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Content

1. Introduction

According to the *Green paper – Unlocking the potential of cultural and creative industries* (European Comission, 2010): "Cultural industries are those industries producing and distributing goods or services which at the time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press. This concept is defined in relation to cultural expressions in the context of the 2005 UNESCO Convention on the protection and promotion of the diversity of cultural expressions. Creative industries are those industries, which use culture as an input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design, or advertising."

„With revenues of €535.9b, the creative and cultural industries (CCIs) contribute to 4.2% of Europe's GDP. The sector is its third-largest employer, after construction, food and beverage service activities, such as bars and restaurants. More than 7m Europeans are directly or indirectly employed in creative and cultural activities — 3.3% of the EU's active population. Performing arts (1,234,500), visual arts (1,231,500) and music (1,168,000) employ more than 1m people each, followed by advertising (818,000), books (646,000) and film (641,000)." (EY, 2014)

Ceramic and porcelain sector is part of creative and cultural industries, especially in its designing and small-scale production. In some regions, this sector is part of regional cultural heritage. Thus, we are providing desk research information about both ceramic and design sector in this analysis. Some CerDee project partners (museums) are naturally part of cultural industry.

Hojnik and Rebernic (2014) argue that in Slovenia up to 7 % of active workforce works in creative and cultural industries. Within the Interreg Europe project CRE:HUB (https://www.interregeurope.eu/crehub/) a Roadmap: Culture and Creative Industry Strategy in Slovenia has been suggested – https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1513869646.pdf. Regional Development Agency of the Ljubljana Urban Region developed an Action plan for development of CCIs in its region - https://www.interregeurope.eu/crehub/news/news-article/8044/action-plan-ljubljana-urban-region/.

Chapter 2 describes the methodology, chapter 3 provides an analysis of the sector based on the secondary data and outputs of our own stakeholder desk research analysis. Chapter 4 uses the primary data from the survey and informs about the results. Chapter 5 summarizes the highlights and defines strengths and weaknesses of the sector in Slovenia.

2. Methodology

There were few steps to make project CerDee successful. Firstly, it was necessary to analyze the current situation of the ceramic sector in Slovenia, and international situation of the sector as well, to make exact suggestions how to boost entrepreneurial and creative skills to optimize the economic performance, competitiveness and market position of the creative players. Secondly, use existing data such as official statistics, marketing studies, research reports, strategic documents or scientific publications about market and stakeholders in the region or country.

The situational analysis is worked out using the Eurostat statistical data on a country level as the first step. The data shows the sector of "Manufacture of other porcelain and ceramic products" (NACE C234), which consists of manufacturing ceramic for household and ornamental articles (NACE C2341), manufacturing ceramic sanitary fixtures (NACE C2342), manufacturing ceramic insulators and insulating fittings (NACE C2343), manufacturing other technical ceramic products (NACE C2344), and manufacturing other technical ceramic products (NACE C2349). Following part shows the status and development of Design sector in CerDee countries (NACE M741 - Specialized design activities). However, it is necessary to mention that not only the designers for ceramics and porcelain industry are included in following statistics. Therefore, the results have to be considered as an overview of the whole sector of specialized design activities.

This report describes the situation of overall entrepreneurial capacities in Slovenia in comparison to other CerDee countries using the following indicators:

- Number of enterprises
- Production value
- Persons employed
- Employees
- Persons employed per enterprise

The second step was to collect primary data from stakeholders of ceramic sector about their expectations and needs. Enterprises representing private sector and students as a part of educational sector are important stakeholders of ceramic industry, but the research also involved public sector, cultural institutions and professional associations. A unique questionnaire was made for each of these groups and the respondents, except the ones from educational sector, were interviewed face-to-face, by telephone, or online by answering the questionnaire on the internet. Students were interviewed mainly online. To research deeply the educational system in ceramic sector, the focus group or qualitative semi-structured interviews with managers, teachers or lecturers could be organized, if needed.

The survey results are used for the analysis of the situation in Slovenia. The primary data from interviews of stakeholders in ceramics sector were collected and analyzed. The surveys of enterprises and students as potential entrepreneurs are used for the descriptions of the entrepreneurial capacities. Especially, the perceived situation of ceramic sector, trends, level of cooperation, position and stability, educational needs, or marketing activities are analyzed in this report.

This report shows the answers on several questions describing the entrepreneurial capacities situation in Slovenia based on the opinions of enterprises and students as potential future entrepreneurs:

Questions for enterprises were focused on:

- a situation of ceramic sector within the whole creative sector in your country
- general trend in terms of the ceramic sector/market size
- the cooperation between private and public sector and other institutions
- a membership in an association or organization
- the history of their business
- position and stability of their business

- a cooperation with educational institutions
- employee (self) training
- further education and training
- a need of an international portal about history of ceramics
- marketing activities of the overall craft development in the city/region/country.
- financial situation of their business
- subsidies use

Questions for students were focused on:

- their study direction
- what are they intending to do after you finish school/university
- lack in knowledge/skills you might be facing during your work life
- knowledge/skills they gained at school/university
- What would help them with starting their own business / finding an appropriate job

3. Ceramic and design – secondary data overview

The situational analysis is worked out using the Eurostat statistical data on a country level. First, the Manufacture of porcelain and ceramic products is described. Second, design sector in Slovenia is introduced. However, it is necessary to mention that not only the designers for ceramics and porcelain industry are included in following statistics.

3.1. Manufacture of porcelain and ceramic products

Table 1 Number of enterprises

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	153	146	148	156	153	142	137	144	132
Czechia	1 482	1 449	1 392	1 295	1 282	1 257	1 231	1 178	1 180
Germany	780	771	763	760	958	883	723	823	818
European Union	:	13 745	13 400	13 237	13 677	13 142	13 300	13 147	13 764
Italy	2 812	2 696	2 528	2 416	2 284	2 242	2 226	2 198	:
Poland	531	504	476	499	490	513	522	552	697
Slovenia	47	51	50	65	56	58	53	51	53

Source: Eurostat

Table 2 Production value (million EUR)

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	199.1	195.2	187.1	126.0	210.0	184.6	173.2	185.4	168.5
Czechia	182.9	196.7	201.2	197.6	188.7	198.2	203.4	218.3	227.8
Germany	2 276.7	2 383.5	2 324.0	2 325.4	2 588.9	2 509.5	2 481.6	2 509.2	2 599.3
European Union	:	8 196	8 000	7 694	9 030	8 490	8 609	8 476	8 866
Italy	1 135.5	1 243.1	1 053.4	987.4	1 066.7	901.3	1 029.1	998.9	1 014.8
Poland	612.1	635.8	614.6	626.1	747.9	823.7	904.7	959.7	1 014.7
Slovenia	6.5	7.8	7.9	4.0	1.9	2.0	2.4	3.8	4.4

Source: Eurostat

Table 3 Persons employed

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	1 480	1 490	1 493	1 215	1 556	1 579	1 496	1 503	1 378
Czechia	5 855	5 660	5 740	5 656	5 630	5 719	5 733	5 647	5 560
Germany	20 874	21 264	21 344	21 333	22 208	21 386	20 803	21 696	21 955
European Union	:	109 144	107 345	105 000	106 763	106 050	105 352	106 785	:
Italy	14 699	14 219	13 471	12 836	11 711	11 166	11 091	10 629	10 671
Poland	12 394	11 669	11 565	11 639	11 762	12 154	12 158	13 285	14 442
Slovenia	296	371	372	175	98	109	92	154	161

Source: Eurostat

Table 4 Employees

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	1 338	1 355	1 350	1 064	1 407	1 441	1 364	1 364	:
Czechia	4 891	4 705	4 769	4 782	4 737	4 845	4 865	4 771	:
Germany	20 165	20 670	20 600	20 647	21 263	20 536	20 126	20 922	:
European Union	:	98 058	96 506	94 800	95 101	95 155	94 011	95 296	:
Italy	11 087	10 970	10 396	9 874	8 915	8 415	8 368	7 959	:
Poland	11 784	11 169	11 110	11 155	11 313	11 661	11 690	12 786	:
Slovenia	267	339	342	124	53	64	51	115	:

Source: Eurostat

Table 5 Persons employed per enterprise

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	9.7	10.2	10.1	7.8	10.2	11.1	10.9	10.4	:
Czechia	4.0	3.9	4.1	4.4	4.4	4.5	4.7	4.8	:
Germany	26.8	27.6	28.0	28.1	23.2	24.2	28.8	26.4	:
European Union	:	7.9	:	8.0	7.8	8.1	:	8.1	:
Italy	5.2	5.3	5.3	5.3	5.1	5.0	5.0	4.8	:
Poland	23.3	23.2	24.3	23.3	24.0	23.7	23.3	24.1	:
Slovenia	6.3	7.3	7.4	2.7	1.8	1.9	1.7	3.0	:

Source: Eurostat

Slovenia has the lowest indicated values in comparison with other CerDee countries. The number of enterprises is the lowest in Slovenia. Table 1 shows that it reached the peak in 2013 (65) and has been declining since that year. Production value of Manufactures of ceramic products was rising to 2012, first dropped dramatically (form 7.9 to 4.0) in 2013 and dropped again in 2014 (to 1.9). However, it has been rising constantly from 2014. The average number of persons employed per 1 enterprise shows that mainly small enterprises operate in manufacturing ceramics and porcelain in Slovenia. Table 5 shows that it was 3.0 persons per 1 enterprise. The influence of Slovenia to the whole industry of production ceramics and porcelain is insignificant in the production volume.

3.2. Specialized design activities

Table 6 Number of enterprises

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
European Union	:	143 954	157 342	164 307	176 777	179 757	192 446	207 719	:
Czechia	2 118	2 160	2 256	2 261	2 353	2 399	2 530	2 727	:
Germany	16 732	18 398	20 464	21 530	23 083	26 170	26 307	30 079	:
Italy	27 612	27 481	28 408	27 450	29 065	29 201	30 828	32 277	:
Austria	1 398	1 484	1 507	1 540	1 542	1 558	1 594	1 631	:
Poland	3 641	5 450	6 184	6 899	7 768	8 635	10 005	11 204	:
Slovenia	733	815	869	1 001	1 100	1 249	1 374	1 502	:

Source: Eurostat

Table 7 Production value (million EUR)

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
European Union	:	17 739	19 164	19 816	21 380	23 863	22 959	24 368	:
Czechia	81.0	87.5	86.8	81.0	76.4	91.0	104.9	126.7	:
Germany	1 930.1	2 209.0	2 522.4	2 838.9	2 825.6	3 028.6	3 277.3	3 703.8	:
Italy	3 703.2	3 838.4	3 696.7	3 894.8	4 271.5	4 363.4	3 913.2	3 880.7	:
Austria	109.2	124.4	130.8	133.8	133.9	:	:	:	:
Poland	148.2	279.5	281.8	425.9	390.5	416.5	431.4	441.2	:
Slovenia	29.3	31.6	33.2	34.3	38.9	47.3	53.8	61.3	:

Source: Eurostat

Table 8 Persons employed

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
European Union	:	213 551	234 291	239 533	261 727	269 542	293 800	310 798	332 846
Czechia	:	2 065	2 194	2 191	2 264	2 397	2 537	2 783	3 011
Germany	31 261	33 340	37 151	40 226	43 505	48 842	51 402	58 222	60 712
Italy	44 857	43 682	44 723	44 790	46 526	47 216	49 292	50 273	51 687
Austria	2 183	2 318	2 393	2 460	2 511	:	:	:	2 945
Poland	5 206	8 755	9 450	10 145	11 756	13 990	15 344	17 616	20 410
Slovenia	889	973	1 064	1 182	1 286	1 462	1 590	1 752	1 928

Source: Eurostat

Table 9 Employees

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
European Union	:	103 000	115 190	117 791	131 775	137 727	155 980	162 331	:
Czechia	678	633	676	658	677	736	781	894	:
Germany	13 103	13 336	15 042	16 959	18 566	20 563	22 610	25 738	:
Italy	14 026	12 573	14 734	15 773	16 172	16 806	17 471	17 363	:
Austria	762	815	843	859	921	:	:	:	:
Poland	1 447	2 836	3 075	2 993	3 685	4 764	4 756	5 797	:
Slovenia	325	334	379	361	369	409	430	466	:

Source: Eurostat

Table 10 Persons employed per enterprise

GEO/TIME	2010	2011	2012	2013	2014	2015	2016	2017	2018
European Union	:	1.5	1.5	1.5	1.5	1.5	1.5	1.5	:
Czechia	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	:
Germany	1.9	1.8	1.8	1.9	1.9	1.9	2.0	1.9	:
Italy	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	:
Austria	1.6	1.6	1.6	1.6	1.6	:	:	:	:
Poland	1.4	1.6	1.5	1.5	1.5	1.6	1.5	1.6	:
Slovenia	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	:

Source: Eurostat

The number of enterprises, production value, persons employed and employees in design sector in Slovenia has been rising constantly since 2010. The data about number of enterprises from 2017 can be compared with Austria (Slovenia 1502, Austria 1631). The production value in 2017 (61.3) is more than twice as big as in 2010 (29.3). Also the number of persons employed in design sector has been rising since 2010, but still is the lowest in contrast to other CerDee countries. The number of employees is much lower than the number of persons employed, but has the same progress. The average number of persons employed per 1 enterprise in 2017 was 1.2 and hasn't changed since 2010. It shows that mainly small enterprises and self-employed designers operate in design sector in Slovenia. Design sector in Slovenia showed great development through the years, but still can't compete with the leaders of CerDee countries in the total volume.

3.3. Basic information about stakeholders in ceramic sector in Slovenia – Assesment of the CerDee partners

According to the Slovenian statistical office the country has 2,094 million inhabitants (October, 2019). Its area is 20 234 km^2. It is divided in to two NUTS2 regions: Western and Easter Slovenia. Eastern Slovenia (Vzhodna Slovenija – SI01) groups the Mura, Drava, Carinthia, Savinja, Central Sava, Lower Sava, Southeast Slovenia, and Littoral-Inner Carniola regions. Western Slovenia (Zahodna Slovenija – SI02) groups the Central Slovenia, Upper Carniola, Gorizia, and Coastal-Karst regions.

Figure 1 Slovenia – NUTS 3 regions

Source: https://en.wikipedia.org/wiki/Statistical_regions_of_Slovenia#/media/File:Statistical_regions_of_Slovenia_English.PNG, 2020

Both CerDee partners are located in Western Slovenia, but most analysis will try to cover the entire country, as the ceramic sector is not so widely developed as in participating regions.

Figure 2 Typical product of Slovenian ceramics *Majolika* (Wine Jug)

Photo: Tomaž Lauko

Figure 3 Typical product of Slovenian ceramics *Potičnica* (Baking model for traditional Slovenian Nut Roll)

Photo: NMS

Within our desk research, we have developed a stakeholder database to support our project. This database is divided into several stakeholder groups. Further, we provide short insights into the ceramic sector in Slovenia, based on our experience, knowledge and research.

1. **Private sector**

In the private sector of Slovenia, most of ceramists are self-employed or they have their business registered as a complementary activity beside their main occupation/job (supplementary-work). As part of private sector in Slovenia, a special type of legal form also exists, that is called "self-employed in culture". The artists get this status based on their results/art works and their active integration in the field of culture. The government (Ministry of Culture) supports them with exemption from taxes, but their annual income cannot exceed 20.000 euro. In our research, we found so far 17 ceramists for our database that have this type of legal form and support from the government.

In Slovenia, we do not have any ceramic industry or medium companies (Ltd., Joint-stock companies). In the research for the database, we found only one Ltd. company that has two employees and seven self–employed companies with one employee beside the responsible person of the company. In general, most of employees in the ceramic sector are individual ceramists/artists/designers (self-employed) that run their own business and work in their studios/homes.

Within our desk research, we have indicated: 56 self-employed; 10 small private companies; 11 complementary activities (work with ceramics as a part time job)

2. **Market/trade information and professional associations**

Most professionals in ceramic field in Slovenia are involved in the market by selling their products by themselves on art markets, fairs, through their websites and e-shop (Etsy) or on costumer's demand. They also sell through other channels (e.g. small stores with unique products, gift shops). Some of them are also members of professional associations that we included in our database. We found six active associations in Slovenia for ceramists and potters. They are also active in organize exhibitions and to promote ceramics on the market.

Within our desk research, we have indicated: 6 professional associations (most in the legal form of društvo/cooperative.

3. **Education and training information**

The educational system for ceramists in Slovenia is rather poor. There are two high schools where the students can partly learn about ceramic design. One is High School of design in Ljubljana and the second one is in Maribor. One of their optional school program is Design of usable objects – where part of the program is dedicated to ceramics.

On the university level we have one educational program on the Academy of Fine Arts and Design (Department of industrial and unique design – glass and ceramic design), but they accept only few students per year. That means that we have approximately 25 students in undergraduate and postgraduate studies of ceramics in total. The students can also learn ceramic design on two Faculties of Education in Ljubljana and Maribor, but only as a part of other main study program, so the studies are not based only on ceramics. The Faculty of Ljubljana registers 25 students per year and in Maribor only 20 students per year. Here we have to point out the problem of interviewing 150 students for the research analysis, as we do not have the required number of students in ceramic design in Slovenia in total.

Within our desk research, we have indicated: 2 high schools and 3 university departments (within 2 universities) which have connection to ceramic design.

4. **Cultural institutions**

In Slovenia, there are no museums or art galleries dedicated only to ceramic. The cultural institution with the largest ceramics collection is the National Museum of Slovenia. Our specialized ceramic collection contains ceramic objects dating form baroque until the end of 20th Century and a smaller collection of contemporary ceramics. For the database, we have also selected some regional museums, which have smaller but important collections of ceramics or as in case of the Slovene Ethnographic Museum, their own pottery studio, where they provide many workshops and other ceramic related activities.

Within our desk research, we have indicated: 12 museums and 1 gallery aiming at least parts of their exhibitions to ceramics.

5. **Public and public-private sector**

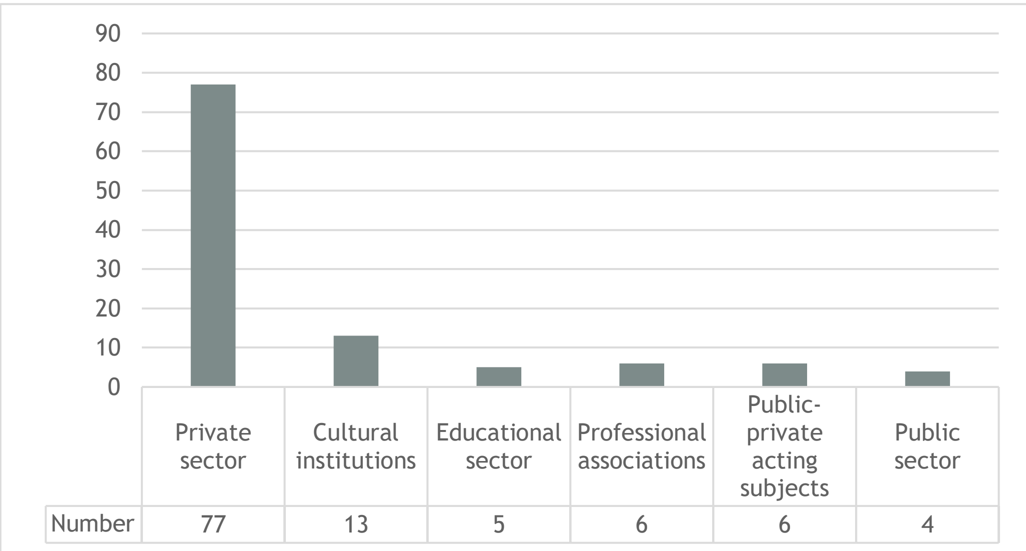
In our research, we have found some examples of public sector and private-public acting. We have already mentioned the Ministry of Culture with the exemption from taxes support, which is an isolated example of support for the ceramists. We tried to find out, if any Municipalities or Regional offices in Slovenia have any connection with ceramists working in their areas, or provide them with any kind of financial or other support. In our research, we found the Municipality of Šenčur pri Kranju, which supports various ceramic's activities. They have a local museum where they founded a permanent collection of artistic ceramics in 2007. Into the field of public sector, we also added The Ministry of Economic Development and Technology, which is not so much involved into CCIs and The Public Fund of Republic of Slovenia for Entrepreneurship. Latter was established with purpose of improving the access to financial resources for different development – business investments of micro, small and medium-sized enterprises (SMEs) including with financial resources for SMEs start-up and micro financing in the Republic of Slovenia.

In Slovenia we have few public-private acting subjects, but they are not directly connected with ceramic sector – they are supporting the CCIs in general. In our research we found The Regional Development Agency of the Ljubljana Urban Region (RRA LUR), Centre for Creativity (CzK), Regional creative economy Centre and The Chamber of Commerce and Industry of Slovenia (CCIS) Most of this agencies are based in creative economy, supports sustainably oriented business, infrastructural, social, cultural and creative activities and connects, promotes, presents and supports the activities and development of Slovenia's cultural and creative sector (CCS).

We also included The Chamber of Craft and Small Business of Slovenia, which is obliged to support small and medium craft business in general. This counts for the Chamber of Commerce as well. The Tourist and Culture Board Kranj supports some ceramic's activities as well in their region.

Within our desk research, we have indicated: 4 public sector, and 6 private-public acting.

Figure 4 Slovenia – CerDee Stakeholder Database (03/2020)



Source: Own database, 2020

4. Survey results – primary data overview

The survey results of enterprises in Slovenia show the **attitudes and situation of current businesses** as well as **students as potential entrepreneurs** for the future in ceramic sector in the market. However, it is necessary to mention that most of the responses were obtain **before the COVID-19 pandemics**. Therefore, the entrepreneurial capacities based on the entrepreneurs' responses are related to the situation before the pandemics and **we expect dramatical changes** in the sector after this crisis.

4.1. Businesses as existing entrepreneurial capacities

To do a deeper analysis of entrepreneurial potential and to find out their opinions on current situation, financial conditions etc. in Slovenia, the database of businesses in ceramic sector has been made. The database is open and will be updated continuously. It contains information about **77 businesses** in Slovenia (related to 3/2020).

The sample of Slovenia contains **46 respondents** (n). Not all the respondents answered every question; therefore there are fewer responses in several cases of particular question (n ≤ 46).

The legal forms of almost 47 % are self-employed, 24 % of respondents answered 'other', 22 % are self-employed in culture and 7 % consists of Ltd. (Fig. 1). About 55 % of enterprises involved in the survey are in the ceramic sector more than 10 years (33 % more than 20 years, 22 % between 11 – 20 years), 22 % exist from 6 to 10 years. Only 2 % of respondents are starting their businesses (up to 2 years). (Fig. 2)

The respondents see the **overall situation in ceramic sector more negative than positive**; however 63 % expect a **growth of the sector in next 5 years** (Fig. 3). Just 14 % of the respondents consider the **cooperation in this sector** as a sufficient, 61 % as **insufficient (**Fig. 4**)**, even though more than a half of the respondents are members of some association or organization in ceramic sector in Slovenia and 15 % would like to be involved in this kind of cooperation (Fig. 5). More than a half **cooperates with some educational institution** (Fig. 6).

There is a **need for further education and training** visible among the respondents. Big portion of them (82 %) work actively on employee or self-training (Fig. 7). Interesting and helpful topics for further education and training in craft and design skills are **modern techniques**, **design management**, **design techniques** or **foreign inspiration** (Fig. 8). From the viewpoint of management, marketing, and business skills, **online marketing**, and **social media marketing** were found as the most helpful and interesting for further education and training, followed by export to foreign countries, courses with some ceramic personality or entrepreneurs, innovation management, time management, and dealing with investors or clients (Fig. 9). About 28 % of the respondents participate in the marketing activities of the overall craft development in the city/region/country, while 57 % do not. The rest is undecided. However, 84 % of **respondents are interested in participating in a marketing campaign** to promote creative sector in the region (Fig. 10). An **international portal about history of ceramics**, including pictures and videos from different regions, would help 57 % of the respondents in their activities in ceramic sector. Only 15 % find this idea as not helpful, the rest is undecided (Fig. 11).

The **financial situation** shows that more than a half (57 %) of the respondents see their situation as in **average**, while 15 % as good or very good; 29 % as bad or very bad. However, 83 % of the respondents do not use any financial indicators to monitor the efficiency of their businesses. Just

35 % of the respondents have already used or required some kind of **subsidy** in last 10 years. (Fig. 12)

4.2. Students as potential entrepreneurial capacities

The survey results of students in Slovenia show the **attitudes and situation of students as potential entrepreneurs in ceramic sector**. However, most of the responses were obtain **before the COVIC-19 pandemics**. Therefore, the entrepreneurial capacities based on the students' responses are related to the situation before the pandemics.

The sample contains 14 respondents (n) who are students from Slovenia. Not all of them answered every question; therefore there are fewer responses in several cases of particular questions (n ≤ 14). These students are mostly from 22 to 26 years old (50%), lots of them are from 19 to 21 (43 %) and the rest is 27 and more years old (7 %) (Fig. 13) Only one respondent comes from Russia, 13 respondent's country of origin is Slovenia.

Study direction of respondents is design (86 %) and some other directions (14 %). (Fig. 14) Most of the respondents consider future studies (36 %), lots of them want to start their own business (29 %) and 21 % would like to combine their own business with employment. They plan to settle down at the same place they come from (43 %). Only 2 of the students would like to live somewhere else. (Fig. 15)

For many students is the dream job after finishing the school to be a partner or a co-owner of a small studio (36 %). Five years after finishing the school respondents want to become a manager of small studio (36 %). (Fig. 16)

Interviewed students developed in creativity (77 %) during their studies and gained craft skills (64 %) (Fig. 17). Students as potential entrepreneurs feel **lack of knowledge** for future work mostly in **entrepreneurial skills** (57 %), **dealing with clients** (43 %), as well as in **managerial skills** (50 %) and **law** (64 %) (Fig. 18).

For starting own business or finding an appropriate job, they would appreciate some **help in sharing promotion and sell platform** (93 %), some kind of **subsidy** (71 %), and help in marketing support (57 %) or help with **exhibitions** (43 %). The respondents could choose more than one answer. (Fig. 19)

The students consider themselves mostly as designers (93 %) and artists (79 %). This fact does not exclude the possibility to start own business in these fields. 50 % think about their future careers as a freelancer, 29 % as a businessman and only 7% of them want to be employed. The respondents could choose more than one answer. (Fig. 20)

4.3. Expectations and needs of stakeholders

Expectations and needs are aspects which make up important part of the research. Expectations of stakeholders give the way how the sector and industry may develop in few years horizon. The essential step to give exact recommendation is to find what the needs of the stakeholders are. These two aspects are closely explained in this part of the report.

The respondents were asked to rate the **current situation of ceramic sector** in Slovenia at the beginning of the questionnaire. On the scale where 1 point means worst and 10 points mean best, 46 % of the respondents rated this statement with 6 and more points, on the other hand 53 % rated between 1 and 5 points (Fig. 21). In contrast, 56 % of the entrepreneurs think that the **sector will grow in next 5 years**; only 8 % expect the **sector will experience decrease** and the rest of the respondents think that the condition of the ceramic **sector will not change** (Fig. 21).

In next part of the questionnaire were respondents asked to rate intensity, importance of cooperation with each sector and also rate the influence of each sector on the scale between 1 and 10 points based on same principle again. Answers of each stakeholders sector are compared to the mean of stakeholders sector form all CerDee countries.

Intensity of current cooperation with Slovenian **cultural institutions**, **educational sector** and **public-private acting sector was** evaluated **lower** than is the CerDee mean. In comparison, the **intensity of cooperation** with **professional institutions** and **public sector** was rated **higher**, and with Slovenian **private sector slightly higher** than the CerDee mean (Fig. 22). **Importance of cooperation** with **cultural institutions**, **educational sector**, **private sector**, **public sector and public-private acting sector** was rated **lower**, but with Slovenian **professional institutions** the **importance of cooperation** is seen **more important** than in the other CerDee countries (**Fig. 23**). **Influence level** of each sector except the **private sector** is seen **bigger** than is the average from all countries (**Fig. 24**).

Big problem for ceramic sector in Slovenia seems to be education in this industry. Many entrepreneurs think that it should be given bigger importance to educate students in high schools and universities and also educate public in ceramic sector (Fig. 25).

As just 14 % of the respondents consider the **cooperation in the ceramic sector as a sufficient** (Fig. 26) many of them would appreciate to participate in some project and the cooperation between their businesses and public sector to be closer. Especially, connection with national or regional institutions like ministries, professional associations, tourist information centers, television and other mass media.

For 76 % of the respondents is the most important **benefit from the cooperation** is some kind of subsidy, for 67 % it is a **help with accessing new markets** and also **joint marketing**. More than a half of the respondents (57 %) see it like an opportunity for gaining **external investments** (Fig. 27). **Subsidy** is one of the main goals for entrepreneurs when taking part in cooperation, but only 24 % of the respondents feel that they **have enough information** about how to get it, 56 % disagree and the rest is undecided (Fig. 28). On the statement **'I am going to apply for a subsidy in the future'**, 46 % reacted positively and just 16 % negatively (Fig. 28). **External capital**, as an instrument of financing a business, was used by only 13 % of the respondents in last 10 years, but 38 % plan to use it in the future (Fig. 29).

Next part of the report is focused on expectations and needs of each sector of the respondents. Description of each sector is based on their answers on the scale from 1 to 10, where 1 is lowest and 10 the highest, on questions 'Intensity of current cooperation', 'Importance of cooperation' and 'Influence level' towards other sectors. But it is necessary to keep in mind the structure of respondents' sample. The structure is following: 6 cultural institutions, 1 educational institution, and 46 respondents from private and 8 respondents from public sector. The results of the research would be more accurate with bigger sample of the respondents.

4.3.1. Expectations and needs of cultural institutions

The respondents from **cultural institutions** see the **current cooperation** with other **cultural institutions** (7.33) and **educational institutions** (7.50) quite **intensive**. Intensity of cooperation with **private sector**, **professional institutions** and **public sector** was rated as an **average** (5.17, 5.50 and 5.33) and cooperation with **public-private acting sector** is seen as **extensive** in their opinion (2.80).

In comparison, the **importance of cooperation** with **almost all stakeholder sectors** was rated **high**; only importance of cooperation with **public-private acting sector** was evaluated as an **average** (5.67).

The respondents from **cultural institutions** consider **influence level** of **each stakeholder sector** as **high** (> 7.00).

4.3.2. Expectations and needs of educational institutions

The respondents from **educational institutions** see the **current cooperation** with **professional institutions** (8.00) and **public-private acting sector** (7.00) quite **intensive**. Intensity of cooperation with **cultural institutions** was rated as an **average** (5.00) and cooperation with other **educational institutions** (3.00), **private sector** (3.00) and **public sector** (3.00) is seen as **extensive** in their opinion.

In comparison, the **importance of cooperation** with **all stakeholder sectors** was rated **high** (10.00).

The respondents from **educational institutions** consider **influence level** of **each stakeholder sector** as **high** (10.00).

4.3.3. Expectations and needs of private sector

The respondents from **private sector** see the **current cooperation** with other **entrepreneurs (private sector)** as an **average** (4.89) and cooperation with **other sectors** is seen as **extensive** in their opinion (< 4.50).

The cooperation with **all stakeholder sectors** was evaluated as **not important** (< 4.50).

The respondents from **private sector** consider **influence level** of **each stakeholder sector** as an **average**.

4.3.4. Expectations and needs of public sector

The respondents from **public sector** see the **current cooperation** with **cultural institutions** (6.50), **private sector** (7.00), **professional institutions** (6.33) and other members of **public sector** (7.25) quite **intensive**. Intensity of cooperation with **educational institutions** and **public-private acting sector** was rated as an **average** (4.88 and 4.57).

In comparison, the **importance of cooperation** with **all stakeholder sectors** was rated **high** (> 8.00).

The respondents from **public sector** consider **influence level** of **each stakeholder sector** as **high** (> 7.00).

4.4. Marketing activities

Marketing is one of the most important processes in company. Its aim is to get the knowledge, influencing and satisfying customer's needs and wishes and also achieving goals of the organization in an effective way. That is why all companies choose their marketing activities properly.

Nowadays, in the ceramic and porcelain sector in Slovenia, are mostly used social media such as **Facebook** (78 %), **Instagram** (72 %), **YouTube** (13 %) or the others (15 %). Marketing through the **own website** (70 %), **online advertising** (65 %) and **point-of-sale promotions** (50 %) are also very common. There are some other ways used for marketing in companies such as **advertising in traditional media** (radio, print, TV) or a **loyalty program** (7 %). (Fig. 30)

Companies plan more of **online advertising** (37 %) and to do **marketing activities on their own websites** (39 %) in the future. Using of social media is important; the plan for the future marketing activities includes the use of **YouTube** (26 %), **Instagram** (20 %) and **Facebook** (15 %). **Advertising in TV** (7 %), **radio** (4 %) and **press** (11 %) is also planned (Fig. 31).

Own forces of the company (94 %) are mostly responsible for the marketing activities. Only 2 from 46 interviewed entrepreneurs in Slovenia use **local**, **regional** or **national support** (Fig. 32). Respondents mostly **do not participate in the marketing activities** of the overall craft development (57 %) and only few of them do (28 %). Almost everyone is interested in **participating in a marketing campaign** to promote creative sector (84 %). (Fig. 33)

Marketing activities on social networks are mostly a **promotion of the product** (83 %) or a **promotion of the company** (48 %). Very common is **offering trend information** (41 %), **technical information** (20 %), **exclusive promotions** (11 %) and **post-sales information** (11 %). (Fig. 34) Through the social media companies improve their **reputation and brand image** (72 %), they **get new customers** (67 %), **get feedback from clients and general public** (67 %) and also **collect information about their customers** (24 %). Some of the companies have **closed sales operations through the social media** (37 %). (Fig. 35)

Retail (57%), **markets** and **fairs** (54 %) are the most common distribution channels. Around 30 % of companies use **own brick-and-mortar store**. Online distribution channels such as **own online store** (28 %) and **multi-brand online platform** (13 %) are also used (Fig. 36).

Greater use of **own online stores** (50 %) and **multi-brand online platforms** (35 %) **is planned for the future**. Other channels planned for the distribution are **markets**, **fairs** (33 %) and **retail** (28 %). (Fig. 37)

5. Strengths and weaknesses

Strengths

One of the strengths of porcelain and ceramics sector in Slovenia is a big portion of respondents working actively on employee or self-training (83%). Although Slovenia is a small country the amount of improving workers is higher than in Italy, Czech Republic and Austria.

Students plan to settle down at the same place they come from (43 %) and become a co-owner of a small studio in Slovenia. That goes hand in hand with expected **growth of the sector in next 5 years.** This percentage is higher than in Italy or Germany and it is almost the same as in Poland and the Czech Republic.

The **intensity of cooperation** with **professional institutions** and **public sector** was rated **higher**, and with Slovenian **private sector slightly higher** than the CerDee mean. The **importance of cooperation** with Slovenian **professional institutions** is seen **more important** than in the other CerDee countries. **Influence level** of each sector except the **private sector** is seen **bigger** than is the average from all countries.

In this current modern world is good the fact that companies plan more of **online advertising** and to do **marketing activities on their own websites** in the future. Using of social media is important; the plan for the future marketing activities includes the use of **YouTube, Instagram** and **Facebook**. Greater use of **own online stores** and **multi-brand online platforms** is also planned for the future. Slovenia plans greater development in modern marketing than the other CerDee countries (except Austria), although the current situation is comparable in all these states.

For the marketing activities are mostly responsible **own forces of the company** which means lower costs for the entrepreneurs.

As part of private sector in Slovenia, a special type of legal form also exists, that is called “self-employed in culture”. The artists get this status based on their results/art works and their active integration in the field of culture. The government (Ministry of Culture) supports them with exemption from taxes, but their annual income cannot exceed 20.000 euro.

Weaknesses

The respondents see the overall situation in ceramic sector more negative than positive. Just 14 % of the entrepreneurs consider the cooperation in this sector as a sufficient, 61 % as insufficient. The situation seems to be worst only in Austria.

Only nine respondents in Slovenia export their products mainly to other European counties. It makes 3% from all respondents, in comparison to the other CerDee countries the percentage is the lowest. Weakness of porcelain and ceramic sector in Slovenia is that 83 % of the entrepreneurs do not use any financial indicators to monitor the efficiency of their businesses. This number is the second highest (after Germany) of all CerDee countries.

Big problem for ceramic sector in Slovenia seems to be education in this industry. Many entrepreneurs think that it should be given bigger importance to educate students in high schools and universities and also educate public in ceramic sector. Students as potential entrepreneurs feel lack of knowledge for future work mostly in entrepreneurial skills, dealing with clients, as well as in managerial skills and law.

On the university level there is only have one educational program on the Academy of Fine Arts and Design, but they accept only few students per year. That means that we have approximately 25 students in undergraduate and postgraduate studies of ceramics in total. The students can also learn ceramic design on two Faculties of Education in Ljubljana and Maribor, but only as a part of other main study program, so the studies are not based only on ceramics. The Faculty of Ljubljana registers 25 students per year and in Maribor only 20 students per year.

Intensity of current cooperation with Slovenian **cultural institutions**, **educational sector** and **public-private acting sector was** evaluated **lower** than is the CerDee mean and also the **importance of cooperation** with **cultural institutions**, **educational sector**, **private sector**, **public sector and public-private acting sector** was rated **lower.**

As crucial barriers of the sector (Question 14) were mentioned many different aspects. Respondents see the problem in lack of local materials (clay, glazes from some bigger provider). Another problem is that a tradition of the market should be more appreciate. Customers want to buy cheaply a lot of products and do not understand the prices in the market. According to Slovenian entrepreneurs is another barrier a lack of knowledge of general public and also the fact that public do not know much about the production of porcelain and ceramic articles.

5.1. Summary

The situational analysis using the Eurostat statistical data shows that there is **high potential of enterprises in Slovenia**. In this country is visible the **highest increase** of the number of enterprises. The total number of enterprises in **ceramic and porcelain sector** is 1 555 (manufacturing and design) in Slovenia.

The number of enterprises in **ceramic manufacturing** is the lowest in Slovenia in comparison to the other CerDee countries. The production value is the lowest in this country. **In Slovenia we can find** specifically smaller enterprises.

If we should quantify the potential of the ceramic sector in **Slovenia**, the total number of enterprises **manufacturing ceramic and porcelain** products was 53 (in 2018). If we take also the **design sector** in account, the total number of enterprises in Slovenia was 1 502. Although there is the highest increase of number of enterprises in Slovenia, the total amount of enterprises is the lowest in comparison to the other CerDee countries.

Based on the survey, we found out that about 55 % of enterprises are **businesses with long tradition** in the ceramic market more (33 % more than 20 years, 22 % between 11 – 20 years). **Only 2 % of respondents** represent **starting businesses** (up to 2 years). The respondents see the overall situation in ceramic sector more negative than positive; however, 63 % expect a growth of the sector in next 5 years. They see their financial situation as in average. However, it is necessary to mention here that most of the responses were obtain **before the COVID-19 pandemics**.

Therefore, the entrepreneurial capacities based on the entrepreneurs' responses are related to the situation before the pandemics and **we expect dramatical changes** in the sector after this crisis. The future development is hardly predictable in the moment and the forecasts will require more secondary, as well as primary data analysis in the future.

The **education** plays, and probably will play, an important role in this sector. More than a half of existing entrepreneurs cooperate actively with educational institutions and there is a **need for further education and training**, especially in modern techniques, foreign inspiration, decorating techniques, or IT, as well as in marketing and sales skills, such as online and social media marketing.

The **potential entrepreneurs** in ceramic sector are represented by students of different types of schools. The responses on the future career direction show that 50 % **think about starting their own business** (fully; or partially in combination of to be also an employee in some other company at the same time). However, for starting own business or finding an appropriate job, **they require some help sharing promotion and sell platform**, some kind of **subsidy,** help in marketing support or help with **exhibitions**.

The respondents consider themselves mostly as **designers** and **artists**. This fact does not exclude the possibility to start own business in these fields, especially as self-employed. Only 7 % think about their future careers as an employee, while 50 % as a freelancer, 21 % as a technologist, and 29 % as a businessman. If we consider the 7 % of the students planning their future carriers as employees, the rest represents a **big potential for business sector**, such as artists and designers as **self-employed** persons, **freelancers** and **businessmen** in the ceramic and porcelain sector.

6. Annexes

6.1. Businesses as existing entrepreneurial capacities - graphical overview

Figure 1 Sample - Legal form of respondents

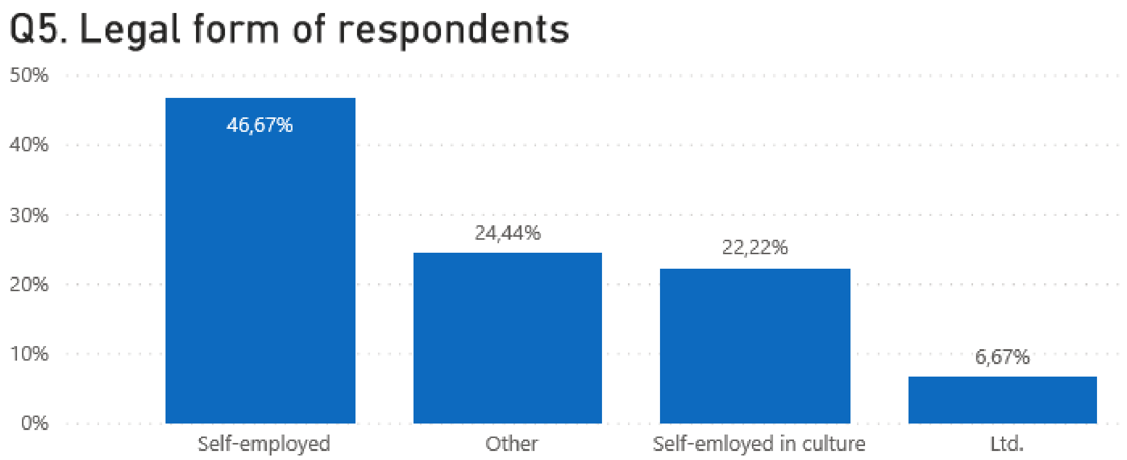


Figure 2 Sample - Length of managing business

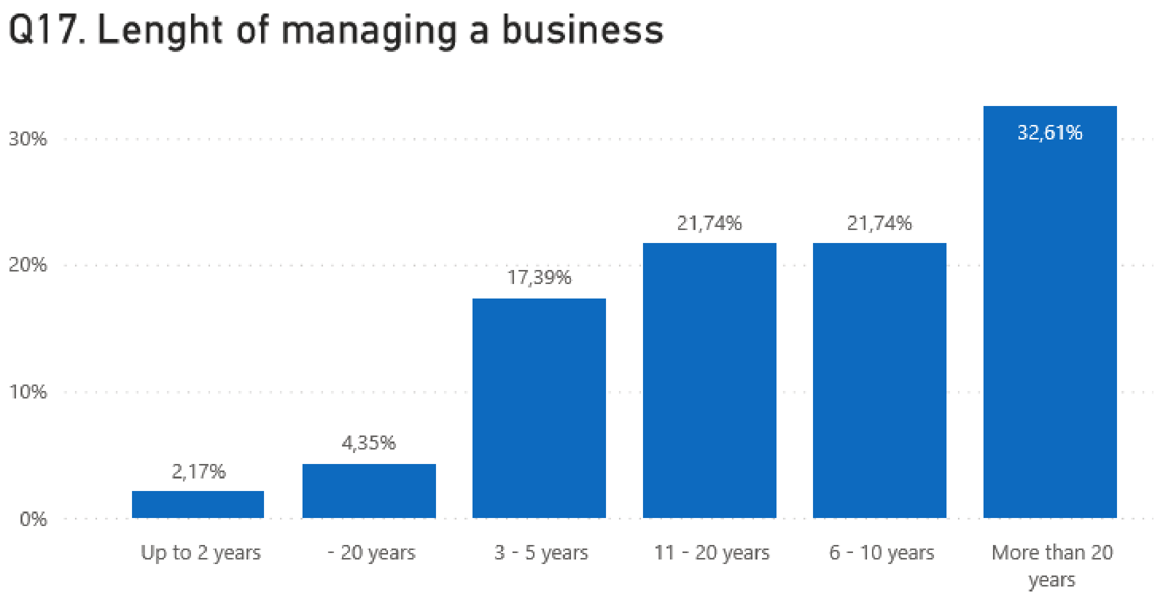
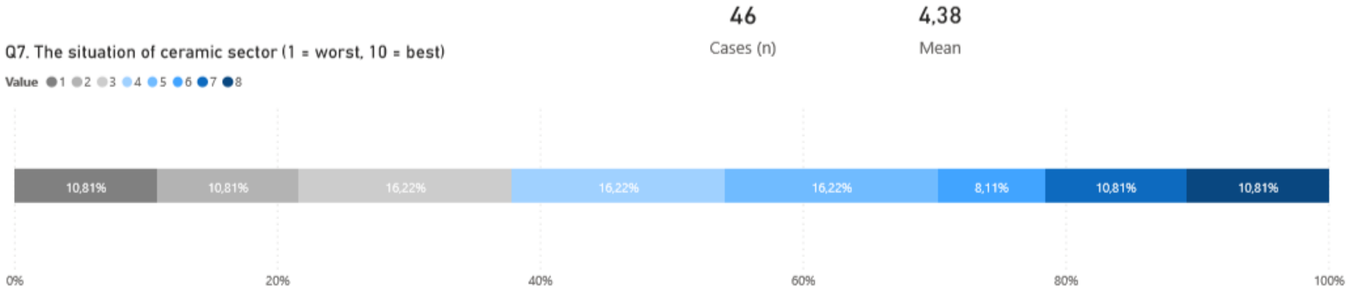


Figure 3 Situation in ceramic sector



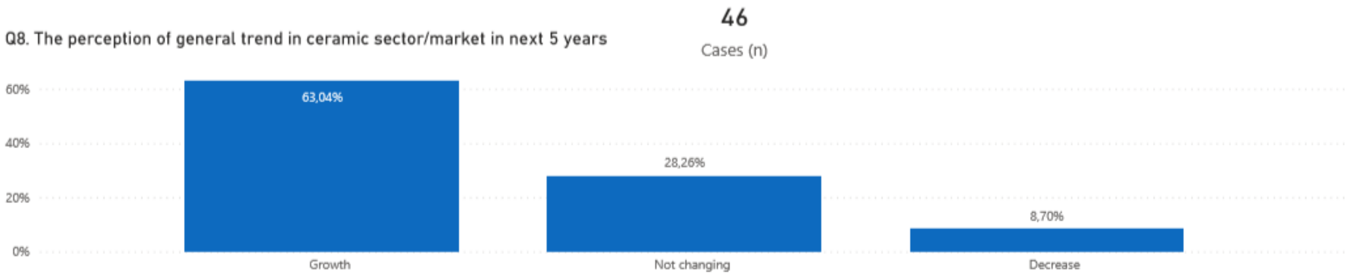


Figure 4 Level of cooperation

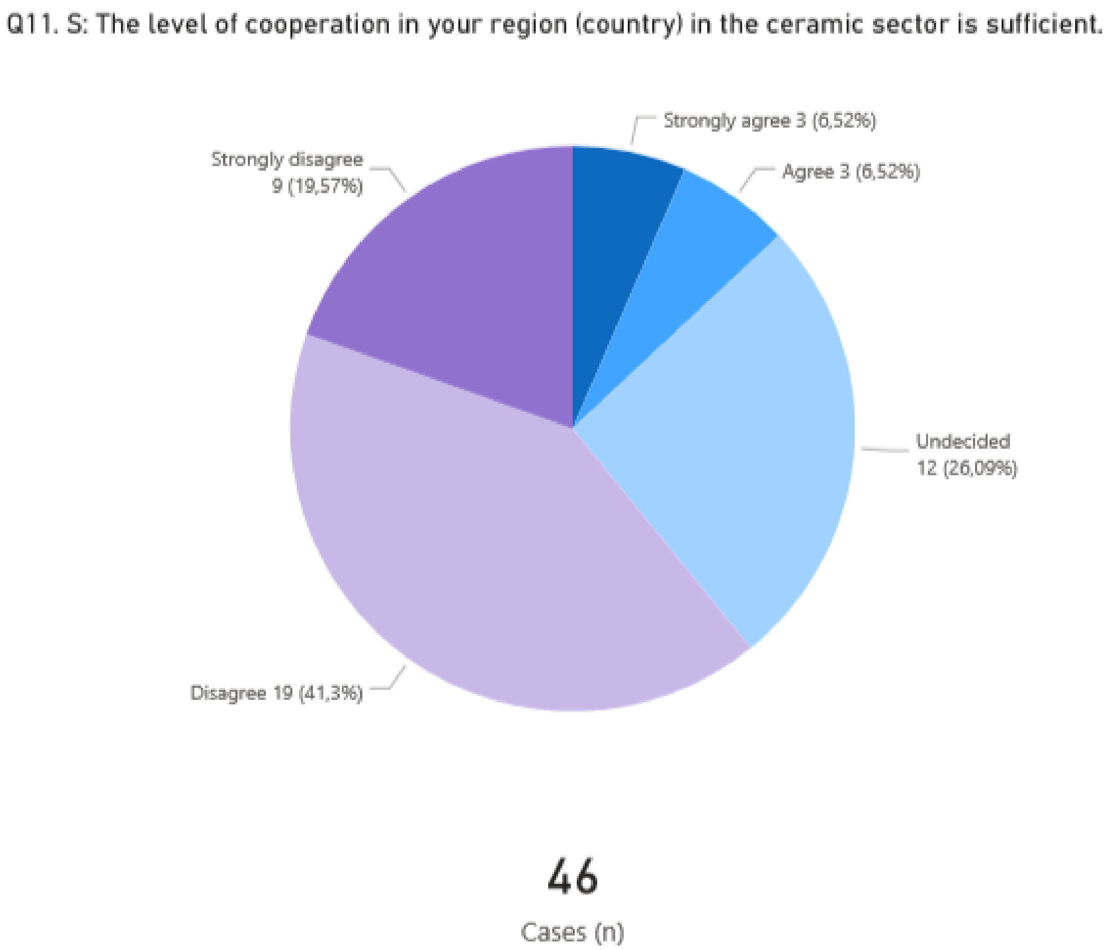


Figure 5 Membership in an association

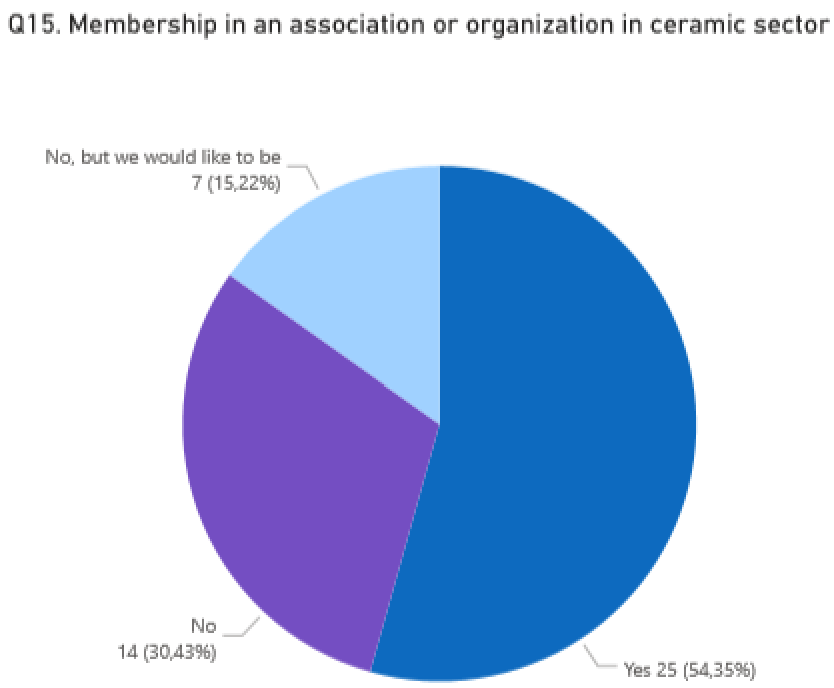


Figure 6 Membership in an association

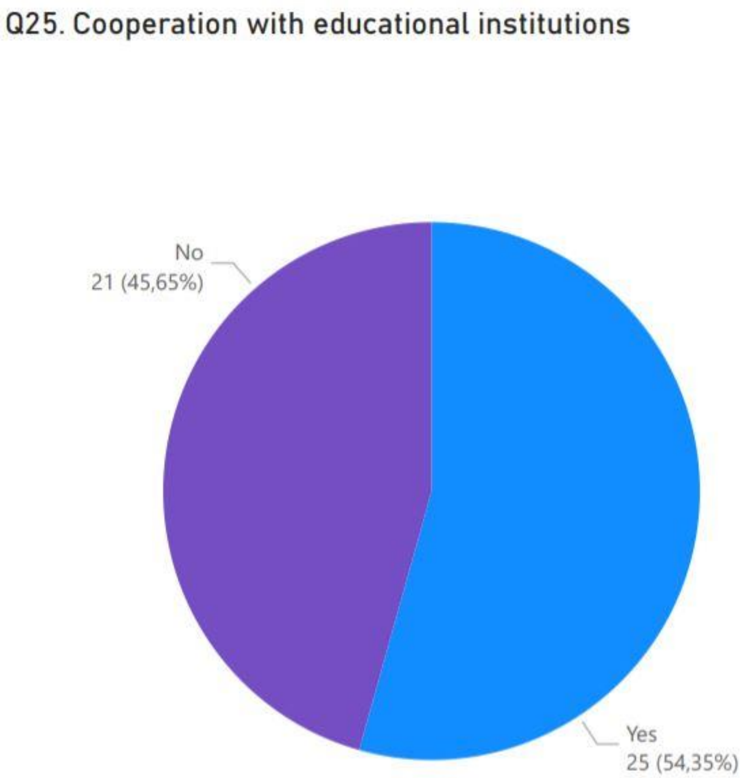


Figure 7 Employee and self-training

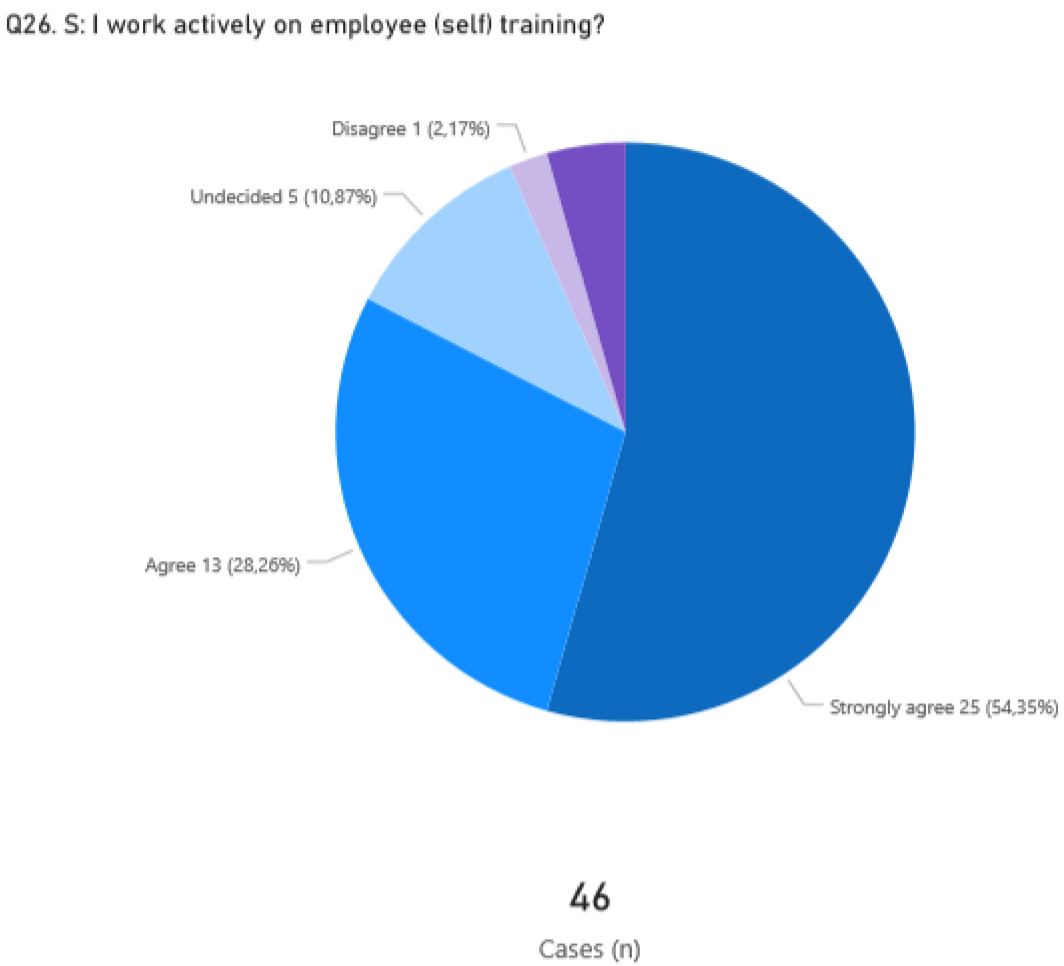


Figure 8 Further education and training topics (craft and design skills)

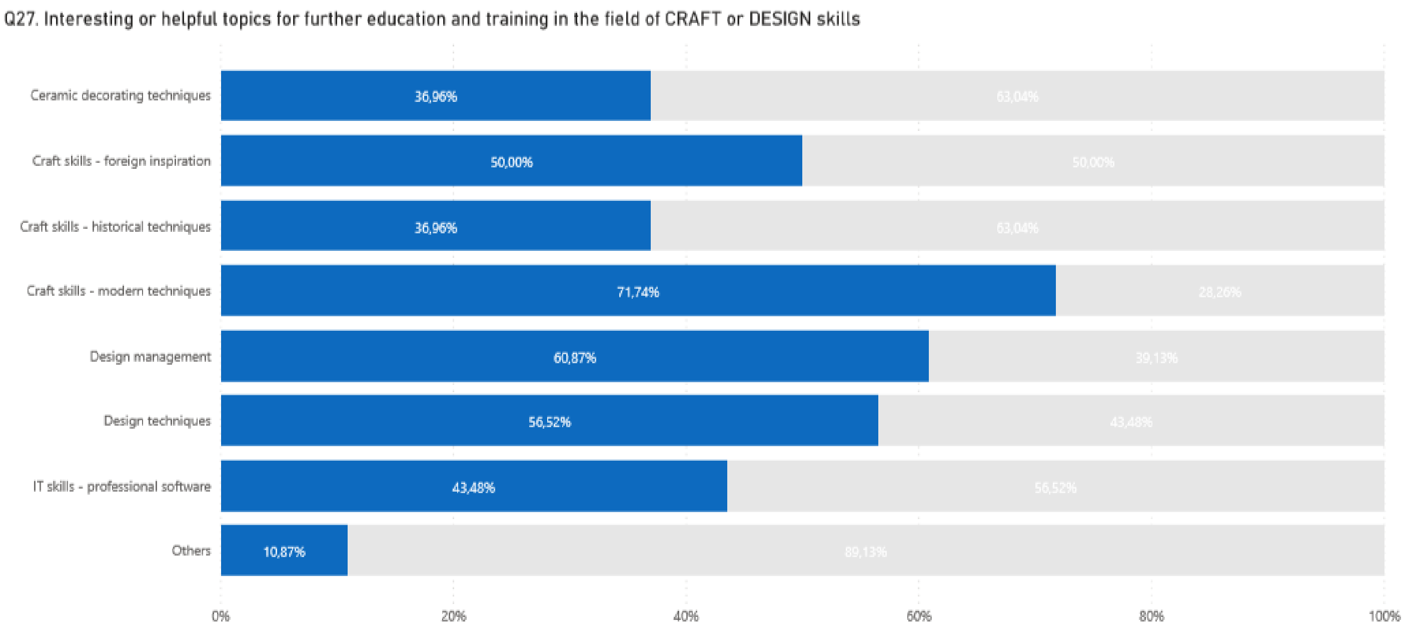


Figure 9 Further education and training topics (management, marketing, and business skills)

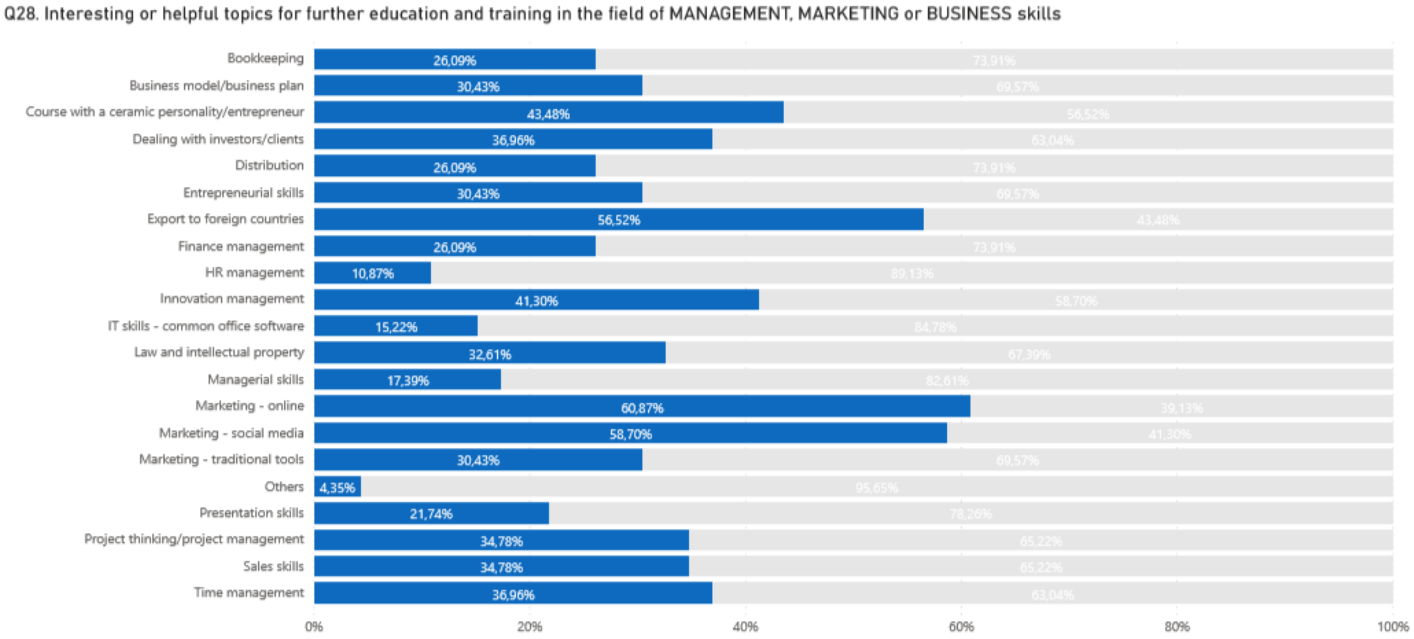
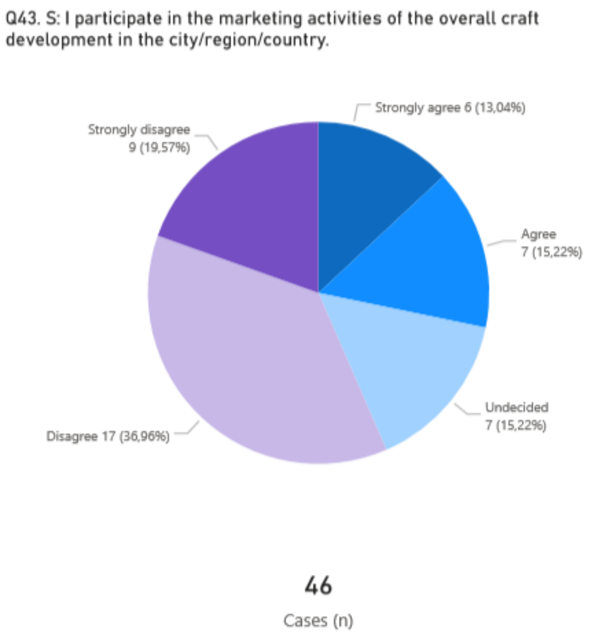


Figure 10 Participating in marketing activities in the city/region/country



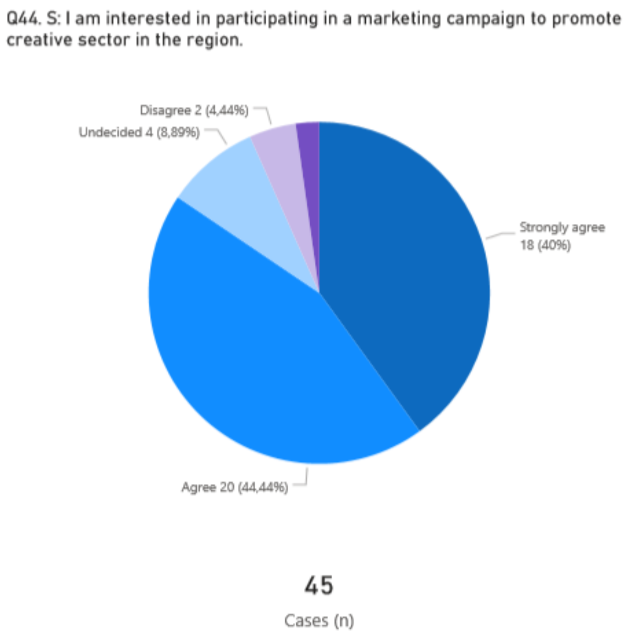


Figure 11 A need of international portal about ceramics

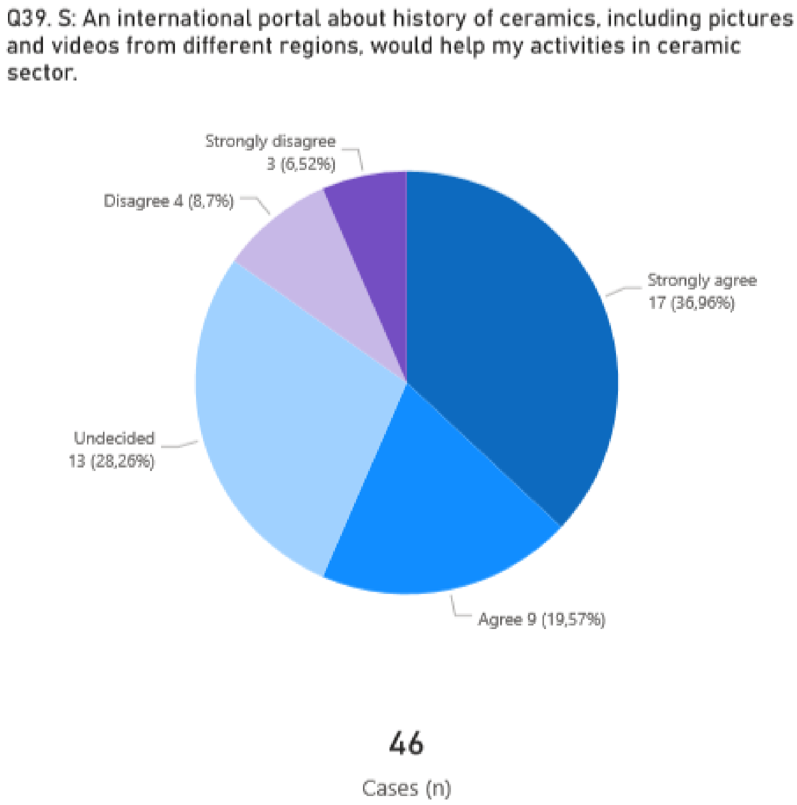
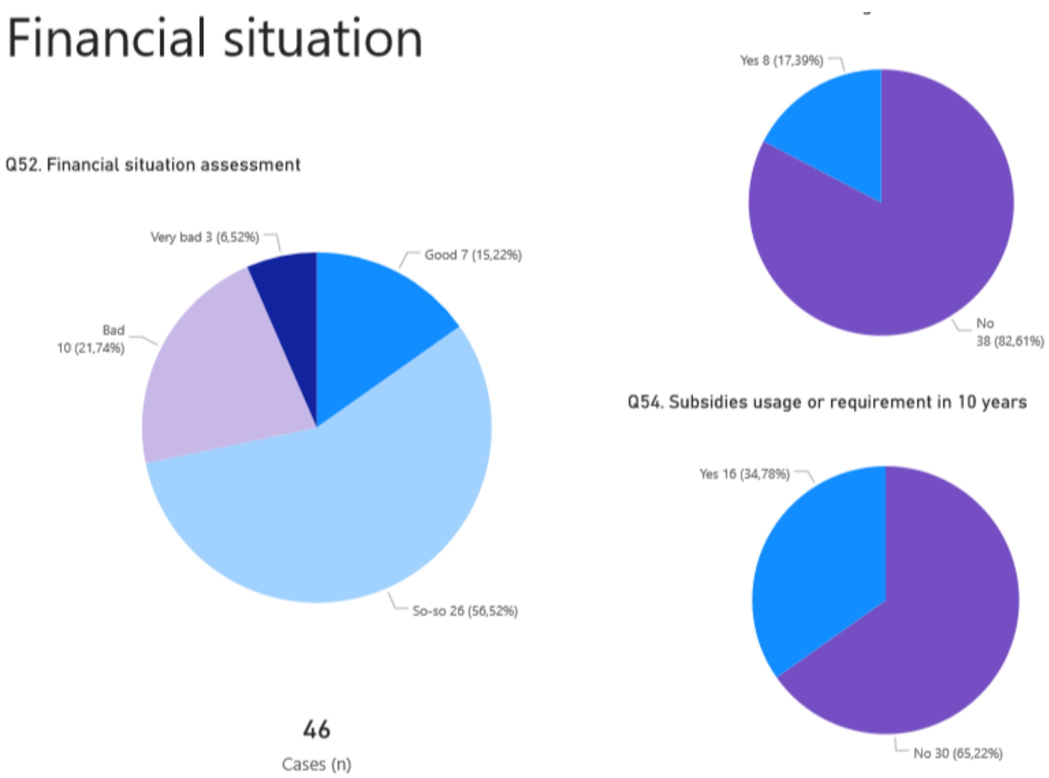
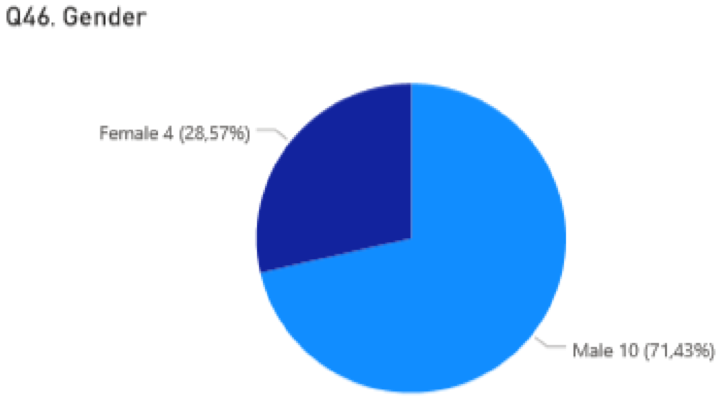


Figure 12 Financial situation



6.2. Students as potential entrepreneurial capacities - graphical overview

Figure 13 Sample - students



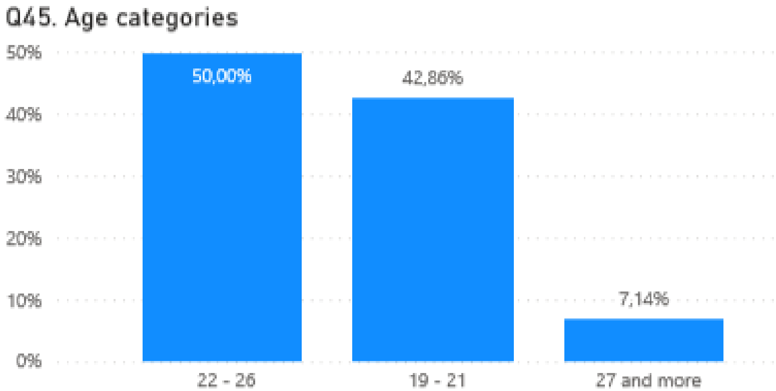


Figure 14 Study direction of students

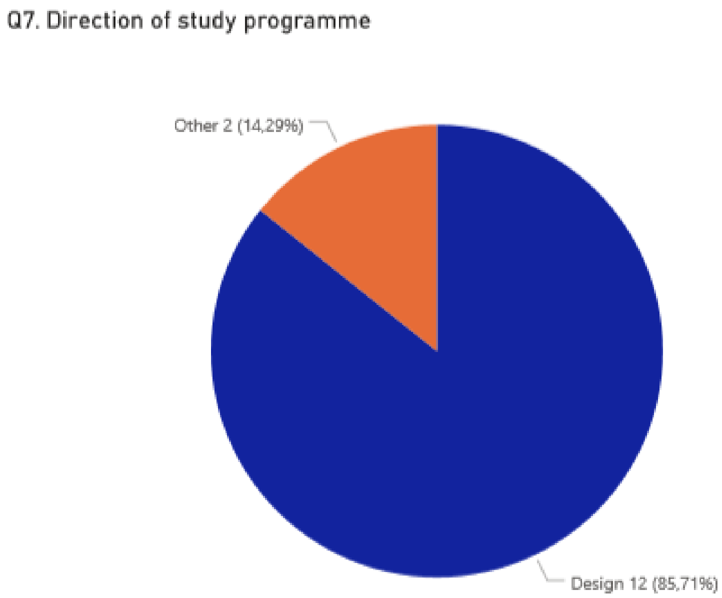
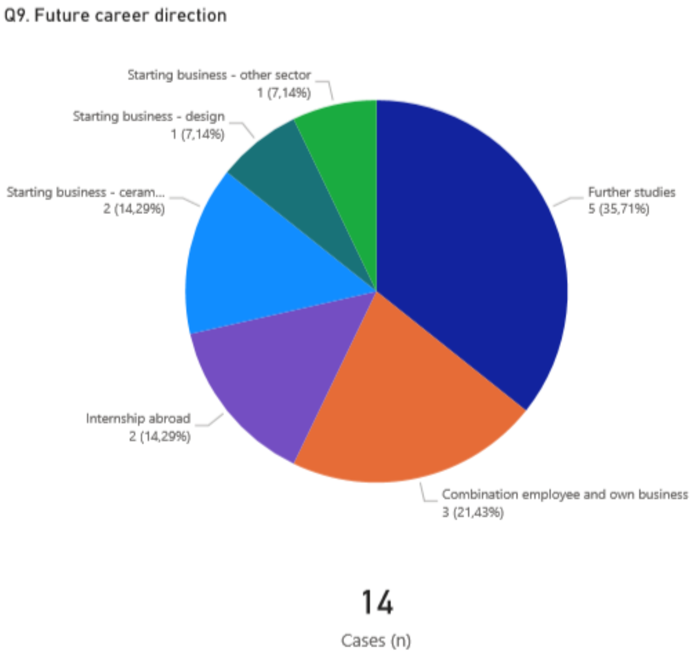


Figure 15 Future direction of students



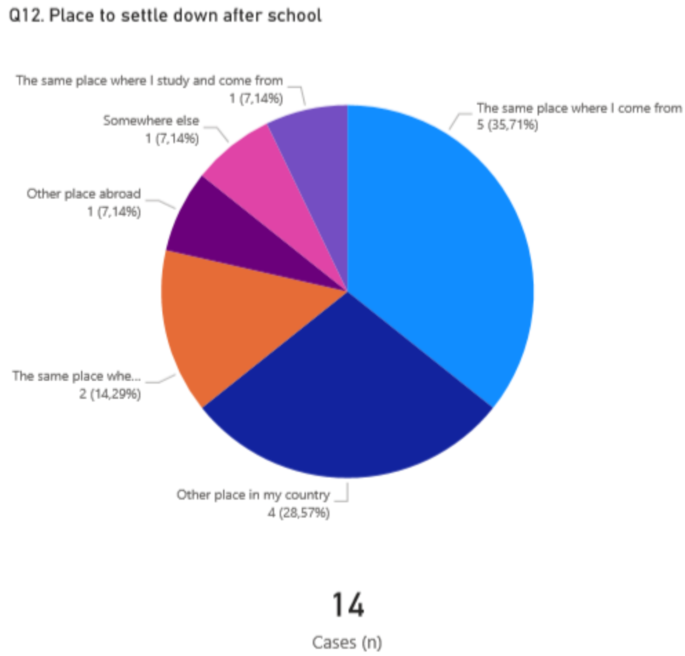
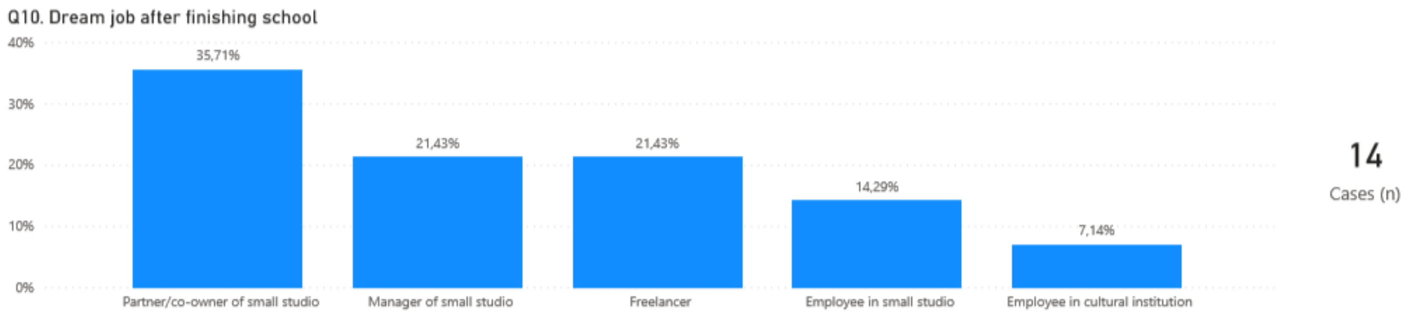


Figure 16 Dream job



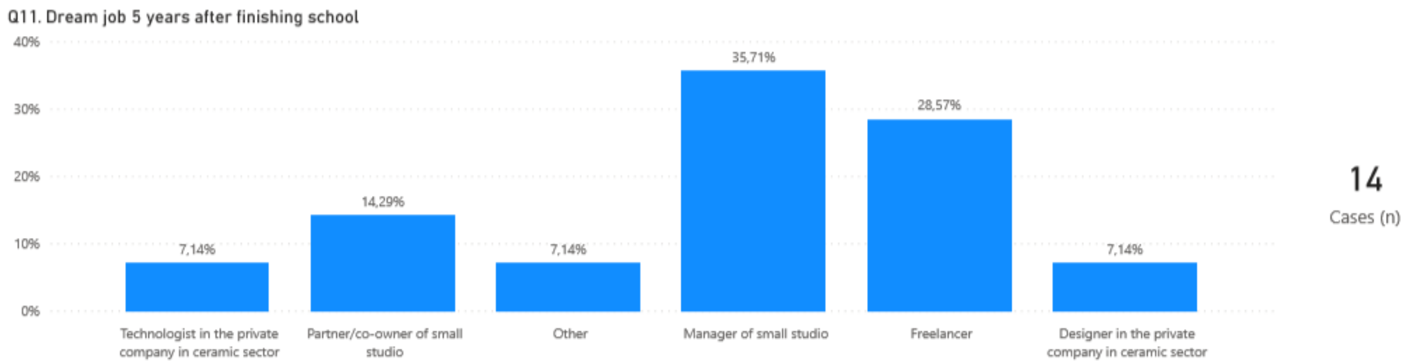


Figure 17 Important students' knowledge/skills gained

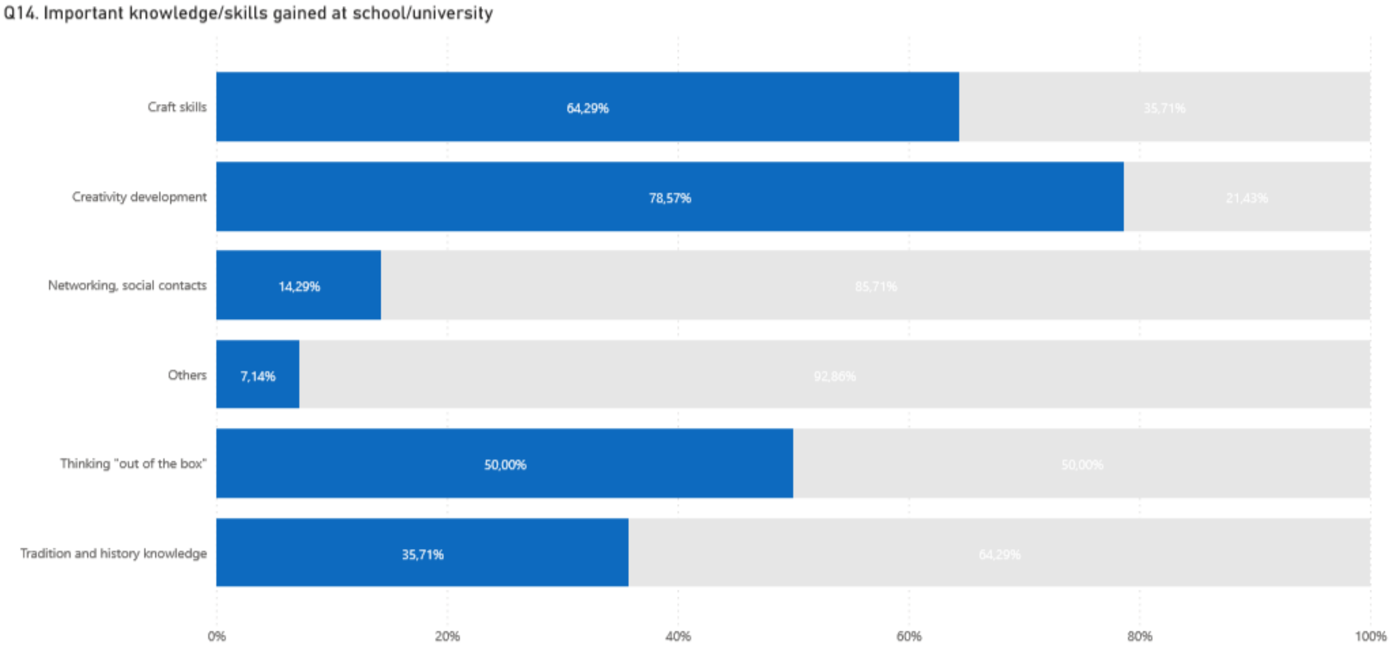


Figure 18 Lack in students' knowledge

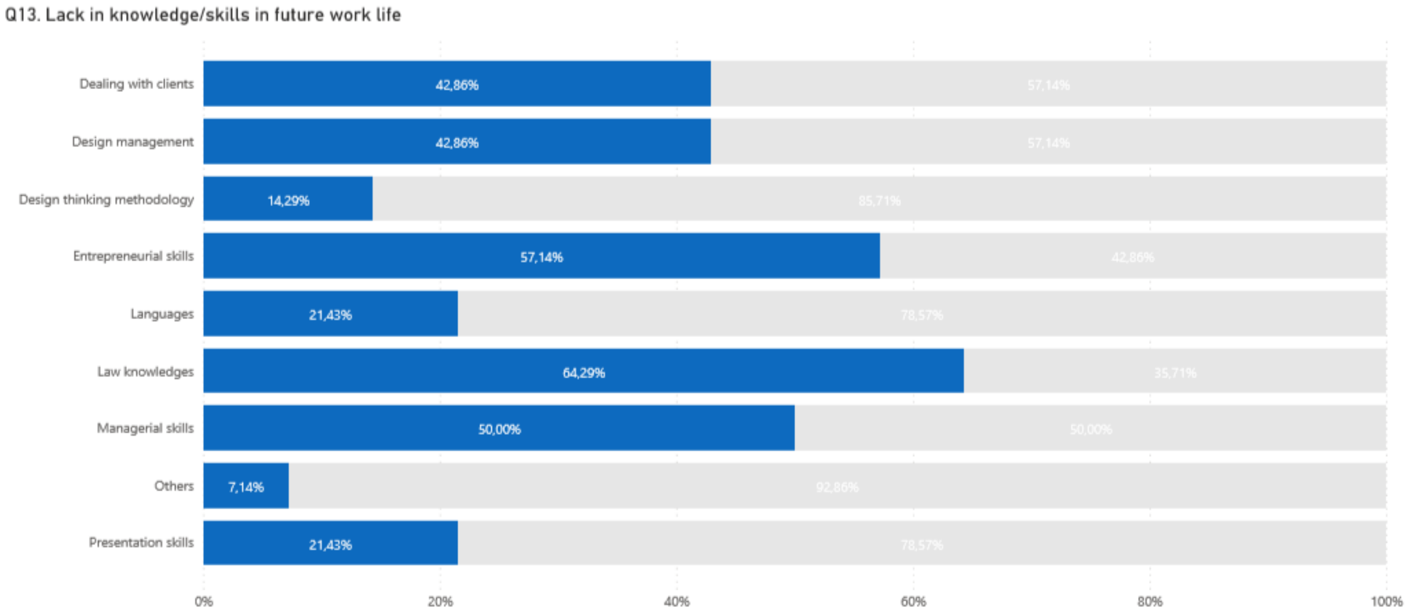


Figure 19 Help with starting own business of finding a job

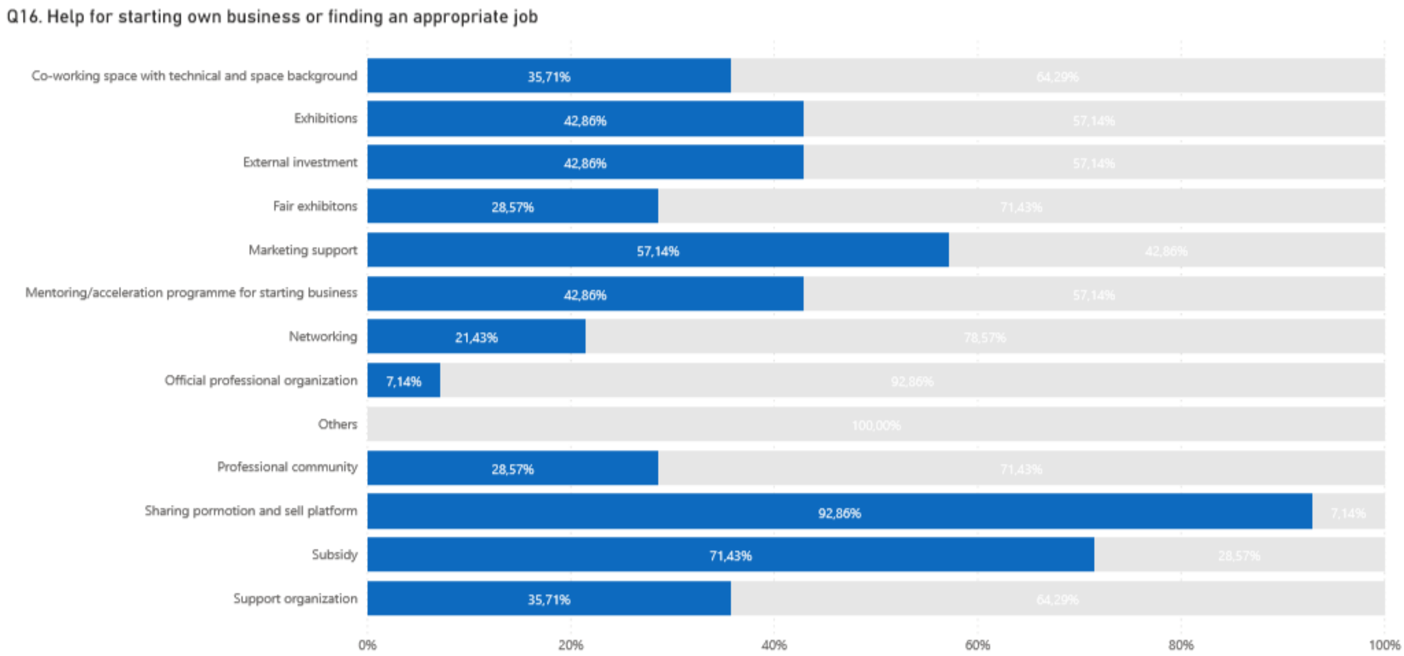
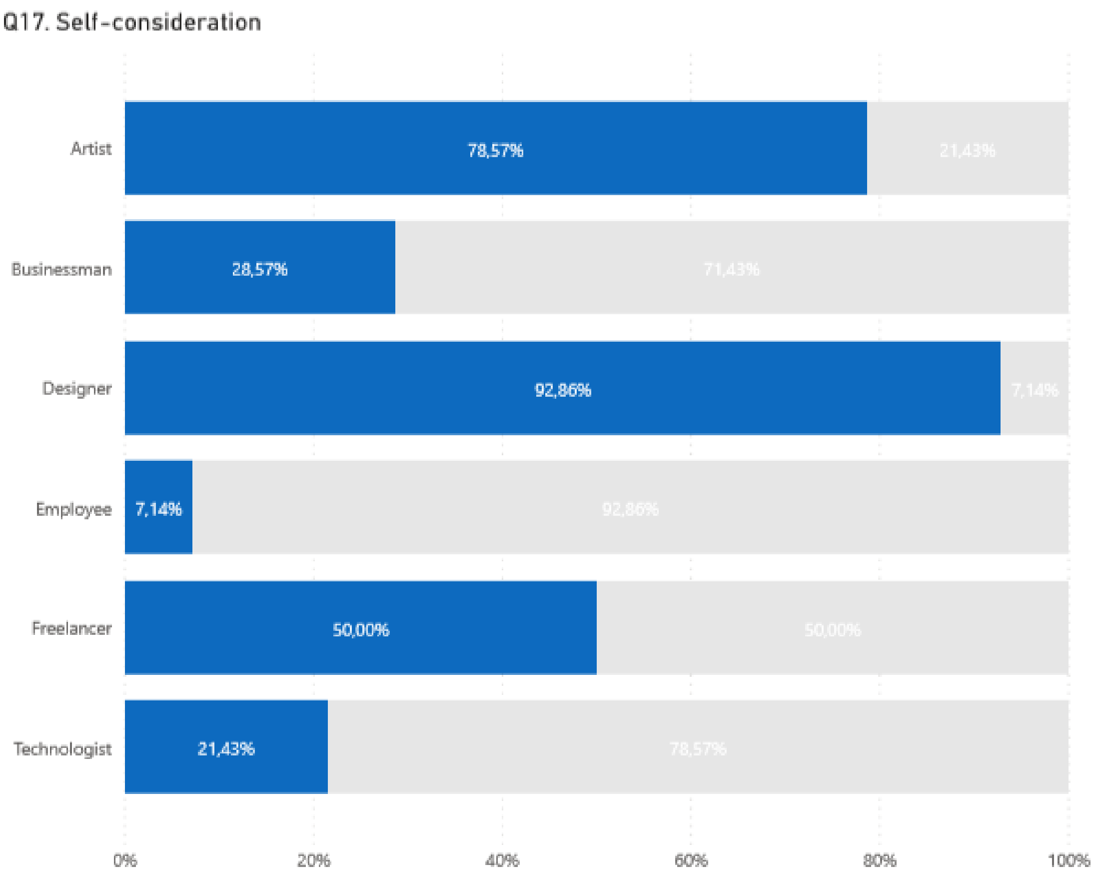


Figure 20 Students' self-consideration



6.3. Expectations and needs of stakeholders

Figure 21 Situation in ceramic sector

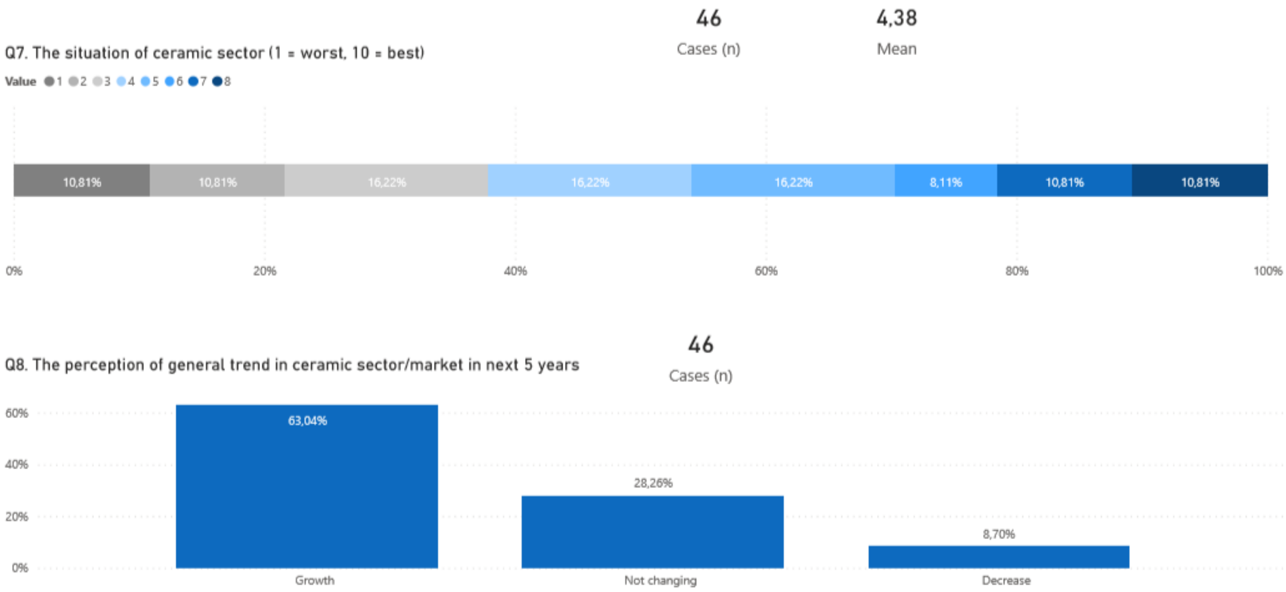


Figure 22 Intensity of current cooperation

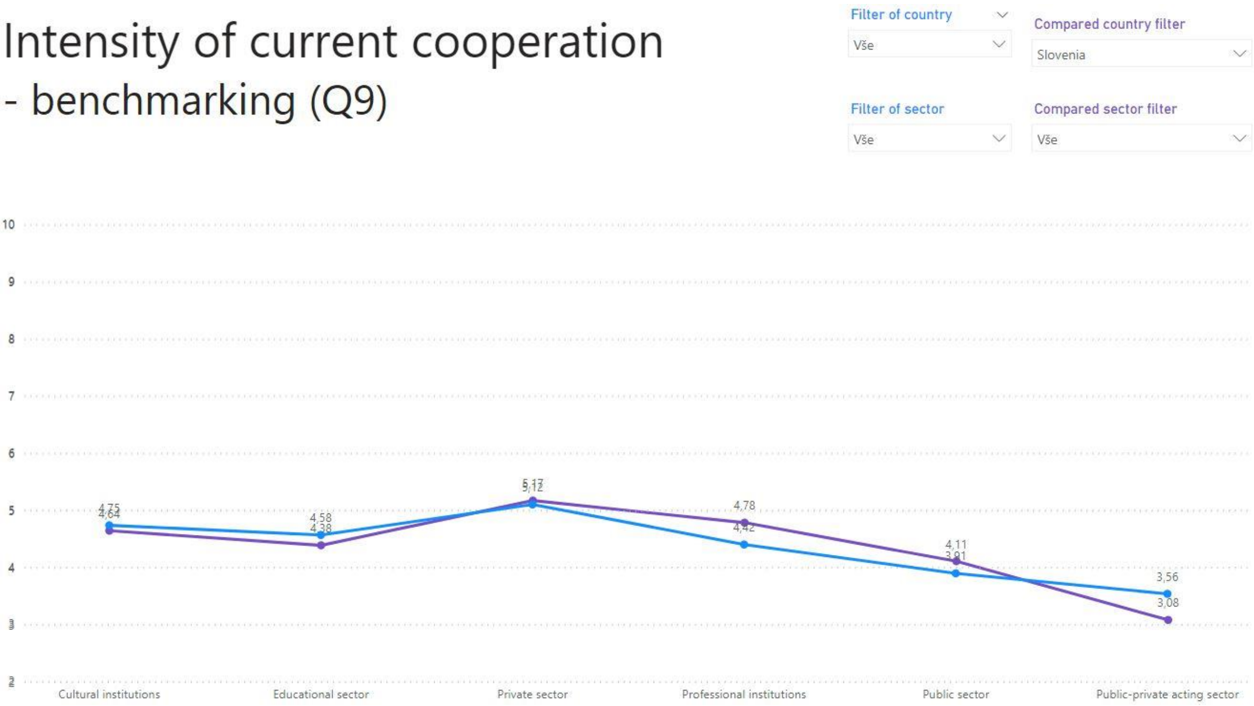


Figure 23 Importance of cooperation

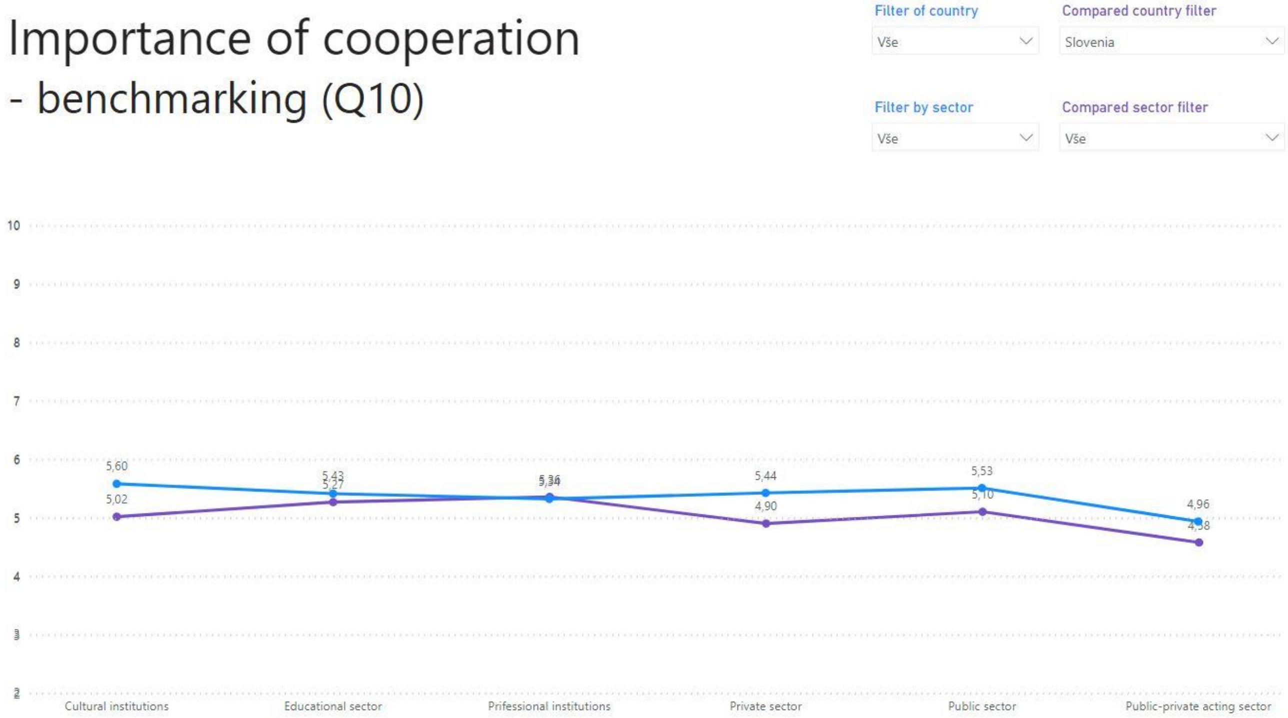


Figure 24 Influence level

Figure 25 Activities to support the sector

Activities to support the sector (Q13)

Value	Cases
- At least 2 months of working with clay in upper grades of elementary school. - All sectors have to be in contact with trends(Sustainable Development, craft skills, to buy less but from the lokals, to support the local ...) - Tourist Information Centres have to invite tourists in pottery studios and try to organise short workshops. - More informations in the media	1
- educational programs on a secondary and high level - Currently we don't have this in Slovenia. - promotion on a national level - more connection between ceramics and the public sector	1
appropriate placement of the ceramic sector in formal education; appropriate placement of the ceramic sector in the occupational field; recognition and awareness of Slovenian heritage in this field	1
As the social media has a huge impacton individuals, is important that good PR is made in thi field. Education, primary schools, secondary schools should visit more little studios or studios visit schools, to show the magic of handcrafts.	1
Cooperation between architects, home designers and ceramists. Collaboration with companies/hotels/restaurants.	1
cooperation, education, promotion, intenational collaboration, giving opportunities	1
Co-working, education and cooperation onj international level, project development of international collaboration in the fiels of unique ceramic, emphasis on the artistic approach rather than the artisanal one	1
Education of designers and customers	1
education, good systematic education program in the framework of regular education and public education with cultural and professional institutions, awareness about cultural heritage	1
Celkem	35

Figure 26 Level of cooperation

Q11. S: The level of cooperation in your region (country) in the ceramic sector is sufficient.

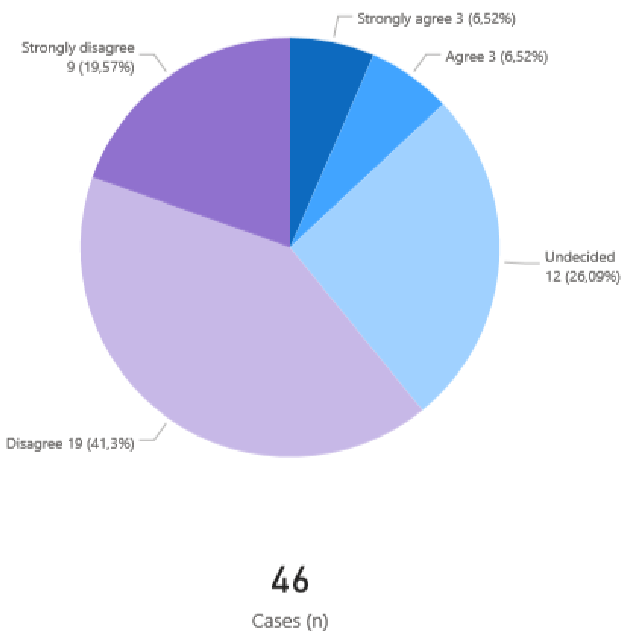


Figure 27 Support or cooperation

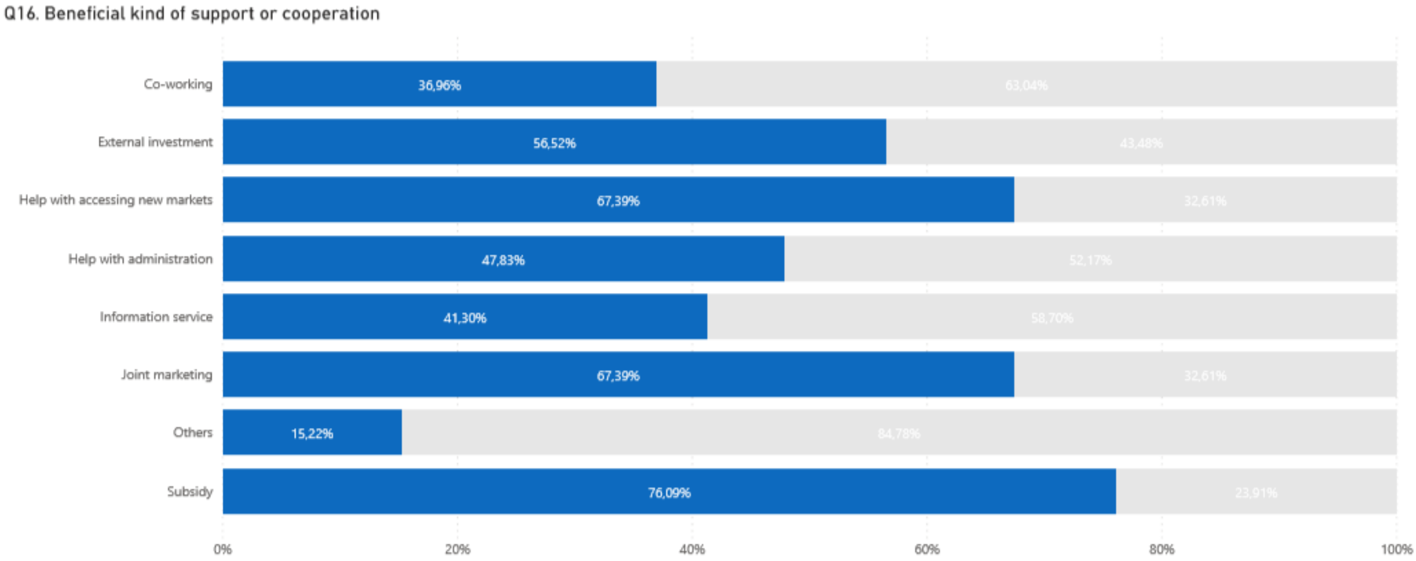
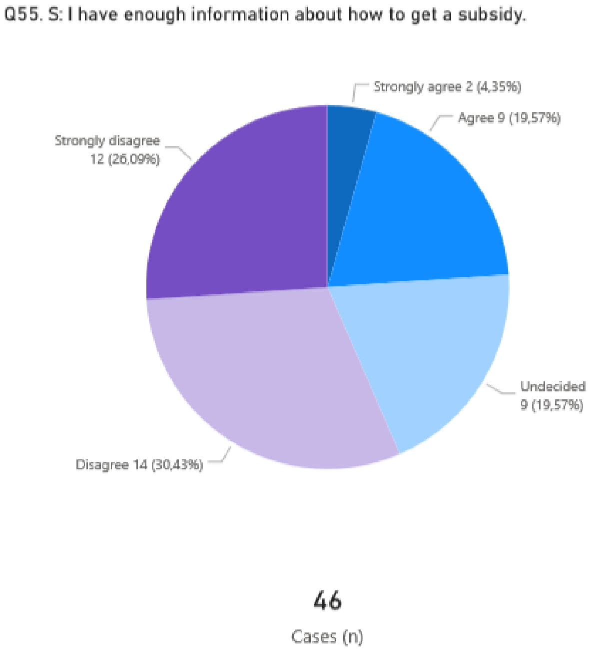


Figure 28 Attitude towards a statement



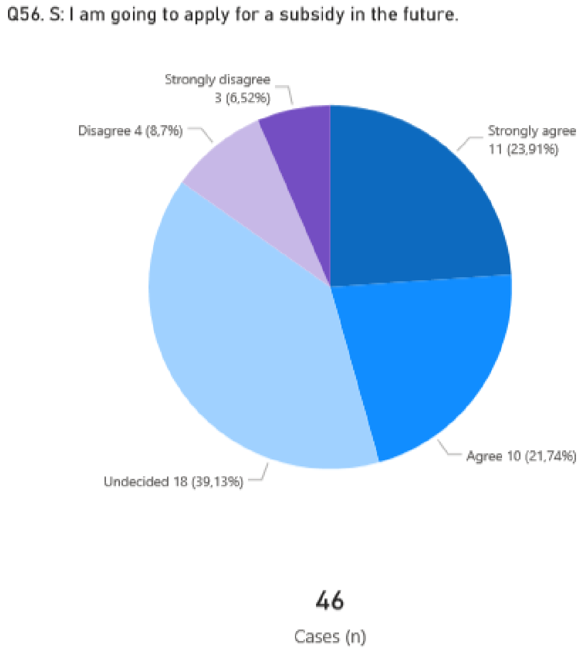
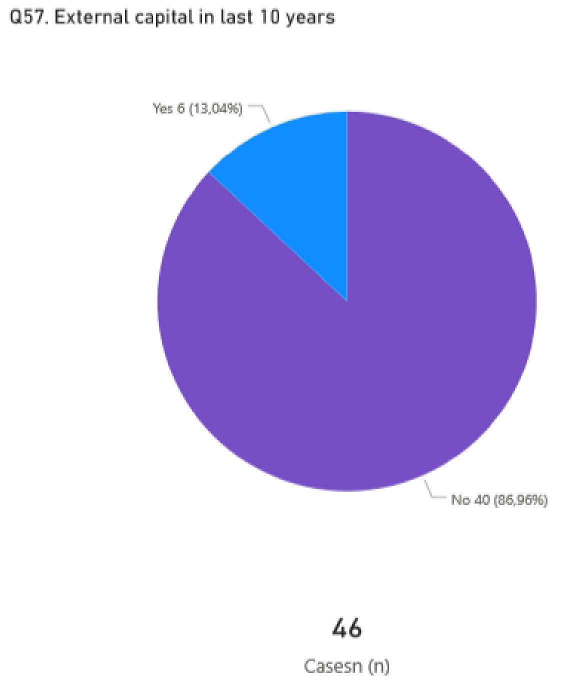
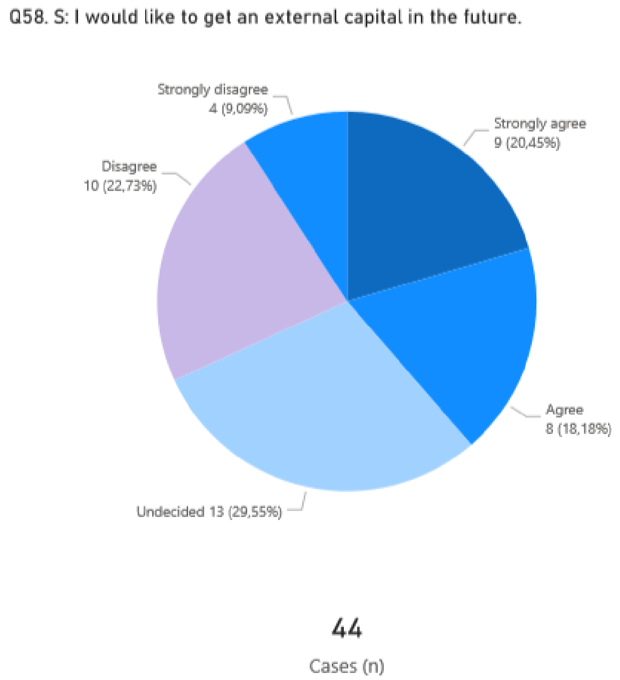


Figure 29 Financial situation, attitude towards a statement





6.4. Marketing activities

Figure 30 Currently used marketing activities

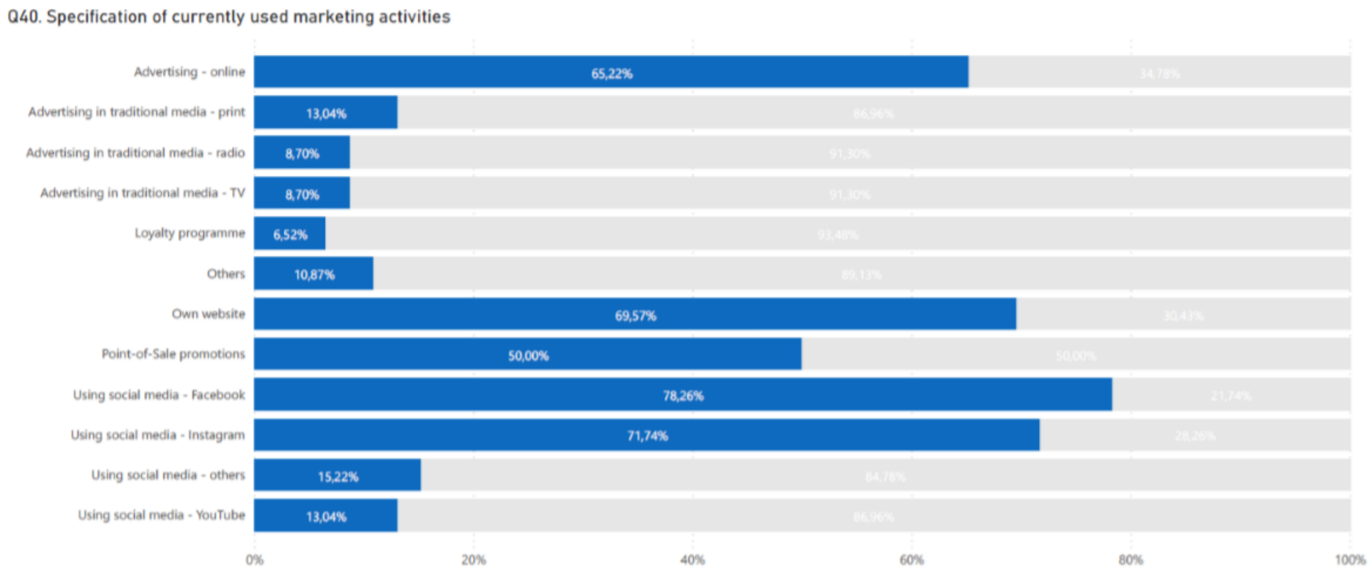


Figure 31 Marketing activities planned for the future

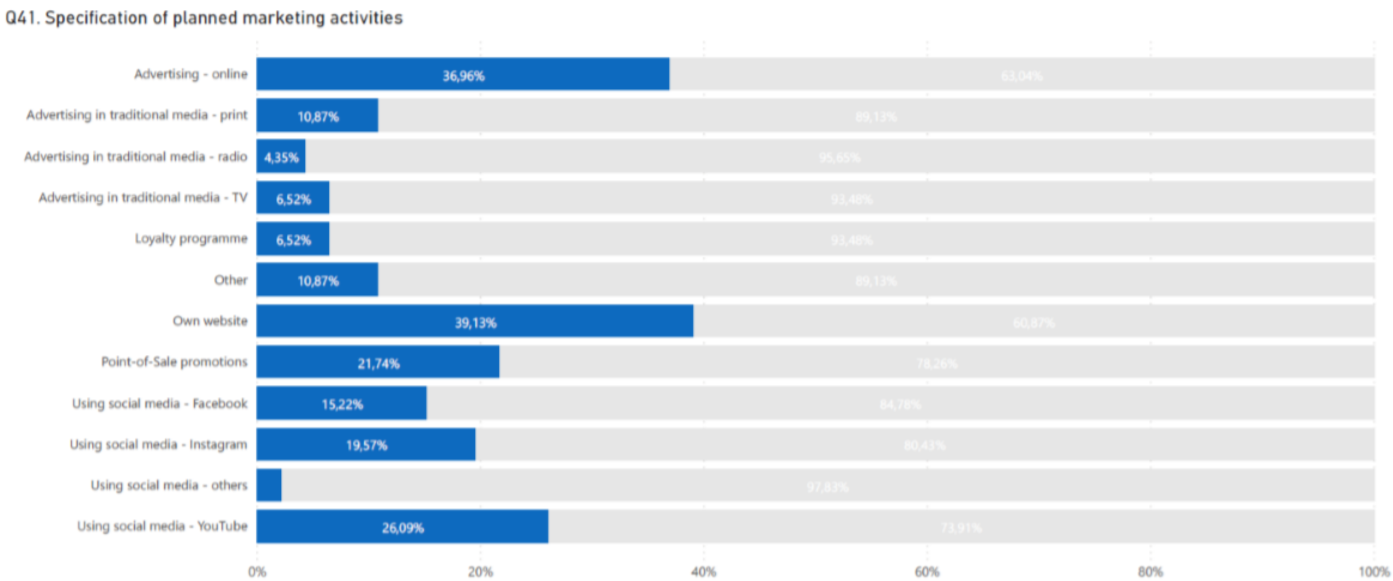


Figure 32 Responsibility for marketing activities

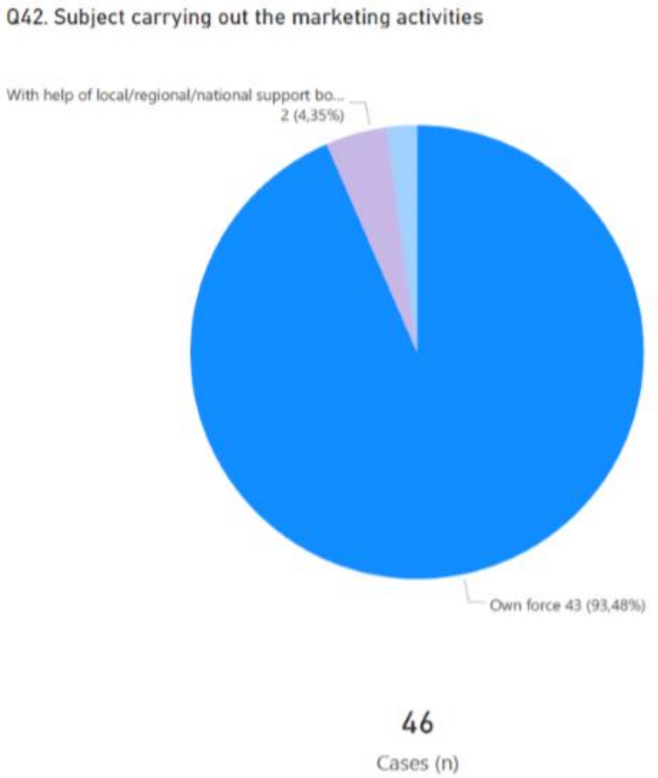
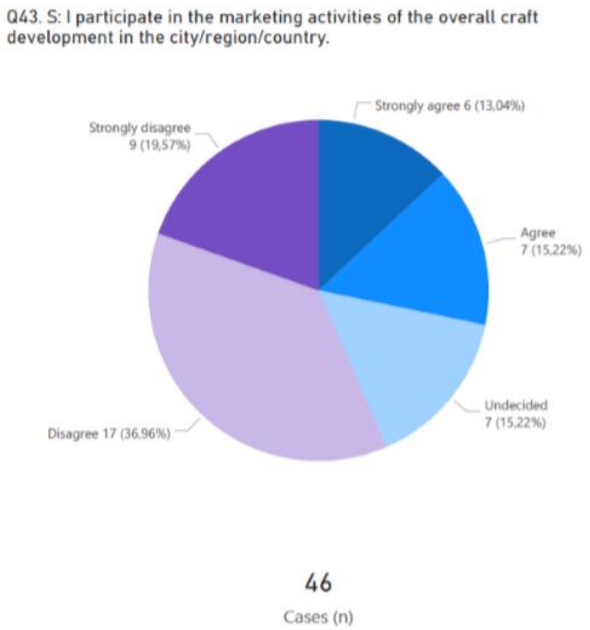


Figure 33 Participating in the marketing activities



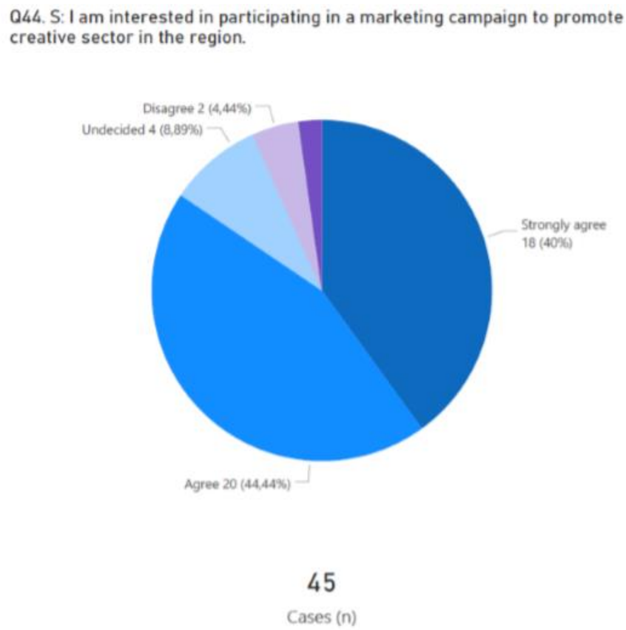


Figure 34 Marketing activities on social networks

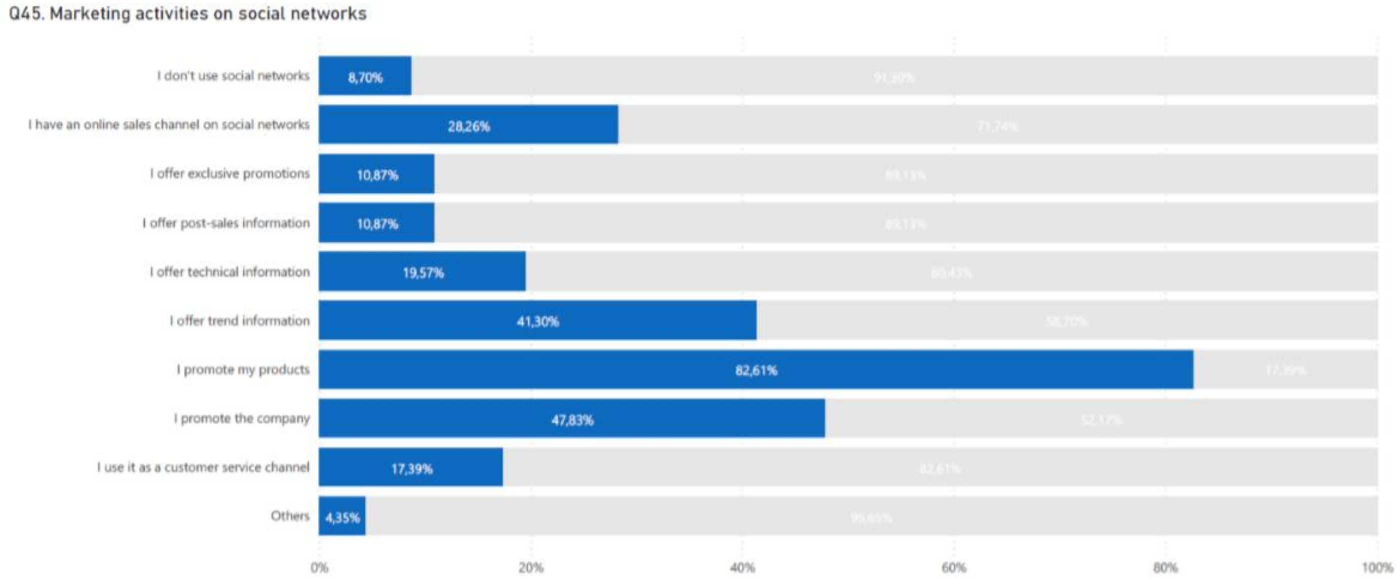


Figure 35 Feedback on social media

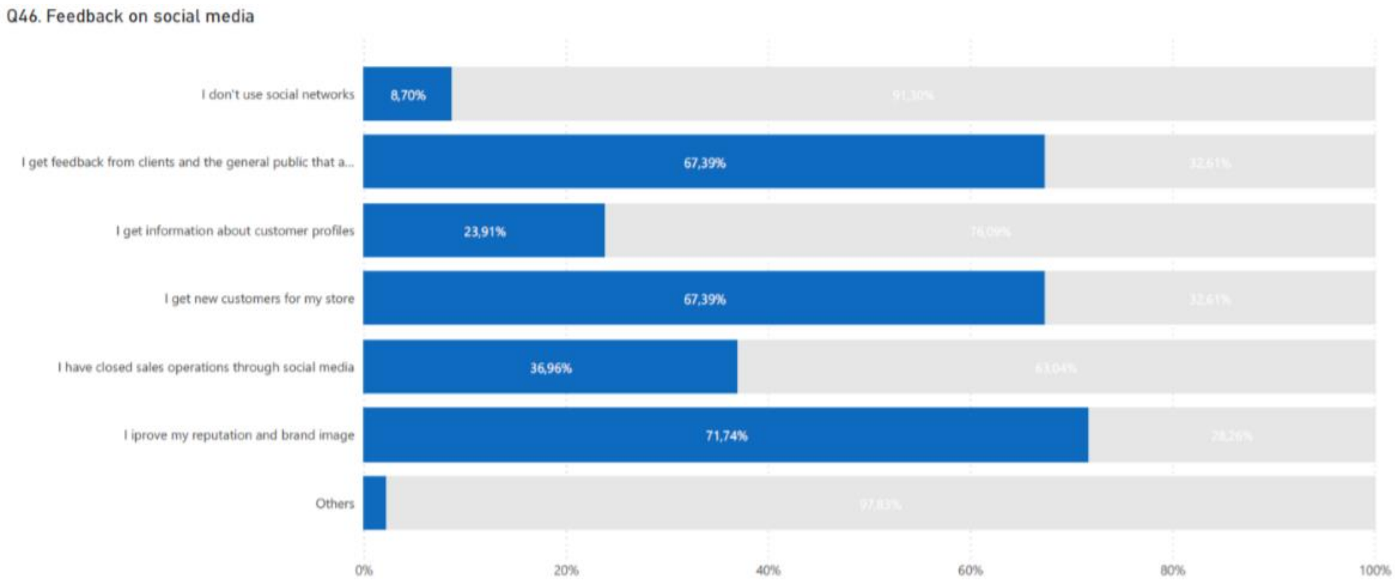


Figure 36 Currently used distribution channels

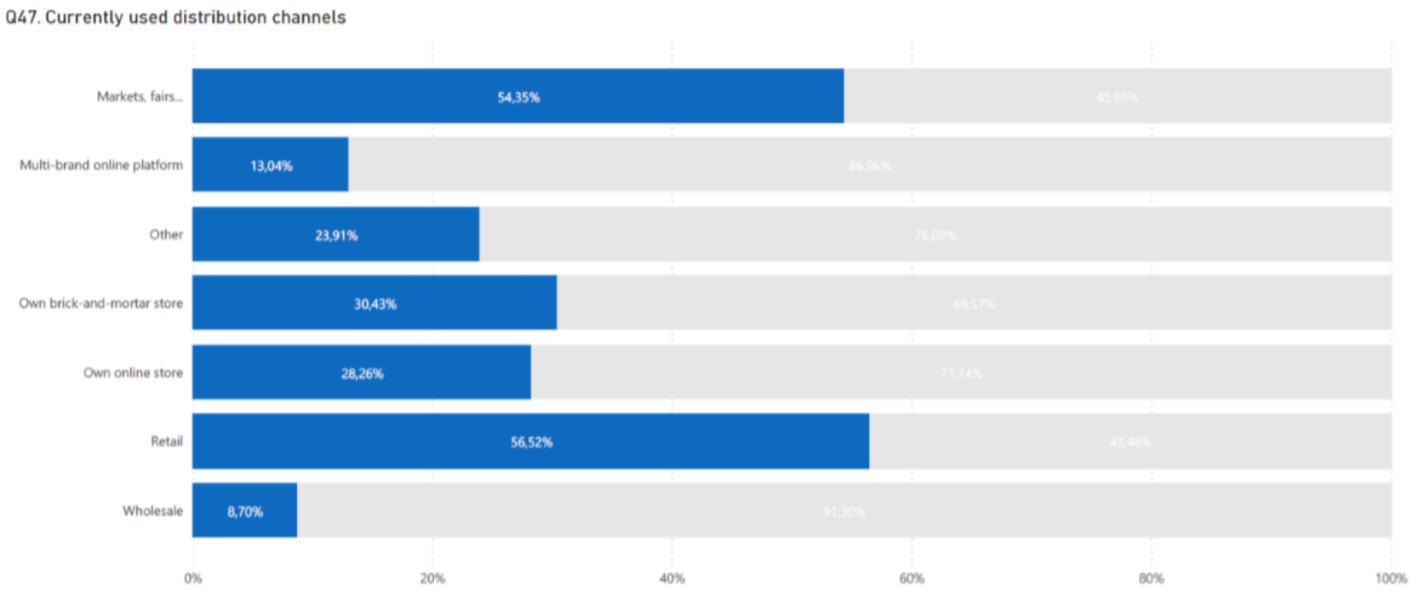


Figure 37 Planned distribution channels