Stakeholder engagement in creative economy companies: strategies to face the COVID-19 crisis

Abstract
The creative economy (CE) has great potential for socio-economic development. When strategically implemented, CE can play a prominent role in the agendas of emerging and developing countries. In addition, stakeholder engagement is an important tool to drive growth in the creative sector. Against this backdrop, this research examines the relevant points of the CE, its characteristics in the light of the stakeholder theory, and the new challenges brought by the COVID-19 crisis to understand how CE companies engage their stakeholders to face the crisis. This research has a qualitative and exploratory nature. Interviews were conducted with managers of CE companies who pointed out the importance of exchange of information between stakeholders and adaptation to constant demands as necessary practices to compete in an expanding sector. Collaboration-oriented engagement with stakeholders can lead to learning, innovation, and organizational change, important aspects of coping with the COVID-19 crisis.

Keywords: Creative economy. Engagement of Stakeholders. Stakeholder Theory. Value creation.

Engajamento de stakeholders em empresas da economia criativa: estratégias para o enfrentamento da crise da COVID-19

Resumo
Devido ao grande potencial para o desenvolvimento socioeconômico, a Economia Criativa (EC) é uma atividade que, se implantada estratégicamente, pode ter um papel de destaque nas agendas de países emergentes e em desenvolvimento. Para suscitar o crescimento do setor criativo, o engajamento de stakeholders destaca-se como uma importante ferramenta. Na presente pesquisa, foram examinados os pontos relevantes para a compreensão do conceito de EC, suas características à luz da teoria dos stakeholders e os novos desafios trazidos pela crise da COVID-19. O objetivo deste trabalho é compreender como as empresas de EC engajam seus stakeholders no enfrentamento da crise da COVID-19. A abordagem escolhida para a presente pesquisa é qualitativa e exploratória. Foram realizadas entrevistas com gestores de empresas do setor que apontaram a importância do fomento à troca de informações e da adaptação às constantes demandas como práticas necessárias para competir em um setor que se encontra em expansão. O engajamento orientado à colaboração com stakeholders pode levar ao aprendizado, à inovação e às mudanças organizacionais, aspectos importantes para o enfrentamento da crise da COVID-19.

Palavras-chave: Economia criativa. Engajamento de stakeholders. Teoria dos stakeholders. Criação de valor.

Participación de stakeholders en empresas de la economía creativa: estrategias para enfrentar la crisis de la COVID-19

Resumen
Debido al gran potencial de desarrollo socioeconómico, la economía creativa (EC) es una actividad que, si se implementa estratégicamente, puede jugar un papel destacado en las agendas de los países emergentes y en desarrollo. Para impulsar el crecimiento en el sector creativo, la participación de los stakeholders puede destacarse como una herramienta importante. En esta investigación se examinaron los puntos relevantes para entender el concepto de EC, sus características a la luz de la teoría de los stakeholders y los nuevos desafíos que trajo la crisis de la COVID-19. El objetivo de este trabajo es comprender cómo las empresas de la EC involucran a sus stakeholders para enfrentar la crisis de la COVID-19. El enfoque elegido para esta investigación es de naturaleza cualitativa y exploratoria. Se realizaron entrevistas con gestores de empresas del sector quienes señalaron la importancia de promover el intercambio de información entre los stakeholders y la adaptación a las exigencias constantes como prácticas necesarias para competir en un sector en expansión. El compromiso orientado a la colaboración con los stakeholders puede conducir al aprendizaje, la innovación y a los cambios organizacionales, aspectos importantes para hacer frente a la crisis de la COVID-19.

Palabras clave: Economía creativa. Compromiso de las partes interesadas. Teoría de las partes interesadas. Creación de valor.
INTRODUCTION

On a trajectory that combines business and ideas, the concept of a new economy emerged in the 1980s, based on the production and commercialization of so-called cultural goods and services and guided by creativity and intellectual capital (Wilson, 2010). This economy, called the creative economy (CE), encompasses dynamic sectors that invest in culture, technology, and innovation to generate opportunities for individuals, companies, and cities (White Gunasekaran, & Roy, 2014). The CE involves unique activities that culminate in a common denominator, creativity, which, through the use of intellectual property, is seen as a potential generator of jobs and wealth (Marchi, 2014).

The new ways of producing and generating business present the need for collaborative processes for the development of creativity (Kubo, Costa, Cardoso, & Ribeiro, 2017). CE companies are mainly composed of independent workers and small and medium-sized companies that work in cooperation and seek to establish links with other creative individuals (Chapain & Comunian, 2010) since creativity can be considered a collective and relational practice (Wilson, 2010). An environment that encourages new ideas and engages and involves diverse stakeholders provides flexibility and adaptation and reveals opportunities for the development of the capabilities and relationships necessary for the survival of organizations (Jackson, Morgan, & Laws, 2018).

The CE connects innovation, cultural diversity, sustainability, and social inclusion (White et al., 2014), making it relevant to understanding the relationship between companies and their stakeholders and how these relationships can help the growth of this sector. The CE has some peculiar characteristics, such as greater flexibility and productive agility of companies (Flew & Cunningham, 2010). Therefore, the innovation and creation processes require specific skills so that knowledge is transformed into product and service ideas that guarantee authenticity and originality (Garcia, 2016). These competencies need to be analyzed in more in-depth qualitative studies since most studies on the CE refer to quantitative reports, which often lack accurate data (Chapain & Comunian, 2010).

Stakeholder theory encourages the identification of groups and individuals that can affect or be affected by the achievement of an organization’s objectives (Freeman, 1984), emphasizing that this approach enables the management to focus on balancing the interests of multiple stakeholders to create value through trust and cooperation (Barakat & Wada, 2021). In this context, the objective of the present work is to investigate how CE companies are engaging with their stakeholders in the face of the need to recognize new methods and strategies to face the COVID-19 crisis. To achieve this objective, the following categories of analysis were defined based on the empirical evidence: (i) motivators for the creation of companies; (ii) companies’ understanding of the CE; (iii) the challenges brought about by the COVID-19 crisis; and (iv) the stakeholder engagement strategies adopted by companies.

This discussion proves to be relevant as the CE theme has been presented in several countries as an activity that boosts socioeconomic development (Almeida & Teixeira, 2016). However, Brazil is still making an initial effort to understand this economy, of which the cultural history in the context of the country’s development is quite complex, since it presents a relationship of discontinuity of cultural policies (Marchi, 2014). Costa and Souza-Santos (2011) state that new methodologies are needed to understand an economy that has a creative basis and, in this way, face the current challenges.

Many individuals enter the creative industries out of necessity and as a way to survive in difficult times (Wilson, 2010). For these companies to be successful in the long term, it is important to understand the dynamics of the interactions between the various stakeholders involved and to promote the quality of relationship networks (Chapain & Comunian, 2010). Traditionally, the literature on the creative industries is based on an individualistic notion of creativity, disregarding the role of interaction between individuals for the realization of creative potential (Wilson, 2010). In this way, the investigation of stakeholder engagement in the context of the creative economy, in the light of stakeholder theory, can contribute both to the literature on creativity and the CE and to the managerial practices of companies in this economy when facing the COVID-19 pandemic. The first official case of this disease, caused by the new coronavirus, occurred in China in December 2019 and quickly spread around the world. In Brazil, it was officially declared by the Minister of State for Health as an international health emergency in February 2020. All sectors suffered some kind of impact and had to adapt to survive, establishing precautionary measures and hygiene and safety protocols.
THEORETICAL FOUNDATION

Creativity and the creative economy

Although there is no single and agreed definition of the CE, it can be said that its main definition is the use of an idea that is based on creativity aimed at a product or service that brings marketable economic value (Marchi, 2014). The author John Howkins (2002) popularized the term CE by demonstrating the development of information and ideas in an economic form, that is, as a marketable activity and guided by the desire to create and imagine things. This economy uses activities based on intellectual capital as raw material to convert them into economic value (Costa & Souza-Santos, 2011), in addition to driving the evolution of individuals, communities, and countries in a sustainable and transformative way, recognizing the importance of the local culture (Wilson, 2010).

The production of goods and services relies on the scientific and technological knowledge base and on other existing creative products (Serra & Fernandez, 2014), noting that the CE is premised on an abundance of resources and not their scarcity. Thus, the creative capacity that is facilitated by human knowledge becomes infinite and allows many discoveries that favor economic and social development and growth (White et al., 2014). This economy can stimulate the generation of income and jobs, diverse exports that promote social inclusion, cultural diversity, and human development in addition to the economic, cultural, and social aspects that are connected with technology, intellectual property, and economic development (Guilhaume, 2017).

Creativity can be considered as a product of the ability to think in metaphorical terms, to associate elements that have been separated from each other, to search for new information, and to understand intimate thoughts. The talent for creativity can be nurtured by the hybridization of possible references in a cultural environment. Areas where there is an exchange between artistic and cultural references are conducive to cultural creativity and probably even the emergence of creative skills that can be used in spheres other than culture (Greffe, 2016).

The fundamental element in considering a creative product is that it is new, at least for the person who produces it. A creative achievement must also be intentional. In discussions of creativity in an industrial context, a distinction can be made between creativity and innovation. Creativity results in something new, and innovation is a new idea brought to the market in the form of a new product. Thus, an innovation is the result of the creative process added to the factors necessary to bring an idea successfully to the market (Weisberg, 2010).

Attention to the sector is necessary due to the unique possibility of transforming ideas into products, processes, or services, directly affecting the consumers and society (Almeida & Teixeira, 2016). This generation of value is the result of greater interaction between sectors and new conceptual interpretations of the CE that incorporate intangible aspects into the generation of value and provide evidence for the value of knowledge and the development of creative and inclusive networks and economic flows (Pacheco & Benini, 2015).

A possible barrier to the achievement of a genuinely creative economy may come from the creative industries themselves as they are often based on a predominantly individualistic notion of creativity. In this context, it would be necessary to requalify CE so that a stronger social conceptualization of creativity is possible. Social creativity would be introduced as a way of understanding how interaction across borders (including those of the creative industries) allows, motivates, and constrains the reproduction and/or transformation of social values and the realization of human beings’ creative potential. Social creativity addresses the relationship between creativity and the economy through a focus on the collective and relational nature of creative practice, of which divergent thinking, transdisciplinarity, co-ownership, knowledge production, collaboration, dialogue, and reflexivity are all important elements (Wilson, 2010).

Rather than thinking of the creative industries as an economic subset of innovative firms that drive growth in the economy as a whole, creativity can be seen as an element of the economy-wide innovative system, not just as a limited end good but as a general intermediate good. The economic value of creativity as a sector seems small, but its contribution to the coordination of new ideas and technologies, and therefore to the process of change, is substantial (Greffe, 2016).

It is necessary to perceive opportunities constantly in the field of activity so that the knowledge and experiences acquired are combined and have repercussions for the actions and dynamics of the market (Almeida & Teixeira, 2016). For CE-related organizations to grow, there must be a combination of the different forms of innovation, including their various stakeholders (Garcia, 2016). If, on the one hand, this economy offers very interesting perspectives, given the boost to socioeconomic...
growth, on the other hand, there are some fears due to the possibility of these creative assets becoming products of purely tradable and commodified goods and services (Guilherme, 2017).

The potential of CE can be seen in the context of the global crisis caused by COVID-19, which has gained prominence and become visible from the perspective of the government and the population (Comunian & England, 2020). Although creative and cultural workers have been highlighted by the pandemic, they are often invisible to those who formulate policies for the sector. In this way, the pandemic has placed on government agendas the concern about the impacts on these workers, considering that they can have a prolonged effect and threaten the survival of the organizations and stakeholders that depend on the sector (Comunian & England, 2020).

Considering the pandemic scenario, there have been discussions about increasing entry into the creative industries as a way of survival (Serviço Brasileiro de Apoio às Micro e Pequenas Empresas [Sebrae], 2021). A greater number of entrepreneurs driven by necessity, in a still developing country, can be an alternative to unemployment, the result of economic stagnation, and can make a very limited contribution to the dynamism of the economy (Barros & Pereira, 2008). Otherwise, entrepreneurship can have different intentions and multiple motivations and not just need or opportunity since human beings are driven by intrinsic and extrinsic reasons. Talent, the attitude toward taking risks, and personal factors are motivations that influence an individual to become or not become an entrepreneur. In this context, personality, family background, institutional support, autonomy, freedom, achievement, expansion, and/or complementation of income and time with the family are also included (Vale, Corrêa, & Reis, 2014).

**Stakeholder theory**

Considering the growing commercialization of products and services with high added intangible value, the CE has become the agenda of discussions in many countries regarding the opportunity to generate income, employment, and social and economic inclusion. However, the development of this economy often occurs in an ungoverned and decentralized manner, without the incentives and support that foster collective and collaborative actions among the various stakeholders in this system (Flew & Cunningham, 2010). Therefore, the stakeholder theory becomes essential to understand the complexity of the interests involved in this economy.

In recent decades, the stakeholder approach has been fundamental to elucidating the role of a company and its responsibility to others who are directly or indirectly involved in its activities (Barakat, Boaventura, & Gabriel, Forthcoming). Coordinating the interests of different stakeholders has come to be seen as an ideal objective to benefit both companies and society in a broader and more sustainable way (Laplume, Sonpar, & Litz, 2008). By reinforcing the need to manage relationships with people or groups, stakeholder theory has become an innovative approach for organizations concerned with generating value in increasingly dynamic and complex environments (Barakat & Wada, 2021), such as the current context characterized by the challenges that the COVID-19 pandemic has generated.

The concept of stakeholders began to be formed in the mid-1980s and can be defined as “[...] groups or individuals that influence or are influenced by the achievement of an organization’s objectives” (Freeman, 1984, p. 25). The term stakeholder refers to all stakeholders of the most diverse types, such as employees, suppliers, customers, and the local community, who have a strong position in or influence on a company’s activities (Stocker et al., 2019). This theory introduced the perspective that the participatory approach and the construction of long-term relationships based on principles of trust and reciprocity result in the improvement of organizational results (Harrison & Wicks, 2013).

Stakeholder analysis makes it possible to identify the relationships that are important for a company’s social and financial performance and for the creation and distribution of value (Laplume et al., 2008). Stakeholders play an increasingly important role in the survival and prosperity of CE companies as their management and engagement can lead to greater idea generation, knowledge exchange, and innovation. There are specific interests that are directly related to structural and management decisions (Langrafe, Barakat, Stocker, & Boaventura, 2020); these relationships are therefore not definitively established but adapt to constant changes in the environment (Laplume et al., 2008). In view of this, it can be understood that companies that manage their stakeholders well can create more value than those that seek to satisfy only the interests of shareholders (Freeman, 1984).

Stakeholders have diverse demands and interests that must be considered in the management of CE companies. Practices such as frequent and transparent dialogue generate value as they align the expectations and objectives of stakeholders and enable better resource management and crisis management (Langrafe et al., 2020). Good communication therefore becomes...
an important tool in the process of engaging individuals or groups that provide important information and ideas for generating opportunities and solving problems (Harrison & Wicks, 2013).

In general, companies respond individually not to the interests of their stakeholders but to the simultaneous influences that occur in the value creation system that they lead (Tantalo & Priem, 2016). The identification and analysis of these influences are necessary for the development of capabilities and resources, based on knowledge about the existing interconnections between organizational relationships (Stocker et al., 2019). Therefore, value creation in stakeholder theory is based on common interests among related parties (Freeman, Phillips, & Sisodia, 2020).

By assuming the existence of several interconnections in relationships, stakeholder theory emphasizes the need to increase the value of each stakeholder group without decreasing value from one to the other, that is, avoiding trade-off situations (Tantalo & Priem, 2016). In this way, seeking alternatives so that trust levels generate collaborative management and respecting the needs of the whole become essential (Freeman et al., 2020). Therefore, companies need to find innovative and inclusive solutions to generate shared value, especially in situations of crisis and scarcity of resources.

In this context, engagement becomes an important stakeholder management tool (Langrafe et al., 2020) as it encompasses a set of actions that organizations develop to integrate them actively into their tasks (Greenwood, 2007), transmitting to the company and its stakeholders the collective responsibility for interaction to generate and distribute value. Commitment approaches that establish good communication, intelligent dialogue, assertive consultation, and partnership enhance the cooperation in these relationships (Stocker, Arruda, Mascena, & Boaventura, 2020).

Friedman and Miles (2006) identified twelve levels of engagement, which show that the relationship between a company and its stakeholders can be built and shaped according to the needs of the stakeholders and the company’s strategies. Box 1 describes the possible levels of stakeholder engagement to achieve the organization’s objectives and create value. The higher the level of engagement, the greater the participation of the stakeholders in decision making and in the company’s actions.

**Box 1**

**Stakeholder Engagement Scale**

| Empowerment Levels | Stakeholder Engagement |
|--------------------|------------------------|
| 12. Stakeholder control | Multilateral dialogue. Majority representation of the stakeholder in the decision-making process. Example: community projects. |
| 11. Delegated power | Multilateral dialogue. Minority representation of the stakeholder in the decision-making process. Example: representation on the board of directors. |
| 10. Partnership | Multilateral dialogue. Organization and stakeholder have joint decision-making power for specific projects. Example: joint ventures. |

| Levels of Involvement | Stakeholder Engagement |
|-----------------------|------------------------|
| 9. Collaboration | Multilateral dialogue. Some decision-making power is attributed to the stakeholder in specific projects. Example: strategic alliances. |
| 8. Involvement | Multilateral dialogue. Conditional stakeholder support, which can be withdrawn by the organization if this support does not fit the organizational interests. Example: constructive dialogue. |

| Levels of Symbolic Participation | Stakeholder Engagement |
|----------------------------------|------------------------|
| 7. Negotiation | Multilateral dialogue. Conditional stakeholder support, which can be withdrawn. The company decides the level of compliance. Example: bargain. |
| 6. Consultation | Two-way dialogue. The organization has the right to decide, and the stakeholders can only give their opinion. Examples: questionnaires, interviews, focus groups, and panels. |
| 5. Placation | Two-way dialogue. Stakeholders can hear and be heard, but there is no guarantee that their wishes will be met. Examples: interviews, focus groups, and panels. |
| 4. Explanation | Two-way dialogue. “Educating” stakeholders. Example: workshops. |

| No Participation | Stakeholder Engagement |
|------------------|------------------------|
| 3. Information | One-sided dialogue. “Educating” stakeholders. Example: sustainability reports. |
| 2. Therapy | One-sided dialogue. “Curing” stakeholders of ignorance and preconceived beliefs. Examples: newsletters and company reports. |
| 1. Manipulation | One-sided dialogue. Attempt to modify stakeholder expectations. Examples: newsletters, media reports, and company reports. |

Source: Adapted from Friedman and Miles (2006).
Box 1 shows a scale of engagement in which the complexities of the relationship system affect the interests and expectations of relationships, the measurement and construction of which depend on the levels of communication, participation, and involvement of the various stakeholders (Friedman & Miles, 2006). The analysis of the level of stakeholder engagement becomes important as it involves many areas of organizational activity and can take various forms and perspectives (Stocker et al., 2020). It is noteworthy that, in times of crisis, stakeholders’ engagement is essential since they have the necessary resources for the organization to remain in the market.

**RESEARCH METHOD**

**Data collection**

The data collection was carried out through semi-structured interviews with 13 managers from 10 CE companies. The choice of companies was made in accordance with the following criteria: (i) being involved in one of the activities of the creative industry: advertising, architecture, art and antiques markets, crafts, design, fashion, cinema, software programming, music, performing arts, publishing, television, and radio (Department of Culture, Media, and Sport [DCMS], 1998) and (ii) being a new (up to 3 years) and small company since this type of company represents the majority of companies in this sector (Jeffcutt & Pratt, 2002). This choice makes comparability between these companies possible. For the study, 12 companies were contacted, two of which did not respond to the invitation. Box 2 shows the profile of the companies and respondents.

**Box 2**

**Profile of the companies interviewed**

| Company | Activity | Operation | Location | Respondents |
|---------|----------|-----------|----------|-------------|
| A       | Sales of handmade bracelets and accessories | It has been working in the digital scenario since April 2021 | São Paulo | Main manager and owner |
| B       | Sales of hair accessories, necklaces, and handmade bags | It has been working in the digital scenario since October 2020 | Santa Catarina | Two company managers and owners |
| C       | Marketing services for micro-entrepreneurs | In the market since 2018, operating in the national territory in physical and digital media; incubated by a startup at its inception | São Paulo | Main manager and marketing team manager |
| D       | Operates in the independent art market of urbanography and design | Has worked in physical space since the second half of 2018 | São Paulo | Artist and producer, responsible for creation, production, and sales management |
| E       | Sells literary content products | Worked in the digital and physical scenarios; however, the company has been only digital since the beginning of the pandemic, in March 2020 | São Paulo | Main manager and owner of the company |
| F       | Sales of handmade stationery and stamping products for gifts and “souvenirs” | Has been working in the digital environment since January 2020 | Rio de Janeiro | Main manager, owner of the company |
| G       | Sales of arts and crafts kits to artists and the general public | Incubated by a startup in early 2019 and works in the digital environment | São Paulo | Main manager |
| H       | Digital marketing agency for local micro-entrepreneurs | Has been in the digital environment since May 2020, but has already worked in a physical location | São Paulo | Two company managers |
| I       | Works in the alternative artistic cosmetology sector | Has worked in the digital environment since June 2020 | São Paulo | Main manager, owner of the company |
| J       | Works with digital illustrations | Has worked in the digital environment since November 2019 | Pernambuco | Artist, producer, and owner |

Source: Elaborated by the authors.
To conduct the research with the companies, a script of previously directed questions was defined based on the theoretical foundation (Appendix A). The comparison of data facilitated the understanding of the results, making it possible to obtain more concrete information according to the perceptions of the interviewees and the objectives established for the research. The semi-structured script ensured adherence to some fundamental questions extracted from the literature review and allowed original discoveries through the informants’ discourse. The interviews took place between April 13 and 21, 2021, by phone or video call, and were later recorded and transcribed.

Data analysis

The content of the interviews was analyzed based on the research objective and the conceptual lens adopted by the study, which served as a guide for data prioritization (Miles & Huberman, 1994). Conceptual lenses refer to the central concepts of the literature on creativity, the creative economy, and stakeholder engagement. Under these lenses, a content analysis was performed through coding and categorization. Codes that were directly related to the research objective emerged inductively from the empirical evidence and were then combined into analysis dimensions according to their similarities and differences through an iterative process that allowed the authors to visit and revisit the data, connecting them with new ones, gaining insights, and developing meaning (Miles & Huberman, 1994). To increase the validity of the analysis dimensions created, two of the researchers discussed their classifications and, when necessary, reformulated them. Following this process, the following dimensions had been defined: (i) motivators for the creation of companies; (ii) companies’ understanding of CE; (iii) the challenges imposed by the COVID-19 crisis; and (iv) the stakeholder engagement strategies adopted by companies. To present the results, illustrative excerpts from testimonies were selected and analyzed in the light of the theory in question.

For the analysis dimension “stakeholder engagement strategies,” the engagement scale of Friedman and Miles (2006) was used as a reference so that the engagement of companies with the identified stakeholder groups was classified according to the proximity of the reports with the descriptions of the scale levels.

DISCUSSION OF THE RESULTS

Motivators for the creation of companies in the CE sector

Since the activities of the CE sector are those in which creativity allows the generation of economic and social value, the entry of new entrepreneurs is made possible by the dematerialization of the economy, the emphasis on the production of intangibles, and the consumption of symbolic value (Serra & Fernandez, 2014). This becomes even more evident in times of crisis, when there is a decrease in the supply of formal jobs. According to data from the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística [IBGE], 2021), during the pandemic, in one year, there was a reduction of 6.6 million jobs in the country, and the category of “own-account” workers experienced an increase of 565,000 in 3 months. Therefore, the first analytical category defined concerns how companies entered the sector. Some interviewees described their emergence as being related to the need to engage in entrepreneurship and use their creativity to gain space in the market.

It all started out of a need. I was in another sector and wanted an extra income; the company was born in the chaos of the pandemic and between conversations I saw an opportunity through my most creative side (Manager of Company F).

We started in the pandemic due to lack of jobs; it was a dream to have a company of our own (Manager of Company B).

Other interviewees reported that the opportunity to create the company was generated by family influence or during studies, which enabled and served as the main motivators for some of these companies to start up in business. The CE’s activities come from new business models that encompass new ways of providing services and new products characterized by being unique and personal (Ferreira, Lima, & Lins, 2019).
I always knew how to do manual work. I learned to make handicrafts and my relatives had stores, which motivated me to engage in entrepreneurship and create a business that was mine (Manager of Company A).

We were in college; it all started as a study project and it took on increasing proportions. We ended up using our study materials to structure the company and we received the opportunity to act definitively in the market (Managers of Company C).

The company emerged in the academic environment, through my TCC [course conclusion work] from college (Manager of Company I).

Characterized by greater flexibility and disclosure of creativity, the CE culture diverges from more traditional organizational styles (Santos & Rocha, 2020). Understanding this factor, it was possible to discover not only the need to engage in entrepreneurship but also new opportunities offered by the current scenario, characterized by the COVID-19 pandemic, and the development of new ideas for the business model of these companies.

We had difficulty finding material to make our craft work; most of the products were imported and difficult to access. So, we decided to create something to solve our need and help other artists (Manager of Company G).

Among the companies analyzed, four were created during the pandemic. The managers responsible stated that new opportunities had emerged due to the growth of digital consumption since, due to isolation, there was an increase in online traffic. Ferreira et al. (2019) explain that the Internet is one of the facilitators of the creative economy as it is responsible for the transformation of the production process, faster diffusion of products and services, and the transformation of relationships with suppliers, consumers, and competitors.

As people have much more time available, consumers are looking for new “things to do.” This has helped our company to grow as our product addresses self-care and this need (Manager of Company G).

I had no other reality, without the pandemic. I’m even very curious to know what the store will be like when this is all over (Manager of Company E).

Therefore, regardless of the form of emergence, all the companies studied saw the opportunity to create value through ideas, knowledge, and even problems that managers encountered during their work activities. At a time when companies and their strategies were being reorganized, the creative economy presented the potential for creating new businesses and facing the COVID-19 crisis.

Companies’ understanding of the CE

Understanding the CE as a sector that rearticulates culture, economy, and society in a sphere that is configured worldwide as a potential developer of sociocultural relations, thus accelerating the growth, expansion, and diversification of a nation, opens space for new discussions that will contribute to a market that reinvents itself through creativity and human knowledge (Marchi, 2014; Petry, Uchôa, Mendonça, Magalhães, & Benchimol, 2020).

Thus, as a second analytical category, given the lack of consensus on the concept of the CE, the research appropriated the term used by the managers of the organizations surveyed; that is, if somehow they had already made reference to the term, how they understand this concept and what is their respective vision about the sector and entrepreneurship in the context of the CE.

It is the first time that we hear the term “CE”; we always consider ourselves as entrepreneurs who work towards sustainability and creativity (Managers of Company B).

I had a 100% basis (from CE) in college [...] we had the sustainability bias, CE, and conscious consumption; everything was a consequence of what I was experiencing (Manager of Company I).
Based on the reports collected, it was established that some organizations are unaware of the term and therefore fail to recognize it in their respective activities due to the peculiarities of the sector. Thus, it is understood that there is a narrative to be worked on and that a new discussion can be incited about the differences between entrepreneurship more broadly and entrepreneurship within the CE, as mentioned below.

I never did much research on the subject (creative sector), but I always believed in the potential [...] my mother had a store in the same field, and I always saw that she was successful (Manager of Company A).

I don’t think I know about this sector; people who work with content marketing came to my mind, but I don’t know if that’s about it. I haven’t studied the term “CE,” so I don’t really know (Manager of Company E).

Some respondents reported that they consider their organizations to be part of this sector; however, they understand that they are only part of a nucleus that represents this economy, albeit not in its entirety, since it encompasses many other areas and the organizations surveyed meet more specific demands. As the CE sector covers large areas that are subdivided into others, this result was expected, and, as explained by Greffe (2016), the contribution of creativity may seem small. However, it is an important element of the innovative system of the entire economy.

We know about CE, we had a college base and we have it in our DNA […] Today, we consider the sector in a more niche way (Managers of Company C).

In addition to the lack of knowledge about the CE concept itself, Jeffcutt and Pratt (2002) explain that there is a lack of more strategic knowledge about relationships and networks that allow and sustain the creative process. These relationships occur between the various stakeholders that contribute to the creative process and are apparent in projects, organizations, and communities.

Challenges produced by the COVID-19 crisis

Another relevant factor for the present research was to understand the challenges of the crisis caused by the COVID-19 pandemic as this new scenario influenced the companies’ strategy and their relationship with their stakeholders, raising both threats and new opportunities. The company managers commented on how the pandemic had affected the market and their activities.

The pandemic affected a lot; the market grew because, with the pandemic, businesses migrated to digital and there was an increase in demand, but, at the same time, we had a crisis within the agency as some clients went bankrupt during the pandemic, so there were these two sides of the coin (Manager of Company C).

We managed to carry out many of the processes internally; due to the pandemic, we have already outsourced some processes, such as marketing and logistics, but today we are able to take care of a good part of the process (Manager of Company B).

Social media also have a great influence in this sector as they can be a favorable environment in which barriers are overcome and ideas and knowledge can be disseminated and shared, offering conditions for the collective or individual production of content (Nicolaci-da-Costa, 2011). Companies understand that social media have become a showcase for their products and services. This new moment has triggered new learning for them as they are able to position their work by presenting the quality and exclusivity of their products and services, generating greater value for them. Due to the large migration to the online environment today, managers are experiencing an expansion of relationships with stakeholders such as customers and suppliers.

We learned to value our work, we ran after clients […] we “paid to work,” we [the managers] talked, and we understood that we managed to value our work through our authority to provide our service (Manager of Company H).

I’m trying to conquer my space so that customers recognize that my product is good, of quality, and beautiful (Manager of Company A).
Considering the need for companies to remain competitive in the market, it was possible to observe a variety of actions that contribute to the generation of value in the face of the COVID-19 pandemic. With social distancing, managers commented on the challenges of this new reality.

I participated in in-person fairs, and sales were absurd ... the person is seeing the product, they get a sample or feel it, it’s different; on the Internet, we face this challenge of having several (companies) available (Manager of Company I).

Therefore, companies in the creative sector sought differentials to stand out in the market in the face of the crisis. It was observed that some of them invested in differentiation through both the exclusivity of their products and the services that they provided to customers.

The company’s differentiation was to see the new differential and show our quality; we compared with the local market, we saw this “gap,” and what stands out to us is the care of the customer (Manager of Company B).

I saw that my physical product (mugs with my digital illustrations) opened doors for my digital projects (Manager of Company J).

The interviews showed that social media have become fundamental for the sector in the face of the crisis, especially regarding the interaction with consumers, considering that the sector has a relevant online presence. Companies use these tools to manage their stakeholders by designing competitive strategies and developing relationships with groups and individuals that influence and are influenced by the company.

We have a connection with social networks. I believe they have become a corridor where we meet people, (the media) was the way I found to show my work (Manager of Company D).

Clearly, there is organization of the various networks and relationships, even if it is not always managed in conventional terms. One of the main challenges for researchers, managers, and public policy makers is therefore to gain a better understanding of these dynamics so that effective actions can be taken (Jeffcutt & Pratt, 2002).

### Stakeholder engagement strategies

To understand the dynamics of the creative economy, it is necessary to consider the main social actors involved, which are inserted into networks of relationships that are socially constructed and culturally defined and therefore influenced by aspects such as reciprocity, trust, and cooperation (Kong, 2005). In this scenario, the importance of management and stakeholder engagement emerges as they allow the exchange of information about the desires and needs of these groups and motivate the relationship between them. Collaborative management that considers the needs of all involved is essential in the value creation process (Freeman et al., 2020). Following this logic, the interviewees recognize that investing in relationships with stakeholders can be an efficient way to face the pandemic.

In everything (stakeholders) are important; they are inevitable (Manager of Company F).

We work with companies that we want to see grow, we help them, and seeing a company that we believe making a difference is our differential (Manager of Company C).

The analysis of how the main stakeholders of companies in the CE sector are engaged, that is, how the consultation, communication, dialogue, and exchange process are carried out (Greenwood, 2007; Stocker et al., 2020), was fundamental to understanding which are the best methods and strategies to operate in a competitive market in a crisis scenario. It was observed that different groups of stakeholders have different levels of engagement on the scale created by Friedman and Miles (2006).

Companies have strong contact with end consumers due to the ease of interaction generated by social media. The final consumer was classified on the engagement scale within levels 8 and 9, that is, characterized by high involvement and collaboration, with the exchange of information, suggestions, and feedback about products and services in addition to recommendations.
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for other consumers and interactions with the content that these companies make available in the online environment. The levels of dialogue and influence were perceived in all the interviewed companies.

My customers are everything. The store is, for now, one hundred percent on Instagram, so I communicate a lot through the store’s social network and WhatsApp. I have a lot of interaction with my customers, especially through stories (Manager of Company E).

Another important stakeholder group for the sector consists of suppliers, from input suppliers to punctual and independent collaborators. Managers commented that, due to the pandemic, interactions with these stakeholders are carried out as needed. As a result of the limitations on the availability of inputs generated by the pandemic, most companies choose to have more than one supplier and bargain for better conditions. In some cases, companies do not present fixed suppliers and are hostage to new proposals (from suppliers) for the production of their product and/or service. Therefore, this engagement can be considered within levels 6 to 7, that is, the levels of participation decided by the company and transactions based on negotiations.

We don’t have fixed suppliers; we try to negotiate the best materials and best prices. We recently hired a digital marketing company [to improve the company’s branding] (Manager of Company C).

An important group of stakeholders identified in the interviews was digital influencers as they emerged as a new opportunity for advertising and content dissemination. This stakeholder group can be classified as level 10 on the engagement scale as it is characterized by partnerships in which the stakeholder has joint decision-making power in specific situations and projects.

Our network of people whom we know [friends] are influencers on Instagram; this helped a lot [...] from the beginning, we already had a very big development, the positioning [of the brand] we managed to evolve a lot [...], we learned on the job, and we learned a lot about digital influencers. They are the new advertising opportunities (Manager of Company B).

There is a constant exchange of information between the management and its team, which allows for better internal communication. Contact within the company itself is recurrent, presenting active involvement that is classified on the engagement scale within levels 9 and 10, aiming at organizational strategies and interests and including the empowerment of these stakeholders. In this way, companies can manage and identify problems more quickly in addition to achieving a more assertive flow for their decisions. Aiming at competitiveness, it is understood that transparent communication has become an important dimension for the engagement process.

Among our management, we have meetings once a week to carry out the general survey (Manager of Company B).

We had some people who passed through the agency, and the decisions are discussed [with the management] to reach a consensus (Manager of Company H).

It was evident during the interviews that the main stakeholder groups for these companies in the CE sector are end consumers, the management team, suppliers, and digital influencers. A stakeholder group that became more engaged during the pandemic consisted of digital influencers due to the potential for dissemination on social media through partnerships in which decisions are made together. The group of input suppliers was identified as being less engaged as relationships with these stakeholders are still often based on bargaining power. Figure 1 shows the main stakeholders identified, the characteristics of the engagement with these groups, and their positions on the engagement scale.
Using stakeholder theory as a basis, the engagement of stakeholder groups during the COVID-19 crisis proved to be an opportunity to deepen the mutual understanding of complex issues, explore and integrate ideas, and ensure the availability of resources to achieve common goals. In addition, the participation and involvement of stakeholders enabled trust to emerge between all those involved and the reduction of conflicts (Harrison & Wicks, 2013); these are fundamental aspects in times of crisis and are even more salient in CE companies, which are characterized by the need for collaboration, flexibility, and adaptation (Kong, 2005).

**FINAL CONSIDERATIONS**

The objective of this study was to determine how CE companies are managing and engaging their stakeholders in the face of the crisis caused by the COVID-19 pandemic. The work showed that the CE has great transformative potential since there are numerous activities in the sector that allow the expansion of several other activities and that can lead to growth in the generation of employment and income (White et al., 2014). Creative capacity and human knowledge work in articulation; that is, economic activities based on knowledge, associated with micro and macro issues for the growth of the economy as a whole, require innovative and collaborative actions from companies (Guilherme, 2017).

The results showed that many companies emerged or found new opportunities in the context of the pandemic. Many formal jobs were lost during this period (IBGE, 2021); in contrast, the Internet and social media have offered an opportunity to expose products and services that are based on creativity and intellectual property (Nicolaci-da-Costa, 2011). Although many interviewees do not know the formal definitions of the term CE, they all understand the importance of creativity and talent as resources for generating income and see the former as a process that requires knowledge and relationships to connect ideas and people (Jeffcutt & Pratt, 2002).

Despite this, the results also showed that more actions are needed by companies to achieve greater engagement of their stakeholders. During the research, it was observed that communication with suppliers can be worked on more consistently and efficiently, promoting a higher level of involvement and, consequently, an increase in the scale of stakeholder engagement. Friedman and Miles (2006) state that the relationship between a company and its stakeholders is something that can be molded, built, and improved according to the needs and objectives of all those involved.
The research showed that social media and online communication channels were important tools for managers as they facilitated and promoted these relationships. The digital environment has become a favorable place to improve the conditions that previously disadvantaged companies with few financial resources, enabling them to promote their products and services. The Internet makes them visible to the public and makes it possible to carry out new interactions and commercial transactions. Within the scope of companies in the sector, greater engagement with customers was observed during the pandemic through the influence of social media since these tools have become more pervasive in the daily lives of stakeholders.

During the pandemic, new scenarios were created for the sector. The need to engage in entrepreneurship to overcome the established crisis was noted (Sebrae, 2021), even though these entrepreneurs generally had little experience and knowledge in the business field. Stakeholder engagement has become fundamental to sustaining companies in the creative sector. The exchange of information, if carried out in a manner that is coherent and consistent with the various levels of engagement, generates a more assertive flow between a company and its stakeholders. The present work demonstrated the importance of these relationships and showed how the scale of Friedman and Miles (2006) can help in studies on the engagement of CE companies. Collaboration-oriented engagement with stakeholders can lead to learning, innovation, and organizational change, which are important aspects of coping with the COVID-19 crisis.

Despite its contributions, the present research has some limitations. The first relates to the sample, which, as it is not probabilistic, makes it impossible for the results to be generalized. It is noteworthy, however, that the findings can provide insights for researchers, managers, and public policy makers on the dynamics of the networks and relationships existing in CE companies, which are not always managed in a conventional way (Jeffcutt & Pratt, 2002). Another limitation is the deepening of the debate about the peculiar characteristics of the CE since many companies do not know the sector by this “term” but are still part of it.

It is suggested that future research increases the representativeness of the sample, including companies of different sizes and activities, so that it can complement the findings of this study. This investigation is important as stakeholder engagement may be different in larger companies or even in companies operating in other segments of the CE. Another research suggestion is to explore engagement from the point of view of stakeholders, through interviews with investors, consumers, and suppliers, to enable a comparison between the perception of these stakeholders and the perception of managers. It is believed that this research can contribute to the stimulus of new studies and new business and governmental actions related to the CE, favoring knowledge, scientific development, and the development of creative and sustainable companies.

**ACKNOWLEDGMENTS**

The author Natalia Luiz dos Santos received a Scientific Initiation grant from the Universidade Anhembi Morumbi (UAM) in the PIBIC/AM modality to carry out this research.
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APPENDIX A

Interview script

1) What motivated you to create the company? What were the first steps to reach your space in the market?

2) What is the company’s mission, vision, and values? How do they imply the achievement of your goals?

3) What do you know about the creative economy sector?

4) Who are the people involved in the management and decision making of the company?

5) How does the communication take place with employees, suppliers, and customers? Does the communication have an established frequency? Is the exchange of information recurring?

6) When you identify the need for new ideas, do you consult others? If so, whom?

7) How do you believe the pandemic has affected the sector in which you operate?

8) What was the first strategy to face the pandemic that you adopted? Why?

9) What was the importance of your stakeholders, that is, investors, suppliers, customers, employees, and the community, in maintaining your company during the pandemic?

10) Who were your partners to solve problems encountered during the pandemic? Have you established collaborations?

11) Based on the experiences gained during the pandemic, what lessons do you intend to use to improve your company’s stakeholder engagement?