VALUE CREATION IN THE CREATIVE ECONOMY: A MIXED METHODS EXPLORATORY STUDY

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ABSTRACT

Goal: The aim of this paper is to analyze critical success factors for the development of the Creative Economy, i.e., determinants of perceived value as well as the components, dynamics and working mechanisms of value perception.

Design/Methodology/Approach: The research was developed by combining and synthesizing theoretical and practical contributions through an exploratory study based on the application of an open questionnaire with five academic experts and a closed questionnaire with 35 practitioners from Southern Brazil involved in Creative Economy business ventures.

Results: Results suggest that the Creative Economy permeates both manufacturing and service sectors in a new hybrid form that has innovation and creativity as key determinants of value.

Limitations of the research: The research was applied to experts and practitioners from southern Brazil and may not reflect the behavior of other regions people involved with Creative Economy.

Originality/value: It is emphasized the importance of reflections as proposed in this article in order to understand how the Creative Economy is articulated, what is studied and what is practiced in this field, since it is an area that still needs to be discussed to consolidate its identity as an industry.

Keywords: creative economy. creative industries. innovation. creativity. value.
CRIAÇÃO DE VALOR NA ECONOMIA CRIATIVA: UM ESTUDO EXPLORATÓRIO DE MÉTODOS MISTOS

RESUMO

Objetivo: O objetivo deste artigo é analisar os fatores críticos de sucesso para o desenvolvimento da Economia Criativa, ou seja, determinantes do valor percebido, bem como os componentes, dinâmicas e mecanismos de trabalho da percepção de valor.

Design/Metodologia/Abordagem: A pesquisa foi desenvolvida combinando e sintetizando contribuições teóricas e práticas através de um estudo exploratório baseado na aplicação de um questionário aberto com cinco especialistas acadêmicos e um questionário fechado com 35 profissionais do Sul do Brasil envolvidos em empreendimentos de Economia Criativa.

Resultados: Os resultados sugerem que a Economia Criativa permeia os setores de manufatura e serviços em uma nova forma híbrida que tem inovação e criatividade como principais determinantes de valor.

Limitações da pesquisa: A pesquisa foi aplicada a especialistas e profissionais do sul do Brasil e pode não refletir o comportamento de outras regiões envolvidas com a Economia Criativa.

Originalidade/valor: Ressalta-se a importância das reflexões propostas neste artigo para compreender como se articula a Economia Criativa, o que é estudado e o que se pratica neste campo, pois é uma área que ainda precisa ser discutida consolidar sua identidade como uma indústria.

Palavras-chave: economia criativa. indústrias criativas. inovação. criatividade. valor.
1 INTRODUÇÃO

The contemporary global society has witnessed a large number of social, political, economic, environmental and technological changes that have led to profound dynamism in production paradigms. The late 20th century was characterized by ever-increasing efficiency of most traditional production models (e.g., Fordism) focused on improving quality and productivity. However, traditional production models were typically characterized by rather homogeneous conceptions of value. Recently, however, a radically new production paradigm has emerged: the Creative Economy. Sectors such as architecture, design, entertainment and fashion begin to emerge as new bastions of value creation and drive entrepreneurship in developed and developing countries alike.

However, in this new context, notions and concepts that described the slow-changing, efficiency-focused traditional paradigms begin to lose their meaning. For instance, is the creative economy really about manufacturing or services? What are the essential characteristics of value in this new context? During the Fordist age, manufacturing prevailed and the creation of concrete value in terms of tangible assets was the largest representation of wealth generation and value creation. In the last years we have been increasingly moving to an economy of experiences, based mainly on knowledge. Now, the challenge is to understand the definition of value in the creative industry, which finds features in manufacturing and also in services, but seems to be a sector apart.

Creative Economy is a term that has gained much notoriety in recent years, particularly in the context of entrepreneurship and innovation. It is based on subjective value associated with customized products and highly specific solutions driven by innovation and knowledge and characterized by infinite variety, vertical differentiation and focus on sustainability issues. Howkins (2013) argues that creativity is the fastest-growing business in the world, while the Development Programme of the United Nations (2013) estimates that the global trade in creative services more than doubled in the past decade, reaching a US$ 624 billion in 2011. The Global Creativity Index (Florida et al., 2015) shows a changing trend towards a creative capitalism focused on knowledge, innovation and talent. In addition, it notes that the concept of creativity differs from the traditional factors of production because it cannot be stored or sold, as it is a renewable resource that can be continuously replenished and deepened.

Despite the increasing interest in the subject by academics, practitioners and policy-makers, there are still many uncertainties and unknowns. The Creative Economy is a sector apart from both the traditional manufacturing sector, whose production process is the transformation of raw material in final goods, and the tertiary sector, based on services. However, it also combines characteristics of those traditional sectors. One of the key issues regards the determinants of value
in the Creative Economy. Reps (2015) states that the logic of value of the Creative Economy differs from traditional paradigms, as creativity-intensive goods and services rely more on symbolic than functional characteristics. But what constitutes the symbolic aspect of value? The ability to deliver a unique experience? Is it more dependent on originality or aesthetic? Are there cultural determinants of symbolic expression that impact perceived value? Also, value is not necessarily associated with production costs, but to the goal of providing unique experiences to consumers. Similarly, there is a gap in the literature with respect to the measurement of value, with particularly important implications for business model design and validation.

Thus, the aim of this research is to analyze critical success factors for the development of the Creative Economy, i.e. determinants of perceived value as well as the components, dynamics and working mechanisms of value perception. We combined theoretical and practical contributions through a mixed-methods exploratory study based on semi-structured interviews with five academic experts and a questionnaire with 35 practitioners from Creative Economy business ventures in Southern Brazil.

2 LITERATURE REVIEW

This section is subdivided into two parts. Initially, the antecedents of traditional value will be explored in a brief conceptual and historical overview. This overview is important to better contextualize the origins of perceived value for goods and services, as well as the transformations that have occurred throughout history, especially regarding the shift from objective to subjective perceptions of value. This overview includes the main features of value under the logics of traditional manufacturing and service, aiming to better understand value perception in each of the sectors and the specificities of recent trends that blend those notions such as manufacturing servitization and service industrialization.

The second part brings a narrative literature review that investigates the basic concepts of the Creative Economy, with particular emphasis on its characteristics and the importance of knowledge and creativity for creating value in the new competitive scenario. This second part, as will be evident throughout the text, has a strong relationship with the evolution of the concept of value and the similarities and differences between goods and services.

2.1 ANTECEDENTS OF PERCEIVED VALUE: A BRIEF CONCEPTUAL AND HISTORICAL OVERVIEW

Initially, it is fundamental to understanding the origins of the conceptual definitions of value and the alternatives to measure it from an economic perspective. This will provide the basis for
understanding the peculiar features of the Creative Economy and will help ground and guide the conceptual analysis of the results of our research.

Historically, two schools of economic thought have drawn more deeply into the question of value: the Classic, which supports the objective theory of value and, subsequently, the Neoclassical and its Subjective Theory of Value. Although these theories have been developed in the eighteenth and nineteenth centuries, they are still applicable and widely used to fundament perceived value in the traditional economy. Evidently, there have been many developments and adaptations, but the key concepts are still valid, particularly the notions of use-value and exchange-value.

Writing in the 18th century, Adam Smith was an exponent of classical thought and precursor of the so-called Theory of Value, which differentiated value into two distinct concepts: use-value and exchange-value. Value in use is the perceived value directly related to the usage or consumption of a product, while the exchange value refers to the amount of purchasing power that the product would have in comparison with other goods. Other renowned classical thinkers such as Say (1803) and Ricardo (1817), in addition to Marx (1867), also understood value as differentiated between the logics of use and exchange. They all agree with that the essence of the source of exchange value: the amount of work (and, of course, materials and technologies) needed for producing the good.

Neoclassical thinkers, led by Jevons (1871), Menger (1871) and Marshall (1890) developed an alternative concept of exchange value. In this perspective, comes in the question a product's usefulness, and the definition of exchange value in this case is the result of the simultaneous interaction of consumers and producers. The value of a particular good is, therefore, not to be directly related to the work necessary for its production, but arises directly from the single instances of consumers using or experiencing the products. As a consequence, value loses its objective aspect and assumes a much more subjective nature. Similarly, labour value can be observed in Jevons’ (1871) concept of marginal utility, which is based on the idea that consumers extract utility of goods aimed at maximizing their satisfaction.

Menger (1871), in addition to the very question of usefulness, brings the concept of supply and demand and relates the behaviour of economic agents in the formation of value. In his understanding, only goods with higher demand than supply would, in fact, have market value. Marshall (1890) advances the utilitarian theory of Menger and Jevons and develops the notion of subjective real cost, which originates in production. The Marshallian perspective defines value for both utility and cost. Thus, each product, according to an available quantity, possesses offer value and demand value. The value of supply would originate in production costs, while the demand value would originate in value that the product as perceived by the consumer. The final exchange value would result from a confrontation of such values in the market.
Based on classical and neoclassical concepts of value, it becomes necessary to delve into the issue of perceived value in the two major sectors of the contemporary economy: the secondary and tertiary sectors. Unlike the production of industrial goods that has been long associated with tangible products, services are characterized by intangibility. The difference between use-value and exchange-value is more clear and evident when we compare goods and services. Thus it becomes essential to understand better the characteristics of each other, and the similarities and differences.

Zeithaml and Bitner (2003), for instance, consider services as "actions, processes and performances, being that services are not generated only by service companies, as well as by manufacturers of manufactured goods". Furthermore, Grönroos (2007) describes services having three basic generic features. First, services are processes which consist in activities or series of activities. Second, services are, at least, produced and consumed simultaneously. Finally, the customer participates as co-producer in the production process, in part at least. There is a clear and objective distinction regarding characteristics of products and services, which is reflected in the unique perceptions of value attributed to each type of economic output.

However, as we shall see in the next section, the Creative Industry has unique characteristics that blend (and, sometimes, blur) products and services. Definitions and classification of creativity-intensive goods and services are much more complex than those offered by scholars from traditional disciplines such as Marketing, Economy and Industrial Engineering, and often cannot be restricted and objectified as with traditional goods and services. As a result of the changes in the competitive scenario brought about by increased globalization and availability of technology, such traditional notions of products and services have been challenged by the emergence of the manufacturing servitization as well as the drive to increase service processing and standardization, or the trend towards service industrialization. This question is becoming more important and showing that, despite differences, increasingly we find more common ground between the secondary and the tertiary sector, as we shall to see in the next section.

Karmarkar (2004) states that services are evolving through paths very similar to those that manufacturing has experienced in previous decades. In the early 20th century, for instance, manufacturing moved from the local shed to large-scale mass production facilities. Thus, the concept of service industrialization is presented by Kahtalian (2002) as a strategy to ease the negative side of variability often associated with services. In other words, standardization and massification of service provision tend to minimize and mitigate the difficulties of establishing a pattern of error free service, which depends not only on the service provider, but also the consumer.
This notion is surely not new. Already in the early 1970s, Levitt (1972) affirmed that the service sector can benefit from mass production efficiency-seeking methods and tools. More recently, Fitzsimmons and Fitzsimmons (2000) present as one of the advantages of service industrialization the competitiveness generated by reducing costs, pointing standardization as one of its defining features, which produces uniformity in the quality of service. Schroth (2007) points out that the sector of information-intensive services is currently going through this process of learning and adapting and still suffers from high variability, lack of measurements and informal terminology.

In the opposite direction, many manufacturers are adopting servitization strategies as a way to obtain a competitive edge. Servitization is a term first introduced by Vandermerwe and Rada (1988), as the increased offering of fuller market packages or ‘bundles’ of customer-focused combinations of goods, services, support, self-service and knowledge in order to add value to core product offerings. In this definition, they understand that services are performed and not produced and are essentially intangible. Ward and Graves (2007) see the process as an increase in range of services offered by the manufacturer, while Ren and Gregory (2007) define servitization as a change process wherein manufacturing companies embrace a service orientation and/or develop more and better services with the aim of satisfying customer needs, achieve competitive advantages and enhance firm performance.

Other authors believe that the concept is broader, encompassing any strategy that seeks to change the way in which the product functionality is delivered to its markets (e.g., Lewis et al., 2004). In this sense, Baines et al. (2009) argue that the key feature of servitization strategies is a strong customer-centricity orientation, providing not just products but broader and tailored solutions. Obviously, these trends surely impact the perception of value. With servitization, even in traditional manufacturing the goods tend to be increasingly valued subjectively, based on utility, rather than objectively, based on costs. Contrarily, service industrialization tends to promote increased use of objective perceived value when assessing service value.

Because of its defining characteristics (which we will discuss in the next section), the Creative Economy can be understood from both manufacturing and service perspectives. In other words, the Creative Economy can be thought of as overlapping the two sectors, and as such it is important to consider such impacts on perceived value brought by increased adoption of manufacturing servitization and service industrialization.
2.2 THE CREATIVE ECONOMY: WHAT IT IS AND HOW IT PERCEIVES VALUE

According to Rifkin (2005, p. 134), "concepts, ideas, images, and not the things anymore that have real value in the new economy. Is the human imagination and creativity, and no longer the heritage material, which now embody the wealth”. Rifkin (2005) affirms that we have migrated from a “property era” to an “access era”, where the exchange of goods and raw material grows slower than the commercial transactions to access these same goods. The pace of innovation and economic activity made the concept of property very problematic. In a world where production is increasingly customized, innovation and the constant improvement became the rule and what rules the new economic structure is the drive and need for constant change. From this new conjecture emerges the Creative Economy.

Howkins (2013), one of the first authors to use the term Creative Economy as such, defines creative products as goods or services that result from the creativity and has economic value. Thus, what set that creative economy are the transactions made from creative products. For him creativity is not a new thing and not even the economy, but what is new is the nature and extent of the relationship between them and how they combine to create extraordinary value and wealth. In a similar line, Oliveira et al. (2013) define Creative Economy as a group of economic activities that depend on the symbolic content (where creativity appears as the most significant factor) for the production of goods and services, keeping close relationship with economic, cultural and social aspects that interact with technology and intellectual property.

Howkins (2013) declares that there are fifteen sectors in the creative economy: architecture, arts, crafts, toys, cinema, design, publishing, fashion, music, research and development, advertising, software, theatre, TV and video games. However, there is no consensus about the sectors, having even a controversy about pure and related creative industries. For example, The Creative Industries Mapping in Brazil elaborated by Federação das Indústrias do Rio de Janeiro (2014) divides the Creative Economy in four major creative areas: Consumption, Culture, Media and Technology. These areas would compose the core of the national Creative Economy, which would be divided into thirteen sectors: Advertising, Architecture, Design, Fashion, Cultural Expressions, Heritage & Art, Music, Performing Arts, Editorial, audio-visual, Research & Development, Biotechnology and Information and Communications Technology.

As we can perceive in the comparison between Howkins (2013) and Federação das Indústrias do Rio de Janeiro (2014) despite small differences between sectors, there is, in general, a very close proximity of concepts, as well as the sectors that constitute and characterize Creative Economy.
Interestingly, in most (if not all) of these sectors, the main economic output cannot be easily characterized as a product or a service, which reinforces our previous assumption that the Creative Economy plays an overlapping and integrating role across these two traditional economic sectors. In short, we argue that every single constituting sector of the Creative Economy has creativity as a central feature issue in production and, mainly, put activities of creation and transformation on the core of its production processes.

According to the United Nations Conference on Trade and Development (2013), another case where there is not a consensus is the specific delimitation of what would be the Creative Economy and what would be its limitation. Often references to Creative Industry are made. For instance, Creative Economy Report (United Nations Conference on Trade and Development, 2009), define the Creative Industry as: i. the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs; ii. a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights; iii. tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives; iv. the crossroads of the artisan, services and industrial sectors; and v. a new dynamic sector in world trade.

For United Nations Conference on Trade and Development (2009), the productive chain of creative industries would be, in summary, composed of the creation cycles, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. In the late 1990s, the UK Department of Culture, Media and Sport (DCMS) released the first map of Creative Industries. The objective was to show that these go beyond the role of culture and have vast potential to generate jobs and wealth. The DCMS definition summarizes the main features of the Creative Industry: “Activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property [...] The creative industries are based on individuals with creative and artistic skills, in alliance with managers and professionals in the technological area, which make saleable products and whose economic value lies in its cultural (or intellectual) property” (DCMS, 1998, p.43).

As can be noticed, the emergence, evolution and consolidation of the Creative Economy and its constituting industries take place in an increasingly peculiar environment, an era of knowledge and information. As Howkins (2013) said, the economy is currently on another level, where there is an emphasis on information and ideas, personal talent, imagination and creativity as central aspects of productive efforts. As a result, creativity-intensive goods and services have two basic conditions: be the result of creativity and have recognized economic value.
Howkins (2013) asserts that there is a new relationship between economy, knowledge and creativity, through the generation of value and wealth in society. He argues that ideas can generate more value than material goods and that the creative professionals have, in their creativity and knowledge, ability to generate their own economic value. Similarly, Crawford (1994) affirms that knowledge, in particular its ability to apply certain information to a job or specific outcome, is central to the Creative Economy.

From this reading we can evaluate that more than information, is the applied knowledge that compound the fundamental value of the creative economy. Caiado (2011), on the other hand, argues that the Creative Economy is a complex cycle, which includes activities of ideation, creation, production and distribution of goods and services that use creativity, and as such have intellectual assets and knowledge as its basis. There is, therefore, the incorporation along this process of intangible and tangible elements full of symbolic value.

In light of the definitions and considerations of determinants of value in the Creative Economy found in the literature we advance that, as Howkins (2013) puts it, the Creative Economy aims at generating value using knowledge and creativity as essential raw materials. As such, it is important that we try to better understand the basic characteristics of the products from the creative industry. We can divide, basically, the output of the Creative Economy in three basic characteristics, based on the considerations by Caves (2000) and Hirsch (2001): infinite variety, vertical differentiation and a focus on sustainability-related issue.

Infinite variety is the first essential characteristic of Creative Economy output. According to Caves (2000), there are no limits to cultural production to the extent that it uses, in order of importance, creative inputs (which are virtually inextinguishable) and, in most cases, rather limited technical resources. The second characteristic is vertical differentiation. Creative Economy goods and services are vertically differentiated process that Caves (2000) calls list A and list B: artists compete to reach the list of status A (classification that gives them greater power and prestige), but the distributors and intermediaries have great influence on the definition of who is going to be successful or unsuccessful (Hirsch, 2001). For example, music depends on a large number of intervening or mediating factors, like artist’s influence, to reach a leading role.

A focus on sustainability-related issues is the third essential characteristic of Creative Economy output. Creative goods and services are often not exhausted in their consumption, and can offer an important alternative to mass produced goods and services that strain the natural environment. They have the property of long arcs (Caves, 2000), which imply that the benefits created by creative goods and services can be enjoyed over a long period of time.
In the face of all the topics discussed in this literature review, it seems that the conceptual and theoretical underpinnings of the Creative Economy are still being developed in different disciplines and perspectives, especially in terms of perceived value definition and its determinants, mechanisms, dynamics and drivers. Creativity, which is strongly associated with novelty and innovation, can be a key ingredient of manufacturing goods in the traditional sense, but in the Creative Economy context lends a number of intangible aspects to tangible goods, which become akin to services. We are at a crossroads on how to understand and measure value in the Creative Economy. This issue is particularly relevant and has important practical and theoretical implications for business model design and validation, a critical aspect for contemporary entrepreneurship.

3 METHOD

The research in question is an exploratory research, and follows literature procedures to achieve their goals. In this way, we describe if there are differences (and what they are) between the existing literature, expert opinion and experience professionals on issues related to goods and services within the Creative Economy. The study took place in two stages, which are described below.

3.1 QUALITATIVE PHASE

Based on the questions that prompted the research, it was made and sent an open questionnaire to five experts in Creative Economy area. The open questionnaire was composed of the following questions: (i) How do you define Creative Economy? (ii) What basic elements are essential for an economic sector to be considered as belonging to Creative Economy? and (iii) What are the elements of value that you identify as components of value on Creative Industry? These experts are members of the Observatory of Creative Economy (OBEC), an organization belonging to the School of Economics from Federal University of Rio Grande do Sul, a leading University in southern Brazil. The experts’ profiles are presented in table 1.

Expert opinion was used as input for the classification of the drivers of value in the context of the Creative Economy. Before the classification, a cleaning of the entry data was carried out, eliminating parts of the interviews without relation to the context, as well as words such as articles and conjunctions. From this, a lexical analysis of the responses was realized which generated a frequency table of the value elements mentioned by experts.
Table 1 - Experts profile

<table>
<thead>
<tr>
<th>Expert</th>
<th>Education</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expert 1</td>
<td>Master in Economics</td>
<td>Coordinator at OBEC</td>
</tr>
<tr>
<td>Expert 2</td>
<td>Master in International Relations</td>
<td>Manager at OBEC</td>
</tr>
<tr>
<td>Expert 3</td>
<td>Master in Public Policy</td>
<td>Researcher at OBEC</td>
</tr>
<tr>
<td>Expert 4</td>
<td>Degree in International Relations</td>
<td>Research Assistant at OBEC</td>
</tr>
<tr>
<td>Expert 5</td>
<td>Degree in Economics</td>
<td>Research Assistant at OBEC</td>
</tr>
</tbody>
</table>

Source: Authors (2019)

3.2 QUANTITATIVE PHASE

The second step aimed to confront expert opinions and the findings from a cursory literature review on the subject with the perceptions from professionals of the Creative Economy. For this, a questionnaire was designed and applied to professionals of collaborative creative enterprises of Porto Alegre, in addition to co-working spaces, associations and groups of creative companies like District C, Vila Flores and the 4th District. A total of 37 questionnaires from Creative Economy professionals working in Porto Alegre (State of Rio Grande do Sul, Brazil) in various sectors including art, design, architecture, crafts, foods and others was obtained. The questionnaire was composed of an initial section with demographic questions and a respondent validity check, and a block of questions based on literature review and the responses from the experts.

Based on the validity verification of the initial section, two respondents were removed from the sample, remaining 35 valid responses. The main question in the questionnaire was generated based on the results of the qualitative phase about the determinants of value in the creative economy. Each respondent could indicate a maximum of four determinants, but there was an option to add new determinants. Finally, completed questionnaires were compiled and descriptive statistics of the responses were generated. Results were compared both to the issues raised in literature review and to the classification of responses from experts. At the end, a synthesis was elaborated in a work meeting where all researchers were present.

4 RESULTS

In this section the results of our research are presented.
4.1 RESULTS FROM THE QUALITATIVE PHASE

The concepts considered by experts as determinants of value in the Creative Economy were ranked according to the number of times they appeared in the transcription of the interviews (Table 2). It should be emphasized how novelty, in the form of innovation, seems to be a concept closely linked to value generation for the Creative Economy in the eyes of the experts interviewed. In addition, creativity and culture can be highlighted as important determinants of value in creative-intensive goods and services. The concepts raised by the experts were, without exception, used to create the questionnaire submitted to creative industry practitioners.

Table 2 - Number of mentions from experts per concept

<table>
<thead>
<tr>
<th>Concept</th>
<th>Number of Times</th>
</tr>
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<tbody>
<tr>
<td>Innovation</td>
<td>5</td>
</tr>
<tr>
<td>Creativity</td>
<td>3</td>
</tr>
<tr>
<td>Culture</td>
<td>3</td>
</tr>
<tr>
<td>Combat Prejudice</td>
<td>2</td>
</tr>
<tr>
<td>Inclusion</td>
<td>2</td>
</tr>
<tr>
<td>Intellectual</td>
<td>2</td>
</tr>
<tr>
<td>Originality</td>
<td>2</td>
</tr>
<tr>
<td>Symbolic</td>
<td>2</td>
</tr>
<tr>
<td>Sustainability</td>
<td>2</td>
</tr>
<tr>
<td>Artistic</td>
<td>1</td>
</tr>
<tr>
<td>Knowledge</td>
<td>1</td>
</tr>
<tr>
<td>Creation</td>
<td>1</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>1</td>
</tr>
<tr>
<td>Ideas</td>
<td>1</td>
</tr>
<tr>
<td>Information</td>
<td>1</td>
</tr>
<tr>
<td>Problem-Solving</td>
<td>1</td>
</tr>
<tr>
<td>Social</td>
<td>1</td>
</tr>
<tr>
<td>Technology</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Authors (2019)

As for innovation, experts emphasized that in the Creative Economy context it can be either designing something completely new, akin to the concept of radical innovation, as incrementing new features and/or characteristics to something that already exists, as the notion of incremental innovation prescribes. Interestingly, while common sense may suggest that innovation in Creative Economy is more often radical, experts pointed out how incremental innovation is preponderant even in creativity-intensive industries, especially because of the tendency to reuse and “remix” previous ideas and concepts (Hemphill & Suk, 2010). Additionally, innovation is often classified
according to the object being innovated, typically as processes or products. This highlights that innovative Creative Economy products can be considered both goods as services, which correspond to innovation as having a perceived target value and a subjective value.

Regarding creativity as a driver of value (which, surprisingly is not the most cited concept), experts emphasized two fundamental characteristics. The first is its market imprecision, which Caves (2000) refers to the term "nobody knows". So if both creative products and services are designed as "experience goods" (Caves, 2000), the producer must present them to potential consumers to "test" their value before establishing price and value delivery mechanisms. The other key feature of creativity is the concept of utility value for the creator. “Art for the art’s sake” is associated with the attitude of an artist in relation to his work (Caves, 2000). For the economy, this would be considered as "disutility" work. However, it is believed that the performative satisfaction of the creator becomes an economic value to the extent that his work represents an ideal.

Finally, experts also converged on culture as an important driver of value in the Creative Economy. If culture defines what would be the beginning of the creative industry in terms of inspiration, motivation, and driver of creative impulses, its implications for value perception are connected to the issue of symbolism, being highly subjective individually or collectively. As a result, perceived value for Creative Economy output can vary substantially depending on the cultural references and context of marketing and consumption.

4.2 RESULTS FROM THE QUANTITATIVE PHASE

In the second phase, two main results were generated. The first refers to the degree of agreement with a number of statements about creativity-intensive goods and services. We focused on two thematic categories: “knowledge”, which is associated to the value determinant “innovation”, and “services”, which was used to understand the relation of the Creative Economy industries with this sector and its contrasting characteristics with manufacturing. Additionally, two other questions that emerged from the qualitative phase are related to “sustainability” and “combat prejudice”. Table 3 shows the results of the questionnaire, showing the mean and standard deviation obtained in each question on a scale from 1 (totally disagree) to 5 (totally agree), where the neutrality is 3.
The question with which most practitioners agreed was "To make a creative product, it's necessary knowledge", with one of the smallest deviations between the responses. However, answers for the question "Creative Economy demands highly qualified professionals" have kept exactly in agreement neutrality. These contrasting results suggest that Creative Economy professionals need specialized and specific knowledge, which is not necessarily acquired through formal education. An example previously mentioned by the experts that illustrate this argument is the case of software developers who acquire knowledge through channels like the Internet (for instance, participating in developer communities) or self-learning, without needing a university diploma attesting that knowledge.

Regarding the similarities with services, the average response for all four statements ("It is impossible to separate those who create from what is created", “Each product is unique. It is very difficult to make twice the same”, “Creative products have a high degree of subjectivity” and “Products and services of the Creative Economy have a high degree of intangibility”) was close to neutrality. This leads us to believe that there is no consensus about the similarity with services between professionals of the area. A larger sample would allow us to test if this perception (or lack of) is associated with the specific sectors where the respondents perform their creative activities. After all, professionals that routinely deal with product development, even if the product is intensive in creativity, may be biased against services or even may not fully understand the analogy because of lack of familiarity with service characteristics.
Two other questions were included in the questionnaire based on qualitative responses of the interviewed experts. The statement "The creative economy is also a way to combat prejudice" was the second with which professionals most agreed. A methodological choice may be responsible for this result: respondents were contacted via groups of collaborative communities of creators, which are a common way to organize entrepreneurs and creators in the Creative Economy. These groups are social, cultural and politically articulated, which leads us to believe that the issue of public policies and the socio-cultural impacts of economic activities are debated in such environments, which can lead to greater compliance and lower dispersion of answers to this question. On the other hand, the statement "The Creative Economy is directly associated with sustainability" was closer to neutral and more dispersed than the previous. Again, this could be associated with respondents’ previous knowledge and attitudes towards sustainability, but this could not have been assessed in our research due to limited number of respondents.

The second result from the questionnaire refers to the drivers of perceived value in the Creative Economy. In this block, derived from classification of experts’ responses, it was requested that the professionals pointed at most four elements representative of value in the Creative Economy (Table 4). In addition to the elements mentioned by the experts, there was an "Other" option. Two elements have been added to the answers using this option. They are: pulling power and usability. Furthermore, aesthetics, one of the elements pointed by experts, was not chosen by respondents. Thus, the elements were listed out in order of frequency, showing the number of times each item has been chosen.

Results strongly indicate innovation and creativity as the most important drivers of value for the respondents, both academic experts and practitioners, which suggests an alignment between theory and practice about what is perceived as valuable in the Creative Economy. This result is consistent with the definitions of Creative Economy of Rifkin (2005), which emphasizes innovation, and Howkins (2013) and considers creativity and personal talent as determinants of value in addition to economic value of generated goods and services.


Table 4 - Number of mentions from professionals per concept

<table>
<thead>
<tr>
<th>Concept</th>
<th>Number of Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>23</td>
</tr>
<tr>
<td>Creativity</td>
<td>17</td>
</tr>
<tr>
<td>Originality</td>
<td>12</td>
</tr>
<tr>
<td>Problem-Solving</td>
<td>10</td>
</tr>
<tr>
<td>Sustainability</td>
<td>9</td>
</tr>
<tr>
<td>Technology</td>
<td>8</td>
</tr>
<tr>
<td>Artistic</td>
<td>7</td>
</tr>
<tr>
<td>Knowledge</td>
<td>7</td>
</tr>
<tr>
<td>Culture</td>
<td>7</td>
</tr>
<tr>
<td>Ideas</td>
<td>6</td>
</tr>
<tr>
<td>Inclusion</td>
<td>6</td>
</tr>
<tr>
<td>Creation</td>
<td>5</td>
</tr>
<tr>
<td>Information</td>
<td>5</td>
</tr>
<tr>
<td>Social</td>
<td>5</td>
</tr>
<tr>
<td>Symbolic</td>
<td>4</td>
</tr>
<tr>
<td>Combat Prejudice</td>
<td>2</td>
</tr>
<tr>
<td>Intellectual</td>
<td>1</td>
</tr>
<tr>
<td>Power of Traction</td>
<td>1</td>
</tr>
<tr>
<td>Usability</td>
<td>1</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Authors (2019)

5 DISCUSSION AND CONCLUSION

It is important to highlight that the key determinants of value for the Creative Economy (innovation and creativity) are usually the main points that define the differentiation of a company to its competitors. These two elements, when applied to solve an economic problem, are indicative that the company will have economic success. Here it is worth pointing out economic success in different ways. We emphasize two of them: one deriving from innovation and creativity (making a parallel with the practice of *kaikaku* or radical change); and another that serves as the basis for large corporations, based on cost control, processes standardization and organizational management (along the lines of kaizen or process improvement).

Thus, the notions of value that permeate the new Creative Economy have an echo in the general way companies and the economic sectors pass through similar cycles over the history. The oldest of them, agriculture (primary sector), when discovered, was also creative and over time has been refined and standardized to reach the levels of productivity and quality the current world population needs. A similar cycle occurred with the manufacturing (secondary sector) mainly from the XIX century and the services (tertiary sector) in its advent throughout the XX century.
Apparently, they all start in terms of innovation and creativity, and in a second moment go through management improvements.

Interesting to note that, although relatively new, the Creative Economy, which at first could be perceived as not standardizable by its character of making use of creativity, already receives influences of processes seeking to standardize the way it is generated and developed, as for example the Design Thinking, method composed of stages of ideas divergence and convergence to solve user problems (Kelley & Littman, 2007). Thus, the same cycle of standardization that took place in the XIX and XX centuries tends to bring the XXI century to standardize the Creative Economy through models like the Design Thinking and many others that are beginning to emerge. These models can be a pathway for the spread of the sector and a subsequent dominance of creativity management and knowledge management.

Besides, it is also important to note that the Creative Economy can be considered a hybrid between manufacturing and services not only for presenting characteristics of the two sectors, but to integrate them. This results in a constant process of Manufacturing Servitization and Service Industrialization that occur simultaneously in the Creative Economy, intermediated by information technology which accelerates the cycle of innovation and standardization.

Regarding the value issue, it is seen that Creative Economy finds a great support in the neoclassical theory. More than a link with the labor value, it finds valuation on its utility to those who purchase and this is directly related to the final formation of value. This is a feature that seems to be intrinsic to Creative Economy because perceived value has high degree of subjectivity, precisely because it is difficult for a standard measurement of innovation and creativity.

In relation to where the Creative Economy would fit among the economic sectors, it is a fact that it has been developed both in manufacturing and services, but with a differential of creativity included in the generation process of solutions to economic problems (Howkins, 2013) and because it cannot be stored or exhausted as it is a renewable resource that can be continuously replenished and deepened (Florida et al., 2015). So, because of these aspects it can be considered a sector apart, however, making use of features and value elements sometimes from manufacturing, sometimes from services.

Finally, it is emphasized the importance of reflections as proposed in this article in order to understand how it is articulated, what is studied and what is practiced in the context of Creative Economy, since it is an area that still needs to be discussed to consolidate its identity as a sector. Is therefore suggested for future work more extensive and comprehensive surveys, beyond the perception of professionals, what actually exists in relation to the characteristics of manufacturing.
and services. We also suggest surveys on value elements with consumers of creative goods and services, thus closing the value perceptions chain: experts, professionals and consumers.

REFERÊNCIAS


