



To Explore the Process of Entrepreneurial Opportunity in China Cultural and Creative Industries (CCIs): From the Perspective of Institutional Theory

Jiaoya Huang^{1*} and Jianghong Liu²

¹ Communication University of China, Beijing, China

² Communication University of China, Beijing, China

*JiaoyaHuang@126.com

Abstract. The essay explores the process of identifying and exploiting entrepreneurial opportunities in China's cultural and creative industries (CCIs) from the perspective of institutional theory. Focusing on small and medium-sized enterprises (SMEs) in three major cities—Beijing, Shanghai, and Guangzhou—the study examines how regional institutional contexts shape entrepreneurial behavior and opportunity recognition. The research identifies key drivers and barriers entrepreneurs face, including government policies, market conditions, and cultural influences, and how these factors impact their ability to innovate and compete in the creative sector. Using a qualitative interpretivist approach, the study contrasts the institutional environments of these cities, highlighting Beijing's strong government support for cultural preservation, Shanghai's global connectivity fostering international collaboration, and Guangzhou's industrial focus on manufacturing and trade. The findings contribute to understanding how institutional theory can guide the exploration of entrepreneurial opportunities and inform policy development to support creative industries.

Keywords: Entrepreneurial Opportunities, Cultural and Creative Industries, Institutional Theory, Chinese SMEs.

1 Introduction

According to the World Intellectual Property Organization in 2013, the figures in China demonstrate a promising area for growth in the economic development of cultural and creative industries. Chinese cultural industry development report (2015-2016) points out that cultural and creative companies, especially small and medium enterprises (SMEs), have a positive impact on the development of cultural and creative industries. The more active cultural and creative industries created more excellent value for the process of economic development, and the reason for the existence of creative industries came from the innovation in the social and cultural background (Potts and Morriso, 2009). However, from the iiMediaResearch company's analysis report (2018-2019), the survival situation of cultural and creative SMEs is not optimistic. iiMediaResearch company also states that due to the shortage of cultural innovation talents, the lack of

core creative ideas, an incomplete industrial chain, and other problems, many small and medium-sized enterprises are facing insufficient resources and bankruptcy. Therefore, this situation provides a considerable industrial interest in studying SMEs in the cultural and creative industries.

From the execution context of China, the Chinese government made regulatory support to incentivize the development of CCI, which facilitates the entrepreneurial process. For example, the Chinese government clearly puts forward the main tasks of the country's development of cultural and creative industry in the "eleventh five-year plan", and major cities across the country (like Beijing, Shanghai, Guangzhou) also launched relevant policies to support and promote the development of cultural and creative industry, and China has also stepped up the construction of public performance venues such as the National Center for the Performing Arts and the 798 Art Zone (Shan, 2016).

From a theoretical point of view, entrepreneurial orientation is proactive by encouraging entrepreneurs to pursue and anticipate entrepreneurial opportunities and participate in emerging markets. This initiative is critical to success because it relates to the implementation phase of the start-up. Proactive entrepreneurs do what is necessary to implement their ideas and gain an advantage by being the first to take advantage of new opportunities (Lee and Peterson, 2000). In addition, as an ability to successfully identify market opportunities, entrepreneurial orientation (EO) is closely related to the innovation capability which can take advantage of opportunities in the creative environment. The growing emphasis on "opportunity" has helped open up new and fruitful research areas. Although the "opportunity" structure has made significant progress in the early study of its sources and the evolutionary nature of the enterprise process (Gregoire and Shepherd, 2012), it may not provide a solid basis for further progress in entrepreneurial research. In short, "opportunity" is a very slippery concept. Therefore, the lack of a clear "opportunity" structure is the reason for the lack of substantive research progress on issues related to the relationship between "opportunity" and entrepreneurship (Davidsson, 2015).

Besides, entrepreneurs who has entrepreneurial orientations are able to identify the entrepreneurial opportunities, the regions difference in China has potentially influenced their entrepreneurial behaviours (Zhang, 2016). There is growing attention on exploring and understanding the process of identifying entrepreneurial opportunities from the perspective of context influencers, while there are few studies have touched this particular area. Institutional theory, which is about the deeper and more resilient aspects of social structure, provides the researcher with a deep and rigorous theoretical underpinning to explore the context difference within this research area. Additionally, there is a potential intersection between institutional theory and contemporary entrepreneurial research, but traditional researchers under institutional theory and those who study entrepreneurship rarely communicate directly, which is one of the reasons for the research gap between institutional theory and entrepreneurial opportunities (Pamela et al., 2010).

Therefore, to fill this research gap, this research is focusing on the entrepreneur's behaviours regarding process of exploiting and identifying entrepreneurial opportunities under the different regions, Beijing, Shanghai, Guangzhou, and gain the deep understanding from institutional theory perspective.

2 Literature Review

2.1 Entrepreneurship

2.1.1 Defining Entrepreneurship

Stevenson and Jarillo (1990) defined "entrepreneurship" as a process that identifies business opportunities, recognizes the value of business opportunities, discovers and organizes necessary resources, and converts opportunities into profitable business activities. Thus entrepreneurship is often considered as the creation of a new enterprise. Blackburn and Kovalainen (2009) believe that there should be more critical perspectives when studying small businesses and entrepreneurship.

There are many ways to study entrepreneurship; take Lee and Peterson in 2000 as an example; they provide three main methods to analyze the concept of entrepreneurship from the perspectives of individuals, the environment, and companies. Lee and Peterson (2000) hold that people with risk-taking tendencies (Begley & Boyd, 1987), high achievement (McClelland, 1976), or internal locus of control are innovation leaders or catalysts, and these individual entrepreneurs provide impetus for economic growth and development. In the environmental approach, entrepreneurship is considered to be a response to and influenced by certain environmental factors such as family and support systems, financial resources, local communities, and government agencies that may influence entrepreneurial activities (Bloodgood et al., 1995). The firm approach, compared with personal influence and environmental factors, emphasizes the commitment of the top management to the entrepreneurial process. When entrepreneurship is studied as a process, entrepreneurship can be applied to a wide variety of companies (Lee and Peterson, 2000). Therefore, the research proposed by Sang and Suzanne in 2000 is universal and suitable for most cultural and creative SMEs.

While there is no general consensus on how to rely on entrepreneurship, whether as a risk-taker, a company's creativity or as a spur to innovation, there is even less consensus on how to rely on the cultural and creative sectors (Hagoort, 2007). However, UK Technology Strategy Board (2009) states that given the enormous economic contribution of the Cultural and Creative Industry sector to the GDP of member countries, it is clearly important to identify the enterprise level of the sector. This is necessary in order to consider how best to support these aspects and to examine the factors affecting cultural and creative entrepreneurship.

2.1.2 Entrepreneurial orientation

Entrepreneurial orientation was first proposed by Miller in 1983. Miller (1983) believed that entrepreneurial orientation was a strategic idea which reflected the innovation, pro-activity, and risk-taking degree of enterprises in behavior and management concepts.

Specifically, innovativeness is defined as the tendency of an organization to create and produce innovative products and services for its customers (Riivari and Lämsä, 2019). Proactiveness is defined as being the first to come up with an innovative idea, which means paying more attention to the speed of innovation and the products and services introduced (Linton, 2019). Risk-taking is defined as a behavior that is not welcomed by traditional social norms and adult authorities. It usually causes harm or negative effects to individuals, but may also lead to positive results or rewards (Lejuez, 2017).

The relationship between EO and firm performance has been proved in abundant studies (e.g. Shirokova et al., 2016, Shang et al., 2016, Gupta and Batra, 2016), and confirmed that the significance of EO on performance varied in different industrial contexts and could under specific internal characteristics. Thus, it can be stated that the extent to which entrepreneurial practices are influenced by dynamic regions depends on changes in business strategy in the region, which are influenced by changing markets, differentiated sectors, and innovation opportunities. Cultural and creative industries represent major sources of economic growth (Klimczuk, 2014). Like enterprises in different industries, cultural and creative industries attach importance to profits, analyze market opportunities, take risks and face uncertainties of market and user requirements. As a result of globalization, small and medium-sized enterprises (SMEs) are facing increasing pressure of competition from all over the world. Entrepreneurial orientation is a key concept that helps executives develop strategies to accomplish new things by taking advantage of opportunities that no other organization can take advantage of.

2.1.3 Entrepreneurial opportunities.

The term entrepreneurship is often described as the discovery of new meaning relationships (Shane and Venkataraman, 2000), including the use of opportunities (Bygrave, 2010) and the creation of a new organization to implement new ideas (Gartner, 1990). The concept of opportunity becomes more complex with the development of entrepreneurs, the process of opportunity identification is to a large extent a process of discovering what has been formed (Kirzner, 2015). In the general entrepreneurial research process, innovation and novel ideas are considered as important factors in the entrepreneurial process. However, Stevenson et al (1985) believe that the ability of entrepreneurs to identify and select opportunities for new ventures is one of the most important factors for their success. Venkataraman (1997) supports this view and points out that the discovery and development of opportunities is a key part of entrepreneurship research.

Casson (1982) believed that in a general sense, opportunities might be to meet the market demand through creative resource combination, thus providing opportunities with higher value. From the perspective of potential customers, entrepreneurs see the needs, interests and problems that potential customers cannot clearly express (Von Hiooel, 1994). This means that although potential customers cannot define the market demand or make full use of idle resources, when they see new products, potential customers can recognize and understand the value of new products.

The identification process of entrepreneurial opportunities mainly consists of three steps: entrepreneurial opportunities development, entrepreneurial opportunities identification and entrepreneurial opportunities evaluation. The development of entrepreneurial opportunities was pointed out in the early stage by Kirzner (2015) that opportunity identification is to a large extent a process of discovering what has been formed. However, Alexander pointed out in 2003 that the development of entrepreneurial opportunities is a continuous and proactive process, which is crucial to the formation of enterprises. Opportunity identification or recognition is conceptually different from opportunity development. Most opportunity identification involves three different processes: (1) perception of market demand and underutilized resources (2) identify and find the needs of specific markets and match specific resources (3) create new "fit" (De Koning, 1999) between independent requirements and resources in the form of business concepts. Entrepreneurs evaluate opportunities at every stage of opportunity development, although the evaluation may be informal or ambiguous (Timmos et al., 1987). However, studies indicated that the entrepreneurial behaviors of identifying opportunities would be influenced by the region's difference (e.g., Zhang, 2016); therefore, the importance of exploring the entrepreneurial opportunities process and understanding the influence of the context difference is gaining much attention. Institutional theory, one of the critical theories in understanding social structure, is useful to study this area by underpinning the theoretical background.

2.2 Institutional theory

Institutional theory has traditionally focused on how different organizations or groups can better ensure their status and legitimacy by following the rules and norms of the institutional environment (Scott, 2007). The term "institution" defines in an objective sense what is appropriate, thus rendering other actions unacceptable and even excessive (DiMaggio and Powell, 1991). Therefore, institutional theory focuses on the regulation to promote the survival and legitimacy of an organization, and the impact on society and culture, rather than just the pursuit of efficiency (Roy, 1999). Scott (2007) sorted out and summarized the formulas of three institutional forces in the system theory, he believed that institutional forces included sociology and organization theory, politics and economics, which was recognized by many scholars. Institutional pillars are most directly derived from the study of economics, and thus represent a rational actor model based on sanctions and compliance (Scott, 1995, 2007).

There are three pillars related to Institutional Theory: Regulative pillar, Normative pillar, and Cognitive pillar. The first pillar is the regulatory pillar, most directly derived from the study of economics, which represents a rational actor model based on sanctions and conformity. The second institutional pillar is the normative pillar, which represents the organizational and individual behavior patterns based on the mandatory dimensions of social, professional and organizational interactions (Bruton et al., 2010). Scott (2007) argues that cognitive pillars, which is third pillar, are mainly derived from the recent turn of social cognition, which represents the models of individual behaviors. These models are based on the subjective construction of rules and meanings, which

limit appropriate beliefs and behaviors. From the perspective of how society accepts entrepreneurs, instills values, and even creates a cultural atmosphere to accept and encourage entrepreneurship, this pillar is becoming increasingly important to entrepreneurship research (Li,2011).

Entrepreneurs are not only constrained by the institutions, but also enabled by it (Qureshi et al.,2016). For new organizations, the institutional environment defines and limits entrepreneurial opportunities, thus affecting the speed and scale of new risk creation (Bruton et al, 2010). Other factors affecting entrepreneurial development in the external environment include strong market incentives and the availability of capital (Román et al., 2013). Inadequate institutional development will complicate the development of new enterprises (Baumol et al.,2009), while the more developed the institutional environment is, the more strict the supervision will hinder the development of enterprises (Soto, 2000). Institutional factors affecting entrepreneurial efforts include direct government action to build and maintain a supportive entrepreneurial environment and social norms for entrepreneurship. The development level of entrepreneurship is directly related to the regulations and policies of the society on reward distribution (Hechavarria and Ingram, 2014). If there is no formal institutional structure, entrepreneurs will not be encouraged to start a business, and entrepreneurs are forced to follow too many rules, procedures and requirements. They must spend a lot of time and money to get a series of institutional reports, and their entrepreneurial activities will be discouraged (Soto, 2000). However, Baumol et al (2009) believe that a more business-friendly institutional environment will clear up such barriers and encourage entrepreneurial potential.

According to Veciana (1999), the theoretical system is undoubtedly the current theory that provides the most consistent and appropriate conceptual framework to discuss the impact of environmental factors on entrepreneurs. Tolbert et al. (2010) also believes that there are many potential intersections between institutional theory and contemporary entrepreneurship research. However, there is little research on institutional theory and entrepreneurial opportunities in literature, and there is no clear conclusion on whether institutional theory can guide entrepreneurs to find more entrepreneurial opportunities.

2.3 Cultural and creative industry

Since the beginning of the 21st century, people have noticed the increasing value of culture in social and economic development. The areas represented by cultural and creative industries have become major sources of economic growth (Klimczuk, 2014)

UNESCO (2018) defines cultural and creative industries as activities whose principal purpose is production or reproduction, promotion, distribution or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature. Thus, it can be stated that cultural and creative industrial environment requires entrepreneurs to cultivate innovation, creativity, art and aesthetic ability to gain competitiveness, which

will bring the best market opportunities to enterprises. Similarly, Ian et al. (2012) also implied the importance of studying entrepreneurial orientation, innovation ability and corporate performance in such appealing industry. Creative industries are not new, they can be identified from traditional types of economic activity. Meanwhile, creative industries mainly belong to the service industry, which involves the transformation of intangible assets into production process and the distribution of commodities or services with symbolic value and social significance. Therefore, at this time, entrepreneurship and entrepreneurial orientation of entrepreneurs in culture and creative SMEs are particularly important, which will affect the future development of enterprises, product positioning and company positioning, etc.

Moreover, the entrepreneurship of individual art or cultural entrepreneur is often the subject of research in the context of creative industries (Aggestam, 2007). For example, O'Connor (2012) pointed that in the past decade, the concept of entrepreneurship and innovation in the cultural field has attracted much attention. Currently, the ability of individual or small group entrepreneurs to discover new markets, products, technologies and business models is often seen as a new opportunity in the business sector, and creative industries are no exception. Many of the big questions in entrepreneurship, including in the creative industries, are about a seemingly simple question: "how do entrepreneurs think?" (Mitchell et al., 2007). From the perspective of enterprises, when managers focus on core competence from a comprehensive perspective, rather than overemphasizing single enterprise development, start-ups are more likely to achieve specific growth (Chaston and Mangeles, 1997).

However, the empirical literature lack evidence regarding EO of entrepreneurs in cultural and creative SMEs and there is also a lack of understanding the process and influencing factors of Chinese cultural and creative SMEs in discovering entrepreneurial opportunities from institutional theory. Therefore, this paper needs to conduct more in-depth research on cultural and creative SMEs with the combination of entrepreneurial opportunities and institutional theory. The next section proposed the research design of how to address the research questions to fill the research gap which identified in the existing literature.

3 Methodology

3.1 Research Design

This research uses a qualitative interpretivist research paradigm to take institutional theory perspective to explore and understand the process of identifying and exploiting entrepreneurial opportunity within the context of CCI.

Interpretivism is based on the notion that reality is multiple and relative (Carson et al., 2001). The adoption of interpretivism can deeply study the field of qualitative research to a large extent (Myers, 2013). Since the objectives of this research are more related

to understanding than to measuring, and the current understanding of exploring the difference of identifying and exploiting entrepreneurial opportunity in different regions and the root reason of why they are different from an institutional perspective that enable development for cultural creative SMEs is limited, a qualitative research method is considered as the most appropriate for this study. It also proves that entrepreneurship and entrepreneurial skills may be correlated with the development of cultural and creative SMEs, because the data in interpretive studies are often trustworthy (Collins, 2010). Qualitative approach is used to answer questions about experience, meaning and perspective, most often from the perspective of the participants. The information and data collected by semi-structured interview are usually not suitable for counting or measurement, so the qualitative method is more suitable for the requirements of the article.

This research contrasts CCI SMEs from three different contexts based on institutional perspectives, namely Beijing, Shanghai and Guangzhou. The regional differences in terms of culture and level of institutional development are expected to shape and influence the CCI SME development and entrepreneurial opportunity identification process. Hence, use of a comparative multiple case study design would enable the researcher to capture and understand differences in the Beijing, Shanghai and Guangzhou CCI SMEs behaviours. This involves the use of multiple case studies from each context and comparing and contrasting their entrepreneurial opportunity recognition and exploitation and the impact of regional institutional context of the SMEs behaviour. This is in line with Langley (1999) argues that case study research is particularly useful for asking how and why contemporary events and activities unfold over time, and hence understanding how institutional aspects influence and find the root reason of why they are different.

3.2 Case selection

This paper adopts semi-structured interview to conduct guided interviews with the staff and founders of small and medium-sized start-up companies in the three regions cultural and creative industry, Beijing, Shanghai, Guangzhou. Thus, the article requires information about entrepreneurs in cultural and creative industries and cultural and creative SMEs as the basis for case studies. A total of nine cases will be studied. Three SMEs will be studied from each region-Beijing, Shanghai, and Guangzhou-allowing for a sufficient number of cases to identify factors/themes and reasons (Lamb et al., 2011).

The following criteria will be used to select cases:

- Must conform to Chinese definition of enterprise size classification for Chinese SMEs (Less than 500 people in a company) (Ministry of Industry and Information Technology, 2011)
- Must be classified as cultural and creative industry:

The DCMS (2001) classifies cultural and creative industries as follows 1. Advertising; 2. Architecture; 3. Art and antiques market; 4. Crafts; 5. Design; 6. Designer fashion; 7. Film and video; 8. Interactive leisure and software; 9. Music; 10. Performing arts; 11. Publishing; 12. Software and computer services; 13. Television and radio.

This proposed research will utilise a purposive non-random sampling strategy, this involves the researcher using their own judgement to select participants who meet the above criterion (Robinson, 2014). It is necessary to select participants with specific characteristics or experience about entrepreneurial opportunity and entrepreneurship in this research, this is to ensure theoretical contribution to the research. Purposive sampling is cogitative, as it aims to select targeted participants with rich understanding of the process of entrepreneurial opportunity identification and underlying difference, and hence to recruit varied entrepreneurs from different CCI regions to gain different perspectives (Bryman, 2015).

3.3 Data collection and analysis

The main method of data collection is semi-structured interviews which will be conducted with founders and mid-levels professional who had first-hand experience with the entrepreneurial opportunity of the firm. In-depth semi-structured interviews are essentially verbal interchanges between a researcher and an interviewee, where the researcher solicits information through in-depth questioning (Longhurst, 2009). Hence it provides qualitatively rich textual data from Cultural and Creative SMEs entrepreneurs and key employees to explore their experience and behaviours regarding entrepreneurial opportunity identification process and entrepreneurship. The participant selecting criteria follows:

- Must work with cultural and creative SMEs for at least 18 months and understanding the business model of the industry;
- Must be in a positive of responsibility i.e. a manager or an executive, this is to grasp the understanding of entrepreneurial behaviours from perspective of entrepreneurs to enhance the richness of the data elicited from the respondents;

This research will use a combination of face-to-face and telephone interviews according to the convenience of the interviewees. While the final number of interviews will depend on the data saturation, which is a point considered to be providing sufficient information to achieve research objectives (Cohen, Manion, and Morrison 2013). The secondary data will be gathered from brochures, company's websites and newsletters, periodic reports, project data bases, government report etc. to achieve data triangulation and increase research reliability and validity.

Entrepreneurs of CCI SMEs from three different regions will be analysed comparatively to understand the factors that drive or prevent these small and medium entrepreneurs to identify and recognise the entrepreneurial opportunities and the influence of

institutional aspects. To analyse the qualitative interview data, this research will use an inductive thematic approach. Braun and Clarke (2006) define thematic analysis as a data analysis technique that requires a researcher to identify, organise, analyse, and highlight important themes in their data set, which will be useful to identify factors that promote or prevent entrepreneurial opportunity identification and understand the reasons from an institutional perspective.

4 Research Findings and Analysis

4.1 Drivers for Identifying Entrepreneurial Opportunities

Key factors in business decision-making are identified in an analysis of Beijing, Shanghai, and Guangzhou's social and creative industries (CCIs). Entrepreneurs typically have a passion for community, growth, and the need to satisfy market needs. The development of inventive and creative merchandise is a major result of Beijing's rich cultural heritage. Traditional Chinese art are frequently used as a moving power by businesses in this sector. Entrepreneurs in Shanghai are encouraged to make by blending traditional overseas parts with international designs because of the rapid industrialisation and exposure to foreign historical changes. Organizations in Guangzhou can encourage contemporary goods both domestically and internationally because of the focus on trade and manufacturing.

Companies' opinions on alternatives vary considerably depending on the cultural environment of each area. Companies can get and take advantage of opportunities in the CCI business thanks to the president's robust institutional support for growth in the arts and culture and the administration's efforts to preserve cultural traditions in Beijing. Entrepreneurs are advised to study creative business models because of the financial support accessible, particularly from the situation and social foundations.

Despite having a more severe economic climate, Shanghai's global links encourage businesses to engage in cross-border social collaborations. Businesses in this area frequently have opportunities thanks to the government's financial and physical hotspot performance, which makes use of global publicity to promote local creativity abroad. Institutional support in Guangzhou is more realistic and focused on industrial growth. Firms in this industry can immediately make and size amazing things because of a low-cost labor market and cost-effective manufacturing techniques. According to China's Belt and Road Initiative, these companies are based on local and international organization business needs.

The responsibility of local government policies and financial options for creating modern possibilities is a constant theme throughout all three regions, despite the fact that each region has its own goals and outcomes. However, these individuals exhibit various levels of resilience and concentration. Shanghai emphasizes localization and economic

modernization, while Beijing's government supports social security and technologies more explicitly and more in line with traditional social values. On the other hand, Guangzhou makes use of market-driven, important opportunities to meet domestic and international demands while maintaining its status as a generation hub.

4.2 Obstacles in Identifying Entrepreneurial Opportunities

The cultural and creative industries have a significant impact on businesses in all three of these companies. Lack of trustworthy market information is a key issue. Colleagues frequently have trouble understanding the particular cultural preferences of their local and global target groups. The problem becomes even more challenging as a result of fierce opposition in Beijing's arts and culture market, which has new companies struggling to stand out.

A second significant problem is posed by Beijing and Shanghai's governmental culture. Companies in Beijing had to manage a strong, slow-moving government that may hinder social enterprise development or work approvals. Entrepreneurs in Shanghai face challenges in preserving intellectual property and obtaining cash for creative tasks, despite the political system's more organizational-friendly nature. Shortage of experts in the field of technology is Guangzhou's biggest issue. Creative industries frequently struggle to find qualified experts, which slows creation, despite the president's strong manufacturing sector. Because the nearby consumer business is dynamic and affordable, companies in Guangzhou are concerned about market volatility and have difficulty obtaining long-term customers.

The development of novel opportunities in these areas is largely influenced by the operating lifestyle. In Beijing, for instance, imaginative ideas typically stymie the flow of government-controlled social stories, especially when they involve state-controlled social reports. Finding a balance between social persuasion and creativity is essential for writers. Some companies in Shanghai find it challenging to fully express their ideas due to the strict intellectual property laws in place there. The development process is slowed down by this stage of rules difficulty, specifically for modern start-ups.

In Shanghai and Guangzhou, company barriers are greatest, mainly due to a lack of understanding of consumer tastes worldwide. Despite Beijing's typically benefiting from an extremely vulnerable local business for both traditional and contemporary cultural goods, companies in Shanghai and Guangzhou struggle to keep up with changing business needs and consumer preferences. They frequently miss opportunities to alter or enhance their company types as a result.

Each location presents unique challenges in terms of finding and utilizing modern opportunities in its own right. The key to oppression and its potential is Beijing's biggest problem because of its social and governmental environment. Shanghai faces international enemies, intellectual property issues and pressure to stay ahead of global changes. In addition to finding skilled artists and adjusting to changing consumer preferences,

Guangzhou faces challenges. These barriers are essential for companies to acquire as they strive to develop and maintain their businesses.

4.3 Impact of Institutional Factors on Opportunity Recognition and Exploitation

In China's social and creative industries, the operating system is crucial for creating novel opportunities. National and local government policies in all three of these regions are heavily influenced by chance abuse. Businesses you discover new business concepts in Beijing are made possible by government-led social norms that promote the preservation of intangible cultural heritage and the growth of the music industry. These instructions encourage the commercialization of China's traditional resources while preserving cultural goods and bringing new ones.

The creative industries have a more global and equitable outlook thanks to Shanghai's institutional factors. Companies are able to access tools and potential markets because of the country's close ties to global social and business practices. Shanghai's role as a creative wall is more strongly supported by the local government. Businesses benefit from a dynamic environment that makes it easier to develop novel concepts before reaching the world market.

In terms of technology and exposure to a manufacturing facility, Guangzhou's operating principle is extremely valuable. Marketing, trade, and scalping are all prioritized by the government's real approach. Because of successful creation and transportation, Guangzhou's companies are particularly adept at making use of contemporary goods. This results in a ground-breaking new business concept that emphasizes company scalability over cultural balance or systems.

When framing the differences between the three regions' institutional factors, there are obvious similarities. The development of Chinese society and cultural background are inseparably linked to government policies that prioritize both the functional community in Beijing. In response, social security and local satisfaction-focused businesses adopt a more authoritarian approach. Programs that promote global trade and industry in the creative industries are more prevalent in Shanghai's operating view. Businesses can work with foreigners when mixing local and global trends. Guangzhou, on the other hand, benefits from its position as a hub for manufacturing and trade, where cultural technology is prioritized over advertising.

Companies in the three regions identify and exploit opportunities in China's societal and creative industries as a result of a number of institutional factors. Modern organizations trying to succeed in the field face unique challenges and rewards due to the various levels of support, regulations, and industry focus in the various regions.

5 Discussion

5.1 Synthesis of Findings

The findings of this research provide a diamond- clear knowledge of the process of taking modern options in China's social and creative industries (CCIs) through administrative plan. The research questions examined how institutional factors affect these alternatives in three crucial areas: Beijing, Shanghai, and Guangzhou in addition to finding the vehicles and barriers to recognizing contemporary decisions.

The findings show that social, spiritual, and historically mental institutional factors influence companies in all three sites. In Beijing and Shanghai, where there are solid communicate work for social protection and creativity, institutional support and government policies, according to the study's findings are crucial for identifying options. Guangzhou, on the other hand, lacks a strong operational concept that emphasizes innovative businesses despite having robust manufacturing and trade help. This distinction between the provinces coincides with the idea that formal and informal firms shape entrepreneurial behaviour and the reputation of options. For example, state-supported social activities and money, which have a significant impact on Beijing's business owners ' ability to capitalize on opportunities for social growth and accomplishment, are of great benefit. Businesses had a significant impact on accessing international businesses and sites as a result of the functional advancements that promoted modernization and global cooperation in Shanghai. With its more business- driven focus, Guangzhou shows how lacking operating attention to creativity can produce barriers to recognizing opportunities for higher- end creative industries.

This study examines how operating principle prevents and blocks the identification of and abuses of modern opportunities using management concept. Higher levels of chance status are indicated by exposure to improper methods, illegal techniques, and state financing for creativity. The lack of qualified artistic talent and a focus on development control entrepreneurial opportunities in places like Guangzhou, where these corporate supports are less important.

5.2 Theoretical Repercussions

This research advances present opportunity recognition and functional theory. First, it expands on Zahra and Shane's contributions from (2000). (2009), who examined the impact of institutional factors on business opportunities. This is accomplished by comparing China's diverse regional characteristics. The findings demonstrate that institutional factors, particularly government policies, class travel, and business situations, are necessary for realizing cultural and artistic options.

Additionally, the study demonstrates how clever entrepreneurship may be related to institutional theory, which is less well-studied in operating theory. Traditional, uplifting, and state influences play a significant role in the development of innovative entrepreneurs in addition to industry demands. The variations in regional institutional support demonstrate how industry norms affect modern companies. For instance, Beijing and Shanghai have conditions that encourage cultural entrepreneurship thanks to robust institutional support. Businesses have less functional tools for creative alternatives because Guangzhou concentrates more on the business than on the development of revolutionary ideas. This change improves the books because it demonstrates how institutional factors vary by region and how functional methods can be modified to fit the demands of creative industries.

5.3 Theoretical Implications

For business leaders in the classic and creative industries, the findings have significant, practical implications. This study demonstrates the need for politicians to develop guidelines for the art and social areas. Due to the strong state support for the arts and culture, these laws, which are currently in place in cities like Beijing and Shanghai, encourage company. To offer innovative companies more resources, programs like grants, start-up financing, and cultural trade programs may be expanded. Given that Guangzhou's new focus on manufacturing and trade may never fully support high-end cultural entrepreneurship, authorities should think about putting policies in place to promote the development of creative industries.

The research has a significant impact on business. Companies can use government-supported activities and places in areas with solid institutional support to grow their businesses, especially in the arts and culture. In cities of Shanghai and Beijing, where the operational life is preferable, companies may leverage government efforts, cooperate globally, and make use of nearby networks to develop creativity. Businesses in Guangzhou may need to concentrate on developing casual systems like websites and the physical industry.

5.4 Practical Implications

The findings have important practical implications for policymakers and entrepreneurs in the cultural and creative sectors. For policymakers, this study shows the need to create policies supporting creative and cultural industries. In cities like Beijing and Shanghai, with strong government support for arts and culture, continuing and expanding these policies can help entrepreneurial activities. Policies such as grants, funding for start-ups, and cultural exchange programs should be increased to give creative entrepreneurs more access to resources. Policymakers in Guangzhou should also consider creating policies focusing on developing creative industries, as the region's current focus on manufacturing and trade may not fully support high-end cultural entrepreneurship.

For entrepreneurs, the study offers useful insights. Entrepreneurs can use government-backed initiatives and networks in regions with strong institutional support to grow their businesses, especially in arts and culture. Entrepreneurs in Shanghai and Beijing, where the institutional environment is more favorable, should take advantage of government programs, collaborate internationally, and use local networks to encourage creativity. In contrast, entrepreneurs in Guangzhou may need to focus on innovating within existing industrial systems and building informal networks that connect manufacturing with the creative economy.

5.5 Regional Insights

Additionally, the study examines local contacts and business challenges in Guangzhou, Shanghai, and Beijing.

Officials in Beijing strongly believe in the preservation of culture and creativity. Businesses that produce products in accordance with the government's cultural background are in a better position because of this. According to operational difficulties and a very competitive social business, opportunities are more challenging to understand. To take creative social products to market, businesses in Beijing may comprehend the anxious regulation environment.

Shanghai is a major economic and social wifi on a global scale. International influences and cross-cultural collaborations have a significant impact on business opportunities in this area. Shanghai's management culture encourages creativity and global cooperation. Companies are willing to face brutal competition and difficulties in battling intellectual property, though. Staying abreast of world changes and preserving modern ideas are essential for Shanghai's corporate society to triumph.

Trade and industry have always been Guangzhou's main priorities. Solid employment opportunities and access to international business are present in the area. However, it lacks innovative firms' institutional support in Beijing and Shanghai. Guangzhou's firms must constantly expand in line with the government's business objectives while putting a premium on creative industries. To grow their businesses, Guangzhou's companies frequently rely on market-driven approaches and less institutional support.

The author's local viewpoints, in conclusion, demonstrate that the institutional culture of each nation gradually influences the setting for business. Shanghai has a global perspective, Guangzhou has powerful corporations, and Beijing emphasizes social security. Cultural and creative industries have exclusive opportunities and difficulties as a result of these modifications. Businesses in China's different regions need specialized policies and support in order for the smart business to prosper.

6 Conclusion

6.1 Summary of the Research Findings

This study focused on Beijing, Shanghai, and Guangzhou in order to understand the administrative principle that underlies the identification and abuse of entrepreneurial opportunities in China's social and creative industries (CCIs). According to the findings, institutional factors, primarily government policies, financial opportunities, and cultural norms, have a significant influence on how companies make decisions. Shanghai's global and competitive industry encourages cross-border partnerships, while Beijing's strong state support for standard protection and technology creates a favorable environment for creative entrepreneurs. The functional emphasis on intellectual advancement is lacking in Guangzhou's professional focus, which encourages monetization. Despite these local differences, issues were raised by political confusion, business confusion, and talent shortages in all of them.

6.2 Answering the Research Questions

The research questions centred on knowing the people and barriers to present thought identification and the function of institutional factors in creating these options. According to the findings:

Government policies and institutional support are crucial in promoting thought reputation because corporations are driven by their private pursuits, cultural heritage, and business expectations.

Barriers vary from region to region, including regulatory inefficiencies, intellectual property issues, a lack of market information, and talent shortages.

Institutional Influence: Institutional factors considerably shape entrepreneurial behaviour, mainly government policies and cultural norms. Greater opportunities for cultural and creative entrepreneurship exist in areas like Beijing and Shanghai, which have strong institutional support for creativity. Conversely, regions that are focused on industrial growth (like Guangzhou) are unable to foster high-end creative industries.

6.3 Contributions to Theory and Practice

This study bridges the gap between institutional theory and entrepreneurial opportunity recognition, particularly in creative industries. It highlights how institutional environments influence entrepreneurial behavior, including regulative, normative, and cultural-cognitive pillars. The findings align with and extend the work of scholars like Shane (2000) and Zahra et al. (2009), emphasizing the importance of regional institutional differences in shaping entrepreneurial opportunities.

For the practical contributions, policymakers, the study underscores the need for region-specific policies that support creative industries, such as funding for start-ups, cultural exchange programs, and talent development initiatives. Entrepreneurs can leverage institutional support in regions like Beijing and Shanghai, while those in Guangzhou may need to focus on market-driven strategies and informal networks to overcome institutional limitations.

6.4 Limitations of the Study

The study has several limitations. In terms of regional focus, it is restricted to three major cities in China, namely Beijing, Shanghai, and Guangzhou. This may not comprehensively reflect the diverse entrepreneurial environments across the entire country. Regarding the sample size, although the qualitative approach offers in-depth insights, it is founded on a relatively small sample of only nine case studies. This small sample size can potentially limit the generalizability of the research findings. Moreover, due to temporal constraints, the study only captures a momentary view of the entrepreneurial landscape at a particular time. Given the dynamic nature of institutional environments, the processes of opportunity recognition are likely to change over time, which the current study may not adequately account for.

6.5 Suggestions for Future Research

Future research in the study of entrepreneurial opportunities in the cultural and creative industries (CCIs) could take several directions. First, it could broaden the regional analysis by expanding the geographical scope to include other regions in China, such as smaller cities or rural areas, to gain a more comprehensive understanding. Second, a larger-scale quantitative study could be carried out to complement the existing qualitative findings, thus offering more generalizable insights into the relationship between institutional factors and entrepreneurial opportunity recognition. Third, longitudinal studies that explore how institutional changes over time affect entrepreneurial behavior would provide deeper insights into the evolving nature of opportunity recognition in CCIs. Finally, cross-country comparisons between China's CCIs and those in other countries could reveal cross-cultural differences in how institutional environments shape entrepreneurial opportunities.

In conclusion, this study provides valuable insights into the role of institutional factors in shaping entrepreneurial opportunities in China's cultural and creative industries. Addressing the research questions and highlighting regional differences contributes to theoretical understanding and practical policymaking, while identifying avenues for future research.

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Appendices

Appendix 1 – Nine Interview Transcripts for Reference

Beijing: SME 1 - Founder

1. Introduction

Can you briefly introduce yourself and your role within the company?

I am the founder and CEO of a startup in Beijing that combines traditional Chinese arts and modern design. My main responsibility is to ensure the business stays true to our cultural heritage while offering contemporary and innovative products that appeal to a global audience.

What inspired you to start your business in the cultural and creative industries?

I've always been passionate about Chinese culture, particularly its rich history in art and design. After studying abroad, I realized that there was a gap in the market for creative businesses that merge traditional Chinese elements with modern design, so I decided to pursue this idea in Beijing, where the fusion of old and new is celebrated.

2. Drivers for Identifying Entrepreneurial Opportunities

What factors motivated you to pursue this opportunity in the creative sector in Beijing?

Beijing's deep cultural heritage and government's emphasis on cultural preservation were key motivators for me. As China's capital, the city has a unique combination of being the political, cultural, and economic hub, providing many opportunities for creative entrepreneurs like myself to grow our businesses.

How does Beijing's rich cultural heritage impact your business opportunities?

Beijing's cultural heritage is the backbone of our products. From the historical architecture to ancient art forms, we integrate these elements into modern designs. This creates a unique value proposition, and the city's vibrant cultural scene provides a huge audience that values innovation tied to tradition.

What role do government policies or cultural preservation initiatives play in your business?

The government has been very supportive of creative industries, particularly those focused on preserving cultural heritage. We have been able to tap into funding and receive support from programs that promote cultural entrepreneurship. This has been crucial for us as a small startup in the competitive Beijing market.

3. Obstacles in Identifying Entrepreneurial Opportunities

What are some of the main challenges you face in recognizing new opportunities?

One of the biggest challenges is the intense competition within the cultural sector in Beijing. Many businesses are trying to capitalize on the same market. It's difficult to create a unique brand and find an untapped niche when so many entrepreneurs are working in similar areas.

Have you encountered any obstacles related to regulatory requirements or government policies in Beijing?

Yes, the regulatory environment can sometimes be slow. When we're trying to launch new products or design collaborations that involve traditional cultural symbols, we need to navigate complex legalities surrounding intellectual property and the use of protected cultural content. It takes time, which can delay the development process.

How do market conditions in Beijing affect your ability to identify new opportunities?

The market here is quite dynamic, but consumer behavior can be unpredictable. While there is a growing interest in cultural products, many people are also looking for high-tech, modern innovations. Balancing the demand for traditional elements with modern preferences can be a challenge.

4. Institutional Factors and Exploitation

How have institutional factors, such as government support or informal networks, influenced your business growth in Beijing?

The government has provided some great incentives, especially in the form of grants and cultural programs that support new creative businesses. Additionally, Beijing has a strong community of artists and entrepreneurs, so informal networks have played a significant role in helping us find collaborators, investors, and mentors.

Do you think Beijing's institutional context has a positive or negative impact on your ability to exploit creative opportunities?

Overall, the institutional environment in Beijing has been positive. While there are bureaucratic hurdles, especially with cultural content regulation, the city's support for creative industries and the availability of resources for startups have outweighed these challenges. The combination of government backing and a strong cultural ecosystem makes it a great place for creative ventures.

Beijing: SME 2 - Employee

1. Introduction

Could you tell me about your role and responsibilities in the company?

I am a project manager here at the company. My role is to coordinate between the design team and marketing department to ensure that our cultural products reach the right audience. I also help manage client relationships and oversee production timelines.

How did you become involved in the cultural and creative industries?

I've always had an interest in art and design, especially traditional Chinese art. After studying design and marketing, I wanted to work for a company that would allow me to blend my creative skills with my passion for Chinese culture. This startup was the perfect fit for that vision.

2. Drivers for Identifying Entrepreneurial Opportunities

In your opinion, what motivates the founders and team to pursue creative opportunities in Beijing?

The founders are deeply passionate about reviving traditional Chinese arts, but they also recognize the potential in bringing that heritage into the modern world. There's a strong desire to create something unique that merges Beijing's cultural richness with the tastes of a contemporary audience.

How do you think Beijing's unique cultural atmosphere influences your work and the business?

It's inspiring to be surrounded by so much history and culture. The fact that we are in Beijing, with its historical monuments and vibrant art scene, constantly reminds us of the cultural significance of what we are doing. It influences everything from design choices to how we communicate our brand's message.

3. Obstacles in Identifying Entrepreneurial Opportunities

What difficulties do you face in your work related to identifying or pursuing new opportunities?

Sometimes it feels like the creative market is saturated, and standing out is difficult. Many companies are trying to blend tradition with modern design, so finding a unique angle is a challenge. Also, marketing and reaching the right audience can be tricky because the demand for cultural products is not always predictable.

Are there any regulatory or market-related challenges that have affected your team's ability to innovate?

The regulatory environment can slow down innovation. We need to be careful with intellectual property rights, especially when working with traditional Chinese symbols or cultural elements. These regulations can restrict how freely we create new products.

Additionally, understanding consumer preferences and market trends can be a challenge when there are so many competitors.

4. Institutional Factors and Exploitation

How do you perceive the role of government policies and local support in helping the business grow?

The government has been very helpful in terms of funding and promoting cultural products. There are policies that provide grants to businesses like ours, which is very valuable. I think these initiatives show that the government is committed to fostering creative entrepreneurship in Beijing, which benefits us directly.

How important are informal networks or cultural connections in helping the company identify new opportunities?

Informal networks are crucial. Being part of the Beijing creative community means we have access to a wealth of resources, from other artists to potential collaborators. These networks allow us to stay connected to the cultural pulse of the city, which in turn helps us identify new opportunities and stay relevant in the market.

Beijing: SME 3 - Founder

1. Introduction

Can you briefly describe the mission of your company and your personal journey to entrepreneurship?

Our mission is to introduce innovative, sustainable, and culturally rich products to the market by combining modern design with traditional Chinese aesthetics. I was inspired to start this company after seeing how China's cultural products could reach global markets in a way that preserved their heritage while embracing new technologies.

What is the main vision of your creative business?

Our vision is to position ourselves as a bridge between China's rich cultural history and the modern world. We want to show that traditional Chinese designs are not only beautiful but also functional and relevant to today's global market.

2. Drivers for Identifying Entrepreneurial Opportunities

What drove you to start your creative business in Beijing?

Beijing is China's cultural heart. There's an inherent creative energy here that stems from the city's long history and its role in shaping contemporary Chinese culture. Starting a creative business here made sense because of the rich history and the city's commitment to promoting cultural entrepreneurship.

How does Beijing's market and its focus on cultural innovation influence your business opportunities?

The city's focus on preserving and promoting Chinese culture gives us the platform to create products that appeal to both domestic and international consumers. There's a market for innovative cultural products, and Beijing provides the infrastructure and resources to help us scale up our efforts.

3. Obstacles in Identifying Entrepreneurial Opportunities

What are some of the main challenges you have faced in recognizing opportunities?

The biggest challenge is the complexity of the market. There are so many different consumer preferences, and it can be hard to predict what will resonate with the audience. Additionally, competition is fierce, with many startups trying to do similar things, which makes it harder to establish a unique identity.

Are there specific regulatory or bureaucratic hurdles you've encountered that affect your business?

Yes, especially when it comes to the use of traditional cultural symbols and securing trademarks. The process for obtaining approvals for using these symbols can be slow and cumbersome. Sometimes, it can feel like it delays progress on new projects.

4. Institutional Factors and Exploitation

How does the institutional environment in Beijing (e.g., local government policies, cultural programs) affect your business growth and exploitation of opportunities?

The government's focus on supporting creative industries has been a huge asset. We've benefited from various cultural initiatives that have helped us access resources and grants. However, the pace of change can sometimes be slow when it comes to bureaucracy.

Do you feel that Beijing's institutional context supports cultural entrepreneurship?

Absolutely. While there are challenges with bureaucracy, the overall institutional support for the creative industries in Beijing is very strong. The government is actively trying to foster growth in this sector, and it's been an important factor in our company's growth.

Shanghai: SME 1 - Founder

1. Introduction

Could you introduce your business and share what inspired you to establish it in Shanghai?

Our business focuses on integrating contemporary fashion with traditional Chinese design elements. I started the company here in Shanghai because of the city's global nature and vibrant creative scene. It's a place where East meets West, and I saw an opportunity to bridge this gap in fashion by merging modern designs with cultural heritage.

How would you describe the mission of your company in the context of Shanghai's cultural and creative industries?

The mission of our company is to redefine Chinese fashion for the modern world by blending cultural authenticity with global trends. Shanghai's international atmosphere allows us to reach both local and global markets, making it the perfect city to launch a creative brand with both Chinese roots and international appeal.

2. Drivers for Identifying Entrepreneurial Opportunities

What are the key factors that motivated you to launch your creative business in Shanghai?

Shanghai is a global financial hub and a major cultural center. The city is home to an international community with diverse tastes, and that diversity allows for creative experimentation. I was drawn to Shanghai because of its potential to launch a brand that appeals to both domestic and international audiences, leveraging the city's unique position as a cultural melting pot.

How does Shanghai's role as a global financial and cultural hub shape your business opportunities?

Shanghai's global status plays a huge role in shaping our business. We are constantly exposed to international trends, which helps us innovate and stay relevant. The city's connectivity with global markets also provides us with the opportunity to scale quickly and collaborate with international partners, making it an ideal base for a creative business.

3. Obstacles in Identifying Entrepreneurial Opportunities

Have you encountered challenges related to market competition in Shanghai's creative sector?

Absolutely. Shanghai is one of the most competitive markets for creative industries, especially in fashion. With so many brands and startups trying to blend tradition and modernity, it's tough to stand out. We constantly need to innovate, and being in such a fast-paced environment means we have to stay ahead of trends.

Are there specific regulatory or legal challenges that you face when attempting to scale or innovate in this industry?

Yes, intellectual property protection is a significant challenge in Shanghai. The fast-paced nature of the fashion industry means that designs and ideas are often copied quickly. We've had to invest heavily in protecting our intellectual property, and the process of doing so is sometimes frustratingly slow.

4. Institutional Factors and Exploitation

How do government policies and the institutional environment in Shanghai influence your ability to exploit new business opportunities?

The government's policies have been very supportive, particularly in the realm of cross-border trade and promoting creative industries. There are also many incentives for startups like ours to engage in international collaborations. However, the regulatory landscape for fashion and design is often inconsistent, and that can sometimes slow down our ability to innovate freely.

How important is international collaboration or foreign market access in your business development strategy?

International collaboration is key to our strategy. Shanghai provides access to both global markets and international talent, allowing us to experiment and push boundaries in ways we couldn't if we were based in a more insular environment. Being able to collaborate with designers and brands around the world helps us stay ahead of the curve and build a truly global brand.

Shanghai: SME 2 - Employee

1. Introduction

Can you share your role within the company and how you became involved in the cultural and creative industries?

I work as a creative designer in our Shanghai office, primarily responsible for product development and conceptualizing new designs. I've always been interested in fashion and art, so after studying design and fashion management, I joined this company because of its innovative approach to blending traditional Chinese elements with modern fashion.

What excites you about working in the cultural and creative sectors in Shanghai? Shanghai is full of energy and innovation. It's a city where creativity thrives, and there's always something new happening. Working in the cultural and creative sectors here means you're constantly exposed to cutting-edge trends, international ideas, and an ever-evolving market. It's an exciting environment to be part of.

2. Drivers for Identifying Entrepreneurial Opportunities

What motivates the founders and team to pursue creative opportunities in Shanghai?

The founders are driven by the idea of bringing Chinese heritage into the global creative scene. Shanghai's international atmosphere and its strong presence in global trade and fashion make it the ideal location for pursuing those opportunities. They're passionate about creating a brand that blends tradition with modernity, which resonates with a global audience.

How does the city's global connectivity and creative community influence your work and the company?

Shanghai's global connectivity has a major impact on our work. The city's fashion and creative community is constantly evolving, and we draw inspiration from local and international sources. Being in a city where East meets West gives us a unique perspective on how to bring together cultural influences from both sides.

3. Obstacles in Identifying Entrepreneurial Opportunities

What difficulties do you face in your work related to identifying or pursuing new opportunities?

The biggest challenge is competition. Shanghai's fashion market is saturated, with so many players trying to do similar things. Finding a unique angle and making sure your brand stands out is not easy, especially with so many trends emerging all the time.

Are there challenges related to intellectual property or market dynamics in Shanghai that affect your company?

Yes, the issue of intellectual property protection is a constant concern. With so many designers and brands operating in the city, the risk of having your ideas or designs copied is high. Additionally, the market here is very fast-moving, and staying ahead of trends requires a lot of agility and foresight.

4. Institutional Factors and Exploitation

How do government policies and local support help the business grow?

The government has been quite supportive of the creative industries in Shanghai. We've benefited from various programs aimed at promoting cultural industries and supporting startups. These programs have helped us with funding and accessing new markets, which is crucial when you're trying to expand.

How important is informal networking within Shanghai's creative community to the company's success?

Networking is incredibly important. Shanghai's creative community is full of talented individuals and companies, and informal networks allow us to exchange ideas, collaborate on projects, and find new opportunities. These connections often lead to valuable partnerships and business ventures.

Shanghai: SME 3 - Founder

1. Introduction

Could you introduce your company and tell us about the motivation behind founding your business in Shanghai?

Our company specializes in digital art and design with a focus on integrating traditional Chinese culture with cutting-edge technology. I chose to start in Shanghai because it's a city that thrives on innovation and has a dynamic cultural scene. Shanghai's strong

technological infrastructure also made it the perfect base for a business that merges art and technology.

What is the main vision of your creative business?

Our vision is to push the boundaries of digital art by combining the rich traditions of Chinese culture with the latest in digital technologies. We want to show the world that traditional Chinese art can not only coexist with modern design but also thrive in the digital age.

2. Drivers for Identifying Entrepreneurial Opportunities

What motivated you to start your creative business in Shanghai?

Shanghai is a hub of innovation, especially in technology and design. I saw an opportunity to combine my passion for Chinese culture with the possibilities offered by digital technologies. The city's openness to new ideas and its vibrant art scene made it the perfect place to start this kind of business.

How does Shanghai's cultural diversity influence your business opportunities?

Shanghai's diversity is a huge asset. It brings together creative minds from all over the world, which sparks innovation and opens up opportunities to collaborate across cultures. This diversity is key for us, as it allows us to create products that appeal to both local and international audiences.

3. Obstacles in Identifying Entrepreneurial Opportunities

What are the main obstacles you face when identifying or exploiting opportunities in Shanghai's creative sector?

The main challenge is the fierce competition, especially in the digital space. Many companies are working on similar projects, so distinguishing ourselves is always a challenge. Additionally, the rapid pace of technological change means we constantly need to adapt and innovate.

Have you encountered challenges with local regulations or market dynamics in Shanghai?

Yes, the regulations around digital art and copyright protection can be difficult to navigate. While Shanghai is a very progressive city, there is still a lot of legal grey area when it comes to digital creations and protecting intellectual property.

4. Institutional Factors and Exploitation

How do government policies and institutional factors in Shanghai help or hinder your ability to exploit opportunities?

Shanghai's government is very supportive of tech-driven creative industries, which has been a big help to our business. There are incentives for startups in the tech and creative fields, and access to funding and networking opportunities has been beneficial. However, the regulatory environment can sometimes slow down progress, especially in areas related to digital media.

How does Shanghai's status as a global city influence your business and opportunities?

Shanghai's global standing allows us to reach a wider audience, both in China and abroad. It's a city where international collaboration is the norm, and that has allowed us to partner with global brands and artists, which has been invaluable for expanding our business.

Guangzhou: SME 1 - Founder

1. Introduction

Can you describe your company and share what motivated you to start it in Guangzhou?

Our company focuses on creating high-quality design products using traditional Cantonese techniques, but with a modern twist. I chose Guangzhou because of its strong historical ties to trade and manufacturing. The city's industrial roots give us access to great manufacturing resources, and there is a growing interest in modernizing traditional art forms.

What is the core mission of your business?

Our mission is to bring Cantonese craftsmanship to a global audience, blending traditional methods with contemporary design. We aim to produce high-end products that celebrate the region's culture while appealing to both local and international markets.

2. Drivers for Identifying Entrepreneurial Opportunities

What factors led you to pursue your business in Guangzhou's creative industry?

Guangzhou is known for its manufacturing prowess, and that's a huge advantage for a creative company like ours. We can prototype products quickly and at a lower cost than in other cities, which allows us to experiment with new designs. The city's historical connection to international trade also provides access to global markets, which is critical for the expansion of our products.

How does Guangzhou's industrial and economic environment shape your business opportunities?

Guangzhou's strong infrastructure and manufacturing capability are key to our business. We're able to work closely with suppliers and manufacturers, allowing us to scale our creative ideas faster. The city's position as a trade hub makes it easier to export products, which is beneficial for our global growth.

3. Obstacles in Identifying Entrepreneurial Opportunities

What challenges do you face in recognizing or pursuing new opportunities in the creative industries?

One of the biggest challenges in Guangzhou is the competition. While the city has a lot of opportunities for manufacturing, it can be hard to differentiate our products from

the many others that are produced here. The market can be price-sensitive, which means it's difficult to compete on quality alone without a strong brand.

Have you faced any obstacles due to regulatory or market conditions in Guangzhou?

The market in Guangzhou can sometimes be too focused on cost-efficiency, which limits the scope for high-end creative products. Additionally, while the city is great for manufacturing, attracting high-quality creative talent can be difficult. Guangzhou's labor market is strong for technical work, but it's not as well-known for creative talent, which can make recruitment challenging.

4. Institutional Factors and Exploitation

How have government policies or institutional support influenced your ability to exploit opportunities in Guangzhou?

The government has provided some support, particularly in terms of industrial development and trade. However, there is less emphasis on fostering creative industries compared to cities like Beijing or Shanghai. We've had to rely more on market-driven strategies to push our business forward. That said, Guangzhou's focus on trade and logistics makes it easier for us to distribute our products internationally.

Do you feel that Guangzhou's institutional environment supports the growth of creative enterprises?

The environment is supportive in terms of manufacturing and logistics, but less so for creative industries. There are opportunities for growth, but it's up to entrepreneurs to find the right niches and make the most of the available resources. The local government could do more to provide targeted support for creative businesses.

Guangzhou: SME 2 - Employee

1. Introduction

Could you tell me about your role and responsibilities in the company?

I'm a product designer at the company. My job is to create designs that combine Cantonese cultural elements with modern trends. I also work closely with the manufacturing team to ensure that the designs are translated effectively into finished products.

How did you get involved in the cultural and creative industries in Guangzhou?

I've always been passionate about design and Cantonese culture. After studying design, I was drawn to this company because of its focus on preserving traditional craftsmanship while creating innovative products. Guangzhou is the perfect place to combine these elements, as the city has a rich cultural history and a strong manufacturing base.

2. Drivers for Identifying Entrepreneurial Opportunities

What motivates the founders and team to pursue creative opportunities in Guangzhou?

The founders are very passionate about preserving Cantonese culture, but they also see the potential in modernizing it for a broader audience. Guangzhou's unique position as a manufacturing hub and trade center has definitely influenced their decision to pursue opportunities here. The city offers both cultural richness and access to global markets, which creates the perfect environment for innovation.

How do you think Guangzhou's manufacturing and trade focus influences your work and the business?

Guangzhou's focus on manufacturing means that we can prototype and produce products very quickly. This is crucial in the design process. We have the ability to experiment with new ideas and bring them to market faster than companies in other cities. The city's international trade connections also make it easier to reach customers abroad.

3. Obstacles in Identifying Entrepreneurial Opportunities

What difficulties do you face in your work related to recognizing or pursuing new opportunities?

One of the main challenges is the market's focus on mass-produced, low-cost items. It's tough to break through with high-end, creative products because consumers are often more price-sensitive. There's also a lack of creative talent in Guangzhou compared to other cities like Beijing or Shanghai, which makes it harder to find skilled designers and artists to join the team.

Are there any specific market or regulatory challenges you face in your role?

Yes, market competition is fierce, and a lot of businesses in Guangzhou focus on mass production to keep costs low. This makes it harder to compete on creativity and design alone. There is also a lack of clear intellectual property protections for designers, which can be a concern when we're working on new, innovative products.

4. Institutional Factors and Exploitation

How do you perceive the role of local government policies and support in helping your business grow?

The government has been supportive in terms of trade and logistics, which makes it easier for us to export products. However, I think there could be more support specifically for creative industries. More initiatives aimed at fostering innovation and design would help businesses like ours grow faster and more sustainably.

How do informal networks and cultural connections in Guangzhou help your company identify new opportunities?

Informal networks are very important here. Guangzhou's business community is tight-knit, and we often collaborate with other designers and entrepreneurs in the city. These connections open doors to new opportunities and help us stay ahead of the market by exchanging ideas with others in the creative and manufacturing sectors.

Guangzhou: SME 3 - Founder

1. Introduction

Could you introduce your company and share why you decided to start it in Guangzhou?

Our company is focused on creating contemporary art and design using Cantonese techniques, particularly in ceramics and textiles. I started the company in Guangzhou because of the city's industrial strength in manufacturing and the rich cultural history of the Canton region. The city offers a great mix of traditional craftsmanship and modern production capabilities, which is perfect for our creative endeavors.

What is the primary vision of your business?

The vision of our company is to combine ancient Cantonese craftsmanship with contemporary design to produce products that are both functional and artistic. We want to preserve and promote the unique cultural heritage of Guangzhou while making it relevant in a modern context, both domestically and internationally.

2. Drivers for Identifying Entrepreneurial Opportunities

What motivated you to start your business in Guangzhou's creative industries?

Guangzhou's position as a major manufacturing hub made it an ideal place for a creative business like ours. The availability of skilled labor and a robust supply chain allows us to quickly bring creative ideas to life. Additionally, the city's focus on international trade makes it easier to expand our products to global markets.

How does Guangzhou's focus on trade and manufacturing influence your business opportunities?

Guangzhou's trade connections are essential for our business. Being in a city with strong industrial and logistical infrastructure makes it easier to source materials, prototype, and manufacture products. The city's role as a trade gateway to the world means that we can expand internationally with relative ease.

3. Obstacles in Identifying Entrepreneurial Opportunities

What challenges do you face when identifying or pursuing new opportunities in Guangzhou's creative sector?

The biggest challenge is differentiation. Guangzhou is known for manufacturing, but it's often focused on low-cost production. Competing with cheaper, mass-produced products is difficult when you're trying to focus on quality and creativity. Additionally, there is a lack of a vibrant creative community in the city compared to places like Beijing or Shanghai, so finding inspiration and talent can be a challenge.

Have you encountered any specific regulatory or market-related challenges in Guangzhou?

The regulatory environment is a challenge, particularly when it comes to intellectual property. Although the city is focused on industrial growth, the protections for creative industries, like design and art, are not as strong. It's also difficult to predict market demand for creative products, which makes long-term planning harder.

4. Institutional Factors and Exploitation

How have institutional factors, such as government policies or local support, affected your ability to grow your business?

The government is supportive in terms of manufacturing and trade policies, which has helped us scale. However, I feel there is a lack of institutional support specifically aimed at creative businesses. More initiatives to promote cultural industries would be helpful in fostering growth and innovation in this sector.

How do you think Guangzhou's institutional environment supports or hinders creative entrepreneurship?

While Guangzhou's infrastructure is excellent for manufacturing and trade, the institutional environment could do more to support creative businesses specifically. There are fewer grants or incentives for creative entrepreneurs compared to cities like Beijing or Shanghai, which makes it harder for small businesses like ours to access the resources we need for growth.

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