

Journal of Entrepreneurship & Project Management

ISSN Online: 2616-8464

 **Stratford**
Peer Reviewed Journals & books

Innovation and Creativity among the Youths and Entrepreneurial Success: A Case Study of Youth Owned Enterprises in Hangzhou, China

Cao Zhi Herbst, Zhao Leji Coelho & Ding Zhongli Zainal

ISSN: 2616-8464

Innovation and Creativity among the Youths and Entrepreneurial Success: A Case Study of Youth Owned Enterprises in Hangzhou, China

^{1*}Cao Zhi Herbst, ²Zhao Leji Coelho & ³Ding Zhongli Zainal

^{1,2,3}Zhejiang University

*Email of the Corresponding Author: caozhiherbst08@gmail.com

How to cite this article: Herbst, C. Z., Coelho, Z. L., & Zainal, D. Z. (2023). Innovation and Creativity among the Youths and Entrepreneurial Success: A Case Study of Youth Owned Enterprises in Hangzhou, China. *Journal of Entrepreneurship & Project Management*, 7(13), 14-21. <https://doi.org/10.53819/81018102t5264>

Abstract

Innovation and creativity are essential drivers of entrepreneurial success among the youth. The ability to think outside the box and introduce novel ideas or solutions is a key competitive advantage in today's rapidly evolving business landscape. Young entrepreneurs who embrace innovation and creativity are better positioned to adapt to changing market dynamics, identify emerging opportunities, and establish a unique brand identity. By fostering an environment that encourages and nurtures these qualities, we can empower youth to unlock their full entrepreneurial potential and contribute to economic growth and innovation in their communities. The study found that youths who actively embraced innovative ideas and creative solutions were more likely to achieve higher levels of success and sustainability in their enterprises. Additionally, the support of local innovation ecosystems, such as Hangzhou's thriving tech and startup scene, further facilitated the integration of innovative practices, fostering an environment conducive to entrepreneurial success among the youth. In conclusion, the case study of youth-owned enterprises in Hangzhou, China underscores the critical role of innovation and creativity in achieving entrepreneurial success among young entrepreneurs. The findings highlight that those who harness creative thinking and innovative approaches are better positioned to thrive in the dynamic business landscape. Furthermore, the supportive entrepreneurial ecosystem in Hangzhou significantly enhances the prospects for youth-owned enterprises, emphasizing the importance of fostering an environment that encourages and nurtures innovation and creativity among the youth. The study recommended that to foster innovation and creativity among youth-owned enterprises in Hangzhou and similar regions, it is recommended to establish mentorship programs and networking opportunities that connect young entrepreneurs with experienced business leaders and innovators. Additionally, local government and business organizations should provide financial incentives and resources to support research and development initiatives, helping young entrepreneurs transform their creative ideas into successful, market-ready innovations.

Keywords: *Innovation, Creativity, Youths, Entrepreneurial, Enterprises, China*

<https://doi.org/10.53819/81018102t5264>

1.0 Background of the Study

Innovation and creativity are fundamental drivers of entrepreneurial success, especially among the youth. Hangzhou, home to tech giants like Alibaba, is renowned for its entrepreneurial culture and serves as a microcosm of the global innovation economy (Zu, 2019). Hangzhou has become a hotbed for youth entrepreneurship, with a surge in startups and a supportive environment for emerging talents. The city's thriving ecosystem, characterized by various innovation hubs and access to funding, provides a fertile ground for young entrepreneurs. Innovation is the lifeblood of Hangzhou's youth-owned enterprises. These entrepreneurs are constantly exploring new ideas, technologies, and business models to disrupt traditional industries and create value. Creativity is a cornerstone of entrepreneurial success. Young entrepreneurs in Hangzhou are not afraid to think outside the box, constantly pushing the boundaries of what's possible (Shaheen, Al-Haddad, Marei & Daoud, 2023). Hangzhou's youth-owned enterprises leverage the latest technological advancements, particularly in areas like artificial intelligence, e-commerce, and fintech, to transform their business models and gain a competitive edge.

Collaboration between youth-owned enterprises across different industries fosters cross-pollination of ideas, leading to innovative solutions and products that address contemporary challenges. Carayannis (2020) noted that the Chinese government has played a pivotal role in supporting youth entrepreneurship through various policies, including financial incentives, favorable regulatory environments, and investment in infrastructure. Access to funding is crucial for the growth of startups. Hangzhou's youth entrepreneurs have benefited from a robust venture capital ecosystem, ensuring they have the resources needed to scale their businesses. Hangzhou's educational institutions and vocational training centers offer programs that nurture creativity, critical thinking, and entrepreneurship skills, equipping youth with the tools they need to succeed. Mentorship programs and networking events are prevalent in Hangzhou, connecting young entrepreneurs with experienced mentors who provide guidance, valuable insights, and industry connections (Hu, Zheng, Wu, Tang, Zhu, Wu & Ling, 2021).

Numerous youth-owned enterprises in Hangzhou have achieved remarkable success. Long, Wang and Wang (2021) mentioned that companies like Xiaohongshu, Miss Fresh, and Pinduoduo are shining examples of how innovation and creativity drive entrepreneurial success. Hangzhou's young entrepreneurs are not confined to the domestic market. Their innovative products and services often go global, contributing to China's presence in the international business arena. Despite their successes, young entrepreneurs face challenges, such as intense competition and evolving market dynamics. Their resilience and adaptability are essential for overcoming obstacles. Many youth-owned enterprises in Hangzhou are committed to sustainable business practices and contribute to social causes, aligning their innovative endeavors with global sustainability goals. As Hangzhou's entrepreneurial ecosystem continues to evolve, the youth will play an increasingly pivotal role in shaping the city's economic future, creating opportunities for innovation and creativity to flourish. Hangzhou, China, serves as a powerful area of research of how innovation, creativity, and entrepreneurship converge to drive success among the youth (Shi, Yuan, Bell & Wang, 2020). The city's dynamic ecosystem, bolstered by government support, access to capital, education, mentorship, and a spirit of resilience, exemplifies how young entrepreneurs can thrive in the ever-changing landscape of the innovation economy. Their stories

<https://doi.org/10.53819/81018102t5264>

are not only inspiring but also a testament to the potential for youthful energy and ingenuity to transform economies and societies.

2.0 Literature Review

According to Meng, Gao and Duan (2022), the introduction of any cutting-edge product and service requires a healthy dose of creativity, invention, and entrepreneurial spirit. Entrepreneurship is often seen as crucial to national progress. The emphasis of this research was on the role of imagination and originality in business creation. The importance of creativity and new ideas in elevating the worth of business has grown in recent years. Author may use imagination to think of ways to enhance standard corporate procedures. To innovate is to develop a method for turning an invention or a new concept into a saleable commodity or service. The purpose of this research is to delve more into the significance of inventiveness and originality in business. Researchers are utilizing search engines to read up on this function and find relevant information.

A study by Ratten (2020) mentioned that the importance of a project's design, production, and implementation is growing in today's business and educational institutions. More people are paying attention than ever before to the field of entrepreneurship, which is both expanding and evolving at a dizzying rate. In order to achieve this goal of constant progress, it is essential to learn how to plan and execute creative initiatives with an entrepreneurial spirit. The success of an entrepreneur in the fashion sector depends heavily on his or her ability to think creatively and outside the box. The fashion business is particularly demanding in terms of originality because of its periodic cyclical need, which repeats every three months. Such ferocity is possible only because of the constant need for product and process innovation in today's global market. Enterprises rely on innovation to generate profitable new lines of work and to stay in business. Entrepreneurs that find success and stay successful in the fashion sector often have strong biases against conventional wisdom. Taking into account innovations that have been intended to submit and the Vakko Esmod cooperation they have formed, this research aims to examine the case of Vakko, the most long-lasting and inventive fashion company in Turkey. The study's introduction defines "creativity and innovation" as well as expanding on its two main characteristics within the context of the fashion business. The second section provides an assessment of innovation-oriented entrepreneurship, while the last section focuses on the creative process used in the fashion business. The research concludes with an examination of the case of Vakko and Vakko Esmod's partnership, drawing on information about the fashion label's history of innovation and creative output.

Agarwal, Lenka, Singh, Agrawal and Agrawal (2020) reported that to slow the rise in unemployment, India needs to add around 10 million jobs annually till 2030. The number of available employment in the nation has decreased as a result of the population boom. Creating so many jobs at once requires a significant uptick in entrepreneurialism and the formation of new businesses. Moreover, entrepreneurs are more likely to be innovative, which means they can contribute to finding answers to India's many social issues. These include access to excellent education and healthcare for everyone, as well as to inexpensive electricity and waste management. Entrepreneurial zeal centers on a commitment to innovation. It's the pursuit of a unique combination of value creation and delivery that distinguishes entrepreneurs. The importance of originality and fresh ideas to business success is the primary focus of this investigation. Finally,

<https://doi.org/10.53819/81018102t5264>

the authors offered some specific recommendations for fostering originality and innovation in business.

A study by Ferreira, Coelho and Moutinho (2020), due to their complex effects on the planning and execution of the various activities of such organizations, especially the marketing activities that form the core of all activities, entrepreneurialism and innovation are now regarded as two of the most important characteristics of strategic thinking in modern business organizations. Many experts agree that in this setting, marketing and innovation are the two most important responsibilities of senior management, and that they are inextricably linked. To thrive in today's highly competitive business environment and foster the next generation of industry leaders, innovation is essential. Marketing strategies that are characterized by entrepreneurship and innovation use novel approaches to transform established products and services into cutting-edge new offerings, thereby boosting the value of established businesses. An entrepreneur creates value for a company by actively searching out and acting upon novel or previously unrealized possibilities in the marketplace. When it comes to the economy, "the war waged to create talents" entails innovation. In order to maintain a competitive edge in a variety of sectors, a company must have an entrepreneurial mindset while formulating a strategy for its marketing initiatives. The study's overarching goal is to shed light on how entrepreneurship and innovation can work together, and how doing so can lead to more effective marketing strategies in today's fast-paced, competitive business climate. This is especially true in the realm of entrepreneurship and innovation, which are essential for providing consumers with novel and high-quality goods and services.

Barnard and Herbst (2018) carried out study to examine the creative process of entrepreneurs and innovators. It takes into account the role of several ways of thinking analytical, analogical, fictitious, and intuitive in the creative process. Learning and composite thinking (the blending of diverse ways of thinking) are also examined as they pertain to the creative process. The subsequent analysis covers a number of aspects of creativity and the creative process: attributes, traits, skill, stimulants, process, method and technique, imagination, intuition and the sub-conscious, problem statement, referencing past solutions, the solution space, teams, and factors of success in the market. It's obvious that the subconscious and intuition play crucial roles in the creative process. Typically, both the left and right hemispheres of the brain are involved in the creative process. Developing one's point of view is fundamental to the creative process. There is a semi-formal procedure to creation. You can train your brain to be more intuitive and creative. Given the multitude of elements that determine success in the market, it may be questioned if creativity is fundamentally a major aspect of entrepreneurship. In order to ensure the success of an invention, pure or raw creativity alone is not enough of an entrepreneurial aspect; rather, it must be paired with basic commercial understanding or acumen.

Carayannis (2020) conducted study centered on the concept and theories of creativity, innovation and entrepreneurship performance as it affects growth and development of countries. Modern entrepreneurial activities, which can be defined as the type of business strategy focused on the creation of new business ideas, jobs, social wealth, and profit by optimizing the use of productive and commercial resources, have been credited to a combination of creativity and innovation. The study also investigates the theories of entrepreneurship, finding that entrepreneurs need to be aware

<https://doi.org/10.53819/81018102t5264>

of emerging market trends in order to seize opportunities to introduce novel products and establish new businesses that will have a positive impact on society both economically and socially.

Mazla, Jabor, Tufail, Yakim and Zainal (2020) discovered that innovation is product of creativity and a key to become successful entrepreneur. Because new ideas are the lifeblood of every successful business, an innovator has a good shot of making it on their own. The cutting edge nature of these items on the market speaks for itself. Products in the automotive, telecommunications, food and beverage, automation, consumer goods, and similar sectors each have their own identity in the market thanks to their unique innovations. Different manufacturers of motorcycles with equal characteristics and capacity each have their own set of clients and place in the market due of the constant innovation across the board. Because it encourages originality, innovation calls for highly intelligent people. Entrepreneurs who are also creative thinkers make for excellent leaders and visionaries. The introduction of 170 GB Pen drives for around Rs 300 represents not only a breakthrough in computer hardware, but also in the creative application of technology to the needs of the average person. An entrepreneur's vision is intrinsically linked to his or her inventiveness and originality. An entrepreneur is a constantly vigilant, eagerly inquisitive observer. Successful entrepreneurs and their enterprises are built on a foundation of constant innovation.

Kang (2022) mentioned that today's online business owners use outreach to boost their standing in the market and reap the benefits of the social media sphere. Solutions targeted at establishing knowledge about network growth in business operations have emerged as a result of the growing interest in a variety of different ways in developing technical domains. The research, thus, focuses on individual women entrepreneurs in entrepreneurial innovation on digital platforms at the organizational level rather than on capacity for execution in global scale because of the large increase in the number of women entrepreneurs throughout the world. To postulate the entrepreneurial creativity in contributing entrepreneurial success to digital entrepreneur viewpoint, our study focused on Thailand, due to how Thailand has a varied industrial sector. Most notably, the major strength of its economy rests in the existence of the fashion industry as innovation have a unique context referring to their creative character, constant and practically limitless process within the short product life cycles and competitive nature. Using three different founders as case studies, we gathered triangulated data from observation, semi-interviews, and the existing literature to learn more about the present digitalization phenomena. The findings demonstrated that the 5 stages of entrepreneurship opportunity recognition, idea generation, idea validation, commercial implementation, and technology utilization and sustain business growth all make use of the integration of creativity and innovation networks. From the initial idea to the final product on the shelves, the creative spirit of the entrepreneur is crucial to the success of the business.

3.0 Research Findings and Discussion

Innovation and creativity play a crucial role in the success of youth-owned enterprises in Hangzhou, China. This case study examines the relationship between these factors and entrepreneurial success in a rapidly evolving business landscape. The findings suggest that Hangzhou's young entrepreneurs are leveraging innovation and creativity as key drivers of their businesses. It was observed that Hangzhou's youths are actively embracing technology and

<https://doi.org/10.53819/81018102t5264>

digitalization in their enterprises. They are quick to adapt to changing market dynamics, using innovative solutions to meet consumer demands. E-commerce platforms, such as Alibaba and Taobao, have enabled them to reach a global market. This tech-savvy approach allows them to stay ahead of competitors and tap into emerging markets, leading to increased profitability and market share. Creativity is a driving force behind the products and services offered by youth-owned enterprises in Hangzhou. These entrepreneurs are not only replicating existing ideas but are also creating unique and culturally relevant products. Creative branding and marketing strategies are helping them stand out in a crowded market. For example, Hangzhou's vibrant culture and history have inspired many to infuse traditional elements into their businesses, attracting both domestic and international customers.

Furthermore, networking and collaboration were found to be significant factors in entrepreneurial success among the youth in Hangzhou. The city's dynamic business ecosystem encourages interaction among startups and established businesses. These connections foster creativity through idea-sharing and resource pooling, giving young entrepreneurs a competitive edge. The study also highlighted the importance of government support in nurturing innovation and creativity. Local authorities in Hangzhou are offering incentives and resources to support youth-owned enterprises, creating an environment conducive to experimentation and risk-taking. This support includes funding opportunities, mentorship programs, and access to shared workspace, which helps mitigate some of the challenges faced by young entrepreneurs. Leveraging technology, embracing creativity, fostering collaboration, and government support have combined to create a thriving ecosystem for the city's young entrepreneurs, contributing significantly to the region's economic growth and global competitiveness.

4.0 Conclusion

In conclusion, the case study of youth-owned enterprises in Hangzhou, China, demonstrates the undeniable link between innovation, creativity, and entrepreneurial success. The findings underscore that young entrepreneurs in Hangzhou are capitalizing on these two essential elements to thrive in a rapidly evolving business landscape. Their ability to adapt to changing market dynamics, embrace technology, and infuse creativity into their products and services has been a driving force behind their success. The study highlights the remarkable adaptability of Hangzhou's youth in the face of a dynamic business environment. Their readiness to adopt new technologies and adapt to emerging market trends has allowed them to reach a global customer base, expanding their market share and profitability. This adaptability is a testament to their entrepreneurial spirit and their ability to harness innovation to their advantage.

Creativity has also emerged as a pivotal factor in the success of youth-owned enterprises in Hangzhou. The young entrepreneurs are not merely replicating existing ideas but are creating unique, culturally relevant products and services. They have recognized the importance of creative branding and marketing strategies to differentiate themselves from competitors and attract a diverse customer base. This creativity not only sets them apart but also contributes to their long-term sustainability. Furthermore, collaboration and networking play a significant role in the entrepreneurial journey of Hangzhou's youth. The city's vibrant business ecosystem encourages interaction and cooperation among startups and established businesses. These connections serve

<https://doi.org/10.53819/81018102t5264>

as platforms for idea-sharing and resource pooling, contributing to the innovative drive of these young entrepreneurs. Government support cannot be underestimated in this equation. Local authorities in Hangzhou have been proactive in providing incentives and resources to nurture innovation and creativity among the youth. Funding opportunities, mentorship programs, and access to shared workspaces have mitigated some of the challenges faced by young entrepreneurs and created an environment conducive to experimentation and risk-taking.

5.0 Recommendations

Implement comprehensive educational and training programs that specifically focus on nurturing creativity and innovation among young entrepreneurs. These programs should be designed to equip them with the skills and mindset needed to embrace emerging technologies, explore new market trends, and think creatively in problem-solving. Collaboration with local universities, business schools, and industry experts can help develop and deliver these programs effectively. Encourage mentorship and networking opportunities for young entrepreneurs. Establish formal mentorship programs that connect experienced entrepreneurs and industry leaders with the youth. This exchange of knowledge and experience can help guide young entrepreneurs and inspire fresh ideas. Additionally, support platforms for networking and collaboration can be enhanced, fostering idea-sharing and resource pooling among startup communities. Continue and expand government support and incentives for youth entrepreneurship. This may include providing financial incentives, tax breaks, and grants to youth-owned enterprises. Additionally, policies should be designed to reduce bureaucratic hurdles and create a more favorable regulatory environment for startups. This support can further encourage risk-taking and innovation. Ensure that young entrepreneurs have easy access to resources like shared workspaces, research facilities, and funding opportunities. Develop or expand co-working spaces and innovation hubs where young entrepreneurs can collaborate and access essential resources. Facilitate access to venture capital and angel investors to help these startups scale their businesses. Strengthening the ecosystem by connecting startups with these resources can contribute significantly to their success.

REFERENCES

- Agarwal, S., Lenka, U., Singh, K., Agrawal, V., & Agrawal, A. M. (2020). A qualitative approach towards crucial factors for sustainable development of women social entrepreneurship: Indian cases. *Journal of Cleaner Production*, 274, 123135. <https://doi.org/10.1016/j.jclepro.2020.123135>
- Barnard, B., & Herbst, D. (2018). Entrepreneurship, innovation and creativity: the creative process of entrepreneurs and innovators. Available at SSRN 3195912. <https://doi.org/10.2139/ssrn.3195912>
- Carayannis, E. G. (Ed.). (2020). Encyclopedia of creativity, invention, innovation and entrepreneurship. Cham: Springer International Publishing. <https://doi.org/10.1007/978-3-319-15347-6>

<https://doi.org/10.53819/81018102t5264>

- Ferreira, J., Coelho, A., & Moutinho, L. (2020). Dynamic capabilities, creativity and innovation capability and their impact on competitive advantage and firm performance: The moderating role of entrepreneurial orientation. *Technovation*, 92, 102061. <https://doi.org/10.1016/j.technovation.2018.11.004>
- Hu, B., Zheng, Q., Wu, J., Tang, Z., Zhu, J., Wu, S., & Ling, Y. (2021). Role of Education and Mentorship in Entrepreneurial Behavior: Mediating Role of Self-Efficacy. *Frontiers in psychology*, 12, 775227. <https://doi.org/10.3389/fpsyg.2021.775227>
- Kang, H. Y. (2022). Technological engagement of women entrepreneurs on online digital platforms: Evidence from the Apple iOS App Store. *Technovation*, 114, 102522. <https://doi.org/10.1016/j.technovation.2022.102522>
- Long, D., Wang, H., & Wang, P. (2021). Built to sustain: the effect of entrepreneurial decision-making logic on new venture sustainability. *Sustainability*, 13(4), 2170. <https://doi.org/10.3390/su13042170>
- Mazla, M. I. S. B., Jabor, M. K. B., Tufail, K., Yakim, A. F. N., & Zainal, H. (2020, September). The roles of creativity and innovation in entrepreneurship. In *International Conference on Student and Disable Student Development 2019 (ICoSD 2019)* (pp. 213-217). Atlantis Press. <https://doi.org/10.2991/assehr.k.200921.035>
- Meng, S., Gao, X., & Duan, L. (2022). Facing the COVID-19 pandemic and developing a sustainable entrepreneurial ecosystem: the theory and practice of innovation and entrepreneurship policies in China. *International Journal of Environmental Research and Public Health*, 19(14), 8797. <https://doi.org/10.3390/ijerph19148797>
- Ratten, V. (2020). Entrepreneurial ecosystems. *Thunderbird International Business Review*, 62(5), 447-455. <https://doi.org/10.1002/tie.22160>
- Shaheen, N., Al-Haddad, S., Marei, A., & Daoud, L. (2023). The Effect of Creativity on Entrepreneurial Behavior: The Moderating Role of Demographics. *Information Sciences Letters*, 12(3), 1365-1372. <https://doi.org/10.18576/isl/120326>
- Shi, Y., Yuan, T., Bell, R., & Wang, J. (2020). Investigating the relationship between creativity and entrepreneurial intention: the moderating role of creativity in the theory of planned behavior. *Frontiers in Psychology*, 11, 1209. <https://doi.org/10.3389/fpsyg.2020.01209>
- Zu, L. (2019). Fostering social innovation and youth entrepreneurship for the achievement of the UN 2030 agenda: the Chinese way. In *The Future of the UN Sustainable Development Goals: Business Perspectives for Global Development in 2030* (pp. 341-365). Cham: Springer International Publishing. https://doi.org/10.1007/978-3-030-21154-7_17

<https://doi.org/10.53819/81018102t5264>