



# AN ANALYSIS OF CONTEMPORARY PRACTICES IN EMERGING START-UPS

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**Abstract:** The objective of this study is to find out the factors that can affect the future of start-ups in India. To fulfill the aim of our study we are using the descriptive research method. The factors of our study will be start-up India initiative, skill India initiative co-working, e-commerce platform, hurdle operation, and challenges. In this study, we would ascertain the correlation between the above-mentioned factors and the aim of the research.

**Index terms:** Trends, Contemporary Practices, Start-Up, E-Commerce

## Introduction

(Robehmed, 2013) startups or start-up is a company or project initiated by an entrepreneur to seek, effectively develop, and validate a scalable business model. Start-ups refer to new businesses that intend to grow large beyond the solo founder. In recent years, Start-ups have been receiving increased attention in many parts of the world. In India, the number of Start-ups has increased fast and more support has become available in all dimensions.

With the addition of more than 1,300 Start-ups this year so far, India continues to reinforce its position as the third-largest start-up system in the world, according to IT industry body NASSCOM. The Start-ups have created an estimated 60,000 direct jobs and 1.3-1.8 lakh indirect jobs, NASSCOM said in a report.

Every day new Start-ups in being added to the world of Start-ups with more innovative and technological advancements in products and services, which is ultimately increasing every tiny idea generator to the extent to which they believe in their ideas and dare to transform them into reality.

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Various factors hold the power of making Start-ups successful ones by the success it means, those Start-ups which have achieved the bar of raising at least \$1 million in until 2019 and those Independent factors which help in the formation of successful Start-ups are E-commerce platforms, Augmented Reality, Niche Services, Freelancing services Diluting Gaps, and Strategic Timing.

E-commerce<sup>45</sup> (electronic commerce) is the activity of electronically buying or selling products on online services or over the Internet.

Augmented Reality<sup>6</sup> refers to an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information, sometimes across multiple sensory modalities, including visual, auditory, haptic, somatosensory, and olfactory.

Niche Services<sup>7</sup>, refer to the subset of the service on which a specific product is focused. Its specific market needs as well as the price range, production quality, and demographics that it is intended to target population.

Freelancing<sup>8</sup> Service A freelancer is a self-employed person who offers services, often working on several jobs for multiple clients at one time.

Diluting Gaps is concerned with minimizing and diagnosing problems between the provider and consumer.

Strategic Timing refers to utilizing the opportunity at the right time effectively and efficiently for achieving the goal.

## Review of literature

(NicolaDel, Cazaresb, & Minina, 2022) demonstrated that the various external knowledge sources that accelerators offer are helpful for various innovation outcomes, adding to the body of knowledge on accelerators. Their research adds to the literature on start-ups and open innovation by demonstrating how varied outside sources of knowledge help firms function more innovatively.

(YiboLyu, YuqingZhu, ShaojieHan, BinyuanHe, & LiningBao, 2020) Studied that connects open innovation theory with a network embeddedness perspective to create a useful theoretical framework of innovation radicalness determinants. To adopt successful open innovation strategies and gain a better knowledge of the impact of network embeddedness on innovation radicalness, the findings reported in this research have practical implications for businesses in emerging industries.

(Sabrina Korreck, 2019) Start-ups, in India as in many other parts of the world, have received increased attention in recent years. Their numbers are on the rise and they are now being widely recognized as important engines for growth and job generation. Through innovation and scalable technology, Start-ups can generate impactful solutions, and thereby act as vehicles for socio-economic development and transformation.

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<sup>5</sup> ("Retail e-commerce sales CAGR forecast in selected countries from 2016 to 2021". Statista., 2018.)

<sup>6</sup> (Huffington, 15 May 2016)

<sup>7</sup> ("3 Rules for Niche Marketing". Entrepreneur. Retrieved, 2012)

<sup>8</sup> ("freelance". Dictionary.com Unabridged. Random House., n.d.)

**(Grant, 2019)** Start-ups need to invest time and money into research. Market research helps determine the demand for a product or service. A startup requires a comprehensive business plan outlining a mission statement, future visions, and goals as well as management and marketing strategies.

**(Mrs. Hemalata Radhakrishna, 5, October 2019)** A NASSCOM report of 2015 indicates that over 11,500 technology start-ups will be operating in India by the year 2020, generating employment for over 2,50,000 people. Being a large country with a vast demographic dividend of a young population, India has the highest working population among BRICs nations (Brazil, Russia, India, China). Therefore, it is uniquely positioned to gain from the setting-up of newer businesses generating economic returns and employment.

**(Sujith Nair, 4 July 2018)** Delineate between failure prevention and failure management practices in business incubation. The focus on failure management could be crucial as it relates to the dynamic nature of the model we present. By taking a value creation perspective, we move from the focus on failure as a possible outcome after business incubation to one that is possible at any stage and needs to be continuously managed. Thereby our model depicts a dynamic view whereby failure can be prevented and managed at multiple stages without the Start-ups having to wait until exit. Moreover, effective failure management practices relate to the argument by scholars that failure could be beneficial to society (Knott & Posen, 2005; Yamakawa et al., 2015) if effectively managed.

**(Joern H. Block, 09 Aug 2016)** In recent years, new technologies such as 3D printing, additive manufacturing, and the widespread availability of (fast) Internet access enabling the Internet of Things (IoT) have changed or will change the technological environment in which firms operate. New types of business models such as platform-based or app-based business models have emerged, leading to the creation of innovative and highly disruptive start-ups like Spotify, Skype, Airbnb, Uber, etc., which have challenged the business models of established firms. Innovation is no longer only about the product or the process but now includes the entire business model. Business model innovation is often successfully implemented by start-ups, while incumbent firms experience problems with disruptive innovations that end up cannibalizing their existing business models. The relationship between innovative entrepreneurship and societal changes is underexplored and involves many fruitful areas for further research

**(Forbes India, Start-ups India, January 18, 2016)** The Prime Minister unveiled a 19-point agenda to take forward the Start-ups culture. The action plan included tax sops, ease-of-doing-business, and innovation to help entrepreneurs to Start-ups and grow their business

**(M. Teresa Fernández Fernández, 03 Sep 2015)** authors relate services, entrepreneurship, innovation, and networking literature to build a theoretical framework where the main contribution relies on the identification of the sources of value-added to those services provided inside business incubators. Authors state that these sources are the nature of services (if they are innovative services or knowledge-intensive services); the good practices of the provision of the services inside the incubator (mainly through synergies and networking) and the relationship of several business environments in an open innovation context (the business incubator, the process of incubation and the wider environment). Empirical results demonstrate the same conclusions obtained in the theoretical section: that they are an example of efficient players within the EE and that the

source of their value-added stems not only from the quality of the services provided but also from the innovative and dynamic way of their provision and also from the interrelations among all the stakeholders of the EE through effective networking.

(Xiaocong Ji, 24 June 2015) study a real-world valve disassembly case, which investigates monthly valve disassembly scheduling and illustrates the influence caused by start-up costs. Managers can learn how to make better decisions under scenarios with limited capacity, parts commonality, and start-up costs. As future research directions, it would be interesting to further investigate the stochastic counterpart of the problem that considers stochastic demand or random yield. Also, extending the current approach to consider defective parts and lead time will result in more useful insights. Furthermore, integration decisions with other operations such as distribution and pricing will enable managers to deal with more complex enterprise-wide decision-making.

Although the government has taken initiative and is providing facilities the Start-ups, still there is a long way to go. Start-ups are facing various issues and challenges in terms of marketing, finance, technol, and other related matter. There is a need to address these challenges in the Startup and motivate entrepreneurs.

(Goyal, Parkash,2011), in their research paper concluded that at present the position of an entrepreneur is better than before. Economies are taking efforts to make and enhance the entrepreneurship. The government providing the awareness and necessary steps are being taken up by them. Start-ups must be configured properly with the business expertise to encounter the latest trends and changes in the environment and capable enough for aspiring the supremacy in the entrepreneurial coliseum.

### Research Methodology

The paper is descriptive and quantitative in nature in which Correlation and Frequency Analysis (Pie Chart) has been used as a statistical technique for 24 Start-ups initiative of India by the application of convenience sampling method under consideration of nominal scale and the secondary data such as various published article, ranking view, are used for knowing Innovation and futuristic practices in business management concerning Indian start-ups.

### Objective

To know whether these factors can act as innovative & futuristic practices in business management concerning Indian Start-ups.

### Hypothesis

**1.Null Hypothesis Ho:** E-commerce Platform has no significant correlation with the valuation of the Start-ups  $\mu=0$

**Alternate Hypothesis Ha:** E-commerce Platform has a significant correlation with the valuation of the Start-ups  $\mu>0$ .

**2. Null Hypothesis Ho:** Augmented reality has no significant correlation with the valuation of the Start-ups  $\mu=0$

**Alternate Hypothesis Ha:** Augmented reality has a significant correlation with the valuation of the Start-ups  $\mu > 0$ .

**3. Null Hypothesis Ho:** Niche Services has no significant correlation with the valuation of the Start-ups  $\mu = 0$

**Alternate Hypothesis Ha:** Niche Services have a significant correlation with the valuation of the Start-ups  $\mu > 0$ .

**4. Null Hypothesis Ho:** Freelancing service has no significant correlation with the valuation of the Start-ups  $\mu > 0$ .

**Alternate Hypothesis Ha:** Freelancing service has a significant correlation with the valuation of the Start-ups  $\mu > 0$ .

**5. Null Hypothesis Ho:** Diluting gaps has no significant correlation with the valuation of the Start-ups  $\mu = 0$

**Alternate Hypothesis Ha:** Diluting gaps has a significant correlation with the valuation of the Start-ups  $\mu > 0$ .

**6. Null Hypothesis Ho:** Strategic timing has no significant correlation with the valuation of the Start-ups  $\mu = 0$

**Alternate Hypothesis Ha:** Strategic timing has a significant correlation with the valuation of the Start-ups

**Importance of study** This study signifies various factors which act as a positive factor in the valuation and success of the study. this study highlights some useful factors which act as innovative practices for the success of the Start-ups and could be used by other Start-ups in the future as well for better achievements & success.

S.NO.	Company	Valuation	Year
1	Ola	22220 million	2019
2	Zomato	2.18 million	2018
3	Lenskart	4.6million	2019
4	Delhivery	1.6 million	2019
5	Oyo	4.3 million	2018
6	Paytm	10000million	2018
7	Bigbasket	1million	2018
8	Byju's	5.4 million	2019
9	Swiggy	3300 million	2019
10	Inmobi	1000million	2019
s11	Dream 11	1000million	2019

12	Snapdeal	1.4 million	2019
13	Doodhwala	0	2019
14	Mr. Need	0	2018
15	Contentmart	0	2018
16	Zopnow	0	2019
17	Woopler	0	2019
18	Homigo	0	2019
19	Docktalk	0	2019
20	Russh	0	2019
21	Tazzo	0	2018
22	Babyberry	0	2018
23	Monkeybox	0	2018
24	Tinmen	0	2019

table .1

valuation of the companies

		VALUATION	AUGMENTED REALITY	EMERGING COMMERCE	NICHE SERVICES	DILUTING GAP	STRATEGIC TIMING	FREELANCING SERVICE
VALUATION	Pearson Correlation	1	-.227	. <sup>a</sup>	.083	. <sup>a</sup>	-.181	-.039
	Sig. (2-tailed)		.287	.	.702	.	.398	.858
	Sum of Squares and Cross-products	685.958	-10.833	.000	5.125	.000	-10.542	-2.333
	Covariance	29.824	-.471	.000	.223	.000	-.458	-.101
	N	24	24	24	24	24	24	24

table. 2

data analysis & interpretation

BAR GRAPHS & PIE CHARTS

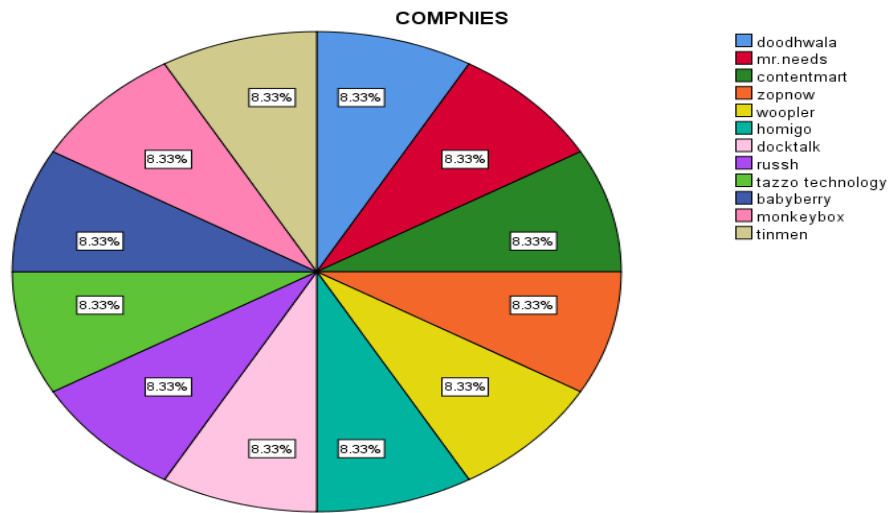


fig. 1

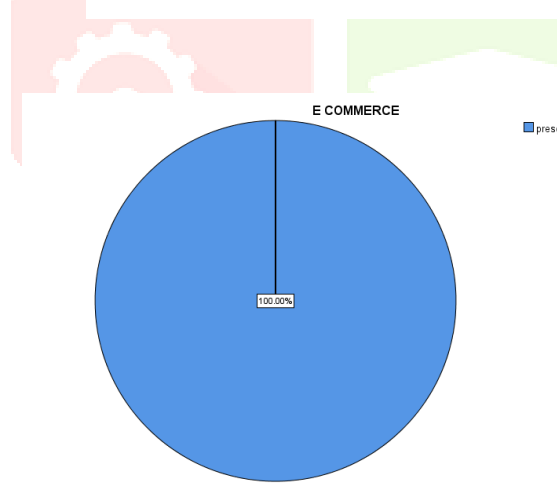
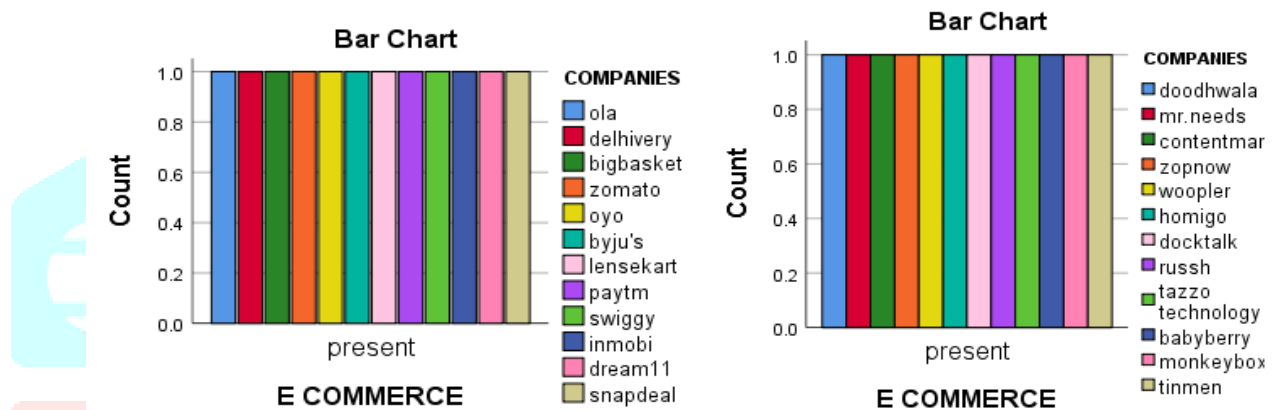


fig.1.1

successful companies

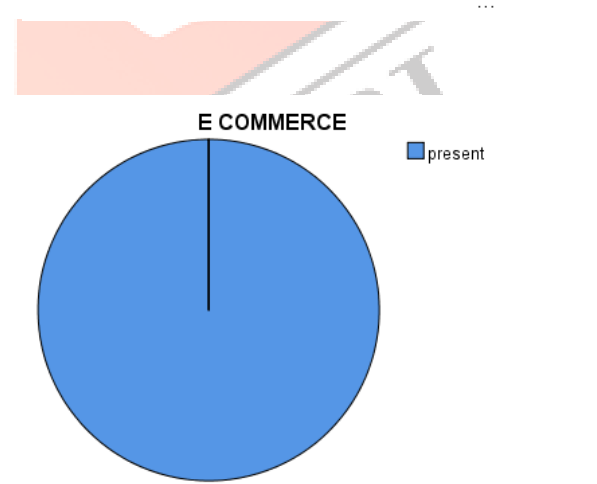


fig.1.2

unsuccessful companies

**Interpretation:** E-commerce is the bare minimum factor present in all the Start-ups whether successful or unsuccessful, so this is a constant factor.

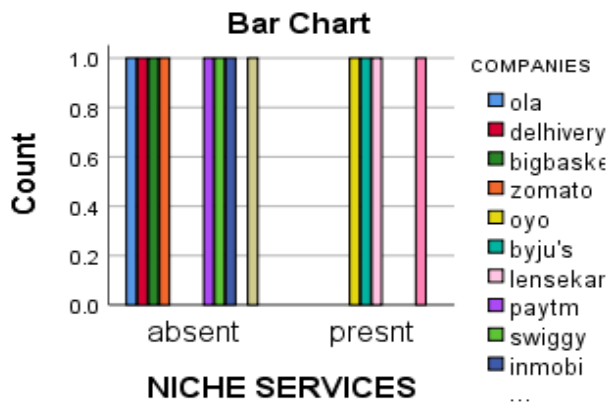


fig 1.3

successful companies

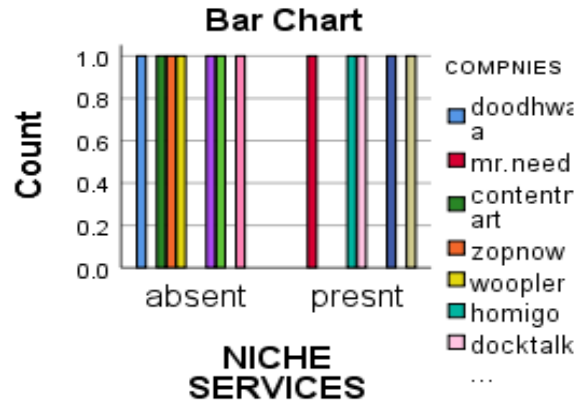
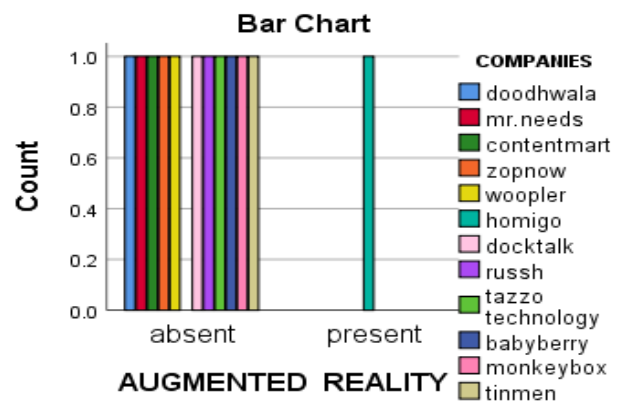
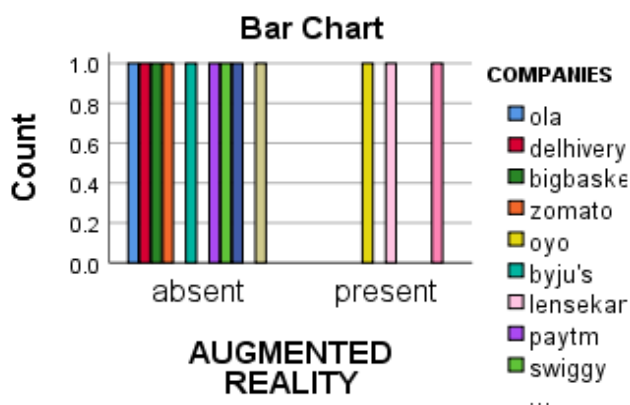


fig 1.4

unsuccessful companies

**Interpretation:** Niche services are present in 4 successful Start-ups as well as 5 unsuccessful start-ups, which shows that it doesn't act as a significant factor for success in start-ups.





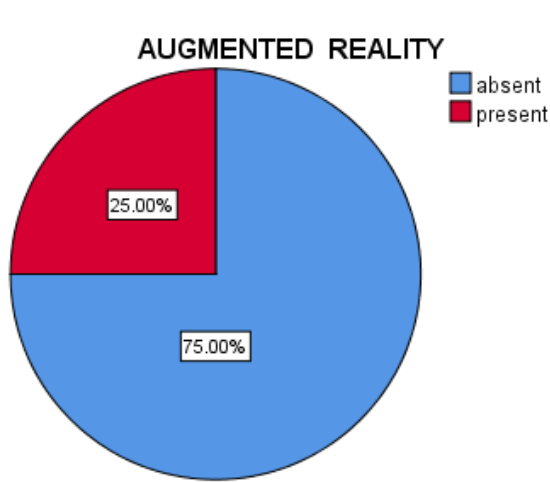


fig 1.5  
successful companies

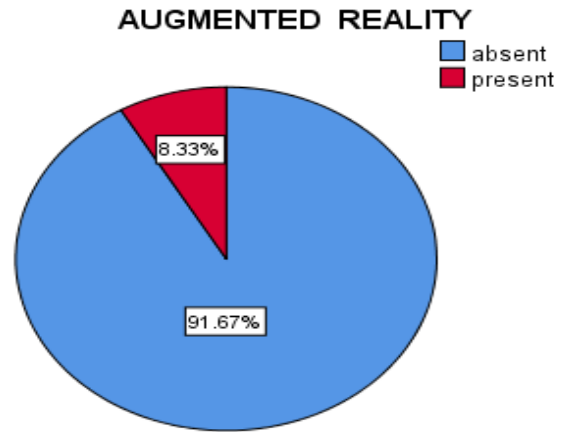


fig. 1.6  
unsuccessful companies

**Interpretation:** Augmented reality as a factor, is present in 3 successful companies whereas it is present in only one unsuccessful company.

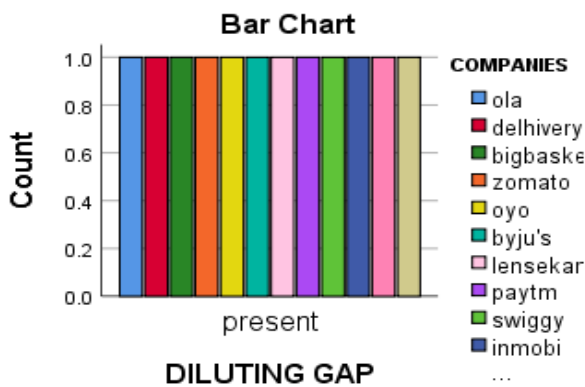


fig 1.7  
successful companies

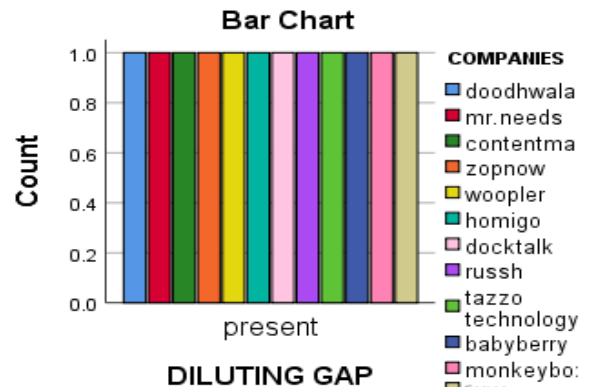


fig 1.8  
unsuccessful companies

**Interpretation:** Diluting gaps is also a bare minimum factor as every start must be able to reduce the gaps between the parties

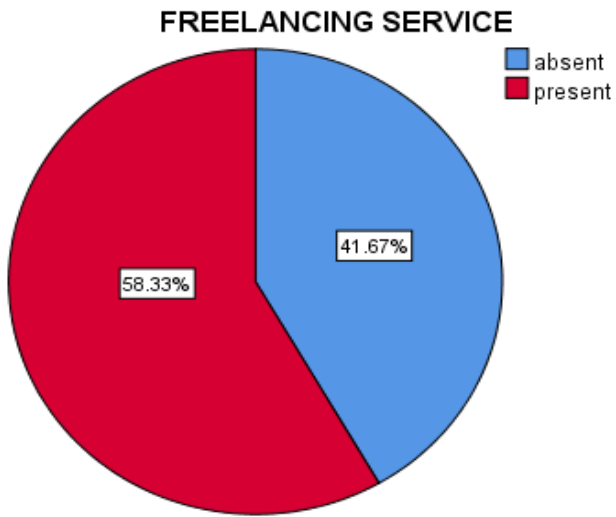
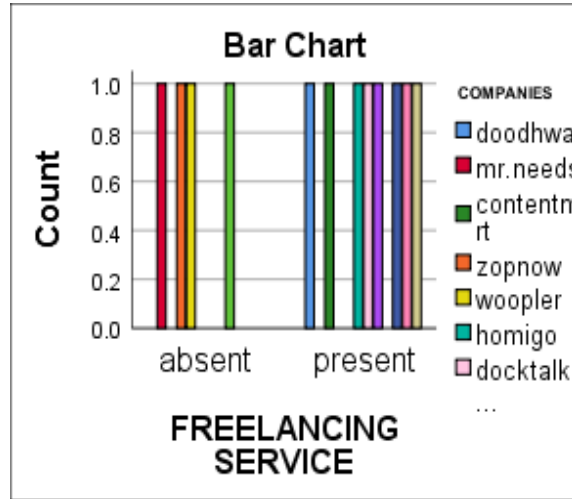
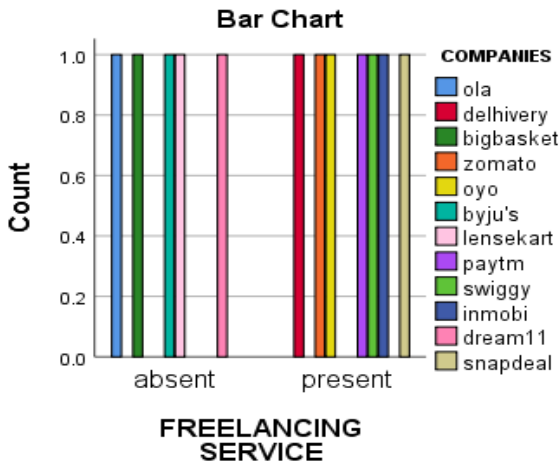


fig. 1.9

successful companies

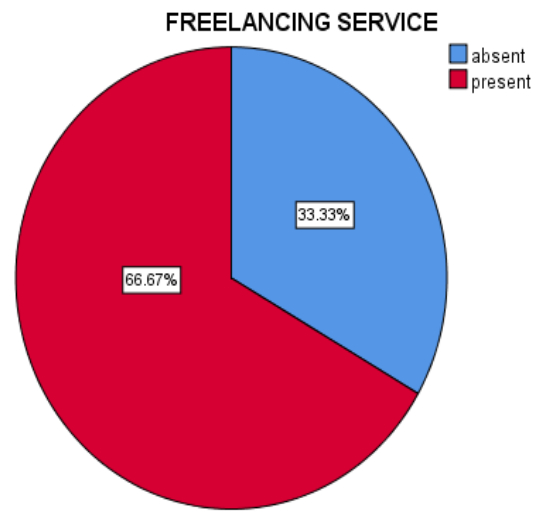
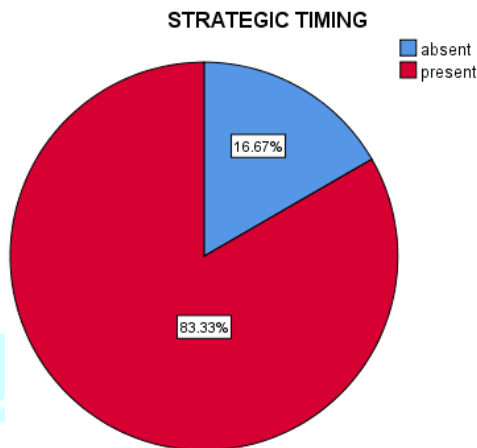
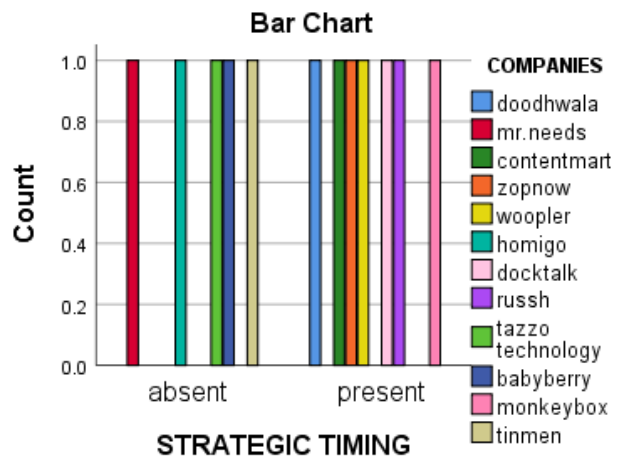
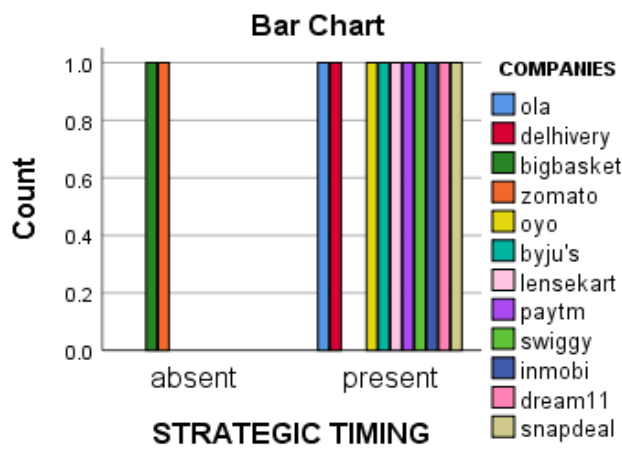


fig 1.10

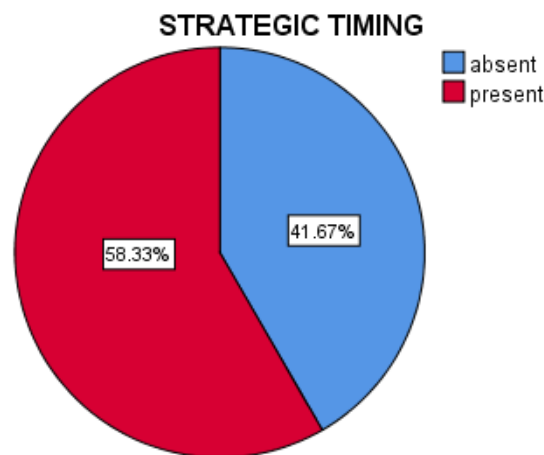
unsuccessful companies

**Interpretation:** This factor is present in 7 successful Start-ups whereas it is present in 8 unsuccessful Start-ups



successful companies

fig 1.11



unsuccessful companies

fig 1.12

**Interpretation:** Strategic timing is present in 10 successful start-ups, whereas it's present in 7 unsuccessful Start-ups.

**Result** Since we fail to reject the null hypothesis  $H_0$  at a level of significance of 5%. All the factors have no significant correlations with the valuation of the Start-ups  $\mu=0$

**Assumptions:**

1. The study is based on Subjective perception.
2. Consideration of Six Factor (E-commerce Platform, Augmented Reality, Niche Services, Freelancing Service, Diluting Gaps, and Strategic Timing) and 25 companies Ola, Zomato, Lenskart, Delhivery, Oyo, Paytm, Bigbasket, Byju's, Swiggy, Inmobi, Dream 11, Snapdeal, Doodhwala, Mr. Need, Contentmart, Zopnow, Woopler, Homigo, Docktalk, Russh, eBay, Tazzo, Babyberry, Monkeybox, Tinmen are considered as a dependent factor.
3. Valuation of all the unsuccessful companies is considered as zero as they are not functioning anymore.
4. Valuation of the companies considered from 2018 and 2019.

## Conclusion:

This research has found that the significance level of various factors (calculated) in Pearson correlation is weak as it is more than assumed significance value of 5% by the application of statistical tools so, we are failed to reject null Hypothesis and we can consider that these isolated factor are not directly impactful for the success and unsuccess of the start-ups, as according to the data analysis and frequency distribution of six factors among successful & unsuccessful start-ups we could see that two among the six factors are constant and are the bare minimum factors for any kind of start-ups, which are E-Commerce and Diluting gaps, whereas Niche service, Freelancing services, and Strategic timing are present in both successful and unsuccessful companies which shows no proper pattern of their significance in the success of the start-ups whereas Augmented reality is present in very less number of companies out of which its present in three successful and one unsuccessful companies which could not proves its significance for success as well. however, under the studies the success of start-ups can also be contributed to the following factors which we have not added to the paper and further explorative study can be done to gauge the success of these factors in the valuation of start-ups such as the Market Scenario, Economic growth regulation, Marketing strategies, Decision making, etc, as a promoter for innovative & futuristic practices in business management concerning Indian Start-ups.

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