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Data Analytics of Start-up performance in West Zone:With Reference to India

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ABSTRACT

Start-ups represent the embryonic stage of businesses aimed at tackling market challenges or fulfilling unmet needs. These ventures are characterized by innovation, disruptive potential, and scalability. This paper focuses on unravelling the distinguishing features of start-ups and the drivers behind their growth in India's West Zone. Additionally, it delves into the hurdles they face along their journey. Launching a start-up necessitates a well-defined business plan, adequate funding, a proficient team, a robust marketing strategy, and unwavering persistence. In the West Zone, start-ups flourish owing to supportive governmental policies, enhanced digital infrastructure, a skilled talent pool, and ample funding prospects. Nevertheless, they face issues such as funding constraints, regulatory complexities, talent retention challenges, and limited market scope constraints. This research endeavors to delve deeper into the evolutionary trajectory of start-ups within the West Zone of India, offering insights into their past, present, and future prospects.

Keywords: West Zone, Start-ups, Challenges, Growth Prospects, India

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1. Introduction

Start-ups are new businesses that are at the forefront of innovation. They challenge the status quo and change the way industries work. Start-ups originate from a vision, focusing on taking risks and seizing opportunities. They are present everywhere, from big cities to small towns, and they show the entrepreneurial spirit by using creativity and resilience to succeed in the global market. This paper will explore how start-ups begin, grow, and affect societies and economies. Ammani and Malar Mathi (2014), the authors insisted to understand the start-ups and entrepreneurship leads for the society and different models were discussed in the students' groups. This is the base for the youth and innovators to lead their start-ups and supporting for the society. Maran et al (2022), (2023) and (2024) the digital start-up is one of the major thrust in Indian

economy. In this respect, the innovators focused on digital start-up and growth rate in this segment is constantly improved, every-day 2-3 digital start-ups born in India, it is not restricted the place of birth of start-ups. Besides, the author discussed the technology start-ups are enhancing the economy in the developed countries like China and India.

The Journey of a Start-Up

Many factors can influence a start-up's journey and determine its success or failure. Innovation is key - it's what allows start-ups to change traditional ways of doing things and bring new solutions to problems. But being successful isn't just about being innovative. Start-ups also need to understand the market, the needs of customers, and who their competitors are. They need to be flexible and quick to change their strategies to stay successful. Start-ups also face many challenges. They must find funding, hire the right people, follow laws and regulations, and deal with changes in the market. Fast changes in technology add another layer of difficulty, as start-ups need to keep up with new technologies to stay relevant.

Start-ups in India

India is a great place for start-ups. It has a growing economy and digital landscape, making it a favorable place for new businesses. India has many places where start-ups can thrive, like Bangalore, Mumbai, and Hyderabad. These places have a vibrant start-up culture, supported by government policies, a large pool of skilled workers, and investors who are ready to invest. There has been a big increase in start-up activity in India recently. Entrepreneurs are creating businesses in many sectors, including technology, e-commerce, healthcare, and agriculture. There are also many support systems for start-ups, like incubators, accelerators, and venture capital firms. Government initiatives such as Start-up India and Digital India are also helping to support start-ups.

Start-ups in the West Zone of India

The West Zone of India is a center for start-ups. It includes states like Maharashtra, Gujarat, and Goa, as well as territories like Daman and Diu, Dadra, and Nagar Haveli. Each place in the West Zone has its own unique entrepreneurial culture. In Maharashtra, start-ups benefit from a mix of traditional and modern influences. Gujarat is known for its entrepreneurial spirit and supportive business policies. Goa's peaceful environment is ideal for creativity and innovation. These start-ups are paving the way to a future of growth and success.

2. Literature Review

Baloff (1970) analyzed the causes and consequences of disruptions in the startup of new product and production processes, using examples from a variety of different industries. The study showed that improper management actions frequently lead to significant deviations from anticipated productivity growth during

startups, causing notable short- and long-term productivity losses. From this discussion, several guidelines for effective startup management are proposed.

Gelderen et al (2006) conducted a study over a period of three years on 517 individuals who were in the process of establishing a business, in order to determine why some individuals succeed while others give up. Out of the 517 individuals, 195 successfully started their business while 115 abandoned their startup efforts. The study aimed to estimate the significance of various factors in predicting pre-startup success, based on Gartner's (Academy of Management Review) framework of new venture creation, which focuses on individual characteristics, organizational structure, environmental factors, and the process of starting a new venture. Logistic regression analyses were conducted for the overall sample as well as subgroups based on ambition and experience. The study found that perceived market risk was a significant predictor of whether an individual would start or abandon a startup effort. Malarmathi (2014) and Joshi and Satyanarayana (2014) explored how the formation of small companies and entrepreneurship serve as fundamental pillars of global economic growth. Given the crucial role of entrepreneurship in driving economic progress, it has gained exceptional importance in the contemporary world. The influence of entrepreneurship education is one of the important elements that helps teenagers develop an understanding of and attitude towards entrepreneurship. The formation of new small businesses has significant potential thanks to management education. The potential for turning management graduates into entrepreneurs is enormous. However, the full extent of its potential remains untapped. The aim of the study is to investigate the viewpoints of management students regarding entrepreneurship. Salamzadeh et al (2015) in the study on the life cycle and challenges of startup companies, the emergence and growth of startup companies, which are often founded on innovative ideas and face significant challenges, have been studied in management, organization, and entrepreneurship literature. However, a comprehensive understanding of this phenomenon remains elusive. The paper aims to provide a conceptual framework for startups and identify the challenges they typically encounter. By reviewing the startup life cycle and the difficulties they face, this paper offers concluding remarks on this important topic.

Maran et al (2017) the study focused on foreign direct investment influence in automotive sector. Hence the research inferences assessed the root of foreign direct investment in Indian start-up and to find out the various countries feasibility to investment in India. Kahn (2018) argued that despite its widespread occurrence, innovation remains a challenging concept for many organizations. This is partly due to various misconceptions surrounding innovation. To achieve genuine innovation and its benefits, it is crucial to understand that innovation encompasses three distinct elements: an outcome, a process, and a mindset. Innovation as an outcome involves the desired results, which include product, process, marketing, business model, supply chain, and organizational innovations. Innovation as a process pertains to structuring innovation in a manner that facilitates reaching the desired outcomes, incorporating an overall innovation process and a new product development process. Innovation as a mindset involves the internal adoption of innovation by the organization's members, where innovation is deeply embedded, fostering a supportive organizational culture that enables innovation to thrive. Lounsbury et al (2021) this paper emphasized more on culture, innovation

and entrepreneurs in the present economic scenario, besides the study focused on country-wise culture, systems, education and technology leads in individual minds and to motivate as a culture and systems to develop start-up in the specific country for the economic sustainability.

Problem Statement

Innovation is a key factor for startups which has changed traditional methods of business and found new problem solutions. In the changing scenario startup is inevitable and its contribution to the country's economy and employment is too significant. In this respect, developed countries like the USA, Australia, China, UK proved its significance followed by the countries India has introduced startup policy and kicked in a faster manner, based on these policies and schemes both central and state governments are constantly supporting be tech-based startups and motivating young minds into the ventures. This research has more focused on the west zone performance of startups in India. In 2016, the total number of west zone starts was just 112 and it has gradually increased to 5519 where whereas in 2022, the startup growth rate dipped to 3246. Hence, the researcher has attempted to analyze to find out the cause of to reduction in the number of startups in 2022 and also this paper has more focused on 3 selected states for the study namely Maharashtra, Goa and Gujarat. In the selected states Goa is a union territory and it started with only two startups in 2016 till the end of the study period the progress rate was only double-digit. Besides, the researcher has attempted to forecast and number of startup trend projections in the future period.

Objectives of the Study

To analyze the startup progress performance in the west zone

To predict the future growth of startups in the western zone

3. Research Methodology

Research design is used to understand the research process better and sort out the problems through research inferences. In addition to that, it helps us to fulfill the research strategy. In this regard, the researcher conducted a descriptive study and utilized analytical data to derive research conclusions. The study concentrated on secondary data sourced from the Government of India industry bulletin, economic reports, research articles, journals, and magazines. The researcher has chosen a 7-year study period, spanning from 2016 to 2022. The researcher has focused on west zone states which comprise Maharashtra, Goa and Gujarat. The study's goal is to understand the growth status of startups in western states, as well as the employment potential of the selected states. The decision to select the west zone was based on government notifications. There are four distinct zones designated for the establishment of startups and the acceleration of economic growth at this critical moment. The researcher has selected west zone startup performances, the study could help to compare other zones in India.

Data Interpretation

The above table depicts the state wise startup numbers and growth performance in the west zone during the study period from 2016 to 2022. The West zone comprises of two states namely Maharashtra and Gujarat

and Goa, which is a Union territory. Maharashtra had the highest number of startups in the west zone, as well as the entire country during the study period. Maran et al (2022) and Ilakya et al (2024) the researchers have adopted predictive methods based on the research inputs and outcomes both research papers, the methodology should be a blue-print for fulfilment of research. In the year 2016, the number of startups in Maharashtra was just 86 startups, which witnessed a steady growth of 43 times to 3721 startups in the year 2021, but the startup number declined by 40% to 2220 startups in the year 2022.

Table 1: Growth of Start-ups in INDIA- West Zone

	2016	2017	2018	2019	2020	2021	2022
Maharashtra	86	1,058	1,620	2,129	2,685	3,721	2,220
Goa	2	19	43	41	67	81	53
Gujarat	24	285	442	600	879	1,717	973
West Zone	112	1,362	2,105	2,770	3,631	5,519	3,246

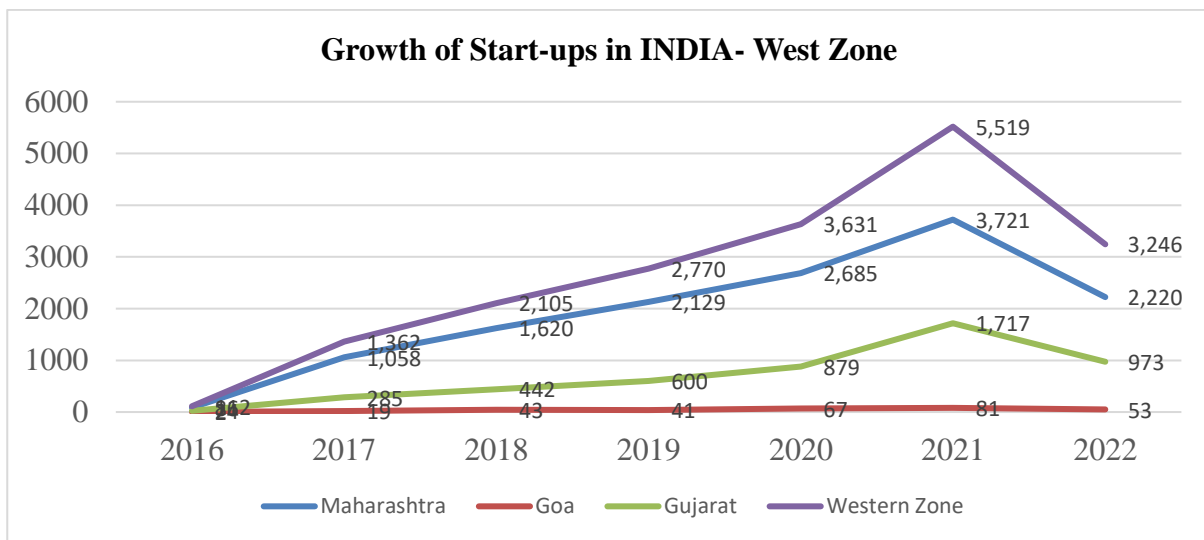


Figure 1: Growth of Start-ups in INDIA- West Zone

The second state in this study is Gujarat, where the startup number was 24 in the year 2016 and grew steeply by 72 times during the study period to 1717 startups in the year 2021. However, the number of startups decreased to 973 in the year 2022, indicating a 43% decline in the startup numbers. Goa, which is a union territory, was third in terms of startup numbers during the study period. Starting with just 2 startups in the year 2016, Goa had a steady growth of 41 times to 81 startups in the year 2021, which declined by 35% to 53 startups in the year 2022.

Table 2: Projected Growth of Start-ups in INDIA- West Zone

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Start-ups	112	1362	2105	2770	3631	5519	3246	5427	5898	6415	6897	7325

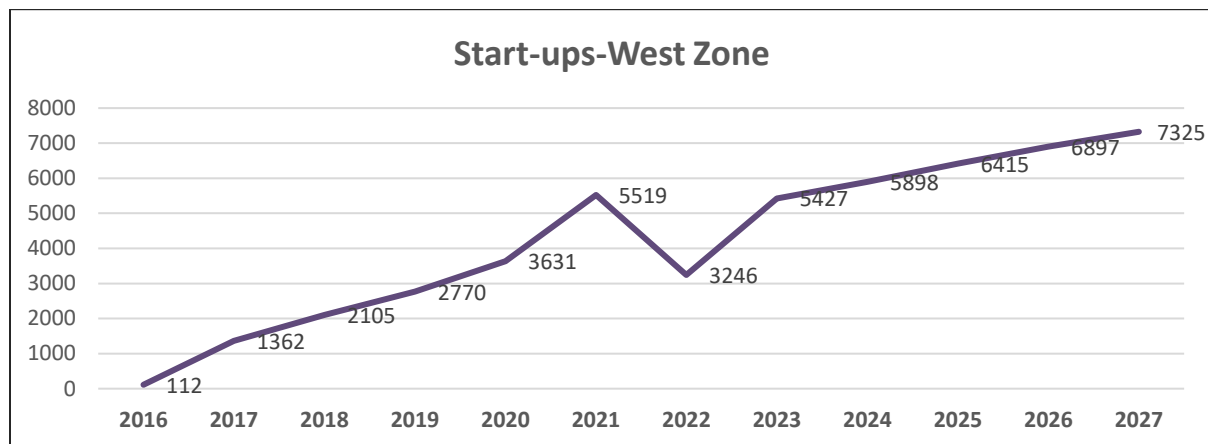


Figure 2: Projected Growth of Start-ups in INDIA- West Zone

The data provided above illustrates the trajectory of startup growth in the West Zone of India from 2016 to 2027. The startup landscape in the West Zone witnessed notable growth during the initial years of the study period from the year 2016 to year 2021. Commencing with 112 startups in 2016, the zone experienced a steady upward trajectory, culminating in 5519 startups by 2021. This surge reflects a substantial growth of 48 times over the six-year span, indicating robust entrepreneurial activity within the region. However, the momentum declined in the year 2022, as the number of startups reduced to 3246, which is approximately 41.15%. The forecasted trend from the year 2023 to 2027 suggests a resurgence in startup activity within the West Zone indicating a steady rise in startup numbers, with the forecast reaching 7325 startups by 2027. This anticipated growth represents an increase of approximately 125.66% from the previous year, signalling a positive outlook for the region's entrepreneurial landscape.

4. Conclusion

In the evolving business and technological landscape, new startups are crucial for both developing and developed countries. The primary goal of startups is to address social issues and provide significant benefits to society, particularly in terms of economic growth and employment. Over the past decade, countries such as the USA, China, Japan, South Korea, and Taiwan have been leaders in promoting startups in the global market. India has also emerged as a major player, ranking as the third-largest country for startups worldwide. In line with these objectives, the number of startups in India's west zone grew from 112 in 2016 to 5,519 in 2021, before declining to 3,246 in 2022. This decrease in 2022 is attributed to a shortfall in foreign investment and reduced confidence among foreign investors in Indian startups. However, projections indicate that the number of startups in the west zone will sharply increase to 7,325 by 2027. In India, the promotion of startups and the supportive policies implemented by both state and central governments are highly commendable and serve as significant motivating factors for new ventures in the country.

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