



Start Up Boom During Covid 19- An Analysis In India

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Abstract

The advent of covid 19 everything has changed not only in India but all over the world. This pandemic has changed the political as well as economic system of the country. Despite downturn in some areas of our economy, there has also growth in some areas. Startups had included in the category that has grown. Start-ups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally start with high costs and limited revenue, which is why they look for capital from a variety of sources such as venture capitalists angel investors, private equity etc. The start up ecosystem in the state, comprising many areas health, education, tourism, financial sector, retail sector IT and biotechnology firms etc. in this paper include the reason for growth of start-ups during covid 19 in India. And to identify the areas of start up with highest growth during covid 19 in India. Analysis made only on the basis of secondary data. Detailed description of this objective are included in this paper.

Key words; start ups, entrepreneurship, post covid 19 effect, start up boom

Introduction

The advent of covid 19 everything has changed not only in India but all over the world. This pandemic has changed the political as well as economic system of the country. Despite downturn in some areas of our economy, there has also growth in some areas. Startups had included in the category that has grown. Start-ups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally start with high costs and limited revenue, which is why they look for capital from a variety of sources such as venture capitalists angel investors, private equity etc. The start up ecosystem in the state, comprising many areas health, education, tourism, financial sector, retail sector IT and biotechnology firms etc., IT and biotechnology firms seems to have jumped the trend. According to the data compiled by an IT experts, 18 start-ups in the state have raised \$112.86

million approximately Rs 853 crore in six months between January 1 and June 30 through 18 deals. This is the highest amount raised by start-ups in state in the past 10 years. In contrast, start-ups had raised only \$53 million last year in 25 deals. The latest trend also gives inspiration to many to come up with new ideas, and also created more opportunities in the field and setting up new start-ups, the performance of the Indian start up ecosystem in 2021 has proved the flexibility and dedication of being put by multiple start ups across segments with record breaking funding and increase in the number of unicorns the jobs being created in the near term the Indian start up ecosystem's future looks even brighter going ahead in 2022. when compared to the UK, US, Israel and china 2021 has been out standing year for the Indian start up ecosystem with the highest growth rate in terms of deals both in seed stage and later stage funding and the number of start-ups, also Indian start-ups

have done outstanding job of selling global market such as global small and medium enterprises and developer ecosystem.

Objectives

1 To analyse the reason for growth of start-ups in India

2 To identify the areas of start up with highest growth during covid 19 in India

Review Of Literature

Sumith Mishra (2017) The research paper describes about opportunities and challenge of start-ups in India. Main purpose of this study is to cover challenges and opportunities given by Indian government to start-ups. Startups is one or more company found or established within three years to expect the demand for their product. In this paper various govt. policies, plans, schemes, start up life cycle, financial and operational strategies related to start-ups had been discussed. This study is basically suggest that increasing the bank financing for the start-ups to encourage the entrepreneurship and creating skilled job availability is led to strengthening of economy at large.

Siurabhi Jain (2016) This paper mainly concentrate on growth of startup ecosystem in India. This paper only based on secondary data. First they mention about origin of startups ecosystem of India. And they describe about Prime Minister Narendra Modi's Action Plan for encouraging Startups on 16 Jan 2016. Now India faced many financial crisis startups is very good for enhancing the financial growth that is why our government is adopt more policies that is very useful for startup business. So this study give a detailed knowledge about startups and their growth in India .

So, this article analyses the startups , opportunities, threats and their growth of India before covid 19. But in my study analyse about the growth of startup during or after covid 19 pandemic that is why this paper had a research gap

Methodology

The present study is an descriptive in nature . The study is carried out with the help of secondary data which is collected from reports of start-up mission annual reports ,Magazines, newspaper, articles, and journal reviews

Analysis And Findings

Objective 1: To analyse the reason for growth of start-ups in India

In the past years start up and unicorns have become strong in india . In 2021 is

specially good for many indian entrepreneurs. The contribution made by the Indian entrepreneur leads to the third largest ecosystem of the globe only after the U.S and China. For the past few years India shows a tremendous growth in the field of startup in India. And many economist forecasted that it will exist in future . following are the reason why India is seeing amazing startup growth

1. Government support

Prime Minister Narendra Modi who came into power in 2014 has focused extremely on the digital transformation of the country and this has worked exceedingly well for the Indian start-ups. Both central government and state government are taken very much initiative for the growth of startup in India for the motive 'growth of country'. The Government of India has also started initiatives and programs like "Start-up India" and "Make in India" to encourage the start-up business

2. Young demography

The demography of India is such that it now belongs to the youth generation and therefore, currently the country is enjoying a pool of talent. Every year, millions of students are graduating and contributing to the start-up ecosystem. The knowledge and skill gained by the students have made them confident enough to create their own projects. And the success of new young entrepreneur comes into force younger generation in the field of start-up business

3. The diverse Indian market

Population of more than 1.3 billion, the Indian market is quite different. The diverse Indian market means that there is the market potential for all the places. India is currently one of the largest growing economies of the world and this makes it possible for the country to give more opportunities to the start-ups to grow regardless of the place.

4 Technological advancement

The advent of technology has particularly given largely to the growth of start-ups. In fact, many tech start-ups are getting funded on a large scale. . Also, India saw increased digital connectivity in the last few years has helped in reducing the market obstacles for Indian start-ups. With digital innovation, people are now used in making digital payments and shopping online. Financial inclusion due to technological progress has

led to a bloom of fintech start-ups like flipkart, zomato, paytm etc

5 Availability of multiple funding opportunities

This is not last it is a primary need for every business. Before the start-up boom in the country, the entrepreneurs focused mostly on traditional methods to raise funds for their start-ups but

Sectors	% growth
Ed-tech	15%
Health and wellness	13%
SAAS and remote working tool	12%
E-commerce and delivery based services	19%
Financial service and NBFCs	12%
OTT platform and online delivery	20%
Pharmaceutical market	9%

now things have extremely changed. At the current time, there are many funding options available. An entrepreneur can approach seed funding, angel investors and venture capitalists for raising funds for the start-ups. The availability of raising funds in multiple ways has made it possible to run their start-ups in an easy manner. In addition to that, a perception change towards entrepreneurship is seen in India. Previously, only government jobs were considered good but now, it is no longer the case. The youth of India is driven by passion and risk-taking ability and also, there is a

strong desire in the youth to make a difference in society. As a result, the youth is increasingly oriented towards start-ups business.

Objective 2: To identify the areas of start up with highest growth during covid 19 in India

Focus the pandemic-brought economic recession, new start-ups were launched and existing ones adapted. As per Kerala Start-up Mission (KSUM), the nodal agency of the Kerala Government for entrepreneurship development and incubation activities, over 400 new companies have been registered since March 2020. "Although many lost jobs, many adapted to the scenario where remote working became the new normal, something we had expected to happen in the

next five to 10 years," says Ashok Korean Panjikaran, manager (business linkages and incubation), KSUM. Operational expenses of the startups were reduced as KSUM waived the rent for four months and gave a two month-rent subsidy. Online events were conducted to bring more business for the startups and to showcase their products. Several startups came up with COVID-related solutions. While the hospitality industry was down, education, health and sectors that required remote monitoring were booming

Sector wise analysis of start-up growth during covid 19

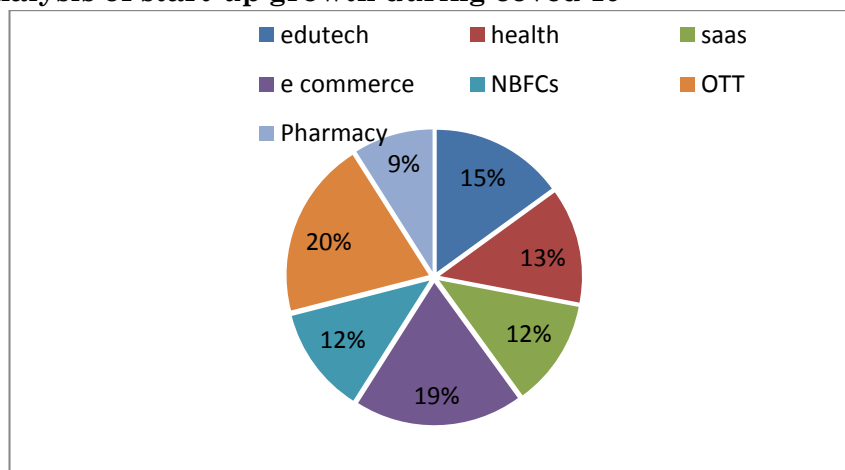


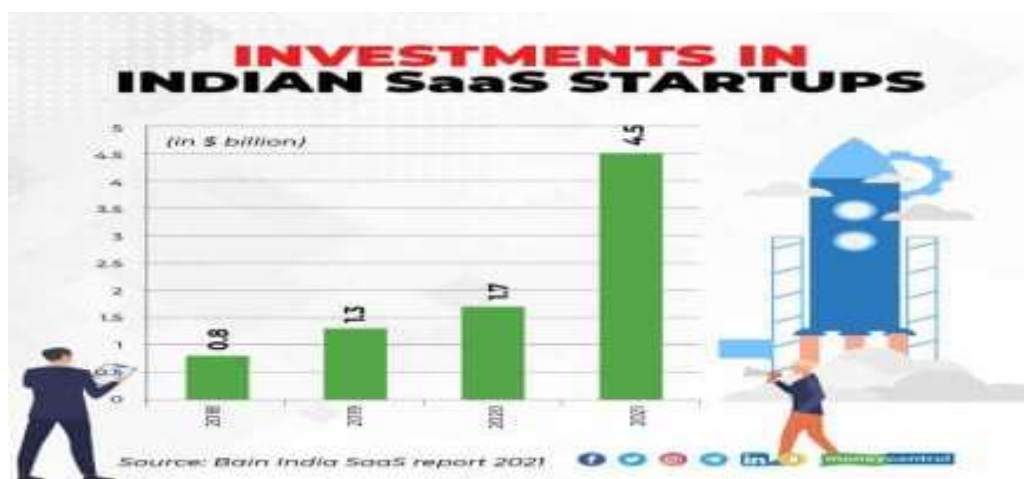
Chart showing sector wise analysis of start-up business growth during covid 19 in India

Above figure shows the growth of **Edu-tech** companies in covid 19 pandemic time. Online education, tutoring, web courses, etc. have come up to be the need of the hour when schools and educational institutions are not allowed to function. Unique, the online education sector is detecting a sudden rush and people from all walks of life, from every of the COVID19 affected nations, are looking up to substitute for traditional teaching and learning. That is the main reason for the growth of education and technology sector and also understands online education is best until the illness of covid 19

Above pie diagram shows the growth of covid 19 pandemic on **health and wellness sector**. With a worldwide health emergency in play, it's a huge opportunity for the health and wellness sector to place itself as an essential among the users. Branding themselves as essential and much needed support mechanism, this industry is already on a rise to becoming the one with

most growth viewpoints in the future. People facing the pending threat of immunity deficiency doubt, are looking forward to anything that helps them stay healthy and fit. That is the main reason for the growth of health and wellness sector

Above diagram shows the rise of digital finance during covid 19 .The COVID-19 pandemic could be a game changer for **digital financial services**. Low-income households and small firms can benefit greatly from advances in mobile money, fintech services, and online banking. Financial presence as a result of digital financial services can also boost economic growth. While the pandemic is set to increase use of these services, it has also postured challenges for the growth of the industry's smaller players and highlighted unequal access to digital infrastructure. So in pandemic situation most of the banking customers are moving to digital financing services



The above figure shows the growth of saas start-ups this shows the large growth in 2021 and after 2021 that means it is corona period. **SaaS & Remote Working Tools** fall right in the path of success in covid 19 pandemic times. With the undependable changes that we are likely to witness, SaaS applications & Remote Working Tools would facilitate the on-going projects and floor the road map for future activities to greater extents. These applications would serve the founding stones for the majority of business operations in the future and a haven for existing ones. Supporting the need of the hour, while heightening the current work culture to better productivity, these would

help position or in the conversion to a better posture for numerous brands across the world. With national lockdown forced in various countries, social distancing being practiced as the new normal for upcoming months if not years, and people nonparticipation from gathering up at markets, grocery stores and public places, the **E-commerce & Delivery** based sectors are thriving at large. These offer a safe and distanced way to procure essential and non-essential commodities, which is advised as protective measures for COVID-19, the industry is to see a point in customer-retail operations. Given the advent of the technological revolution and interface

management systems, this industry was already on a growth route. The use of online services was more in case of covid 19 no one could go out. That is why all are ordered through online sites. So in lockdown delivery services and e-commerce sector had a tremendous growth. Example of this type of start-up is flipkart paytm etc

Over the top media and online gaming has surfaced above the conventional ways of entertainment. With bans and restrictions on movie theatres, gaming hubs and other recreational-amusement installations, these **OTT platforms and the online gaming** world had to fill in the gaps. Those who were not

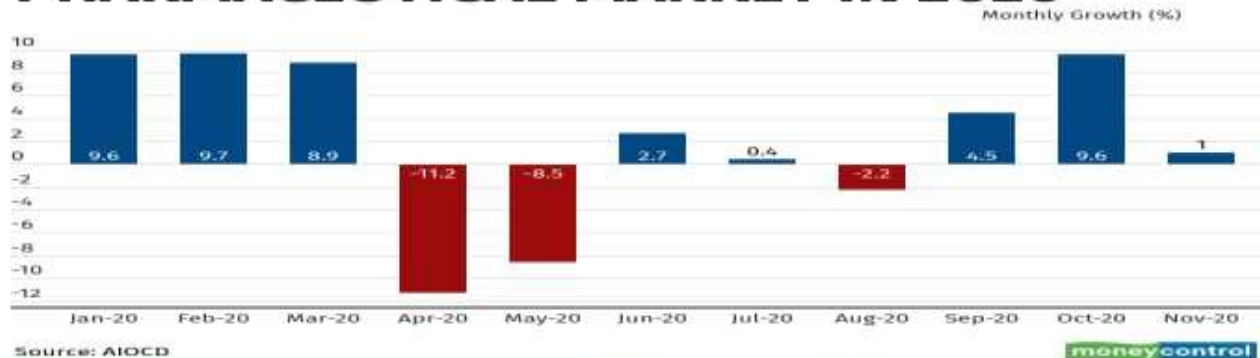
accustomed to these would be habitual and the need for caption out to garner some entertainment would be replaced by these. As people were unable to go out to film theatre during the lock down everyone started relying on the OTT platform. And the fact that they can see anywhere or even sit in the home or depending on their comfort has also led growth of this sector

Below figure shows the tremendous growth of pharmaceutical market in 2020. In

October month pharmaceutical market is in peak stage that time corona virus is widely spread in India. Therefore major sector that came out to be a winner in covid time is the

Pharma, life sciences

MONTHLY GROWTH OF INDIAN PHARMACEUTICAL MARKET IN 2020



And pathology sector. May it be children, adults or the elderly, in the wake of COVID19 spread, the majority of the human population would wish to have enough health medication and facilities handy. Once a vaccine is successfully developed, the shape of our current Pharma industry would change for good. Every single human being would require a dose and to provide for the demand at hand will be on the shoulders of our Pharma industry. All of the new vaccine producing pharmaceutical start-ups is growth in this pandemic situation.

Conclusion

Conclusively, the future is depressing for the most of us. Economies are uncertain for growth; widespread unemployment looms over us for the upcoming quarters, but not for the sectors and industries stated above. These would continue to shine even in the dullest of weather. After when the storm passes by, these would emerge as the knowledge and industry leaders to behold. After this detailed

analysis I found that education and technology, wellness and health, digital financial services saas and remote working tools e-commerce and delivery based service, ott platform and online gaming, pharmaceutical etc relating start-up had a huge boom during or after covid pandemic situation. And this study also includes the Even though some sectors like tourism entertainment and other most sectors had loss in pandemic situation. This paper also include reason for growth of start-ups in covid 19

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