

# CONCEPTUAL BASIS FOR THE CLASSIFICATION OF CREATIVE INDUSTRIES AND EMPIRICAL ANALYSIS OF THEIR DEVELOPMENT BASED ON TURNOVER DYNAMICS

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**Abstract.** The *purpose* of the paper is to provide the conceptual basis for the classification of creative industries and to conduct an empirical analysis of their development in Ukraine on the basis of sales volumes in 2010-2022. *Methodology.* The article provides a critical review of international classification approaches (DCMS, WIPO, UNESCO, UNCTAD) and proposes an author's classification model based on three parameters: the method of economic value creation, the form of the final product, and the type of interaction with the consumer. The empirical analysis is based on statistical data on product sales in eight groups of creative industries, grouped into four categories. *The results* of the study show significant structural shifts towards digital and technology-oriented sectors. In particular, digital industries showed the highest compound annual growth rate (CAGR – 163.55%), while traditional creative industries remained relatively stable or showed slowing growth rates. This indicates a change in consumer priorities and the growing role of digital platforms, IT solutions and multimedia content in the structure of the creative economy. *Practical implications.* The proposed classification model can be used for the purposes of strategic planning, improving public policy to support the creative sector and building a modern statistical accounting system. It makes it possible to identify sectors with high growth potential and to increase the efficiency of management decisions in this area. *Value / originality.* The article offers an authorial approach to the classification of creative industries, taking into account the modern challenges of the digital economy, and combines it with a quantitative analysis of sales volumes. The results obtained provide an analytical basis for further research and application in the design of innovative economic policies.

**Keywords:** creative industries, classification, digitalization, economic dynamics, authorial model, development strategy.

**JEL Classification:** Z10, O31, L82

## 1. Introduction

In recent decades, the creative industries have gained particular importance as a factor for economic growth, innovative development and employment. In response to the digital transformation, the changing structure of the labour market and the growing demand for intangible goods and cultural services, the role of the creative sector in national economies has received increased attention. In Ukraine, the National Economic Strategy – 2030 envisages increasing the share of creative industries in GDP to 10%, their contribution to value added from 3.86% to 5%, their share in exports from 0.5% to 3%, and their employment from 3.57% to 4.5% (Verkhovna Rada of Ukraine. Vectors of Economic Development 2030).

Despite the strategic importance of this sector, there is still no unified approach to its classification, which complicates both statistical measurement and comparative analysis, as well as the design of effective support policies. Existing international models (DCMS, WIPO, UNESCO, UNCTAD) offer different classification principles, focusing on cultural, economic or legal characteristics. The lack of a coordinated approach makes it impossible to fully compare structural changes and assess the dynamics of the development of the creative economy in the national context.

The article aims to form a holistic view of the structural organisation of creative industries through a comparative analysis of existing international approaches to their classification, the development of

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an author's systematisation model taking into account modern economic realities, as well as conducting an empirical analysis of the dynamics of development of individual segments of the creative sector of Ukraine in 2010-2022.

## **2. Theoretical Approaches to the Classification of Creative Industries**

In the context of the growing role of the creative economy as a factor of innovative and cultural development, the issue of theoretical understanding and classification of creative industries becomes particularly relevant. The complexity of the object of research, its interdisciplinary nature and its rapid transformation mean that there is no single, generally accepted approach to defining the boundaries, functions and internal structure of the creative sector. This gives rise to a considerable number of classifications that differ in methodological principles, depth of detail, content and practical orientation.

Different countries and international organisations have developed their own models for classifying the creative industries, often based on national cultural policies, institutional practices, approaches to copyright, labour market characteristics and levels of technological integration. Some focus on the cultural component, others on economic productivity and still others on the legal status of the creative product. This methodological diversity creates both analytical opportunities and certain limitations when attempting to compare or adapt classifications to specific circumstances.

In this regard, an important task of modern scientific thinking is to study the existing range of classifications of creative industries, to determine their advantages and disadvantages, as well as to identify methodological trends that can be used to build an integrated model relevant to Ukrainian realities.

One of the first and most influential attempts to systematise the creative industries was the classification model developed by the UK Department for Culture, Media and Sport (DCMS) in 1998. It is based on the definition of creative industries as sectors whose activities draw on individual creativity, skills and talents to produce goods and services of commercial value. According to this classification, the creative sector comprises 13 industries: advertising, architecture, art and antiques, crafts, design, fashion, film and video, music, performing arts, publishing, software, television and radio, and video and computer games (Department for Digital, Culture, Media & Sport, 1998). The advantage of this model is its clarity, structural completeness and convenience for the construction of national statistics. At the same time, it reflects the peculiarities of British cultural policy in the late 1990s, which require adaptation for other countries.

An important contribution to the conceptualisation of the creative economy has also been made by the World Intellectual Property Organisation (WIPO), which has presented in its Methodological Manual a classification of industries according to their degree of connection with copyright. This approach allows us to view the creative industries through the prism of the legal status of the content created and the mechanisms for its protection. The WIPO methodology divides all industries into four groups. The first group consists of the main copyright industries, which include those sectors where production and distribution are entirely based on copyright objects – publishing, music, film, advertising, software, etc. The second group includes interdependent industries that provide technological or infrastructural support for the main content, in particular the production of televisions, musical instruments and players. The third group includes partially dependent industries, where only part of the economic activity is related to the exploitation of copyright, such as design or architecture. Finally, the fourth group, related industries, includes those sectors that contribute indirectly to the functioning of the creative sector, such as logistics, trade or telecommunications (World Intellectual Property Organization, 2003). The advantage of the WIPO classification lies in its ability to accurately and quantitatively assess the contribution of industries that operate on the basis of intellectual property, which is particularly relevant in the digital age where the scope of copyright is constantly expanding.

In 2006, the UNESCO Institute for Statistics proposed a general classification of creative industries, dividing them into two broad groups. The first includes industries that belong to the main branches of the cultural sphere, in particular literature, performing arts, visual arts, music, museums, libraries, cinema and other forms of cultural expression. The second group includes industries that have an indirect impact on culture, but whose purpose is not purely cultural. These include advertising, fashion, architecture, design, software development and the media (UNESCO, 2006). This approach reflects UNESCO's desire to integrate culture into the broader context of sustainable development, emphasising its multidisciplinary nature and its intersection with related areas of social life.

In 2008, the United Nations Conference on Trade and Development (UNCTAD) presented a more comprehensive typology of the creative economy in its Creative Economy Report, which includes four key groups: heritage, arts, media and functional creations (UNCTAD, 2008). The heritage category included traditional cultural expressions, crafts, tangible and intangible cultural heritage, reflecting the link between cultural identity and economic activity. The arts group included visual and performing arts, including painting, sculpture, photography, theatre, dance and

music. The media group included film, television, radio and print. Finally, the category of functional creations included architecture, graphic and industrial design, advertising, fashion and software development. This typology allows not only to take into account cultural specificities, but also to integrate innovative activities that constitute a new structure of the knowledge economy and creativity. In 2006, the UNESCO Institute for Statistics proposed a general classification of creative industries, dividing them into two broad groups. The first includes industries that belong to the main branches of the cultural sphere, in particular literature, performing arts, visual arts, music, museums, libraries, cinema and other forms of cultural expression. The second group includes industries that have an indirect impact on culture, but whose purpose is not purely cultural. These include advertising, fashion, architecture, design, software development and the media (UNESCO, 2006). This approach reflects UNESCO's desire to integrate culture into the broader context of sustainable development, emphasising its multidisciplinary nature and its intersection with related areas of social life.

The official definition of the composition of the creative industries at the national level was established in Ukraine in 2019. The composition of the creative industries encompasses 34 types of economic activity, as delineated in accordance with the Classification of Economic Activities NACE Code (KVED 009:2010) (Verkhovna Rada of Ukraine, 2019). The list of covered areas includes both traditional cultural industries, such as music, theatre, cinematography, publishing, architecture, crafts, and the operation of museums, libraries and archives, and the latest trends in the digital economy, including information technology, software

development, web design and computer programming activities. The classification also encompasses advertising, photography, design, translation services, jewellery manufacturing and other associated domains. This approach is indicative of the national aspiration to mirror the multifaceted nature of the creative sector, integrating cultural, economic, and digital components into a unified methodological framework. This creates the prerequisites for further systematisation, quantitative analysis, and the formulation of strategies for the development of Ukraine's creative economy.

### 3. Author's Approach to Classifying Creative Industries

In the context of the growing role of the creative economy and the diversity of existing classifications, there is a need to form a coordinated approach to the structuring of this sector, which would take into account modern economic transformations, the interdisciplinary nature of creative activity and technological changes. The proposed author's classification is predicated on a combination of substantive and functional features that reflect the key characteristics of creative industries in the modern economic environment. The model is predicated on three complementary parameters: the method of creating economic value, the form of the final product and the nature of interaction with the consumer. This approach facilitates the identification of the internal differentiation of industries according to the level of the creative component, the technological load, and the method of consumption of the created product (Table 1).

Table 1

#### Author's approach to classifying creative industries

Creative Industry Class	Industry Group	NACE Code (KVED 009:2010)	Value Creation Method	Type of Output	Nature of Interaction
Classical Creative Activities	1. Crafts and Arts	32.12, 32.13, 32.20	Human creative activity	Tangible product	Direct impact
	2. Publishing	58.11–58.19			
	3. Audiovisual Arts, Architecture and Cultural Heritage	59.11–60.20, 71.11, 90.01–90.04, 91.01, 91.02			
Creative Industries with a Hybrid Approach	1. Marketing and Advertising	70.21, 73.11, 73.12	Creativity combined with technology	Intangible product or service	Direct impact
	2. Education and Research in Creative Industries	72.20, 85.52			
Tech-Creative Activities	1. Video Games and Multimedia	58.21, 58.29	Technology and creativity	Tangible/digital product	Indirect impact
	2. Design, Photography, and Translation	74.10, 74.20, 74.30			
Digital Creative Industries	1. Information Technology and Digital Platforms	62.01–62.02, 63.91	Predominantly technology	Intangible digital product	Indirect impact

In our opinion, the proposed author's classification of creative industries allows us to comprehensively describe their structure, combining the analysis of the method of generating economic value, the type of final product and the form of interaction with the consumer.

The primary benefit of the proposed model is its capacity to incorporate the substantive and functional characteristics of creative industries into a unified systemic framework. The criterion of the method of creating economic value enables the coverage of two distinct areas. Firstly, there is the domain of individual creativity, and secondly, there is the domain in which creativity is combined with digital technologies. This is of particular significance within the context of the transformation of the knowledge economy, wherein innovation and creativity are increasingly manifesting in close symbiosis. Consequently, the approach is pertinent for the analysis of both traditional sectors – crafts, art, theatre – and the newest ones – multimedia, video games, digital platforms.

Another significant advantage is the clear distinction between tangible and intangible outputs, which allows for more accurate measurement of production, employment, and value added within each group. Concurrently, the criterion of interaction with the consumer reflects contemporary channels of access to the creative product, encompassing both direct consumption (e.g., attending a theatrical performance) and indirect consumption through digital means (e.g., streaming platforms or virtual services). All these advantages make the model suitable for both research tasks and practical applications in the field of cultural policy, institutional planning, and economic forecasting.

#### 4. Empirical Analysis of the Development of Creative Industries Sectors in Ukraine

In order to achieve a comprehensive understanding of the present state and dynamics of the development of creative industries in Ukraine, it is necessary to conduct an empirical study based on the analysis of

actual economic indicators. One of the key indicators that allows us to assess the scale of functioning and prospects of individual classes of creative industries is the volume of sales in the relevant sectors. Table 2. presents the dynamics of sales of products and services in the sectors of the creative economy of Ukraine for 2010–2022 according to the author's classification, which includes four groups: classically creative, mixed, technologically creative and digital activities. This division allows us to compare the scale and pace of development of individual groups, as well as analyze structural shifts between traditionally creative and industries focused on the use of digital technologies.

From 2010 to 2022, the development of Ukraine's creative industries exhibited a combination of two key dynamics. Firstly, there was an overall growth in sales volumes. Secondly, there were structural changes within the sector itself. The digital creative industries have been a particular source of positive economic dynamism, with sales volumes increasing tenfold from UAH 7.17 billion in 2010 to UAH 304.39 billion in 2021. This rapid growth is indicative of the rapid introduction of information technologies, digital platforms and multimedia products into the creative economy. A similar trend is also demonstrated by the technological and creative industries, in particular design, photography, video games and multimedia, where sales volumes increased almost tenfold, thus confirming the high level of demand for visual and digital content.

Concurrently, classical creative activities (crafts, publishing, fine arts, architecture) maintain stable, albeit comparatively lower, sales volumes. In certain years, a decline has been observed – most notably, in 2015, the indicator of classical creative activities decreased in comparison with 2010. Creative industries exhibiting a mixed approach, including but not limited to advertising, marketing, and educational and research services in the field of culture, demonstrate gradual growth, particularly in the latter half of the analysed period. Consequently, the prevailing dynamics point to a broadening of the

Table 2

**Dynamics of Sales Volumes in the Creative Industries Sector in Ukraine (UAH billion)**

Creative Industry Group	Classical Creative Activities			Creative Industries with a Hybrid Approach		Tech-Creative Activities		Digital Creative Industries
NACE Code (KVED 009:2010)	32.12, 32.13, 32.20	58.11-58.19	59.11-60.20, 71.11, 90.01-90.04, 91.01, 91.02	70.21, 73.11, 73.12	72.20, 85.52	58.21, 58.29	74.10, 74.20, 74.30	62.01-62.02, 63.91
2010	0,92	6,35	19,26	12,46	0,33	1,95	0,67	7,17
2015	0,54	5,23	14,66	21,71	0,30	2,38	2,34	56,09
2020	0,85	7,39	37,30	56,88	0,91	6,07	8,29	216,18
2021	0,95	8,48	47,39	68,34	1,28	8,36	12,18	304,39
2022	0,92	6,35	19,26	12,46	0,33	1,95	0,67	7,17



creative sector, accompanied by a shift towards digital and technologically-driven activities. In order to conduct a thorough evaluation of the evolution of Ukraine's creative sector, it is imperative to extend the analysis beyond the examination of aggregate sales volumes. A comprehensive assessment must also encompass the determination of growth rates within the pertinent subsectors. As illustrated in Table 3, the calculated annual growth rates of sales volumes for each group of creative industries are presented for key periods, in addition to the average annual growth rate (CAGR) for the period 2010–2022. This approach facilitates the tracking of the dynamics of changes, the identification of leaders in terms of growth rates, and the recording of the impact of external factors (e.g. war or crises) on the pace of development of various segments of the creative economy.

As demonstrated in Table 3, during the period 2010–2022, digital creative industries exhibited the most significant development, with an average annual growth rate (CAGR) of 163.55%. This figure is considerably higher than the corresponding indicators of other groups, indicating the rapid digital transformation of the creative sector, the dominance of information and communication technologies, digital platforms and services in the market. A substantial increase was also observed in groups associated with multimedia, video games (CAGR – 17.17%) and design, photography and translations (CAGR – 14.59%), thereby substantiating the mounting demand for visually and technologically sophisticated content.

Concurrently, classical creative activity exhibited the most modest average annual growth rate of 3.46%, suggesting a period of stagnation for conventional forms of creativity within the context of active digitalisation and the transformation of consumer preferences. As is characteristic of creative industries with a mixed approach, such as advertising, marketing and educational and research services in

the field of culture, relatively stable yet moderate growth rates are observed (CAGR – 6.61% and 7.76%, respectively). The findings of the study indicate a gradual reorientation of the creative economy of Ukraine to digital and technologically oriented directions. This reorientation necessitates a revision of strategic approaches to state support policy, taking into account new structural priorities for the development of the industry.

## 5. Conclusions and Recommendations

A generalisation of theoretical approaches to the classification of creative industries indicates the absence of a unified model, which is due to the interdisciplinary nature of the object of research and different cultural and institutional contexts. The classifications proposed by the Department for Culture, Media and Sport (DCMS), the World Intellectual Property Organization (WIPO), the United Nations Educational, Social and Cultural Organization (UNESCO) and the United Nations Conference on Trade and Development (UNCTAD) differ in their methodological basis, ranging from the legal status to the typology of the creative product or sphere of influence. Such heterogeneity engenders both analytical flexibility and the necessity to adapt international experience to national conditions.

In light of these considerations, a classification system was devised that integrates both substantive and functional criteria. This system encompasses the method of creating economic value, the form of the final product, and the nature of interaction with the consumer. This approach enables a clear distinction to be made between traditionally creative, mixed, technological and digital industries, thereby providing a comprehensive understanding of the structure of the sector. The author's classification possesses practical significance for analytical accounting, the development

Table 3

### Growth Rates and Compound Annual Growth Rate (CAGR) of Creative Industry Groups in Ukraine, %

Creative Industry Group	Classical Creative Activities			Creative Industries with a Hybrid Approach		Tech-Creative Activities		Digital Creative Industries
NACE Code (KVED 009:2010)	32.12, 32.13, 32.20	58.11-58.19	59.11-60.20, 71.11, 90.01-90.04, 91.01, 91.02	70.21, 73.11, 73.12	72.20, 85.52	58.21, 58.29	74.10, 74.20, 74.30	62.01-62.02, 63.91
Growth Rate, %								
2010	0,92	6,35	19,26	12,46	0,33	1,95	0,67	7,17
2015	0,54	5,23	14,66	21,71	0,30	2,38	2,34	56,09
2020	0,85	7,39	37,30	56,88	0,91	6,07	8,29	216,18
2021	0,95	8,48	47,39	68,34	1,28	8,36	12,18	304,39
2022	0,92	6,35	19,26	12,46	0,33	1,95	0,67	7,17
Compound Annual Growth Rate (CAGR), %								
2010-2022	3,459	6,606	7,757	16,151	4,714	17,167	14,588	163,552

of policies to support the creative economy and strategic planning at various levels.

Empirical analysis confirms that during 2010–2022, there was an active growth in the volume of sales of products in the creative sector of Ukraine, especially in segments focused on digital technologies. Digital creative industries demonstrated the highest average annual growth rate (CAGR – 163.55%), indicating the strengthening role of IT solutions, digital platforms and multimedia content in the economic model. Concurrently, traditionally creative domains are exhibiting signs of stagnation or only modest growth, suggesting a shift in consumer priorities and a market structural transformation.

Further research in this area will concern an in-depth analysis of the relationships between individual segments of creative industries. Such an analysis will also include an assessment of their contribution to the formation of added value, employment and exports. Furthermore, the impact of digital transformations on the transformation of business models in the creative sector will be studied. A promising direction for future research is the development of indicators for assessing the effectiveness of state support for creative industries, as well as research into the spatial concentration of creative activity and the identification of prerequisites for the formation of creative economic clusters in Ukraine.

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