



# The impact of the COVID-19 pandemic on the creative industries: A literature review and future research agenda

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## ABSTRACT

The ongoing COVID-19 pandemic has affected countless businesses, leading to serious disruptions for many industries. Drawing on the resilience literature, this study offers an understanding of the impact of the COVID-19 pandemic on the creative industries and their response to the challenges they have encountered. This study reviews 59 papers following the systematic literature review approach and reveals several positive implications of the COVID-19 pandemic within the creative industries (e.g., IT and software) as well as the negative (the music industry, festivals, cultural events). Identifying six themes related to the impact of the COVID-19 pandemic on the creative industries, we develop a response matrix based on the discussion of firms' digital capabilities and their ability to adapt to the COVID-19 crisis. We outline future research directions using a Theory-Context-Characteristics-Methodology (TCCM) framework.

## 1. Introduction

Since November 2019 the world has been battling the pandemic caused by the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2), also known as 'Coronavirus Disease 2019' (COVID-19) (Barrero, Bloom, & Davis, 2020). This ongoing pandemic has brought significant losses for countless businesses, leading to serious disruptions for many industries (Leite, Hodgkinson, & Gruber, 2020; Ivanov, 2020; Prentice, Quach, & Thaichon, 2020; Mehroli, Alagarsamy, & Solaikutty, 2021). Along with the travelling, hospitality and retail trade sectors, the creative industries have been severely affected by the COVID-19 pandemic (Banks & O'Connor, 2020; Harper, 2020; Pacella, Luckman, & O'Connor, 2020; Ratten, 2020a; Serafini & Novosel, 2020). Gaining a better understanding of the social and economic impacts of the COVID-19 pandemic, as well as formulating potential responses to this crisis, is part of the current research agenda (Banks & O'Connor, 2020; Ratten, 2020a, 2020b; Verma & Gustafsson, 2020).

The business and management literature related to the economic and social effects of the COVID-19 pandemic is growing rapidly (Nayal, Pandey, & Paul, 2021; Donthu & Gustafsson, 2020; Verma & Gustafsson, 2020; George, Lakhani, & Puranam, 2020; Fairlie & Fossen, 2021). However, little is known about how the creative industries are handling

the COVID-19 pandemic and its impact (Ratten, 2020a; Banks & O'Connor, 2020; He & Harris, 2020; Meyrick & Barnett, 2021; Joffe, 2020). The dynamics of the impact vary significantly across creative subsectors and countries (OECD, 2020; Dümcke, 2021; Florida & Seman, 2020), with the Information Technologies sector experiencing positive effects (Kim, Parboteeah, & Cullen, 2020) while libraries, museums, the arts and entertainment industries have experienced negative effects (Agostino, Arnaboldi, & Lampis, 2020; Machovec, 2020).

The creative industries overall have faced many short and long-term challenges as a result of the pandemic, such as redundancies, bankruptcy, event cancellations, and so on (OECD 2020). Different countries introduced many different governmental and private support measures (e.g., job retention schemes, one-off grants and funding) to leverage the long-term economic and social impacts of the COVID-19 pandemic (Dümcke, 2021; Joffe, 2020; Betzler, Loots, Prokūpek, Marques, & Grafenauer, 2020). An analysis of the way different countries have responded to the COVID-19 pandemic could assist in developing further measures to offset the loss of income in the creative industries.

Recent studies have examined the economic effects of the COVID-19 pandemic on small businesses and the self-employed (Fairlie & Fossen, 2021; Barrero et al., 2020; Donthu & Gustafsson, 2020). These studies have focused on either the transformation of traditional business models

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or on the mechanisms underlying changes in employment patterns and customer engagement (Sheth, 2020; Donthu & Gustafsson, 2020). However, despite the socio-economic significance of the creative industries in terms of their economic and social footprints and their employment contribution (OECD, 2020), research into the impact of the COVID-19 pandemic on this sector is rather scarce (Majdúchová, 2021).

Situated within the literature on the creative industries and organisational resilience (Vogus & Sutcliffe, 2007; Williams and Vorley, 2017; Linnenluecke, 2017; Sawalha, 2020) this paper offers an understanding of the impact of the COVID-19 pandemic on the creative industries and their response to this crisis (Eikhof, 2020). Our study is guided by the following research question: What is the topical focus and trend direction of publications exploring the socioeconomic effects of the COVID-19 pandemic on the creative industries?

In order to answer this question, we have undertaken a systematic literature review. We conducted an overview of existing research on COVID-19's impact on the creative industries, drawing on recent studies discussing the pandemic's social and economic effects and how it has affected businesses (Barrero et al., 2020; Verma & Gustafsson, 2020). We chose this approach for the following reasons. Firstly, we aimed to collect, critically analyse, and synthesize the existing and newly-emerged literature on the creative industries during the COVID-19 pandemic. Secondly, a systemic literature review enables us to investigate research gaps and identify areas which require further research. In doing so, we have applied the Theory Context Characteristics Methodology (TCCM) framework (Paul & Rosado-Serrano, 2019; Rosado-Serrano, Paul, & Dikova, 2018). This will help us identify COVID-19's social and economic effects as well as potential directions for future research into the creative industries – the COVID-19 pandemic research domain. Thirdly, the systematic literature review allows us to identify the state of knowledge regarding the creative industries during the COVID-19 pandemic (Snyder, 2019). Our review focuses on organizations of all sizes (small, medium and large organisations, individual entrepreneurs and freelancers) in the creative industries. Out of the 578,560 papers published between November 2019 and April 2021, we retained 59 peer-reviewed papers pertaining to the impact of the COVID-19 pandemic on the creative industries.

This paper contributes to the business research and management literature by providing a systematic review of how the creative industries have responded to the COVID-19 pandemic by developing a response matrix for firms in creative industries based on six themes that were derived from the review. It also extends the COVID-19 pandemic research to the creative industries (Ammirato, Linzalone, & Felicetti, 2020; Eikhof, 2020) by adopting the TCCM framework to suggest future research directions (Paul & Rosado-Serrano, 2019). Finally, this study provides insights for policymakers working to support the creative industries during the pandemic, as well as for scholars wishing to address the gaps in research (Mays, Pope, & Popay, 2005).

This study is structured as follows. In Section 2, we briefly introduce the literature on pre-COVID-19 cultural entrepreneurs and creative industries. Section 3 discusses the organisational resilience theory, while Section 4 outlines the methodology of the study. In Section 5 we synthesise the results of the impact of the COVID-19 pandemic on the creative industries, then go on to define six key themes related to this research. We discuss our findings and future research directions using the TCCM framework in Section 6. Section 7 concludes.

## 2. Cultural entrepreneurs and the creative industries pre-COVID-19

### 2.1. The role of creative industries in global economy

The creative industries have been widely acknowledged as an important conduit for economic growth and development (Henry, 2007; UNCTAD, 2018; Landoni et al., 2020; Cooke & De Propriis, 2011). The creative industries concept has been developing since the 1990s as

governments have introduced policies to systematically develop and promote culture, the technology-intensive sectors, entertainment, and so on (Caves, 2000; Lampel & Germain, 2016). The creative industries are of particular interest to business and management scholars because of their inclusiveness and post-industrial characteristics, such as their flexible organisation, extensive use of technologies, and the employment of creative and technical talents (Lampel & Germain, 2016; Lampel, Lant, & Shamsie, 2000). In addition, the creative industries cover a full range of organisational characteristics and activities, from large multinationals to micro-businesses and cultural entrepreneurs (Li, 2020).

Over the past decade, the creative industries have also become an important sector of the global economy (Li, 2020; Rodríguez-Gulías, Fernández-López, & Rodeiro-Pazos, 2020). This sector has a profound impact on the social and cultural aspects of people's lives (Santoro, Bresciani, & Papa, 2020; Pratt and Jeffcutt, 2009). The creative industries were estimated to make up over 7% of the world's GDP (UNCTAD, 2004). According to The United Nations Educational, Scientific and Cultural Organization (UNESCO) (2017) the creative industries generated annually an estimated US\$2,250 billion of revenues globally and were projected to represent over 10% of global GDP in the years to come. "With export growth rates of over 7% over 13 years, global trade in creative goods was an expanding and resilient sector. During the period 2002–2015, the value of the global market for creative goods doubled from \$208 billion in 2002 to \$509 billion in 2015" (UNCTAD, 2018, p.9). According to the World Bank (2020), the UK and US significantly increased the values and shares of exports of goods related to the creative industries, with a year-on-year average growth rate of 1.02% for the US and 29.28% for the UK between 2002 and 2015. While the United Nations Conference on Trade and Development (UNCTAD) (2018) highlighted that the global market value of the creative industries was estimated at \$1.3 trillion, the Organisation for Economic Co-operation and Development (OECD) pointed to annual growth rates of between 5 and 20% in OECD countries. In the European Union (EU), the creative industries contributed 3.3% of the EU's GDP and represented 3% of the EU's total employment (European Commission, 2012).

### 2.2. Defining the creative industries and their taxonomy

The literature contains a number of classifications and definitions for the creative industries (Galloway & Dunlop, 2007; Cruz & Teixeira, 2015; UNCTAD, 2018; Li, 2020; British Council, 2010; Nesta, 2008). This paper adopted the UK's Department for Digital, Culture, Media and Sport (DCMS) definition of the creative industries as "those industries 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" (DCMS 2019, p. 7).

Taking into account the diverse nature of the creative industries, which cover a wide range of activities such as creativity and intellectual activity (WIPO, 2017; Cruz & Teixeira, 2021), we apply the industrial perspective of classifying the creative industries based on DCMS (2013, p. 13). This includes advertising and marketing; architecture; design and designer fashion; film, TV, video, radio and photography; IT, software and computer service; music, performing and visual arts; publishing.

Cultural entrepreneurship is important for the success of the creative industries. It is broadly defined as "the process by which actors draw upon cultural resources (e.g., discourse, language, categories, logics, and other symbolic elements) to advance entrepreneurship or to facilitate organizational or institutional innovation" (Lounsbury & Glynn, 2019, p. 3; Park & Zhang, 2020). Cultural entrepreneurship enables the creative industries' stakeholders to generate revenue from cultural activities (Konrad, 2013; Hausmann, 2010; Enhuber, 2014). Cultural entrepreneurs can also be referred to as freelancers, the self-employed, and owner managers (Ellmeier, 2003; Konrad, 2013; Johnson, 2007; Smit, 2011; Wilson & Stokes, 2005). The role of key stakeholders in the development and evolution of the creative industries cannot be