

A STUDY ON INNOVATION AND ENTREPRENEURSHIP IN MODERN COMMERCE FOR SUSTAINABLE ECONOMIC DEVELOPMENT

By

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Abstract

For businesses to contribute to the growth of the economy in a way that benefits everyone, innovation and entrepreneurship are essential. In a world where technology is evolving quickly, powerful individuals are connected globally, and we must take care of the environment, a good businessperson will always be looking for creative ways to do things. This study examines the relationship between innovation and entrepreneurship and how it impacts the economy. The study discusses the significance of developing fresh concepts and examines how entrepreneurship and innovation may support economic expansion, ensure that everyone has access to opportunities, and safeguard the environment. The findings demonstrate how crucial innovation and entrepreneurship are to ensuring that everything is well-balanced. Companies that innovate and launch new ventures contribute to the expansion of the economy in a way that benefits all. To make this happen, entrepreneurship and innovation are essential.

Keywords: *innovation, entrepreneurship, modern commerce, sustainable development, economic growth, and economic innovation.*

Introduction

Businesses have significantly changed the way they function due to technological progress, the rise of the internet, and changes in how consumers behave. To beat competitors and support economic growth, innovation and entrepreneurship are vital. Entrepreneurship involves finding new opportunities and using available resources to start and run businesses, while innovation means applying creative ideas to develop new products, services, or approaches that offer value. While creating wealth is an important part of economic development that benefits everyone, other key aspects include fairness and protecting the environment. To build strong economies

capable of addressing global challenges like unemployment, inequality, and climate change, innovation and entrepreneurship are essential. These activities help create jobs, reduce inequality, and preserve the environment. (Neumann, 2020, pp. 553-584) Supporting these areas can lead to the growth of strong, healthy economies for the whole community. In short, if we focus on innovation, entrepreneurship, and sustainability, the future of business and the economy looks promising. All we need to do now is turn these ideas into reality.

Statement of the Problem

The growing awareness of the significance of innovation and entrepreneurship for the

future of commerce has given rise to an unending pursuit of sustainable economic growth by some economies despite technological progress, global competition, and environmental damage. The economy is confronted with rapid technological advancement and the necessity for the nation to win competition, which plays an important role. The growing awareness of the significance of innovation and entrepreneurship for the future of commerce has given rise to an unending pursuit of sustainable economic growth by some economies despite technological progress, global competition, and environmental damage. The economy is confronted with rapid technological advancement and the necessity for the nation to win competition, which plays an important role. The primary goal of the present research is to highlight the need for incorporating innovation, entrepreneurship, and sustainability into the existing commercial systems. The current study addresses the need for finding ways to organize and develop innovation and entrepreneurship to ensure sustainable economic growth, social integration and environmental responsibility in modern commerce.

Objectives

1. Consider the significance of innovation in business today.
2. Evaluate the role of entrepreneurship in economic development.
3. Explore the role of innovation in sustainable economic development.
4. Identify key challenges and policy actions for a successful sustainable commercial ecosystem.

Scope of the Study

The objective of this research is to examine the role of innovation and entrepreneurship in today's business and their contribution to a sustainable economy. It examines the economic, social and environmental sides of sustainability in commercial activity, trying to get a feel for how all the pieces fit together to create a better future. Looking at these different dimensions, we can see how innovation and entrepreneurship can bring about positive change and help create a more sustainable world. The aim is to learn more about how businesses can grow and thrive while also being good for people and the planet.

Methodology

A good way to approach a study about innovation and entrepreneurship in commerce for sustainable economic development is to use real methods from recent research. The study is confined to Kanyakumari District, and the primary data were collected from 120 samples. These things include starting businesses, spending on research and development, and growing the economy.

Data Sources

Data collection is the elaborate process in which the researcher makes a planned search for all relevant data. There are two types of data, which are used in the study.

Primary Data

The analyst uses a well-structured schedule for interviews and direct personal investigation to obtain the necessary primary data. The researcher conducts in-person interviews with the participants and gathers the necessary information.

Secondary data

The secondary data were collected from various journals, books, newspapers, reports, and reliable Internet sources.

Sampling Design

For this study, individuals engaged in innovation and entrepreneurship were considered the study population. A sample of 120 respondents was selected using the simple random sampling method.

Tools for Analysis

The collected data are classified and tabulated. Statistical tools such as percentage analysis, t-test, correlation analysis and regression analysis have been used for the final interpretation of the data.

The Role of Innovation in Modern Commerce

Innovation is really important for commerce. It changes how businesses work, compete, and grow in a complicated and global marketplace. These days, technology is advancing fast, people's preferences are changing, and the market is very dynamic. Because of this, innovation is no longer something that businesses can choose to do or not do. It is essential for them to survive, compete and achieve economic growth.

Product Innovation

When we talk about product innovation, we are talking about creating better products

and creating much better services that people want to buy. This helps businesses stand out in a market. This helps businesses stand out in a market. They can get people's attention. They can get people's attention. Make them loyal to their brand. Make them loyal to their brand. For example, online shopping companies often innovate by giving people personalized shopping experiences. They offer subscription models or smart product recommendations that use intelligence. These innovations make customers happy and want to buy more, which helps the business grow (Li et al., 2023).

Process Innovation

Process innovation is when businesses find ways to deliver services or do their daily work. This is really important because it helps businesses do things efficiently and reduce waste. When businesses do things efficiently and reduce waste, they can lower their costs, improve quality and give people what they want.

In today's age, things like automation, robotics and artificial intelligence are changing how companies work. For example, predictive analytics is a help to retailers because it helps them manage their stock. This means they can keep track of what they have and what they need. Automated payment and delivery systems are also very helpful because they make the customer experience better. (Seyedan & Mafakheri, 2020) Process innovation is about making things better for businesses and their customers, and that is why it is so important for businesses to keep finding new ways to innovate their processes.

Business Model Innovation

Businesses need to think of ways to make money from the things they sell. This is what we call business model innovation. It is about changing how a company works, like how it makes things, sells them and gets paid. These days, people are coming up with ideas to do business.

They are using things like websites where people can buy and sell things or services that people pay for every month. Some companies even let people buy and sell things with each other (Tauscher & Laudien, 2018).

These new ways of doing business help companies make money by reaching people and keeping up with what is happening in the world. For example, some companies have made websites where people can buy and sell things or apps that help people manage their money. Business model innovation is when a company changes how it creates, delivers and makes money from its products or services, like platforms that connect buyers and sellers in new ways, and business model innovation helps businesses make money in new ways.

Digital and Technological Innovation

Digital innovation is really important for commerce. It uses things like shopping platforms, artificial intelligence, blockchain, and financial technology. These things help businesses work better; they help businesses reach a market, make decisions and do transactions easily. Digital innovation is very useful for businesses. For example, artificial intelligence helps businesses

recommend products to customers. This is helpful for businesses. Blockchain is also very useful because it ensures that supply chain operations are secure and transparent (Sunny et al., 2020). Digital innovation helps businesses compete and grow in the market. Businesses really need digital innovation to be successful.

Sustainable Innovation

Sustainable innovation is when companies grow and make money. They also take care of the earth and make sure people are treated fairly. These days, businesses need to be kind to the planet, use energy that comes from sources like the sun and wind, throw away less trash and use things again and again. Companies that really care about innovation are better than others because they follow the rules, and people who like the earth want to buy from them. (Novosel & McCrone, 2024) For example, companies that make boxes and bags that do not hurt the earth or use energy are good for the earth, and people want to buy from them so they get stronger in the market. Sustainable innovation is important for companies to grow and make money, and it is also good for the earth and people. That is why companies that care about innovation are doing well.

Economic Growth and Wealth Creation

When people start their businesses, they do a lot to help the economy. They make things that people want to buy. That helps trade happen. It also brings in money from places, which is really good for the economy. When businesses do well and make money, they pay taxes. That helps the economy in their

town and in the whole country grow. (Edin et al., 2021)

Starting a business also means there is competition, which is a good thing because it makes businesses try harder and be more efficient. This is how people get richer, and the economy gets stronger.

Businesses that come up with ideas are very important for the economy to grow and for people to get richer. New ideas help businesses get bigger and create jobs for people. Businesses are really important for growth, and creating wealth and innovation (U.S. Bureau of Labor Statistics, 2026).

Table 1. Analyse the Contribution of Entrepreneurship to Economic Growth

Sl No	Variable	Mean	t -value	p-value
1	Creates new employment opportunities.	4.39	8.94	<.001
2	Promotes innovation and creativity.	4.51	74.00	<.001
3	Improves the productivity of businesses.	4.25	51.93	<.001
4	Contribute to the development of new products and services.	3.81	36.50	<.001
5	Promotes the growth of small and medium enterprises.	3.91	40.66	<.001
6	Encourages self-employment among people.	3.87	32.32	<.001
7	Activities increase investment in the economy.	3.84	33.10	<.001
8	Contribute to the development of local markets.	3.67	25.93	<.001
9	Increases the use of new technologies	3.68	27.03	<.001
10	Activities contribute to overall economic development.	3.69	25.49	<.001

Source: Computed data, Note: Significant at 1% level

The obtained 't' values are significant at the 1% level. The value indicates that there is a significant mean difference between the variables measuring the contribution of entrepreneurship to economic growth. The mean values of the variables measured for

contribution shown in the table indicate that the strength of the entrepreneurs is above the average score (3). The table shows the contribution of entrepreneurship to economic growth.

Table 2. Entrepreneurship Promotes Sustainable Economic Development

Sl No	Variable	Mean	t -value	p-value
1	Create new employment opportunities for local people	2.27	5.66	<.001
2	Business introduce innovative products or services to the market	2.20	5.05	<.001
3	Business use digital technology to improve productivity	2.76	4.38	<.001
4	Create opportunities for local suppliers and other small businesses	2.91	3.74	<.001
5	Business encourage the use of locally available resources	2.95	4.95	<.001

	and skills			
6	Business expand into new markets and increase economic activity	2.84	3.48	<.001
7	Business reinvests its profits for further business development	2.65	3.17	<.001
8	Business provides skill-development opportunities for employees	2.60	3.69	<.001
9	Business adopt sustainable and environmentally friendly practices	2.45	4.36	<.001
10	Business contribute to the overall economic development of the local community	2.36	6.01	<.001

Source: Computed data, Note: Significant at 1% level

The obtained 't' values are significant at 1% level. The value indicates that there is a significant mean difference between the variables measured for entrepreneurship promoting sustainable economic development. The mean values of the variables measured for promotion are shown in the table, indicating that the strength of economic development is higher than the average score. The table shows the measured entrepreneurship promoting sustainable economic development.

Challenges in Innovation, Entrepreneurship and Sustainable Commerce

While innovation and entrepreneurship are important for helping economies grow, there are many difficulties that make it hard to put these ideas into action in today's business world. These difficulties can be grouped into technological, regulatory and social categories.

Financial Constraints

Getting money is one of the problems for people who want to start businesses or come up with new ideas, especially in countries that are still developing. New companies and small businesses often have trouble finding money for research and

development using technology or growing their business. Not having access to venture capital, having to pay interest on loans and not getting enough help from the government can stop business growth and stop new ideas from becoming real products or services.

Technological and Infrastructure Limitations

Innovation requires technology and the right tools to work properly. Lots of businesses struggle because they do not have systems. They do not have access to the technology. They also do not have people who know how to use innovation tools. This gap makes it harder for businesses to be productive. It is harder to run a business with innovation. Businesses also find it tough to stay competitive in the world market with innovation.

Regulatory and Policy Barriers

There are a lot of rules that people have to follow when they want to start a business. The government can be very slow when it comes to doing things. Sometimes the rules are not clear. That can be a problem. This can stop people from starting businesses or trying ideas.

When you want to start a company, you have to do a lot of paperwork. The taxes can be very high. New ideas are not always easy. That can be a problem. This makes it very hard to start a company or use new technology. The rules, taxes and paperwork can be very frustrating for people who want to start a business or try something. Starting a business can be hard because of all these things.

Market and Competitive Pressures

Business people are really unsure if people will buy the products they are selling or use the services they are offering. The fact that technology is changing fast, there is a lot of competition, and customer needs are changing all the time makes it really risky for business people to try something new. Markets that change all the time can make people not want to invest in things that will last for a time, like sustainable solutions, and this is a problem for business people and their companies. Business people have to deal with this uncertainty about the products and the new services all the time.

Knowledge and Skill Gaps

Starting a business and being innovative requires knowledge, imagination and good management skills. Business people need training, education and programs to develop their skills. They will not be able to use new ideas properly.

If business people do not have the training, education or programs, they will not understand sustainable ways to work and how sustainable ways can help business people make money.

Environmental and Social Challenges

Being good to the environment is becoming more important. It is still tough for companies to think about the environment and people when they do business. Companies often care about making money. They do not always use methods that are good for the environment. Environmental and social goals are important. Companies might find it hard to make money and help people and protect the planet at the same time. Environmental and social challenges are a deal. Companies have to think about how to balance these things. They have to think about making money and being good to the environment and people.

Findings

1. Innovation improves competitiveness and operational efficiency in modern commerce. Digital innovations such as e-commerce, AI and fintech increase market reach and consumer engagement.
2. Entrepreneurship drives economic growth by creating jobs and improving productivity. Entrepreneurs serve as catalysts for the commercialization of innovations and the development of marketable solutions.
3. Integration of innovation and entrepreneurship contributes to economic, social and environmental sustainability. Innovative entrepreneurship drives inclusive growth and empowers marginalized groups.
4. The mean values of the variables measured for contribution shown in the table indicate that the strength of the

entrepreneurs is above the average score (3).

5. The table indicates that the average values of the variables measured for promotion were higher than the average score for the strength of economic development.
6. Increasingly, entrepreneurial ventures are adopting sustainable business practices. Access to finance is limited; regulatory barriers, skill gaps and technological constraints hamper entrepreneurial and innovative activities.
7. Supportive policies, financial incentives and strong innovation ecosystems make entrepreneurship and innovation more impactful. Technological progress is an important facilitator for business scaling and sustainable development goals.

Suggestions

1. Improve access to finance by providing grants, offering low-interest loans, and supplying venture capital to startups and small and medium-sized enterprises.
2. Create innovation ecosystems through the use of incubators, accelerators, and collaborations between universities and industry.
3. Aim to simplify the regulatory frameworks and ensure intellectual property rights are protected to encourage.
4. Encourage the development of skills and education in the areas of entrepreneurship, innovation, and sustainability.
5. Provide subsidies, incentives, and support for the circular economy to promote green and social entrepreneurship.
6. Help people reach markets by using digital tools, e-commerce sites, and trade support.
7. Encourage an innovative culture by supporting creativity, taking risks, and introducing recognition schemes.

Conclusion

It is very important for businesses and the economy to continue growing in a manner that benefits all people and the planet as a whole, and when innovation and entrepreneurship are combined, this can result in a more vibrant economy, better social conditions, and a healthier environment. (Neumann, 2020, pp. 553-584) If we are to make the most of innovation and entrepreneurship, then we need a system that supports them, together with technological advances and policies which include all people. In the future, it could be useful to look at how different countries and communities are using innovation to set up more sustainable businesses, so that we can learn from one another and make joint progress.

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