested and focusing on the 'neutral exchange' of knowledge through these ties, we looked at the qualitative nature of publishers' personal ties in order to deepen our understanding of the diverse loyalties in different network ties. Third, the paper shows how the multiplexity of personal ties amplifies tensions between career and firm and between culture and commerce in the book publishing industry.

We investigated publishers' strategic use of different personal ties in and between book projects by means of semi-structured interviews with the head publishers of publishing houses that are active on the Dutch trade book market. In total, interviews are held with 21 respondents of which the majority (18) was director of a publishing house and active as a publisher-editor. Their publishing houses were amongst the main producers of trade books in the Netherlands, had

won literary awards or were established in the last decade. These included both independent publishing houses and publishing houses part of a conglomerate (see Appendix B for an overview of the interviewees and their firms). Only publishers who had participated in one of the main book fairs were interviewed, in order to exclude hobby publishers, who function less as cultural intermediaries. The interviews all regarded the role of face-to-face contacts for the relationships (horizontal/vertical/diagonal) and reputation of publishers and their firms, the publishers interviewed were asked to identify the most important contacts for the firm, their main relationships and the nature of these relationships. All interviews were held in 2010. We analysed these interviews by developing a hierarchical code structure and relating codes to contexts, consequences and causes with the help of notes taken during the interviews and throughout the analysis (Corbin & Strauss, 2008). The final coding distinguishes between different personal ties for each key contact by using Grabher's (2004a,b) categorization of network types.

In the following section, we discuss the literature on social networks, with a focus on cultural product industries. We argue that we need to extend our knowledge of the strength of ties with more understanding of the motives, loyalties and affections behind personal ties. We then examine how book publishers as cultural intermediaries use personal ties for different reasons, and how the commercialization of publishing leads to a move towards both more personalized ties and more business ties. We end the paper by discussing the importance of recognizing different ties in studying networks, and making recommendations for further research.

Social networks and the nature of personal ties

In his seminal paper on the problem of embeddedness, Granovetter (1985) argued that to explain economic behaviour, the social context must be understood. Networks of interpersonal relationships are crucial when doing business. These networks generate trust, prevent wrongdoing and facilitate the exchange of information and knowledge. Granovetter's idea of embeddedness has led to many studies on social networks and the role of social relationships in doing business (Borgatti & Foster, 2003; Grabher & Powell, 2004; Jack,

2010). The economic literature on networks is predominantly quantitative in nature and focuses on the structure and strength of networks between organizations (Grabher & Ibert, 2006, Daskalaki, 2010). Following Granovetter (1973), many authors distinguish between strong and weak network ties: strong ties are based on mutual experience and the development of shared norms and values over time, while weak ties are more ephemeral and less intense with respect to emotional attachment and the time invested. Although the strength of ties refers to their affective nature, most studies have measured tie strength only in terms of the amount of time invested (Jack, 2005, 2010). The emotional intensity and intimacy of ties and the reciprocities exchanged have been much less frequently dealt with.

The literature on social networks in cultural product industries includes a large number qualitative studies that dealt more extensively with the emotional intensity and intimacy of ties. Many of these studies stressed the importance of informal networking and the interplay between personal and professional networks in geographic clusters (e.g. Crewe & Beaverstock, 1998; Banks et al., 2000; Scott, 2004; Currid, 2007). Strong ties within a local milieu are considered necessary for developing trust, reducing risk and stimulating interactive learning (Banks et al., 2000, Bassett et al., 2002). This concurs with the broader economic geographic literature, which shows that strong personal ties and trust are vital to inter-firm knowledge spill-overs in clusters of knowledge-intensive firms (Grabher & Ibert, 2006). By contrast, weak ties are perceived as essential for building credibility within the industry community and cultural field, and for coming up with new ideas (Currid, 2007). Although these studies showed the importance of personal ties for developing trust and reputation in cultural product industries, they mainly focused on the prevalence of either weak or strong ties, and the motives behind these networks are explored only marginally.

Moreover, networks on the scale of individual actors are often uncritically seen as taking place on the organizational scale, and the relation between individual and firm has seldom been discussed (Grabher & Ibert, 2006). The literature on entrepreneurship and social capital focuses on individual actors and deals extensively with the influence of social network ties on entrepreneurial learning,

creativity and performance (Borgatti & Foster, 2003; Jack, 2010). Most of these studies emphasized either the importance of strong ties in line with Coleman's (1990) idea of bonding social capital, or the importance of weak ties following Burt's (1992) idea of bridging social capital.

It is important to pay attention to the relation between entrepreneurs and the organizational structures in which they are embedded. The relation between individuals, projects and firms is vital particularly in cultural product industries, because organizational structures tend to be more flexible and dynamic (Caves, 2000; Sedita, 2008). The relation between individual actors and the organizations they are part of has been the subject of numerous organizational studies on cultural product industries or creative industries (e.g. Uzzi, 1997; Uzzi & Spiro, 2005; Starkey, 2000, Grabher, 2001, 2004a,b; Sydow & Staber, 2002; Sedita, 2008; Lingo & O'Mahony, 2010). These studies focused on the project-based character of these industries and showed how traditional organizations and/or local clusters function as latent networks that are activated in temporary projects. 'Swift trust' within project teams and reputation within these latent networks are paramount to ensuring cooperation within a team and to enabling future projects and ensuring further collaborations (Starkey, 2000; Sedita, 2008).

These are valuable insights also for the publishing industry, as reputation and building on prior collaborations are important to establish future projects. However, publishing is a traditional cultural product industry and is not so involved in bringing together different parties within one project team. Rather than coordinate projects, publishers function as cultural intermediaries and implement the ideas of authors in a product that booksellers can sell. Whereas the role of personal networks in establishing collaborations and sharing knowledge within projects has been extensively studied, little attention has been paid to the different roles and loyalties of such cultural intermediaries.

A notable exception is the work by Lingo and O'Mahony (2010), which showed that music producers function as cultural intermediaries and interweave bridging and bonding strategies to deal with the uncertainties in making and selling a cultural product.

On the one hand, cultural intermediaries bring together different parties and stakes that lead the integration of expertise and ideas. This connects to the idea of brokers using bonding strategies to incur benefits for everybody in the network (Obstfeld, 2005). On the other hand, a cultural intermediary functions as 'the third who benefits' by using strategically his/her unique ties with different network relations. This strategy relates to the idea of brokers who bridge structural gaps in networks and profit from this position because they have access to more different ideas and observe more than others in either of the networks (Burt, 2000, 2004). Whereas Uzzi and Spiro (2005) showed that the dynamic interplay between weak new ties and strong established ties increases creativity and firm performance, Lingo and O'Mahony (2010) showed that it is the dynamic interplay of bridging and bonding ties that increases creativity and leads to its implementation.

In addition to the debate on weak versus strong and bridging versus bonding ties, it is important to examine the different rationalities behind network ties (Grabher, 2001). 'Nodes' in networks are individual actors who play different roles within and between network ties, depending on the cultural and socio-economic context. Interpersonal relationships are by no means neutral connections between nodes and are considerably more complex than the strong versus weak dichotomy allows for. Individuals take part in multiple networks for different reasons, and these networks involve different identities and loyalties (Ettlinger, 2003). This is why these personal ties cannot simply be aggregated to the organizational level but also involve tensions between the stakes of persons and organizations. A number of qualitative studies have shown that different ties are used for different purposes (Chell & Baines, 2000; Jack, 2005; Grabher, 2004; Grabher & Ibert, 2006; Daskalaki, 2010). Daskalaki (2010) stated that it is crucial to examine network identities within creative projects, because in these projects 'motivation to cooperate (...) cannot be fully attributed to trust, reputation, or centrality of ties' (p. 1660). This applies to creative projects as well as to cultural fields or professional communities.

In line with Foster *et al.* (2011), we look in this paper at both the relations within the value chain and those amongst gatekeepers in the cultural field. We do so by building on Grabher's (2004a,b) network

typology. Grabher showed that different ties are used in different industries according to the different identities and loyalties in these industries (Grabher, 2004a,b; Grabher & Ibert, 2006). He extended Granovetter’s (1973) dichotomy of strong and weak ties with a categorization based on multiplexity, namely the extent to which social network ties involve different roles, exchanges and/or affiliations. Multiplex social ties involve switching between private and professional roles and/or balancing between obligation and loyalty to projects, firms and personal careers. The strength of a tie depends on its emotional intensity, its intimacy, the amount of time invested in it and the reciprocities exchanged (Granovetter, *ibid.*). Combining this, Grabher (2004a,b) differentiated three types of networks: network communality (strong ties and high multiplexity of ties), network sociality (weak ties and high multiplexity of ties) and network connectivity (weak ties and low multiplexity of ties). Table 5.1 shows these three types of personal networks and their main characteristics.

Table 5.1: Three types of personal networks and the characteristics of their ties.

	Communality	Sociality	Connectivity
Nature of ties	Lasting, intense	Ephemeral, intense	Ephemeral, weak
Social realm	Private cum professional / shared identity or history	Professional cum private / professional agenda's with private aspects	Professional / relatively distant from social realm
Governance	Trust	Networked reputation	Professional ethos, peer recognition
Focus	Relationship-oriented	Career-oriented	Task-oriented

Source: Adapted from Grabher (2004a, b)

The book publishing industry is an interesting case for further exploring these different rationalities, because publishers as cultural intermediaries use different types of personal ties strategically. A mix of motives cause network ties to be activated/reactivated, maintained or dissolved. Network relations are dynamic, not static. In recent years, a number of studies have investigated how the structure of networks evolves over time and what drives changes in network structures (Staber, 2009; ter Wal, 2009, 2010; Balland et al., 2011). Although this paper does not adopt a longitudinal perspective on networks, networks are considered processes in which past relationships influence present and future relationships and in which ties include various dimensions. As Daskalaki (2010, p. 1655) framed it: ‘activation, reactivation, latency or dissolution decisions in

sustainable creative collaborations are linked with strong (yet not always positive) affective conditions.'

Multiplexity of ties in publishing

Although all three of Grabher's network types are present in the Dutch publishing industry, publishers use a different type for each of their key contacts. This use of multiplex network ties is imperative for publishers as cultural intermediaries who simultaneously fulfil the functions of cultural gatekeepers, cultural developers/editors and salesmen. They seek and select authors and content for books; they develop their catalogues and they look for market niches. They are involved in the creative part of making books, they help authors to create the content of their books, they decide together with cover designers the look of books, and they are responsible for selling the ideas to bookshops and the press: books have to get into the shops, and books and authors should receive positive attention.

Although some publishers concentrate on only one of these functions, most take on all three. This partially corresponds with different phases in the book value chain from selecting content to selling this content, but it is important to note that these different roles are present throughout the process of producing and selling the book. Moreover, publishers draw on different network types in their relations with authors, the press and booksellers. They also employ different network types in their contacts with their fellow publishers.

Ties between publisher and author

The publisher as cultural developer and coach co-develops the book together with the author. This co-development ranges from actively creating content, through quality control and copy-editing, to supporting the author. During this process, communality ties are important to commit authors to the publisher and the publishing house. The combination of personal ties within and outside the work atmosphere as noted by Ettlinger (2003) leads to empathy or identification-based trust (Nooteboom, 2006). Empathy means that publisher and author know and understand how the other thinks and feels, while identification implies that publisher and author think and

feel the same way and share worldviews. Identification is beneficial for the creation of a book because ‘appreciating quality likewise’ (Elsbach, 2009) and being on the same wavelength enhance cooperation between publisher and author. Some of the publishers interviewed referred to, for example, ‘affinity’, ‘harmonious characters’, ‘chemistry’, ‘how it works in someone’s head and discussing that’ and ‘kindred spirits in literature’.

Whereas contact with authors ranges from friendly to quite professional, a degree of like-mindedness is required in order to work on a creative project together and ‘*to achieve the best possible results with your collective brain*’ (Interviewee 7). At the same time, empathy or identification-based trust is important because it creates trust in intentions and an atmosphere in which one can disagree and have fruitful discussions. Too much consensus is not beneficial for the end product; the publisher/editor ought to critically examine the author’s writings. A book, like any creative product, is more than just a product: writing is a very personal expression and therefore an atmosphere of trust is necessary in order to be able to critique an author’s work:

It’s important that you truly understand that almost all novelists express themselves in their books in one way or another – some very explicitly, and some very much between the lines – and that it [publishing] is therefore something ... you must maintain a personal relationship with someone in order to be able to talk about their book, and you must also realize that people feel vulnerable when they walk in and give you something they’ve written, when they say ‘read that’ and ask your opinion of it. And that’s something that you can learn, partly, but another part possibly must already be in you, whether or not you can feel it. (Interviewee 3)

A number of independent publishers claim to be distinctive for investing more time in authors and their work. They perceive spending time and effort in creating a book together as an important asset. It is important for publishers to maintain ties with their authors and keep them on board for future projects. A number of publishers said that being a successful publisher means that one can be critical and discuss an author’s work at a high level. For example, one publisher stated:

I also have a colleague who said: 'Well, we always kept in touch and we had such a good relationship that I just don't understand. Why did the author still walk away?' There was a completely different reason for it. This author couldn't – if I may say this – just couldn't talk with that editor at a high level. The editor found everything nice, fine, pleasant, but that didn't mean much to the author. The greatest devotion to a manuscript requires the utmost precision of the critique. (...) Literature is a craft, and you have to be able to discuss the details of this craft. (Interviewee 7)

This links with the ideas of Daskalaki (2010), namely that network identities are flexible and go beyond sameness versus otherness, whereby creativity supposedly comes either from being on the same wavelength or from different, complementary views. In their personal relationships with authors, publishers combine feelings of sameness and otherness. In addition to contributing to the creative work, publishers also function as coaches and support authors when the latter have personal problems. The relationship with an author was compared to a love affair or a bond between father and child. However, social networks between publishers and authors are not power-free and affective ties are used strategically. The relationship between publishers and authors can be considered a strategic friendship:

Trust is essential. Of course, it's a 'people business', so you should like the other, there must be mutual sympathy. (...) It's hard, really hard to be friends with writers, though. Of course, many writers are friends of mine, but you have to be really careful, because there's always a commercial, a business side to it. It's hard to say to a friend: 'We're not going to publish this.' (Interviewee 9)

This indicates that purely emotion-based relationships are not present in publishing, as Ettlinger (2003) suggested. Whereas support and mutual trust are crucial, business is what connects publisher and author. Möllering (2005) used the example of a relationship between a publisher and an author to illustrate the reflexive nature between trust and control. In their contact with authors, publishers have to compromise between trusting and controlling: they partially rely on contracts with authors, sometimes even for multiple books, but trust is essential for agreeing on a new contract.

Sociality ties with authors are also crucial for publishers. These ties play a role for the publisher not only as cultural developer and coach, but also – and perhaps even more so – as cultural gatekeeper. As cultural developers, publishers use sociality ties to keep themselves informed about authors and their writing when they are working on a manuscript. Moreover, a number of publishers bring their authors together to stimulate cross-fertilization. This creates a network identity whereby cultural ideas are shared through interaction and practice (Daskalaki, 2010, Townley et al., 2009) and may lead to an overall stronger bond with the publishing house.

As cultural gatekeepers, publishers try to attract new authors to the publishing house through their other authors. Swift trust and networked reputation (Glückler & Armbruster, 2003) increase the likelihood that the author and the content he/she will provide fit the publishing house. This again relates to network identity, as the publishing house comprises a unique yet flexible configuration of cultural and structural relationships amongst individuals:

'What is a publishing house? It's a collection of people, a catalogue'
(Interviewee 10)

The publisher as gatekeeper manages the catalogue, which fits the publishing house but is also strongly related to the taste of the house's current publisher(s). Di Maggio (1987) stated that gatekeepers acquire new artists and genres through social networks. Although publishers receive many manuscripts and select authors based on these manuscripts, they also seek authors through sociality ties. Publishers establish contact with promising new authors by, for example, organizing and attending informal meetings with columnists, journalists and other high potentials. Publishers employ sociality ties to keep in touch with the authors who are already in their catalogues during the periods in between the publishing of two books in order to secure future cooperation.

Ties between publisher and the press and booksellers

In publishers' contacts with the press and booksellers, personal ties are complementary to business contacts outsourced to the press department and representatives of the publishing house. This

specifically applies to publishers whose publishing house is part of a conglomerate. For the publisher as salesman, a combination of connectivity and sociality ties with the press and booksellers is instrumental for promoting books and authors. Press contacts comprise a combination of professional contacts and informal chats. Through coincidental meetings or dropping by each other's office, publishers 'mould' the press without coming across as too pushy. However, there is a growing tendency towards the professionalization of press contacts:

In a sense, it's become 'not done' for reviewers to mingle too much with the people they have to review. Things used to be very different. I'd say it's a good thing. Of course, it's possible that you see each other at parties, but I think it's not unhealthy that there is now somewhat more distance. (Interviewee 8)

Complementary personal ties are more important for publishers of smaller independent publishing houses than for publishers who are part of conglomerates. In promoting books to booksellers, connectivity ties are more important than sociality ties. Extensive networks with a great number of booksellers are of major importance to get books on the market. Publishers speak about partnerships with booksellers (see also Kaye, 2003) and personal relationships are based on common business interests and/or are more task-oriented; for example, publisher and bookseller sometimes jointly decide on a book's cover. Sociality ties also play a complementary role: dropping by bookshops keeps booksellers 'on board' and helps to get books displayed prominently in those shops. For the publisher as cultural developer, dropping by bookshops is also instrumental to pitch ideas about the design and marketing of books.

There are a couple of good bookshops in Amsterdam. Scheltema is just up the road, and I wander up there four, five times a week and drop in ... The booksellers there know me well. We often ask each other's opinions on various things. Athenaeum is only a little bit further along ... How things are going ... How it's going with ... the competitor ..., what they think of a certain dust jacket ..., you occasionally share your enthusiasm. (Interviewee 6)

Ties between publishers

Although publishers rarely cooperate with publishers outside their own houses, they often have personal contact with their fellow publishers, particularly in the field of literature publishing. Publishers' personal ties with colleagues most often involve connectivity. The publishing community is small and has quite a high degree of organization: practical experiences are shared and joint stakes are looked after together in publishing associations. However, most exchange occurs between publishers who are part of the same conglomerate. This primarily concerns the publisher as salesman and the technical or legal aspects of publishing. Examples of joint stakes are developing strategies concerning e-books and internet publishing, model contracts with authors and the promotion of books (versus other leisure products). Other important connectivity network ties involve the publisher as cultural gatekeeper who has contacts at book fairs and other scheduled meetings with foreign publishers who have overlapping interests. This is instrumental in both acquiring new books and getting Dutch authors translated abroad. These connectivity ties are supplemented by sociality ties. Keeping in touch and a networked reputation are important to acquire new content, both through tips and more chances at auctions.

Sociality ties with foreign publishers are based on an exchange of information, because these publishers are not direct competitors. This is different in the Dutch publishing community. Whereas this professional community is important in the creation of art and cultural products such as books (DiMaggio, 1987), the Dutch publishing field is quite competitive and involves little cooperation. This concurs with Grabher and Ibert's (2006) observations of sociality networks in advertising. Practical experiences are occasionally shared, and in some cases publishers pass on projects to each other, but these networks are typically used to promote publishers' own careers. Instead, Dutch publishers' network ties can be characterized by observability: they primarily keep an eye on each other and exchange catalogues to keep themselves informed about what the competition is doing, in order to either imitate or distinguish themselves from their competitors:

We have sort of a gentleman's agreement to send each other the brochures, so that you know what others are doing in the coming months and what

books will arrive, and everybody participates in the digital book magazine, where you follow each other's news. It's easy to keep track of each other because it's a quite limited group of people. (Interviewee 11)

My biggest competitor is [xxx], a very nice and decent fellow. If we meet each other on the street, we always have a chat. At the same time, we keep an eye on each other and our catalogues. (Interviewee 20)

It appears that publishers' employ a combination of observability and sociality network ties to acquire new books. Whereas in their contacts with foreign publishers, 'appreciating quality likewise' (Elsbach, 2009) is central, contacts with Dutch publishers involve a mix of recognizing/sharing cultural tastes and maintaining a unique position.

While communality ties are the least common sort of ties amongst publishers, they do play a role for publishers as salesmen and cultural gatekeepers. Concerning the first, some independent publishers said that, before starting their own firms, they had consulted friends or acquaintances who were already established publishers about practical matters as how to market books. Publishers as cultural gatekeepers who are active in publishing foreign work reported that they had befriended foreign publishers. These publishers are not direct competitors and are thus on an equal footing. This makes true friendships possible with people who have similar interests. One publisher spoke about '*a brotherhood of the same thoughts*' (Interviewee 7).

In sum, publishers as cultural intermediaries use different types of personal ties strategically (Table 5.2). While all publishers indicate that personal ties are important, their strategic use seems especially vital for independent publishers. In their relationships with authors, communality and sociality are important; in their contacts with booksellers and the press, sociality and connectivity are vital; and in relation to their fellow publishers all types of personal ties are used. Although sociality ties are important for selecting content, ties between publishers are mainly based on observability and connectivity.

Table 5.2: The role of different network types in publishers' personal ties with authors, the press, booksellers and fellow publishers.

	COMMUNALITY	SOCIALITY	CONNECTIVITY
Authors	Investing in authors/making books, strategic friendships, trust <i>Cultural developer/coach</i>	Acquiring authors and keeping in touch <i>Cultural gatekeeper, cultural developer/coach</i>	
Press		'Moulding', don't come across as pushy <i>Salesman</i>	Professionalization of press contacts <i>Salesman</i>
Booksellers		'Keep them on board', brainstorming, get books into bookshops <i>Salesman, cultural developer</i>	Partnerships, extensive networks <i>Salesman</i>
Fellow publishers	Advisers, 'brotherhood of same thoughts' <i>Cultural gatekeeper, salesman</i>	Acquiring authors, practical experiences, career <i>Cultural gatekeeper</i>	(Conglomerate) strategies, extensive networks on book fairs <i>Cultural gatekeeper, salesman</i>
		OBSERVABILITY	
		Keeping an eye on each other / each other's catalogue <i>Cultural gatekeeper</i>	

Publishers as cultural intermediaries on a tightrope

When combining different personal network ties, book publishers overcome tensions between culture and commerce and career and firm in a changing publishing market. Most literature on cultural product industries emphasizes sociality ties and the exchange of symbolic knowledge within a cultural field (e.g. Crewe & Beaverstock, 1998; Banks et al., 2000; Asheim et al., 2007; Currid, 2007). Sociality ties are seen as a way to deal with the tension in these industries between culture and commerce. Sociality ties usually have a very positive connotation: networks are good and stimulate knowledge exchange through swift trust. It is not sufficiently recognized that competition and strategic behaviour are crucial aspects of sociality ties within cultural product industries. Grabher and Ibert (2006) made a justified claim for more attention to Burt's (1992) thinking and the strategic use of network ties. By disentangling between the individual and the organizational level of networks, Grabher (2004a,b) showed how in the advertising and software industries tensions arise between project, firm and entrepreneurial identities. He demonstrated that in advertising – a cultural product industry – sociality ties have the upper hand, which creates tensions between an entrepreneurial identity oriented towards one's personal career and a firm identity oriented towards (long term) benefits for the firm. Through personal networking in a 'project ecology' and the strategic

use of sociality ties, advertisers may switch their loyalty from firm to client.

We showed in the previous section that the strategic use of sociality ties also plays a role in the book publishing industry. However, sociality ties are no longer dominant in Dutch book publishing. The added value of publishers and the essence of publishing houses lies in the strategic switching between different network relations and ties. For publishers as cultural intermediaries, all four types of network ties are important. There is a shift towards more communality ties on the one hand, and more connectivity and observability on the other hand. Why are sociality ties not dominant in the publishing industry and how can this shift be explained? Two interrelated tendencies are important to explicate this. First, book publishing in the Netherlands is an increasingly competitive market: more books are published each year but demand is decreasing. Second, publishers have become more entrepreneurial and function more autonomously from their publishing houses and overarching conglomerates. This necessitates finding a balance between two fields of potential tension: commerce–culture and publishing career–publishing house. As we shall see, this leads to diverging strategies whereby some publishers lean more on communality ties and others more on connectivity and observability through professional channels.

The publisher on a tightrope between culture and commerce

The contra-positioned concepts of commerce and culture are not mutually exclusive and should not be considered as opposing per se. Rather, publishers put a different emphasis on either end of a spectrum while they shift between relations and identities. Publishers emphasize that the art of publishing is finding the right balance between culture and commerce:

Publishing is a very double business, as we foster and bring cultural products to the market, yet it disciplines those products, those ideas. It's a very unusual, and also a very difficult, combination. (Interviewee 18)

It isn't an area of tension; in fact, it's pleasant. You can't always work with intellectual high hopes in your head while you're dealing with mundane matters. Besides, earning money is an intellectual challenge. How you can

do that as well as possible with a product that's as good as possible. (...) If I find it really good but it doesn't fit the market well, then I won't do it. Or perhaps I will do it; that's the decision you take. I can publish things that I know won't ever make a penny, and yet I do it with pleasure. But I mustn't do it too often. (Interviewee 9)

While the author has primary responsibility for the creative aspects of the book, the publisher has to demonstrate his/her added value by combining creativity with the integration of this creativity. Publishers have to be innovative, but they also have to build on traditions established in their publishing houses. The reputation of the publisher and publishing house towards the bookseller and author is crucial in the balance between culture and commerce. The publisher must show booksellers that his/her books are commercially valuable and that the publishing house is distinct from its competitors:

I came up with all sorts of books that people found to be far from commercial. And that's what they looked at – not at idealism, but at whether the books were commercial. And there was I, sitting at the table and in comes a bookseller, with a piece of bread or something still in his mouth, and a very cynical expression on his face, and says: 'I can't sell that.' (Interviewee 19)

Bookshops base their purchasing policy purely on a publisher's appearance and the added value of the publishing house. Now, if they're missing or insufficient, and you're disposable, then the fight's much harder. (Interviewee 20)

Authors and agents also base their choice of publisher on the publishing firm's catalogue, and booksellers are not always open to novelty:

I'd like to be with a firm that publishes, let's say, Coetzee and Grosman. I feel something like a connection there; it's a good publisher that publishes that sort of work. Good for me. (Interviewee 7)

The book trade is actually very conservative. ... You think, bookshops follow trends, but I think it's a very conservative medium. They're going along quite well with audio books and e-books and e-readers and so on, so they're not so much technologically old-fashioned – or perhaps conservative is a better word – as substantive and moral. (Interviewee 5)

The ability to embed creativity in a product that people will appreciate depends on the experience, networks and reputation of publishers. This applies to both publishers owning independent publishing houses and publishers operating under the umbrella of a conglomerate. Rae (2005) showed that cultural product entrepreneurs gain experience by developing an entrepreneurial identity, becoming part of a cultural field and recognizing opportunities in this field, and negotiating meaning and finding common goals by changing roles over time. The book publishers interviewed developed their own identities in the world of books through their work in the book industry or sometimes in related cultural sectors. The combination of their knowledge of this cultural field and their established networks and reputation in that field has enabled them to occupy their current positions. To survive as a book publisher, one needs to have experience and knowledge of the different roles and relationships within the publishing chain to build a reputation within the publishing field and/or to recognize an opportunity in that field and carve out a particular market niche. This is especially important for the owners of small, independent publishing firms. The combination of communality, sociality and connectivity ties with authors, booksellers and the press is vital – particularly for small, newly established publishing houses – to make clear the added value and distinctive face of the publishing house. Publishers must promote their authors' books to booksellers and the press and convince booksellers of the commercial value of the books. At the same time, they have to cherish the cultural value of the authors' work and be a sounding board for their authors.

This also means that commercially less interesting projects will sometimes be published. While the publishers of trade books differ in their ambitions from '*contributing to contemporary literature*' to '*thinking up things that people will get pleasure out of*', none of the publishers defined success in publishing primarily in financial terms. Most publishers aim to create a balance in their catalogues between books that are culturally interesting and/or close to their personal taste, and books that are economically successful; in other words, to have successful books compensate for economically less profitable ones:

We're in the fortunate position that we have books that sell well enough to be able to keep publishing poetry and essays. But there are, of course, years when things don't go so well, and then you can't publish so much of that sort of thing. It's a real shame, and there will perhaps be years in which you can't do it at all. I feel that you have to be open about it with your authors, why you can no longer do it. But it's difficult to find a good balance. Especially if your passion is primarily for – as is the case with me, and with many other publishers – if your passion is primarily for the content, if you have a love of literature. It's not so much that we find it important to make money. This is something that all publishers experience – and it chafes. But sometimes you get lucky, and then you find yourself with an unbelievably good bestseller on your hands. (Interviewee 3)

Maintaining the balance between culture and commerce has always been part of publishing, but in recent decades this balance has become even more precarious. The Dutch book market is structured by a fixed book price, which means that publishers have to sell their books to all book stores at the same price. This may protect small independent bookshops and books with a cultural value, but also leads to higher profits on bestsellers as their price is not under pressure. While the effects of the fixed book price are not uncontested (van der Ploeg, 2004; Ringstad, 2004), it is certain that the market is increasingly dominated by a few bestsellers. The rise of internet bookshops has put pressure on traditional bookshops and further strengthened the dominance of these bestsellers. Whereas the marketing of books used to be the final step in publishing, getting books noticed by the press, booksellers and the public is now integrated in the whole publishing process:

Ten, twenty years ago all a publisher had to have was a really good editing staff, and creativity was the top priority when you had to judge people, because once you had good books they'd find their way [to the customer]. But those times have gone. Now, you can't just say 'We're bringing out a really good book'; you just can't do that. So what we do in our way of organizing it, is to integrate the marketing and sales at a much earlier stage in the publishing process. So the combination manage, market and sell has become much more important, it [marketing and selling] is brought much more to the fore. (Interviewee 12)

Authors have become more business-oriented, and are increasingly turning into products. The success of a book depends less on reviews

in newspapers and more on the performance of the author as an artist or a star in television programmes and book promotions in bookshops. The commitment of successful authors is of thus of increasing importance. While authors rarely have a commercial motivation, they are less dependent on their publishers and can choose between different publishers and the option to publish on the internet under their own management.

The publisher as entrepreneur in a commercializing field

Publishers have to make a trade-off not only between their interests as cultural developers and salesmen, but also between their own interests, the interests of their authors and the interests of their publishing houses. Authors are the capital of the publishing house, and the connection between publishing house and author largely lies in personal ties between publisher/editor and author. Publishers (or editors who intend to become publishers) move from one publishing house to another, or start their own houses and not infrequently take their authors with them:

It's happening more and more in the publishing world, [that publishers/editors] walk out with a big group of authors – the bestselling authors at that, because that's what it's all about. And that means that the publishing house that you leave is lumbered with enormous financial problems. (...) Your business capital is, well, it's your writers. And if they walk away, you suddenly no longer have anything. Just a lot of expenses. (Interviewee 4)

Publishers and editors invest in their relationships with authors. Publishers attempt to commit authors to their publishing houses by stimulating sociality ties with and among authors and freelancers, and by monopolizing communality ties with authors. In line with Grabher's (2004a,b) findings, sociality networks in publishing can be competitive or based on exchange, and they are sometimes directed to the publisher as the entrepreneur of his/her own human capital, and at other times to the benefits of the firm.

In contrast to Grabher's (ibid.) findings, however, publishers' entrepreneurial identity is mostly linked to communality network ties rather than sociality ties. Personal ties are more important in

retaining successful authors than in finding authors, which can also be done through several other channels. By establishing communality ties, publishers can benefit from their unique relationship with the author. That publishers move to another publishing house and take authors with them can be linked to an entrepreneurial, career-oriented identity, but also to the often loyal bond between publisher and author. Whereas more emotion-based ties amplify the tension between culture and commerce and between publisher and publishing firm, observability and connectivity ties are more linked to commercial value and the firm identity. An advantage of publishing houses that operate under the umbrella of a conglomerate is that there are more connectivity ties with publishers from the same group and that information and financial risks are shared. However, the commercialization of publishing can put publishers in a difficult position as they struggle with a conflict of loyalty between their firms and their authors:

Personally, I think that walking off with a bunch of writers is immoral. And so I thought: 'That's something I mustn't do now that I find myself stuck in this firm. Even if I feel that my position now is different' And I still think that was the right decision. I mean, it's also happened to the people who walked away from my firm and established [company Z]. I mean, I see what happens, I had to see it happen. And, yes, I personally feel that it shouldn't happen. (Interviewee 3)

This creates tensions especially in the larger publishing houses that are part of conglomerates. The tension between publisher and publishing house is related both to a career-oriented identity versus a firm identity, and to the balance between culture and commerce. Publisher and author often share cultural values and the content of the book comes first, while the managers and shareholders in publishing conglomerates are (believed to be) more focused on the commercial value of each book. Publishers develop the publishing firm's catalogue, which reflects the history of the firm and the personal taste of the current publisher(s). Within established firms, publishers have the advantage of the firm's brand towards authors and booksellers, but their publishing ideas have to fit the reputation of the publishing house and the authors who are already represented by it. Although publishers who founded their own publishing houses are less hampered in realizing their own ideas, it is harder for them to

convince booksellers and writers of their books' value. For a number of small independents, this is an important reason to remain autonomous:

If you have a good year, then the boss says he'll give you another ten per cent. And you do that for shareholders who are also shareholders in DIY centres or whatever, and that's actually not a very nice way to work, because first, why do you do that for people who aren't interested in literature? And second, the people at the top of those sorts of firms are interested not in literature but in profit margins, and they don't understand that [success in] literature is a precarious thing. (Interviewee 7)

Stimulating creativity and embedding this creativity in a product that people will appreciate for both its cultural and its economic value is central to a publisher's work. The commercializing publishing industry is shifting towards more communality and connectivity ties, which leaves publishers balancing on a tightrope between culture and commerce and between their careers and their publishing houses.

Conclusions

Multiplex personal network ties are essential to publishing. In line with the results of Uzzi and Spiro (2005) and Lingo and O'Mahony (2010), it appeared that combining weak and strong network ties is vital in publishing, and switching between bridging and bonding strategies secures publishers' positions as cultural gatekeepers. However, the nature of personal ties involves more than these dichotomies, as different motives, affections and loyalties play a role. Book publishers use various combinations of affective, personal aspects and business-oriented aspects to bring together culture and commerce. This does not mean that business in publishing is grounded in emotions and friendships, as Ettlinger (2003) suggested. Rather, publishers as cultural gatekeepers, cultural developers and salesmen use affective relationships strategically to bring together authors, booksellers and several other parties within the publishing chain and literary field. Communality and sociality play dominant roles in their relationships with authors; sociality and connectivity are vital in their contacts with booksellers and the press; and all three kinds of personal ties identified by Grabher (2004a,b) are used in relation to their fellow publishers.

We also identified a fourth kind of tie: observability, which is more about keeping an eye on each other than exchanging symbolic knowledge in the field of book publishing. Whereas sociality ties are important for selecting content, ties between publishers are mainly based on observability. Publishers combine feelings of sameness and otherness in their relationships in the cultural field and value chain, and within their personal relationships with authors. Reputation and trust play a crucial role in these relationships. This very much relates to both 'appreciating quality likewise' and having complementary knowledge. In line with the results of Daskalaki (2010), this study found that publishers make use of flexible configurations of cultural and structural relations to establish trust, reputation and recognition.

The literature on cultural product industries mainly stresses the importance of sociality ties within geographical clusters. The present study gave rise to two points of critique on this emphasis. First, many studies have focused on the exchange of symbolic knowledge within a cultural field, and these sociality ties often have a very positive connotation: networks are good. However, network ties are both a blessing and a burden, and personal and organizational benefits from networks are not always compatible. This was recognized by Uzzi (1997), Grabher (2001), Starkey (2000) and a number of other scholars on project-based industries. Whereas these studies primarily focused on projects and the value chain, this study also emphasized the professional community and cultural field of publishing. Publishing is a highly competitive industry. Publishers exchange specific content in a more formal way and use informal contacts primarily to keep an eye on each other.

A second supplement to the literature on cultural product industries is that communality and connectivity ties are at least as important in publishing as sociality ties. These ties have been gaining in importance in recent years: book publishing is becoming more commercial, as reflected both in more connectivity ties and in the revaluation of communality ties with authors in literature publishing. At the same time, the multiplexity of personal ties amplifies tensions between career and firm and between culture and commerce in the book publishing industry. Publishers must divide their loyalty between their own careers, their authors and their publishing houses, as Grabher and Ibert (2006) found in advertising. Over the last

decade, a number of publishers have moved to other publishing houses, or established their own firms, and taken their authors with them. This can be coupled to an entrepreneurial, career-oriented identity versus a firm identity, but it also relates to shared cultural and social values with the author versus a more commercially oriented mind-set within the firm and/or conglomerate. However, instead of sociality ties in a cultural product industry leading to a tension between entrepreneurial motives and loyalty to the firm, as Grabher and Ibert (2006) found, the publishing industry is witnessing a shift towards more communality and connectivity ties. This increases the existing tensions and leaves publishers balancing on a tightrope between culture and commerce and between their careers and their publishing houses.

This qualitative study provides insight into the motives and affective nature of personal ties in publishing. It shows that personal ties are not neutral and are not always positive, but are nonetheless imperative for cultural intermediaries. The role of communality and connectivity might also make other places important: is frequenting the right bars really what matters in selling cultural products? Probably not. Competition and observability, rather than sociality, might be the mechanisms behind the clustering of cultural-product industries. It would be interesting for future research to investigate this in relation to the evolution of clusters, because observability and imitation do not invoke interactive learning and may lead to less stable clusters (Vicente & Suire, 2007)). In publishing, networks are not primarily used to exchange accumulated knowledge. Instead, book publishers use a combination of personal ties to distinguish themselves and continuously establish trust, reputation and recognition.

This study explored the process of personal ties by looking at how ties are activated, reactivated, deactivated and maintained in the Dutch publishing industry. The role of place and the role of conglomerates for personal networks in cultural product industries also deserve exploration. Moreover, it would be interesting to investigate if the tension between culture and commerce is different for publishers in other countries or for other cultural intermediaries. The Dutch book market is structured by a fixed book price and it would be valuable to compare this institutional setting with other settings. Future research

could further examine the evolution of personal networks in cultural product industries, preferably combining qualitative and quantitative methods with longitudinal data (Jack, 2010). While most research related to this topic has focused on project-based creativity, it would be interesting to take another look at the role of cultural intermediaries and the culture-commerce duality.

6. Conclusions

Summary of main findings

Using a combination of qualitative and quantitative research methods, this thesis critically examined the role of urban place in publishing through a dynamic and multidimensional conception of place and an exploration of personal networks. The empirical analyses enhance our understanding of how place is employed in creating and selling a cultural product. This was investigated from the relatively unexplored angle of the publisher as cultural intermediary who plays a key role in bringing together culture and commerce. The research aimed to answer the research question: **To what extent do book publishers benefit from being located in urban places, and how do they employ those places to create and sell their cultural product?** The analyses were structured around four sub research questions that are answered in this section. This is followed by the main conclusions, a critical reflection and recommendations for further research.

The importance of different dimensions of place was first explored in Chapter 2 for cultural-product entrepreneurs. This chapter provided an answer to the research question:

1) To what extent and in what ways do the utilitarian and symbolic values of urban place play a role in the location choice and location evaluation of cultural-product entrepreneurs?

While the cluster literature has primarily stressed the utilitarian value of place and the importance of local proximity to other cultural product industries for informal exchange of knowledge, the empirical analysis showed that the symbolic value of place, namely experiencing its look and feel, was more important. The entrepreneurs interviewed indicated that they looked for relatively inexpensive office space in an environment that complied with the look and feel that fitted their search profile. For most entrepreneurs, this profile included (perceived) authenticity, historical value and an environment with a certain roughness, although some also looked for beautifully renovated buildings and fashionable architecture. While experiencing and dwelling in their local environment was important

for entrepreneurs for stimulation and inspiration, they primarily used the symbolic value of their local environment to stress their creativity and to reproduce and strengthen their reputation as cultural-product entrepreneurs. In addition to the literature on place as source of inspiration (Helbrecht 1998; Molotch, 2002; Hutton, 2006; Drake, 2003) and the few studies on the role of place in building reputation (Drake, 2003; Hutton, 2006; Currid, 2007), the empirical analysis indicated that especially entrepreneurs in arts and media entertainment employ and create the symbolic value of place to strengthen their reputation and build their networks.

This first research question was investigated for cultural-product entrepreneurs in two neighbourhoods in Berlin, a city known for its relatively high concentration of cultural-product firms (Bader & Scharenberg, 2010). The remaining research questions focused on one particular cultural-product industry – book publishing – and on the Dutch entrepreneurs and their firms in this industry. Amsterdam hosts the Netherlands' highest concentration of book publishing firms and other cultural-product industries (Deinema & Kloosterman, 2012). Before further exploring the symbolic value of Amsterdam as urban place, Chapter 3 first looked at Amsterdam as a selection environment from an evolutionary perspective and at the impact of being in this environment on the performance of book publishing firms. Rather than assuming a priori that being located in Amsterdam has a positive effect on the performance of firms, the influence of being located in this urban environment on the performance of publishing firms was critically examined by investigating the survival rates of publishing firms in the period 1880–2008. This chapter provided an answer to the research question:

2) To what extent did being located in Amsterdam influence the performance of Dutch book publishing firms in the period 1880–2008, controlling for prior experience in publishing and related industries?

Investigating the concentration of cultural-product industries from an evolutionary perspective is still rare (see for notable exceptions: Wenting, 2008; Balland et al., 2011). By examining the spatial evolution of publishers, Chapter 3 showed that while about 25 per cent of Dutch book publishing firms can still be found in the Amsterdam city region, the size of the spatial concentration of publishers in Amsterdam has decreased over time. Moreover, the

presence of other book publishers in the vicinity appeared to have a negative effect on the performance of book publishing firms, in contrast to the predominantly positive effects of spatial concentration on firm performance reported in the cluster literature. A closer look at the effects of the 'Amsterdam cluster' showed that as soon as we control for the prior experience of publishers, being located in the Amsterdam region no longer increases a firm's survival chances. Both founding and failure rates are exceptionally high in the Amsterdam region, even relative to the high number of publishers in this region. Amsterdam can be characterized as a highly competitive, dynamic selection environment where a few publishers win and a lot lose. The number of publishers with prior experience in publishing is higher in Amsterdam than outside this concentration area, and these publishers perform relatively well.

After examining the influence of Amsterdam on the performance of book publishing firms, the dynamic selection environment of Amsterdam and the symbolic value of urban place were further scrutinized for publishers and their firms. Chapter 4 critically examined the role of place in and outside Amsterdam and further explored the multiple meanings of place for publishers in screening and socializing and generating trust. The chapter provided an answer to the research question:

3) How do different dimensions of urban place contribute to creating and maintaining trust and reputation in book publishing, and how does this differ for publishers in and outside Amsterdam?

These different dimensions include place as a locality, place as meeting site and place as experience. To some extent, the Amsterdam inner-city ring of canals functions as a stimulating meeting place that induces and strengthens socialization, in particular for publishers of Dutch literature. This implies that both urban place as meeting site and urban place as experience contribute to trust and reputation in publishing. Chapter 2 showed that experiencing place, namely the symbolic value of the physical and social environment, is important for cultural-product entrepreneurs. Hutton (2006) and Rantisi and Leslie (2010) indicated that the built structure facilitates casual meetings and that its look and feel can stimulate cultural product entrepreneurs. Indeed, many people who are active in literature live

in Amsterdam, which enhances meeting opportunities and creates a publishing community. A further examination, however, showed that the urban environment does not so much function as an object that inspires publishers by its look and feel or that stimulates meeting opportunities; rather, the environment and its image are constructed by publishers as subjects to enhance reputation and trust in personal encounters. Place is a locality, a meeting site and an experience, but above all it is a social construction (Hoelscher, 2012).

While the importance of face-to-face contacts for socialization, reputation and trust has been indicated by numerous authors (Storper & Venables, 2004; Banks et al., 2002; Currid, 2007), the empirical analysis adds to this literature that the urban environment is not a condition for face-to-face contacts. Rather, the symbolic value of place is employed and created to support trust and reputation building. The making of places occurs not only in Amsterdam: publishers outside the city create their own meeting places, and meeting at temporary events such as book fairs is also crucial. Publishers both in and outside Amsterdam build and reinforce trust and a 'team feeling' with their authors by visiting certain local bars and restaurants. In addition to meeting in such third places, meeting in second places – in this case, publishing houses – contributes to establishing feelings of trust: the publishing house ought to make writers feel at home. This means that while the symbolic value of place is important in publishing, in this respect Amsterdam is not that different from other places.

The importance of personal encounters with authors, booksellers, press and fellow publishers in shaping publishing places, calls for a further examination of publishers' personal networks. Chapter 5 explored publishers' personal networks and deepened our understanding of such networks by examining the different motives and identities behind network ties. The research question that was answered is the following:

4) In what ways do publishers create and maintain personal network ties, and how do these ties affect the creation of cultural value in the book publishing industry?

The empirical analysis showed that publishers as cultural intermediaries use affective relationships strategically to bring

together all those involved in making a book. Publishers employ different mixes of personal and professional network ties including not only 'informal networking' but also planned professional *and* personal meetings. Both more business-oriented contacts and more trust-oriented personal contacts are important for Dutch book publishers in addition to socializing. Book publishing has become more commercial, and this has resulted in more connectivity ties and in authors turning into commodities, which has increased the value of communality ties. However, this does not mean that these business networks are grounded in emotions and friendships, as Ettlinger (2003) advocated. Publishers exchange specific content primarily in professional, formal ways and use informal contacts mainly to keep an eye on each other. Social networks are not only positive for publishing firms, as is often suggested in the cluster and network literature. The different motives and loyalties underlying the personal network ties of publishers invoke tensions between publisher and publishing firm, and the shift towards more communality and connectivity ties leaves publishers balancing on a tightrope between culture and commerce and between their careers and their publishing houses.

The meaning of place in and beyond agglomerations

The meaning of place is not just about geographical location at one point in time, that is, about being in or outside a 'cluster'. As this thesis has shown, place in publishing is a process that includes different dimensions and levels of scaling. The city of Amsterdam can be characterized as a highly competitive, dynamic selection environment where the wheat is separated from the chaff. The positive impact of being geographically concentrated in Amsterdam should be attributed to the relatively many publishers in this region who have prior experience and are performing better. Moreover, publishers in Amsterdam who are successful in terms of awards are either at established firms that have a long tradition in publishing, or are leading spinoffs of these firms. In addition to the advantage of having experience, which enhances publishing capacities in people and collectives of people, these publishers have better access to authors, the press, fellow book publishers and bookshops. Amsterdam functions as a selection environment in institutional terms: it is the main stage upon which publishers judge and are

judged, and where they compete through social interaction and building trust. Being located in Amsterdam does not necessarily provide a publisher with competitive advantage: they must have access to the Amsterdam publishing scene and to networks on multiple levels of scale. While being located in Amsterdam is convenient rather than necessary, it is nonetheless important to be part of Amsterdam's literary community. New publishers can either decide to operate in less literary niche markets where access to these networks is less important, or take the bypass route of first gaining experience in a niche within literature and then finding access to the literary community.

Although it is not necessary for a publishing firm to be located in Amsterdam, publishers do interact locally with authors, other publishers, editors, journalists, the press and booksellers. Through these interactions, publishers deploy and shape places to enhance their reputation within the cultural field and their relationships of trust within the value chain. The empirical analyses showed the importance of various dimensions of place for book publishers to exhibit reputation and trust. While the look and feel of place is important for publishers as cultural intermediaries, their experience of place is more directly linked to social networks in comparison to how artists and cultural producers experience place (e.g. Drake, 2003; Molotch, 2002). The focus on intermediaries stresses that place is socially constructed, and this offers another perspective on the meaning of the urban environment for developing and selling a cultural product.

The making of place simultaneously occurs at the micro level in specific localities in and outside Amsterdam, and at the meso level of inner-city Amsterdam and temporary publishing hubs, such as the Frankfurter Buchmesse (comparable to the neighbourhood level identified in Berlin). Place-making involves publishers and locations throughout the Netherlands, and local interactions provide access to national and international networks. Thus, the creation of cultural value takes place on contingent scales. Whereas the concept of local buzz-global pipelines does not apply to book publishers in Amsterdam, the production of books both goes beyond the urban/regional 'cluster' (and may even include virtual places) and takes place in specific localities. This mitigates the positive impact of

local industrial concentrations on the performance of cultural-product firms.

Making places while building networks

This more nuanced and comprehensive understanding of place and personal networks calls for a rethinking of the importance of local concentrations of cultural-product industries. While several scholars have suggested that there is more to local concentration than just proximity and face-to-face contact as a communication device, and that there is more to place than just geographical proximity (e.g. Storper, 1997; Banks et al., 2000; Storper & Venables, 2004; Helbrecht, 2004; Currid, 2007), this thesis has shown that places in publishing are made by building networks. It has shown the need to conceive place as a dynamic social construct (Massey, 2005), which implies a shift in thinking from dwelling in places and from meeting places (Hoelscher, 2011) to 'meeting in places' when studying cultural product industries. 'Meeting in places' combines the idea of experiencing place (dwelling in place) and the functioning of particular establishments as meeting places. The idea of meeting in places also stresses the relational rather than the individual aspect of place as experience and emphasises the making of places to 'connect'. The making of places facilitates the creation of reputation in social communities and of trust in personal network ties. For publishers as cultural intermediaries, place is neither redundant nor a condition for social interaction and knowledge spill-overs. Instead, it is a process, one that is interdependent on social networks.

Moreover, the importance of communality and connectivity ties for book publishers calls into question the vital role that frequenting the right bars in a local cluster plays in selling cultural products. This does not mean that specific localities are of no use at all. It does indicate, however, that such localities are more diverse and are not primarily informal meeting sites that enable casual encounters, but are dynamic settings for (often planned) meetings with the key players in publishing. Publishers both intentionally and unintentionally employ specific places to stimulate identification-based trust in their relationships with authors. At the same time, professionalization in publishing leads to more business-oriented ties

in which place might be of lesser importance. The empirical analyses indicated that competition and observability are at least as important as sociality in explaining what happens in local concentrations of cultural-product industries. Book publishers keep an eye on each other and on the catalogues of each other's firms. In the field of book publishing, competition is at least as important as exchanging symbolic knowledge. Moreover, publishers' personal benefits from their networks are not always compatible with the interests of their publishing firms or publishing conglomerates. Particularly when publishing houses are part of a conglomerate, publishers have to manoeuvre between the commercial targets of these conglomerates, their authors' wishes and their own career.

By examining how cultural value is created and how personal networks and the urban environment play a role in this creation, this research has contributed to breaching the dichotomy of culture and economy and to linking the production and consumption sides of the debate on stimulating urban economies. While Sunley *et al.* (2008) righteously state that the role of the local in inspiration and innovation should not be exaggerated, this study shows that place is employed to strengthen a publisher's reputation and to enhance feelings of trust in his/her personal networks. This may in turn have a stimulating effect on the creation of new ideas in publishing. However, this effect is more subtle than is suggested by either the idea of local proximity in clusters or that of place as source of inspiration.

What does this mean for the city of Amsterdam as the country's main publishing concentration? The spatial concentration of publishing firms in Amsterdam is decreasing. The role of Amsterdam for publishers is changing with the decreasing relative importance of sociality ties. Publishers are no longer focused on the traditional bars in the inner-city of Amsterdam, and new ideas and landscapes might take shape. While publishers do not need to be in Amsterdam to be successful and informal encounters in the city should not be overrated, being embedded in personal networks remains important and the relationship with authors continues to be vital. Increasing digitization and the rise of e-books is putting pressure on book publishers and their relationships in the value chain. New actors from other cultural product industries, such as new media entrepreneurs, might become more important. Moreover, the relation between

publisher and author will have to be renegotiated in e-book business models.

The city of Amsterdam and its ring of canals are still the main setting for Dutch book publishing. Will this last? Will place remain important despite increasing digitalization? In these turbulent times in publishing, urban place will probably not cease to be important. Rather, reputation and symbolic value of place might be even more important for establishing new relations and reaffirming existing bonds. If publishers merely watch each other and think only of their own careers, however, this could lead to a lock-in of Amsterdam publishing houses. The interviews showed that especially established publishers had difficulty dealing with the rise of digital publishing and the e-book, and were waiting to see what other publishers did. The Amsterdam setting seems to be used primarily to pursue an organizational myth of what book publishing entails. The re-creation of the traditional publishing house within the ring of canals reinforces the reputation of publishers and their houses, but may in the end remain no more than a myth.

Methodology and reflection

Studying the role of place and networks from different methodological and theoretical angles is an important merit of this study. The traditional rationale for combining qualitative and quantitative research is triangulation (Bryman, 2008), which entails combining different data, methods, theories and/or perspectives in order to overcome the bias inherent in one specific data source, method or theory (Denzin, 1978). This usually means that a mixed method approach is adopted to seek convergence and corroboration of the results (Onwuegbuzie & Leech, 2005). In this study, however, it might be better to speak of methodological pluralism providing a more comprehensive account of the role of local concentrations, networks and place for cultural intermediaries. Different methods and perspectives were not combined in one predetermined research setting to overcome bias; rather, different research methods and settings were used to complement each other. This corresponds with the following rationales as identified by Bryman (1988, 2008): answering different research questions, providing a more

comprehensive account, quantitative research providing insight into structure/relations, qualitative research providing insight into processes/interpretation, and helping to bridge the gulf between macro and micro levels.

A combination of quantitative and qualitative research methodologies is used not for triangulation but for complementarity (to elaborate on and clarify the results from one method with the results from the other methods), development (using the results from one method to generate questions and approach for the other method) and expansion (expanding the range of the research by using different methods) (Greene et al., 1989). The different angles and their differences show what may be missing and stimulate the researcher to critically reflect on his/her work. The interviews were very valuable in embedding the research findings of the longitudinal quantitative study with regards to Amsterdam as dynamic selection environment. This quantitative study in turn contributed to placing the experiences of the interviewees in a broader, long-term context and to reflecting on the position of the researcher. The combination of methods made it possible to create a more dynamic conceptualization of place. Proponents of quantitative or qualitative research may respectively argue that interviews are less appropriate for dynamic research than datasets because of bias in the results when asking about instances further back in time, or that datasets are unable to capture the history of places and the openness of their future in contrast to qualitative research methods. While these are justified criticisms, they do not plead for adopting one of the two methods, but underscore the importance of combining insights derived from both methods while remaining critical about their shortcomings.

It is also important to recognize that the choice of research subjects is influenced by the researcher and the interpretative community of supervisors, referees, editors and respondents around her, as well as by the options for research and data gathering within the time available. When reflecting on these choices and the author's situatedness as a social researcher, a number of aspects are important to mention. To begin with, the researcher used the ideas on experiencing place of post-structuralist accounts, but kept her distance from their emphasis on dwelling in the built environment and how this evokes inspiration. In addition, the role of routines versus individual agency could have been examined more thoroughly.

The role of routines was incorporated in the quantitative analysis, but was treated as a black box and individual entrepreneurs were not explored. The subsequent analyses primarily focused on individual experiences and social relations, and did not elaborate on the role of routines and variation in these routines. The role of prior experience in publishing was shifted more to the background, as the emphasis was on personal networks. Both are examples of how the interviewees and their stories altered the focus of this research. This is consistent with the followed principle of grounded research (Corbin & Strauss, 2008). Being flexible and telling publishers' stories and exposing their experiences is an important asset of this research. Nevertheless, the altered focus should ideally have been accompanied by a further iterative research process. Moreover, it seems that the link between the evolution of the book publishing industry in space and the experiences of individual publishers would have benefitted had this research project integrated a longitudinal study on the social networks in book publishing.

The combination of research methods for complementarity, development and expansion contributed to progressive insights as the project proceeded. At the same time, development and expansion sometimes led to differences in the scale and focus of the cases researched. The discussed disadvantages of this research are partially the result of its exploratory nature. The following section provides recommendations for future research that could overcome these disadvantages and further enhance our knowledge of place, networks and cultural-product industries.

Avenues for future research

The process and outcomes of this research raise and highlight a number of interesting avenues for further research. Moreover, the combination of different theoretical and methodological angles calls for a further examination of the limits and possibilities of these angles and of the usefulness of combining them. Although the various chapters comprise a useful framework on the role of place and personal networks in cultural-product industries and especially in publishing, this framework needs refinement and additions. A building block that is still missing is a more dynamic interpretation of networks. This research did not study social networks from an

evolutionary perspective due to data and time constraints, yet this would strengthen the bridge between the spatial evolution of the publishing industry and the role of place and networks in contemporary publishing. While the empirical analyses of the Dutch book publishing industry represent an important step towards making research on place more dynamic and exploring how network ties develop, the evolution of networks has not been sufficiently examined. A promising route to take is to combine a quantitative, evolutionary approach to further examine how the structure of social network evolves, as is done by ter Wal (2009, 2010), with a more dynamic qualitative research to study the evolution of networks, as performed by Daskalaki (2011) to account for underlying reasons for network formation and retention and entrepreneurial identities.

While the role of place has been studied from a dynamic perspective, the conceptualization of place would benefit from further refinement. Along the way, it became apparent that place as process and social construct is most valuable in relation to publishers and their social networks. While the distinguished dimensions of place were useful to explore the multiple possible meanings of place, these strict categories also made the interpretation of place more static. Further research could start from place as a social construct and examine how places are employed for reputation and trust building, as well as for other purposes. The idea of organizational myths (Meyer & Rowan, 1977) and how places can contribute to such myths, could have been more elaborated upon in this study and is an interesting avenue for further research. Moreover, the appreciation of the social construction of place calls for more attention to the role of power and identity of the various actors involved. This research only touched upon the role of power and identity in networks; this could be further explored and related to the role of place.

In this respect, the role of intermediaries and their different motives and loyalties in networks of cultural-product industries is an interesting and relatively unexplored territory to explore. Building on this piece of work, the meanings of place for artists and intermediaries and how they jointly create cultural value deserve further investigation. The role of cultural intermediaries has been explored in organizational studies (Lingo & O'Mahony, 2010), but not in relation to place. Rae's (2006) work on entrepreneurial identity and Daskalaki's (2011) explorative study on network identities can

provide a useful starting point to further explore the role of cultural intermediaries and their use of personal networks and places.

More research on cultural intermediaries will prove whether findings on Dutch book publishers also apply to intermediaries in other cultural-product industries, such as gallery owners and music producers and publishers. The empirical analyses of cultural-product entrepreneurs in Berlin indicated that entrepreneurs in the media and arts are more comparable in the meanings they attach to places than entrepreneurs in creative commercial services. Future research could further examine whether and, if so, how place is deployed differently in different cultural product industries and in different positions (i.e. artist vs. cultural intermediary). While the making of places is particularly important for publishers as cultural intermediaries to create reputation and trust, places may be constructed for other purposes by other actors in cultural product industries. Moreover, in agreement with Heur (2009), the expectation is that the role of reputation, networks and place is dissimilar for different positions in the value chain of books.

Concerning book publishing, further research should indicate whether the main results of this work also apply to other players in the Dutch book sector and to book publishers in other countries or other markets. In addition, it would be interesting to further investigate the influence of the fixed book price on how publishers deal with balancing between culture and commerce. The role of intermediary is presumably comparable between different markets and scales of book publishing, but the tension between culture and commerce is more an issue in trade book publishing than in either educational or academic publishing. In comparison to trade book publishing, the publisher is more involved as a creator in educational publishing and less in academic publishing. This may alter the way personal networks are employed. An aspect that deserves further attention in the particular case of Dutch book publishing is the emerging role of literary agents, who may at least partly take over publishers' intermediary role and further contribute to the commercialization of the book industry. Overall, it seems likely that differences between different positions in the field of books will be greater than those between book publishers from different countries or markets. In addition to interviews with Dutch book publishers, this calls for interviews with other actors as well as for interviews or

surveys among publishers from different countries. This could also provide more insight into the role of place for competitiveness in publishing.

For this research, a particular group of publishers and publishing houses was further examined by means of interviews. The publishers selected appeared to be a relatively homogeneous group with respect to their valuation of place, although the role of place differed slightly between publishers and their houses with different backgrounds in terms of firm organization and age and main market. The variation in characteristics between publishers and publishing houses could, however, have been further explored particularly in relation to their personal networks. In the selection of respondents, it would have been valuable to include publishers who have been unsuccessful or even failed. Are these publishers less able to employ place for creating reputation and trust, or are their personal networks less developed and/or different in nature? While the financial and cultural success of the respondents and their firms was discussed and analysed, this could have been studied more systematically. Further research could take this up. Moreover, the selection of respondents was mainly based on firm characteristics rather than the individual characteristics of these publishers and other cultural-product entrepreneurs. While the individual histories and characteristics are accounted for in the interviews and their interpretation, there is still a lack of a systematic study of how entrepreneurial identity influences personal networks and the construction of place in relation to firm identity and characteristics. This refers to the preceding recommendation for future research on identity and network formation.

The current turmoil in the book sector and the rise of e-publishing demand further investigation of the recent dynamics in the publishing industry in relation to other sectors. The new technological developments and the tightening market may lead to an even stronger market concentration with only a few large publishing houses within conglomerates. However, it may instead lead to the rise of new publishing firms – presumably cross-over firms from other industries – that are better suited to dealing with e-book publishing and online cross-over products that bring together the content of books with, for example, films, games, encyclopaedias or music. Mergers and acquisitions in book publishing deserve further

examination. Dutch book publishing has witnessed and is still subject to many mergers and acquisitions. While the process of market concentration and the role of conglomerates were taken into account in this study, an overview of mergers and acquisitions was not presented, as it would have been too complex and labour intensive to gather longitudinal data on all take-over activities. The effect of mergers and acquisitions and different organizational structures on the creation of cultural and financial value should be further investigated, also in relation to the role of place.

This research considered publishers and their firms as disconnected from other cultural-product industries. While publishing is indeed relatively isolated from other cultural-product industries in the Netherlands (Rutten et al., 2011), this may be changing and it would be interesting to see whether and, if so, how publishers located in and outside Amsterdam take this up. Investigating cross-overs between different cultural-product industries and knowledge-intensive business services is a fascinating avenue of research. Updating the publishing database in the coming years and conducting another round of interviews would also be an interesting project. The interviews provided some preliminary evidence that especially the established publishing houses have difficulties adapting to the new possibilities. The empirical analyses, however, did not take into account the differences between new and established publishing houses in how they deal with e-book publishing, printing on demand and new supply possibilities. This is an important topic to explore further.

Printing, bookselling and other types of publishing were included in the longitudinal analysis of Dutch book publishing as they are related to book publishing. Over the past century, experience in any of these industries positively influenced the performance of publishing firms. In recent decades, however, it might have been just as useful or even more useful to have had experience in marketing or in related cultural industries such as music, especially as a cultural intermediary. Experience as a journalist or press agent in addition to experience of selling and publishing books may positively affect the performance of a publisher. Indeed, one of the publishers interviewed indicated that his experience as a journalist helped him in terms of both skills and business contacts. This connects with the finding that primary

contacts are as important as prior experience to being successful as a publisher. The importance of related industries to performing in publishing should be further examined both quantitatively and qualitatively. While quantitative research that indicates that the most closely related industries (Neffke & Henning, 2009) can contribute to a more complete picture of which industries relate to book publishing and can measure their effects, qualitative research based on the biographies of and interviews with publishers can establish how prior involvement in related industries contributes to being a successful publisher.

Overall, this thesis holds that combining different theoretical and methodological perspectives creates more understanding of social and economic processes in publishing and other cultural-product industries. Future research should preferably make use of different complementary perspectives in an even more iterative and reflexive manner. This would enable the retrieval of underlying mechanisms for the creation of cultural value while accounting for changing geographic and historical contexts. Moving beyond place as a static condition for networks and the creation of value, this instigates a further examination of how intermediaries, entrepreneurs and people make places while building their networks.

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Appendix A: Descriptive statistics and correlations

	N=1434	Min.	Max.	Mean	Std. Deviation	Pearson Correlations																			
						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
1. Localisation economies	0	4.844	2.939	1.252	1																				
2. Amsterdam Cluster	0	1	0.266	0.442	0.738	1																			
3. Spinoffs	0	1	0.081	0.273	0.028	0.035	1																		
4. Experienced firms	0	1	0.083	0.277	-0.192	-0.085	-0.090	1																	
5. Experienced diversifiers	0	1	0.089	0.285	-0.100	-0.028	-0.093	-0.095	1																
6. Inexperienced diversifiers	0	1	0.171	0.377	-0.019	-0.001	-0.135	-0.137	-0.142	1															
7. Inexperienced firms	0	1	0.575	0.165	0.045	0.345	-0.352	-0.364	-0.528	1															
8. Spinoffs in A'dam	0	1	0.026	0.199	x	x	x	x	x	x	1														
9. Spinoffs outside A'dam	0	1	0.055	-0.105	x	x	x	x	x	x	-0.039	1													
10. Experienced firms in A'dam	0	1	0.012	0.117	x	x	x	x	x	x	-0.018	-0.026	1												
11. Experienced firms outside A'dam	0	1	0.072	-0.255	x	x	x	x	x	x	-0.045	-0.067	-0.031	1											
12. Experienced diversifiers in A'dam	0	1	0.020	0.157	x	x	x	x	x	x	-0.023	-0.035	-0.016	-0.040	1										
13. Experienced diversifiers outside A'dam	0	1	0.069	-0.200	x	x	x	x	x	x	-0.044	-0.066	-0.030	-0.076	-0.039	1									
14. Inexperienced diversifiers in A'dam	0	1	0.045	0.245	x	x	x	x	x	x	-0.036	-0.053	-0.024	-0.061	-0.031	-0.059	1								
15. Inexperienced diversifiers outside A'dam	0	1	0.126	-0.176	x	x	x	x	x	x	-0.062	-0.092	-0.042	-0.105	-0.054	-0.103	-0.083	1							
16. Inexperienced firms in A'dam	0	1	0.163	0.565	x	x	x	x	x	x	-0.072	-0.107	-0.048	-0.123	-0.063	-0.120	-0.096	-0.167	1						
17. Inexperienced firms outside A'dam	0	1	0.412	-0.259	x	x	x	x	x	x	-0.136	-0.202	-0.092	-0.233	-0.120	-0.228	-0.182	-0.317	-0.370	1					
18. Time of Entry (LN)	0	7.598	4.225	1.179	0.121	-0.028	0.097	0.199	-0.147	-0.215	0.084	0.022	0.010	0.085	0.178	-0.049	-0.138	-0.094	-0.186	0.004	0.081	1			

Appendix B: Characteristics of interviewees.

Publishing house	Location	Interviewee's position	Literary / commercial	Authors	Ownership	Established (year)
1	Amsterdam	Chief publisher-editor	Specialized in literature	Mainly Dutch authors	Conglomerate	>2000
2	Amsterdam	Co-chief publisher-editor	Literature and commercial books	Dutch and foreign authors	Independent	<2000
3	Amsterdam	Chief publishing division	Literature and commercial books	Dutch and foreign authors	Conglomerate	<2000
4	Amsterdam	Head of public relations	Literature and commercial books	Dutch and foreign authors	Conglomerate	<2000
5	Amsterdam	Co-chief publisher-editor	Literature and commercial books	Mainly Dutch authors	Independent	>2000
6	Amsterdam	Chief publisher-editor	Literature and commercial books	Dutch and foreign authors	Conglomerate	<2000
7	Amsterdam	Co-chief publisher-editor	Specialized in literature	Dutch and foreign authors	Independent	>2000
8	Amsterdam	Chief publisher-editor	Literature and commercial books	Dutch and foreign authors	Conglomerate	<2000
9	Amsterdam	Chief publisher-editor	Specialized in literature	Mainly foreign authors	Independent	<2000
10	Amsterdam	Chief publisher-editor	Literature and commercial books	Dutch and foreign authors	Independent	>2000
11	Amsterdam	Chief publisher-editor	Specialized in literature	Mainly foreign authors	Conglomerate	>2000
12	Amsterdam	Chief publisher-editor	Literature and commercial books	Dutch and foreign authors	Conglomerate	<2000
13	Outside Amsterdam	Chief publisher-editor	Specialized in commercial books	Dutch and foreign authors	Conglomerate	<2000
14	Outside Amsterdam	Chief publisher-editor	Specialized in commercial books	Mainly foreign authors	Conglomerate	<2000
15	Outside Amsterdam	Chief publisher	Specialized in commercial books	Mainly foreign authors	Conglomerate	>2000
16	Outside Amsterdam	Chief publisher-editor	Specialized in commercial books	Mainly Dutch authors	Independent	>2000
17	Outside Amsterdam	Chief publisher-editor	Literature and commercial books	Dutch and foreign authors	Independent	>2000
18	Outside Amsterdam	Chief publisher-editor	Specialized in literature	Dutch and foreign authors	Independent	<2000
19	Outside Amsterdam	Chief publisher-editor	Literature and commercial books	Mainly Dutch authors	Independent	<2000
20	Outside Amsterdam	Chief publisher-editor	Specialized in commercial books	Dutch and foreign authors	Independent	>2000
21	Outside Amsterdam	Chief publisher-editor	Literature and commercial books	Mainly Dutch authors	Independent	<2000

Nederlandse samenvatting

Plaatsen in netwerken: de betekenis van stedelijke omgeving voor boekenuitgeverijen

De stad, de uitgever en het boek

Het is alom bekend dat de Nederlandse uitgeverijsector zich concentreert in Amsterdam. Voor literaire uitgevers is de Amsterdamse grachtengordel vanouds een geliefde vestigingsplaats. Wat betekent deze stedelijke omgeving voor uitgevers? In deze dissertatie staat de betekenis van plaats en persoonlijke netwerken voor het functioneren van boekuitgevers centraal. Meer specifiek wordt ingegaan op de rol van de stedelijke omgeving bij het opbouwen van reputatie en vertrouwen in de persoonlijke netwerken van de uitgever als cultureel intermediair. Het boek is een cultureel product. De uitgever heeft als taak de economische en culturele waarde van het boek te herkennen, te creëren en met elkaar te verbinden. In de waardeketen van het boek functioneert de uitgever als een cultureel intermediair tussen auteur, boekhandel en pers. Het is interessant om te zien of en hoe stedelijke plekken van belang zijn voor het onderhouden van de daarvoor noodzakelijke relaties. Stedelijke plekken hebben niet alleen een economische maar ook een sociale functie. Vanuit een economische invalshoek is veel onderzoek gedaan naar de veronderstelde meerwaarde van de (ruimtelijke) clustering van de culturele industrie in steden. Er is echter nog weinig bekend over de rol van de stad voor culturele intermediairs bij het opbouwen van reputatie en vertrouwen.

Dit onderzoek richt zich in het bijzonder op uitgevers van publieksboeken, dat wil zeggen, boeken voor de algemene consumentenmarkt. Er is gekeken naar uitgevers binnen en buiten Amsterdam. Ten eerste omdat uit het longitudinale onderzoek blijkt dat de concentratie van uitgevers in Amsterdam in de loop van de tijd afneemt. Ten tweede om meer inzicht te krijgen in het belang van

plaats zowel binnen als buiten het traditionele cluster. Verondersteld wordt dat de stedelijke omgeving een belangrijke rol speelt in het proces van het opbouwen en behouden van vertrouwen en reputatie in de (literaire) uitgeverswereld. De volgende vraag staat centraal: *In hoeverre profiteren boekuitgevers van vestiging in een stedelijke omgeving en hoe gebruiken ze specifieke plaatsen om een cultureel product te maken en verkopen?*

Deze vraag is beantwoord op basis van een combinatie van verschillende werkwijzen en inzichten. Een kwantitatieve analyse vanuit de evolutionaire economische geografie is gecombineerd met een kwalitatieve, stadsgeografische casestudie. Het toepassen van verschillende methoden heeft bijgedragen aan het vergaren van nieuwe inzichten tijdens het project. De combinatie biedt enerzijds een longitudinaal perspectief op de ruimtelijke spreiding van de uitgeverssector in Nederland en anderzijds een dynamische interpretatie van de rol van plaats en persoonlijke netwerken in de huidige uitgeverswereld. Dit draagt niet alleen bij aan kennis over boekuitgeverijen maar ook aan kennis over de rol van stedelijke plaatsen in de culturele productie.

Het proefschrift bestaat uit een bundeling van vier internationaal gejureerde artikelen. Deze zijn elk als aparte hoofdstukken (h2-5) opgenomen en aangevuld met een inleidend en concluderend hoofdstuk. Deze samenvatting geeft een overzicht van de belangrijkste empirische resultaten.

Het belang van beleving

Plaats is meer dan geografische nabijheid alleen; naast de afstand van x tot y gaat het ook om de verschillende betekenissen van plekken. Hoofdstuk twee geeft een eerste verkenning van de verschillende dimensies van het begrip plaats. Dit hoofdstuk gaat in op de betekenis van plaats voor culturele ondernemers. Er wordt een antwoord gegeven op de volgende deelvraag: *in hoeverre en op welke manier spelen de functionele en symbolische waarde van stedelijke plaats een rol in de locatiekeuze en locatiebeoordeling van culturele ondernemers?*

Het onderzoek laat zien dat plaatsen niet alleen een functionele waarde hebben als productiemilieu of als een ontmoetingsmilieu, maar ook een symbolische waarde die de creatieve identiteit van ondernemers onderstreept. In twee buurten in Berlijn, die bekend staan als “culturele clusters”, vertelden de geïnterviewde ondernemers dat ze bij het kiezen van een locatie op zoek waren naar de perfecte mix: relatief goedkope werkplekken die qua uiterlijk en gevoel bij hun bedrijf en ideeën pasten. Voor de meeste ondernemers waren (veronderstelde) authenticiteit, historische waarde en een beetje ruige omgeving van belang, al was er ook een aantal ondernemers dat zocht naar mooi gerenoveerde gebouwen en modieuze architectuur. De analyse laat zien dat het ervaren van de “look and feel” van gebouw en omgeving door creatieve ondernemers belangrijk wordt gevonden, in ieder geval belangrijker dan geografische nabijheid tot andere culturele ondernemers met gemakkelijke uitwisseling van informatie en kennis als doel. Voor sommige ondernemers werkte de lokale omgeving als stimulans en inspiratiebron. Vaker echter werd de symbolische waarde van de plek door de ondernemers gebruikt om hun creativiteit te benadrukken. De plek werd dan gebruikt om hun reputatie als culturele ondernemer op te bouwen, in stand te houden en te versterken.

Een dynamische selectieomgeving

De analyses in hoofdstuk 3 nemen onderzoeken de rol van plaats over een langere tijdsperiode. Hierdoor is het mogelijk het relatieve belang van concentratie van culturele bedrijven op het succes van deze bedrijven in een historische context te plaatsen. De overlevingskansen van uitgeverij is geanalyseerd binnen en buiten Amsterdam. Het veronderstelde positieve effect van culturele clusters en het belang van ruimtelijke nabijheid wordt in dit hoofdstuk kritisch onder de loep genomen door niet alleen naar mate van clustering maar ook naar opgedane ervaring in uitgeven, drukken en boekverkoop te kijken. Dit hoofdstuk geeft antwoord op de tweede deelvraag: *in hoeverre heeft vestiging in Amsterdam de prestaties beïnvloed van Nederlandse boekuitgeverijen met en zonder eerdere ervaring in het boekenvak in de periode 1880-2008?*

Om te overleven als uitgever blijkt ervaring belangrijker dan ruimtelijke concentratie. De analyse laat zien dat hoewel nog steeds 25 procent van de Nederlandse boekuitgevers in Amsterdam is gevestigd, deze ruimtelijke concentratie in de loop van de tijd is afgenomen. Voor heel Nederland geldt dat de aanwezigheid van andere boekuitgevers in de directe omgeving een negatief effect heeft op de prestatie (gemeten als overlevingskans) van uitgeverijen. De overlevingskansen van bedrijven in Amsterdam blijken ook niet hoger te liggen dan die van bedrijven elders. Amsterdam heeft wel een hoger aantal ervaren uitgevers in vergelijking met de rest van Nederland en deze uitgevers presteren bovendien relatief goed. De vestigingsregio Amsterdam wordt gekenmerkt door een hoge turbulentie met veel oprichtingen maar ook veel bedrijfsbeëindigingen in uitgeven. Amsterdam fungeert als een competitieve en dynamische selectieomgeving waar een aantal uitgevers winnen maar waar er ook velen verliezen.

Plaatsen – the making of

Wat gebeurt er in deze beweeglijke selectieomgeving en wat betekent dit voor uitgevers? Hierop wordt nader ingegaan in hoofdstuk vier. Plaats wordt hier opgevat als proces. De symbolische betekenis van plaats wordt immers door mensen geconstrueerd en is constant aan verandering onderhevig.

De derde deelvraag wordt in dit hoofdstuk beantwoord: *hoe dragen verschillende dimensies van stedelijke plekken bij aan het creëren en behouden van vertrouwen en reputatie in de uitgeverijsector en hoe verschilt dit voor boekuitgevers binnen en buiten Amsterdam?*

Op het eerste gezicht functioneert de Amsterdamse grachtengordel voor uitgevers als een stimulerende ontmoetingsplaats. Je komt elkaar gemakkelijk tegen, hetgeen socialisatieprocessen versoepelt en versterkt. Dit geldt vooral voor uitgevers van Nederlandstalige literatuur. Veel mensen die werkzaam zijn in de Nederlandse literatuur wonen in Amsterdam, ontmoeten elkaar en vormen een zogenaamde literaire gemeenschap.

Een verdere inspectie van de rol van plaats maakt duidelijk dat de stedelijke omgeving niet zozeer een statisch object is dat zorgt voor inspiratie en ontmoetingen, maar een dynamisch object waarvan de betekenis wordt bepaald door het gebruik dat uitgevers ervan maken. Die betekenis hangt nauw samen met het imago van de plek in de relatie tussen uitgevers en andere actoren (auteurs, journalisten en boekverkopers). De stedelijke omgeving is niet zo zeer een conditie voor 'face-to-face' contact, maar een gecreëerde symbolische plaats die uitgevers aanwenden voor het opbouwen van vertrouwen en reputatie in hun relaties met schrijvers, pers en andere contacten. Dit creëren van plaats - the making of places - is niet alleen voorbehouden aan plekken in Amsterdam. Aan de ene kant gebeurt dit in de uitgevershuizen zelf waar een thuisgevoel wordt gecreëerd: zowel binnen als buiten Amsterdam en van grachtenpand tot in sfeervolle villa's of karakteristiek kantoorpanden. Aan de andere kant worden ook tijdelijke ontmoetingsplekken binnen en buiten de stad door uitgevers gecreëerd, denk aan de bekende boekenbeurs in Frankfurt.

Persoonlijke ontmoetingen

'The making of places' komt voort uit persoonlijke ontmoetingen van uitgevers met auteurs, boekhandelaren, pers en collega-uitgevers. Het vijfde hoofdstuk richt zich hierop. Uitgevers stoppen veel tijd in het beheer van deze persoonlijke netwerken, maar met welke motieven en op welke wijze worden deze netwerken gebruikt bij het creëren van het boek als cultureel product. De deelvraag die in dit hoofdstuk wordt beantwoord is: *op welke wijze bouwen uitgevers persoonlijke netwerkrelaties op en onderhouden zij deze en hoe beïnvloedt dit de creatie van culturele waarde in de boekensector?*

Uit de analyse van interviews met uitgevers blijkt dat zij strategisch gebruik maken van emotionele relaties met de verschillende actoren die betrokken zijn bij het maken van een boek. Zij brengen die actoren bij elkaar en gebruiken daarvoor bepaalde stedelijke omgevingen. De crux van het uitgeversvak is dat zij verschillende variaties van persoonlijke en zakelijke netwerkrelaties organiseren. De netwerkrelaties van uitgevers behelzen niet alleen informele

netwerken en toevallige ontmoetingen maar ook geplande persoonlijke én professionele ontmoetingen. De nadruk die uitgevers leggen op de verschillende soorten relaties is in de loop van de tijd veranderd doordat het uitgeven van boeken een steeds commerciële aangelegenheid is geworden. Het is duidelijk dat uitgevers meer belang hechten aan professionele persoonlijke netwerken.

Verrassender is de uitkomst dat uitgevers meer investeren in de vertrouwensband met schrijvers. Dit betekent niet dat uitgevers een vriendschapsband met schrijvers zoeken, maar eerder dat de schrijver zelf bijna een product is geworden. Sociale netwerken zijn niet altijd positief voor uitgeverijen. Zo worden informele contacten met andere uitgevers vooral gebruikt om elkaar in de gaten te houden. Ook leiden persoonlijke netwerken van uitgevers soms tot spanningen tussen uitgevers en hun uitgeverijen. Uitgeven is als koorddans waarbij uitgevers hun evenwicht moeten vinden en bewaren tussen de belangen van hun schrijvers, hun eigen carrière en commerciële belangen. Uitgevers dienen op eigen wijze cultuur en commercie te verbinden maar in afstemming met de uitgeverij en overkoepelende concerns.

Bijdragen en verder onderzoek

Deze dissertatie draagt op drie manieren bij aan de bestaande kennis over culturele industrieën, hun netwerken en ruimtelijke concentratie in steden.

De eerste bijdrage is het scheppen van een meer genuanceerd beeld van de betekenis van stedelijke omgeving voor culturele ondernemers. Nog te vaak wordt de plek louter opgevat als vestigingsplaats. Soms wordt er gekeken naar plaats als ontmoetingsruimte of inspiratiebron. Dit proefschrift pleit voor het kijken naar plaats als sociale constructie waarbij de betrokken actoren zelf betekenis geven aan hun stedelijke omgevingen. Deze betekenisgeving gebeurt vanuit het strategisch beheer van persoonlijke netwerken. Dit inzicht biedt ook een ander perspectief op de vermeende clustering van culturele ondernemers. Stedelijke omgevingen met een hoge dichtheid aan culturele ondernemers zijn

niet zo zeer in trek vanwege frequente of soepele sociale interacties (face-to-face contacten) en kennisuitwisseling, maar vanwege hun symbolische betekenis in het beheer van persoonlijke netwerken door culturele ondernemers, in casu uitgevers. Stedelijke omgevingen krijgen betekenis door het bouwen van netwerken door culturele ondernemers. Deze netwerken zijn niet alleen voortdurend in beweging maar ook de aard van de netwerken veranderd naar aan de ene kant meer zakelijkheid en aan de andere kant meer persoonlijk contact.

Nader onderzoek kan dit inzicht op twee manieren verder uitwerken en toetsen. Allereerst kan het idee van plaats als sociale constructie verder worden verfijnd. In dit onderzoek is vooral aandacht besteedt aan de rol van plaats voor het opbouwen van vertrouwen en reputatie als uitgever. Het is interessant om verder in te gaan op de rol van machtsrelaties en identiteit in netwerken en hoe plaats als sociale constructie hier een rol in speelt. Daarnaast is het belangrijk om ook netwerken over een langere tijdsperiode te bekijken om zo meer inzicht te krijgen in de veranderingen in netwerken.

De tweede bijdrage van deze dissertatie is het inzicht dat de ruimtelijke concentratie van uitgeverijen in Amsterdam niet per definitie positief is voor het succes van deze bedrijven. Dit onderzoek houdt het belang van concentratie van culturele industrieën en informele kennisuitwisseling in steden kritisch tegen het licht. Het laat zien dat bepaalde stedelijke omgevingen wel een rol spelen bij dit succes (= overlevingskans) maar dan toch vooral als een selectieomgeving. Tegenover succes staat teleurstelling. Hoewel de meest succesvolle uitgevers in Amsterdam zitten is dit vooral te danken aan hun ervaring en opgebouwde netwerken. Sommige uitgevers doen het slecht in dezelfde stedelijke omgeving waar anderen succes hebben. In Amsterdam is het verschil tussen succes en teleurstelling groter dan elders in Nederland. De rol van kennisuitwisseling (knowledge spillovers) in deze culturele sector is gering. Kennisuitwisseling vindt nauwelijks plaats via informele ontmoetingen en uitgevers houden elkaar onderling goed in de gaten. Maar competitie speelt niet alleen een rol tussen uitgeverijen, maar

ook tussen uitgevers onderling en in de relatie tussen uitgever en uitgeverij. De persoonlijke belangen van de uitgever komen niet altijd overeen met de belangen van de uitgeverij en het uitgeversconcern. Helemaal voor uitgevers die deel uitmaken van een concern is het een kwestie van manoeuvreren tussen de commerciële targets van deze concerns, de wensen van hun auteurs en hun eigen carrière. Dat betekent dat de positieve kenmerken van “culturele clusters” niet moeten worden overschat.

Ook het belang van informele ontmoetingen in de bar is niet zo belangrijk als soms wordt gedacht. Het beeld van de uitgever als een kroegtigjer die aan de bar hangt met zijn schrijvers, blijkt toch vooral een cliché. De uitgever hecht ten minste net zoveel belang aan ontmoetingen op afgesproken plaatsen met zowel een meer zakelijk georiënteerd als een meer persoonlijk karakter. Dit betekent niet dat specifieke plekken helemaal niet belangrijk zijn. Plekken die een rol spelen voor uitgevers variëren van uitgevershuizen, tot bars en restaurants en tijdelijke ontmoetingsplekken op bijvoorbeeld boekenbeurzen. Deze plekken fungeren in alle gevallen als dynamische decors voor vaak geplande ontmoetingen met de belangrijkste spelers in het boekenvak.

Terwijl dit onderzoek inzicht geeft in hoe uitgevers plaats gebruiken bij hun persoonlijke netwerken is nader onderzoek gewenst naar het effect van het creëren van plaatsen op het succes van uitgevers en hun bedrijven. Het lijkt zinvol te kijken naar succesvolle uitgevers versus niet-succesvolle uitgevers en te onderzoeken welke persoonskenmerken, ondernemersidentiteiten en achtergronden bepalend zijn voor de wijze waarop persoonlijke netwerken en plaats worden gebruikt.

Tot slot draagt deze dissertatie bij aan kennis over de betekenis van de stedelijke omgeving voor culturele intermediairs. Terwijl de rol van plaats voor kunstenaars en culturele producenten al vaak is onderzocht is er tot op heden weinig aandacht besteedt aan de rol van culturele intermediairs. In dit onderzoek is een poging gedaan de productie- en consumptiekant van het debat over stedelijke economieën met elkaar te verbinden. De culturele intermediair

brengt als schakel in de waardeketen het creëren van culturele waarden en het verkopen van culturele producten bij elkaar. Het onderzoek laat zien dat juist voor culturele intermediairs het vertrouwen binnen persoonlijke netwerken van groot belang is.

Voortbouwend op dit werk, is het interessant om te kijken naar de betekenis van plaatsen voor culturele producenten en intermediairs in het gezamenlijk creëren van culturele waarde. Meer onderzoek zal ook moeten uitwijzen of de uitkomsten van dit onderzoek ook gelden voor andere culturele intermediairs dan uitgevers of juist voor andere spelers in het boekenvak. Ook kunnen er meer bruggen geslagen worden tussen de boekenindustrie en andere culturele industrieën zoals design, fotografie, gaming, muziek en film, in relatie tot het creëren van culturele producten en plaatsen. De teruglopende verkoop van boeken en de opkomst van e-books zullen wellicht leiden tot nieuwe ideeën waarbij de roman wordt gecombineerd met andere culturele vormen. Dit zou binnen de bestaande organisatie van uitgeefconcerns kunnen plaatsvinden maar ook ruimte kunnen bieden aan nieuwe uitgeverijen. Het effect van fusies en overnames en eigendomsstructuren op het creëren van culturele en financiële waarde is in dit onderzoek kort aangestipt. De rol van fusies en overnames in veranderingen in persoonlijke netwerken kan echter verder worden onderzocht, ook in relatie met het belang van plaats. Ook de verschillen tussen uitgevers in hoe ze omgaan met het e-book en andere technologische ontwikkelingen is een interessant onderwerp voor verder onderzoek.

Concluderend kan worden gesteld dat plaats geen voorwaarde is voor sociale contacten, kennisuitwisseling en succes in de uitgeverijwereld. Plaats is wel van belang en vormt en wordt gevormd door persoonlijke netwerken. Wat betekent dit voor Amsterdam als uitgeversstad? Blijft de Amsterdamse grachtengordel het belangrijkste toneel voor uitgevers van boeken? Informele netwerken en het bezoeken van bepaalde kroegen in de binnenstad lijken relatief minder van belang geworden. De symbolische waarde van plaats en het gebruik van specifieke plekken in de stad, bijvoorbeeld ter

ondersteuning van reputatie en vertrouwen binnen netwerken, zijn echter cruciaal gebleken. Hoewel voor Amsterdam het gevaar van een lock-in op teloor ligt: uitgevers houden elkaar in de gaten en wachten vaak af wat anderen gaan doen. Het kleine uitgeefwereldje – letterlijk en figuurlijk – brengt relatief weinig vernieuwing. Het decor van de Amsterdamse grachten lijkt vooral te worden gebruikt om een ideaal na te jagen van wat boeken uitgeven ooit is geweest.