

A Study of the Start-up Revolution in India with focus on Bengaluru-the Silicon Valley of India

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ABSTRACT: *This study highlights the growth of the Indian start-up landscape with focus on Bengaluru's sizeable contribution to the start-up revolution in the Indian market. It aims to track the reasons for the exponential rise of Bengaluru in the start-up domain. Readers will also identify with the recent developments in Bengaluru's start-up market.*

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I. INTRODUCTION

“Start-up India”, an initiative of the Government of India announced by Indian Prime Minister, Shri Narendra Modi on 15th August, 2015 is the genesis of the start-up euphoria in India. Having said that, it would not be an exaggeration to mention that the buzzword of the 21st century is “start-up”. A start-up firm may be understood as a new or unique venture of an entrepreneur to meet the unfulfilled demands of a market. The business may be developed around a product - segment is not a deterrent to the growing euphoria around the idea. This is largely because the intense success stories of start-up companies who have made it is hugely inspiring, exciting and awe-worthy. The Silicon Valley in California is the Mecca of the start-up ecosystem of the world created by prominent IT companies and globally renowned universities like Stanford University.

Bengaluru is justifiably touted as the Silicon Valley of India as it provides the most congenial ambience and opportunities for start-up dreams. (economicstimes.com, 2013) Around 70% of the top venture capital firms are present in Bangalore, a strong community of engineers with global exposure, tech savvy customers, a high density of entrepreneurs and investors. For instance, Fusion Charts, a technology firm moved its base from Kolkata to Bengaluru and has since made revenues worth forty crores. Bengaluru's reputation as a hub for technology is the catalyst behind its growth as the start-up capital of India. (World Startup Report, 2013) 41% of all new start-up ventures launched in India was in Bangalore. Since Bengaluru is considered the Indian headquarters of top global technology companies it may be reiterated that it is the numero uno hotspot for the outset of start-up. (Startup Genome, 2018) Bangalore breeds on cost-efficient engineers where salaries are thirteen times cheaper than the average salary in the Bay Area and four times cheaper than the average salary across Asia-Pacific. Another key competitive advantage of Bangalore lies in the fact that 94% of Bangalore-based founders have a technical background which is considered to be the highest in the world. The start-up culture in Bengaluru has seen an exponential growth spearheaded by firms like Flipkart, Ola and Inmobi. (Global Startup Ecosystem Report, 2018) The core strength of Bengaluru's start-up landscape lies in its Advanced manufacturing and IoT. This subsector has seen a growth rate of over 100% from 2016 to 2017. Bengaluru houses 50% of all IoT start-ups in India.

(Global Startup Ecosystem Report, 2018) According to Ravi Narayan, Global Director at Microsoft for start-ups “Fintech is the largest investment sector in India as well. However, the explosive growth rate of Advanced Manufacturing (IoT) sector, especially in Bengaluru is a pleasant surprise.” Fintech became the largest subsector by means of venture capital investment in Bengaluru between 2012 and 2017 as 20% of all venture capital investment in Bengaluru were directed at Fintech Start-up companies. For example Perpule 1Pay. (Forbes, 2018) Perpule 1Pay app is a mobile self-checkout for offline retail stores. Through Perpule customers receive an enhanced shopping experience at retail outlets like Spar and Hypercity without waiting at long queues.

(Global Startup Ecosystem Report, 2018) Edtech is a local subsector that has garnered attention in the start-up economy and has entered this unicorn league through investments from global investors. BYJU, an Edtech start-up can work as a start-up model, a benchmark that can be emulated by other aspiring Edtech start-ups. (Business Standard, 2018) Byju Raveendran, founder and CEO of Byju's app won the Business Standard Start-up of the year award. The success of brand BYJU can be attributed to the \$ 244 million it raised from eminent global investors like the Chan Zuckerberg initiative, Sequoia Capital and Tencent Holdings which made BYJU India's largest Edtech group.

(Singh, 2018) Apart from the three major sub sector categories of start-ups, Bengaluru has witnessed the growth of several other start-up ecosystem builders and boasts of more than 1700 start-ups including the uber famous Swiggy, Zoom car, Furlenco, Nestaway, Online Prasad.com, Coupon Rani, Instamojo and the most recent to join the likes of the above is Dunzo. (Kashyap, 2017) Dunzo is a personal concierge app which raised \$ 12.3 million from Google, which is a unique and one of a kind investment from Google as it is the first instance where the Tech giant has invested in an Indian start-up.

II. CONCLUSION

In conclusion, it may be noted that the intense ride of a start-up can be adventurous and successful with connectedness. Connectedness can build a single global start-up ecosystem. This unique entrepreneurial revolution is here to stay. (Startup Genome, 2018) Global venture capital investments in start-ups hit a decade high in 2017, with over \$140 billion invested. The total value creation of the global start-up economy from 2015 to 2017 reached \$2.3 trillion, a 25.6% increase from 2014 to 2016. (Indian Start-up Ecosystem Maturing, 2016) India ranks third just after United States of America and United Kingdom in the start-up landscape and has risen by 8-10% from 2015. The report also revealed that Bengaluru, NCR and Mumbai continue to be major start-up hubs in India. By 2020, India will house 10,500 start-ups employing over 2,10,000 individuals. Establishment of 30 new academic incubators have been initiated under the Government's "Start-up India Stand-up India" initiative in 2016. The most interesting development in this context is the 350+ start-ups founded and spearheaded by young Indian student entrepreneurs. (Kashyap, 2017) Bengaluru recently gained second position globally as the city suitable for the launch of Tech start-up. In reiteration, it may be summed up that the start-up sector in India, especially in Bengaluru is gradually becoming the cradle of innovation which has huge potential force for business vitality, revenue growth and stability for the years to come.

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