

# Impact of Personal Social Media Usage on Individual Productivity During Working Hours

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**Abstract:** *Startups are early-stage organizations that seek funding on a regular basis to support growth and expansion. Startups differ from traditional businesses in that they operate in a more corporate environment with the goal of rapid growth and expansion. In India, there are over 1,300 funded startups. Startup founders, co-founders, or founders typically lose a portion of their own equity in order to capitalize the organization; however, there are many bootstrapped startups in India, which means the organization is running on the investment made by the founders, co-founders, or through retained earnings.*

*Retained earnings are profits that are reinvested in the business. Business refers to the operations carried out by a company, enterprise, or organization with the goal of making a profit and increasing the owner's wealth. Businesses can take many forms, including private limited companies, public limited companies, sole proprietorships, and partnerships. To earn a profit, the organization's owner takes on the risk. In India, there are Hindu Undivided Families that came under Hindu law, and this concept is only applicable to India.*

*According to the Ministry of Micro, Small, and Medium Enterprises guidelines, micro enterprises have an investment of no more than Rs. 1 crore and a turnover of no more than Rs. 5 crores. Small enterprises have an investment of no more than Rs. 10 crores and a turnover of less than Rs. 50 crores. Medium enterprises are those with an investment of less than Rs. 50 crore and a turnover of less than Rs. 250 crores. In today's world, both small businesses and startups face numerous challenges, some of which did not exist a few years ago. Modern challenges include government policy changes, globalization, digitalization, competition, and emerging trends..*

**Keywords:** *Startups*

## I. INTRODUCTION

When compared to the rest of the world, India is a growing/developing country with an increasing number of incubators, venture capitalists, private institutions, angel investors, and so on. However, raising funds in India is still difficult because many business owners are unwilling to give up a portion of their own equity in order to raise funds, nor do they own a specific amount of asset that they can mortgage.

The number of angel investors and venture capitalists is also decreasing, making it even more difficult to find them for raising funds. Without a medium, it is likely that only students from IITs and IIMs will reach out to them; this was also shared by Anupam Mittal, one of the sharks on Shark Tank India.

India has many family-owned and traditional businesses, but they are often unorganized and not registered. The government of India saves many businesses by imposing high taxes on foreign brands and, in some cases, refusing to allow them to enter the Indian market. example is applying 100% to 204% total taxes on automobiles that not manufactured in India. Cullinan a model of automobile maker Rolls Royce worth Rs. 2.5 crores in United States of America worth Rs. 8-9 crores on road in India as it is not manufactured in India but it is imported.



Several traditional businesses existed before India's independence and are still in operation today. Adapting to new business trends, technologies, and innovations is crucial for long-term organizational success. Small businesses tend to make decisions quickly due to fewer top management employees and a shorter hierarchical structure. However, it is important to note that the more members an organization has, the easier it is to adapt to market opportunities and trends.

### **1.1 STARTUP**

A startup is a company that is in its early stages of operation and can take the form of a private limited, public limited, sole proprietorship, partnership firm, and so on. Startups are more focused on rapid growth because the founders and co-founders are allowed to give up a portion of their own equity in order to raise funds.

Though there are several startups that are bootstrapped, which means they are either funded by the founders and/or co-founders themselves, or through retained earnings, which means reinvesting profits or a portion of profits back into the business or organization.

There are numerous definitions available globally that differ from one another, but there is one common point on which everyone agrees: a startup is any organization that has developed innovative goods and/or services in order to solve a problem and make a profit.

Startups, unlike traditional businesses, often address societal or market problems. Founders understand that the larger the problem, the larger the market size.

Startups seek self-investment or external funding. Funds can be raised externally through incubators, venture capitalists, angel investors, friends and family, bank loans, government grants and donations, and so on.

In general, a startup is considered a strong organization if it survives in the market for more than 5 years, as the majority of startups, not only in India but around the world, can do so. The Indian government has implemented policies to promote startup growth and encourage young entrepreneurs, including ASPIRE, MGS, and others.

### **1.2 FUND RAISING TECHNIQUE FOR START-UP IN INDIA CROWDFUNDING**

It is a technique in which the fund seeker lists themselves on various crowdfunding platforms available online in order to raise funds. Crowdfunding enables seekers to obtain funds in the form of donations or charity from a large number of people who are willing to contribute money.

Example: GoFundMe, Ketto.org, cry foundation etc.

Amity University itself had a tied up with cry foundation in order to promote charity and fund raising

Generally, this type of funding technique is used by the organization that are working as social enterprises and not for profit organization.

### **ANGEL INVESTORS**

These are high-net-worth individuals who are willing to invest their own hard-earned money in someone else's startup or business in exchange for a portion of the company's equity.

Entrepreneurs pitch their business ideas to angel investors for funding. From the perspective of an angel investor, there may be some risk associated with their investment, but it is no different than investing in the stock market.

Example: Shark Tank India is a reality television show that aired its first two seasons on SET India's Sony TV channel. The judges on the show are angel investors who are willing to put their own money up to fund and assist entrepreneurs and businesses.

### **VENTURE CAPITAL**

These are people who are willing to invest in a startup at an early stage in exchange for a portion of the company's equity.



Being a venture capitalist does not require a formal degree or course, but individuals must have an analytical mindset before beginning to invest as a venture capitalist (VC).

Investing as a venture capitalist (VC) requires significant experience in the financial sector and a willingness to risk losing money.

Unlike angel investors, venture capitalists invest in businesses at an early stage or before revenue.

For example: In their early stages, social media giants such as Facebook and Twitter had venture capitalists on their boards.

### **INCUBATORS**

Incubators or accelerators are organizations or subdivisions of existing organizations that provide guidance, funding, and necessary networks to early-stage startups with long-term growth potential.

Incubators operate in exchange for a stake in the invested organization.

Incubators, unlike angel investors, offer more than just funding, including workspace, networks, and mentorship.

For example: Amity University has an incubator called Amity Incubation Centre. It does more than just invest money in promising startups; it also connects early-stage entrepreneurs with mentors from the industry and investors.

### **BUSINESS LOANS**

In situations where a startup lacks sufficient funds, either from its founders or from other sources, such as venture capitalists, angel investors, incubators, and so on. However, if these sources are unable to provide the necessary funds, the organization may choose to borrow money against the business as collateral.

A variety of sources, including banks, financial institutions, related parties, and others, may offer loans.

While other investment methods may result in a reduction of the equity percentage held by promoters, founders, or co-founders, loans typically lead to an increase in the organization's debt, which must be repaid with interest.

### **BOOTSTRAPPED**

To allow the business to run, a certain amount of capital is required, which can be provided by the founders or co-founders themselves.

Retained Earnings refers to reinvesting the business's profits from operations.

When an organization is unable to raise funds from outside sources, it is forced to rely on funds or investments made by its founders or co-founders. There are many organizations that work and operate without receiving any outside or external investment.

Entrepreneurs who prioritize maintaining their equity in the organization may avoid seeking external funding.

### **NON STARTUPS\TRADITIONAL BUSINESS**

Any type of entity, whether private limited, public limited, sole proprietor, registered, unregistered, partnership, joint venture, and so on, engages in any business activity related to production, retail, trading, logistics, services, and so on with the goal of earning a profit is known as business.

Unlike startups, traditional businesses, non-startups, or small businesses do not intend to grow and expand quickly. They are also not ready to add new members to the board and are unlikely to raise funds from an outside investor.

Traditional businesses rely heavily on the owner and their market reputation, as the owner has a significant impact on the business.

A traditional business can be both registered and unregistered, as long as it does not fall into the tax bracket. For example, small grocery stores can be found near residential areas.

Businesses, unlike startups, typically do not seek external investment because they do not want to share equity and their vision does not require rapid growth.



Having less capital and board members does not necessarily result in a lower market share, as there are many micro, small, and medium-sized businesses with growing market shares.

### **1.3 MSME (Micro, Small and Medium Enterprises)**

MSMEs, or Micro, Small, and Medium Enterprises, are small-scale businesses that play a crucial role in the economy. They contribute to job creation, innovation, and regional development. MSMEs are known for their flexibility and ability to adapt to changing market demands. They often operate in niche markets and bring unique products or services to the table. These businesses also have the potential to become exporters, boosting a country's international trade.

In addition to their economic contributions, MSMEs can have a positive social impact. They often employ people from local communities, helping to reduce unemployment and poverty. MSMEs also empower women and marginalized groups, promoting inclusivity and equality.

Furthermore, MSMEs can be a driving force for sustainable development. Many of these businesses embrace eco-friendly practices, such as using renewable energy sources and reducing waste. By doing so, they contribute to a greener and more sustainable future.

In conclusion, MSMEs are vital players in the economy, bringing innovation, employment opportunities, and social change. Their adaptability, entrepreneurial spirit, and commitment to sustainability make them an essential part of any thriving community.

Overall, MSMEs are important drivers of economic growth and play a significant role in fostering entrepreneurship and inclusive development.

As per the Ministry of Micro, Small and Medium Enterprise of India: -

1. Micro enterprise

Any organization whose investment is Less than or equal to Rs. 1 crore and turnover is less then or equals to 5 crores.

2. Small Enterprises

An organization in which investment is less than or equal to 10 crore and turnover is not more than Rs. 50 crores

3. Medium Enterprises

Organizations whose investment is less than or equal to 50 crore and turnover is not more than Rs. 250 crores.

### **Features of MSMEs**

**Size:** MSMEs are characterized by their small size. They have a limited number of employees and are typically owned and operated by individuals or families. The exact criteria for defining the size of an MSME may vary between countries.

**Ownership:** MSMEs are usually privately owned, meaning they are not publicly traded on stock exchanges. This allows for more flexibility and autonomy in decision-making.

**Flexibility and Adaptability:** MSMEs are known for their ability to quickly respond to market changes and adapt their products or services accordingly. This flexibility enables them to stay competitive in dynamic business environments.

**Employment Generation:** MSMEs are significant contributors to job creation and employment opportunities, especially at the local level. They often provide employment to a significant portion of the population, helping to reduce unemployment rates and stimulate economic growth.

**Innovation and Entrepreneurship:** MSMEs are often hotbeds of innovation and entrepreneurship. Due to their small size and agility, they can experiment with new ideas, technologies, and business models. This fosters innovation and contributes to overall economic development.

**Contribution to GDP:** Despite their small size individually, collectively, MSMEs make a substantial contribution to the Gross Domestic Product (GDP) of a country. They form the backbone of many economies, driving economic growth and development.



**Importance of MSMEs**

- **Employment Generation:** MSMEs play a crucial role in job creation, especially in developing economies. They provide employment opportunities for a significant portion of the population, helping to reduce unemployment rates and alleviate poverty.
- **Economic Growth:** MSMEs contribute to the overall economic growth of a country. Their collective impact on the Gross Domestic Product (GDP) is substantial, as they generate income and contribute to tax revenues.
- **Innovation and Entrepreneurship:** MSMEs are often hubs of innovation and entrepreneurship. They foster creativity, encourage new ideas, and drive technological advancements. Their agility allows them to experiment with innovative solutions and adapt quickly to changing market demands.
- **Regional Development:** MSMEs are typically rooted in local communities and contribute to the development of those regions. They stimulate economic activity, encourage investment, and enhance the overall quality of life in the area.
- **Diversification of Economy:** MSMEs promote economic diversification by offering a wide range of products and services. This diversification reduces dependence on a single industry or sector and enhances the resilience of the economy.
- **Social Impact:** MSMEs often have a positive social impact by empowering marginalized groups, promoting gender equality, and supporting sustainable practices. They can bring about social change and contribute to inclusive growth.
- **Export Potential:** Many MSMEs have the potential to become exporters, contributing to the country's foreign exchange earnings. They can tap into global markets, showcasing unique products and services, and enhancing international trade.

**1.4 DIFFERENCE BETWEEN STARTUPS AND TRADITIONAL BUSINESS**

STARTUP	TRADITIONAL BUSINESS
Startups are typically newly established businesses that focus on developing innovative products or services.	Traditional businesses are more established and often operate in well-defined markets with existing products or services.
Startups often have a smaller team and a flatter organizational structure, allowing for quick decision-making and flexibility.	Traditional businesses tend to have a larger workforce and a hierarchical structure, which can slow down decision-making processes.
Startups often rely on external funding, such as venture capital or angel investors, to fuel their growth and development.	Traditional businesses may rely on internal funding or loans from banks to finance their operations.
Startups prioritize rapid growth and scalability, aiming to disrupt existing markets and capture a large market share.	Traditional businesses focus on steady growth and maintaining their market position through established customer bases and brand loyalty.
Startups often embrace a culture of experimentation, risk-taking, and continuous innovation to stay ahead in the competitive landscape.	Traditional businesses may prioritize stability and rely on proven business models and processes.
Startups often leverage technology and digital platforms to reach a wide audience and scale their operations quickly.	Traditional businesses may have a more traditional approach to marketing and rely on physical storefronts or traditional advertising methods.



## **1.5 POLICIES TO PROMOTE START-UP AND SMALL BUSINESSES IN INDIA**

### **1. ASPIRE (A SCHEME for PROMOTION of INNOVATIONS, RURAL INDUSTRIES AND ENTREPRENEURSHIP)**

- Launched on 16th March, 2015 under the Ministry of Micro, Small and Medium Enterprises.
- The goal of this policy is to establish multiple incubators and technology centers to boost agricultural entrepreneurship.
- This policy provides benefits through two options: -
- Grants cover 100% of plant and machinery costs, but do not include land and infrastructure.
- Grant or donation of Rs. 1 crore.

### **2. PRADHAN MANTRI MUDRA YOGANA**

- MUDRA stands for Micro Units Development and Refinance Agency.
- Launched on April 8, 2015 under the Ministry of Finance.
- It is a government-owned entity that provides financial assistance to banks and microfinance institutions that lend funds to non-agricultural and non-corporate organizations.
- A loan of up to Rs. 10 lakhs can be granted without collateral.

### **3. TRADE RELATED ENTREPRENEURSHIP ASSISTANCE AND DEVELOPMENT for Women (TREAD)**

- Launched under the Ministry of Micro, Small and Medium Enterprises.
- This scheme aims to empower women economically by providing credit (via non-governmental organizations), training, development, and counselling extension activities in trades, products, and services, among others.
- The Government of India (GoI) provides assistance in the form of a grant of up to 30% of the total project cost. Elected training institutions and NGOs that run training programs for women beneficiaries identified under this scheme are also eligible for a GoI grant of up to Rs. 1.00 lakh per program.

### **4. MAKE IN INDIA INITIATIVE**

- It is a strategy for making India self-reliant.
- Under this, the Government of India provides facilities such as a credit of Rs. 2 lakhs, an emergency credit facility, and so on.
- According to the official website of Invest India, the MSME sector contributes approximately 30% of the country's GDP annually and is gradually increasing.
- The Indian Government's Make in India scheme has created over 11 crore jobs, recognizing the importance of MSME in the Indian economy.

### **5. NATIONAL MANUFACTURING COMPETITIVENESS PROGRAM (NMCP)**

Under the National Manufacturing Competitiveness Program (NMCP), there are indeed several schemes introduced by the Ministry of Micro, Small and Medium Enterprises (MSME). Some of these schemes include:

1. Lean Manufacturing Competitiveness Scheme (LMCS): This scheme aims to enhance the competitiveness of MSMEs by implementing lean manufacturing techniques to improve productivity and reduce waste.
2. Design Clinic Scheme for Design Expertise to MSMEs: It provides design expertise and support to MSMEs to improve product design, packaging, and branding, thereby enhancing their competitiveness in the market.
3. Marketing Assistance and Technology Upgradation Scheme for MSMEs: This scheme focuses on providing financial support for marketing activities and technology upgradation to MSMEs, enabling them to expand their market reach and improve their competitiveness.



4. Enabling Manufacturing Sector to be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT): This scheme aims to promote the adoption of quality management systems and tools among MSMEs to enhance their competitiveness and meet international quality standards.

These are just a few examples of the schemes introduced under the NMCP and the guardianship scheme by the Ministry of MSMEs. They play a crucial role in supporting the growth and competitiveness of MSMEs in India.

## **6. START-UP INDIA MISSION**

Startup India is a key initiative by the Indian government to foster a vibrant startup ecosystem and encourage innovation and entrepreneurship throughout the country.

Since its launch in January 2016, Startup India has introduced various programs to provide support and resources to entrepreneurs, aiming to transform India into a nation where people create jobs instead of just seeking them.

The focus is on nurturing and empowering startups, enabling them to thrive and contribute to India's economic growth. It's an exciting movement that aims to unleash the potential of Indian entrepreneurs and drive innovation forward.

To boost funding opportunities for startups, the government has established a Fund of Funds managed by SIDBI. This economic stimulus amounts to INR 10,000 crore and aims to provide financial support to startups, enabling them to access the capital they need to grow and succeed. It's a significant step towards creating a robust ecosystem for entrepreneurship in India.

### **1.6 GROWTH CHALLENGES FACED BY STARTUPS AND SMALL BUSINESSES IN INDIA**

#### **1. HIRING ISSUE:**

When resources are limited in a startup, it becomes crucial to hire the right people at the right price.

The human resources you bring on board will directly represent the organization and its founders.

Sometimes, experienced employees may demand higher salaries, which can significantly impact the organization's cash flow.

Additionally, investors often expect startups to have the perfect officials for every role, such as COO, CMO, CFO, and more. It's important to strike a balance between hiring the right talent and managing the financial health of the organization.

#### **2. GLOBAL COMPETITION:**

Back in 1991, when India opened its market to global firms, competition was present. But nowadays, the online landscape has turned into a rat race, with countless companies registering themselves daily in different countries.

The rise of e-commerce, D2C, and other networks has compelled every company to provide exceptional services to attract and retain customers.

However, the trend of discounts, home delivery, and reverse logistics has created a significant gap between less funded or bootstrapped Indian startups and heavily funded organizations. It's a challenging scenario for startups trying to compete in this competitive market.

#### **3. UNIQUE IDENTITY AND GROWTH STRATEGY**

It's important to realize that since startups are a relatively new concept, every challenge they face is a modern one.

Well-funded startups leverage the brand value of their reputable investors, giving them an advantage in offering a wide variety of services and unique facilities that others cannot.

Understanding the company's Unique Selling Proposition (USP) and target market is crucial.

As seen in Shark Tank season 2, startups that lack clarity in their fundamentals struggle, regardless of their capital. It's all about having a clear vision and understanding your market.



#### **4. ADJUSTING TO NEW DEVELOPMENTS IN TECHNOLOGY**

Even though startups belong to the new age, it doesn't necessarily mean that the founders or co-founders are fully aware of all the technological advancements happening in the market.

In this digital era, it can be challenging to keep up with the competition and ensure that everything is seamlessly integrated on the backend.

It's not just the founders, but also the employees who are the most valuable assets of the organization, who may require training and time to understand the importance of technological changes and how to effectively incorporate them into their day-to-day activities.

#### **5. ADAPTING LAWS AND REGULATIONS FROM THE GOVERNMENT**

In the fast-paced world we live in, where rules and regulations are constantly evolving, it can be quite challenging for organizations to keep up with the latest changes.

Adapting to the ever-changing rules, norms, and laws becomes a complex task for both the front end (customer-facing) and back end (internal operations) of an organization.

It requires continuous monitoring and adjustment to ensure compliance and smooth operations. It's like a never-ending game of staying up-to-date with the rules.

Laws such as:

Data Protection law - To control the theft of data occurring from the enemy nations, the government had to take some action. Additionally, the Centre Government created the Data Protection Act, 2018 to safeguard user and customer data across a range of websites and businesses.

Licensing and permits - Licenses may change depending on the organization's work. For example, a manufacturing industry may need a manufacturing license for certain products, some of which may be related to medicine. Permits are the official authorization granted to use any type of mark, regardless of quality, among other things. These permits are periodically validated, have a time limit, and are routinely inspected.

#### **6. TRAINING FOR EMPLOYMENT AND RETENTION**

Since they are the only ones who will represent the company to the customer, human resources are the most valuable resource for any organization.

Small businesses often face challenges when it comes to providing training to their employees, which can result in discouragement and limited growth, ultimately forcing the employee to look for better opportunities elsewhere.

In addition to receiving bonuses and pay increases, employees also need to be disciplined at work. This includes having set hours and a better work-life balance, which is more difficult to achieve in a private limited company than in a multinational one.

#### **7. SCALING**

Small businesses typically have the mentality of not growing to the extent or to the full potential of their company. It happens when the business owner feels they are unable to manage several companies, branches, or product lines at once and are not prepared to hire outsiders for management positions.

Insufficient funds are another reason why the company isn't growing and running more efficiently.

#### **8. ABSENCE OF ONLINE PRESENCE**

Small businesses typically rely on outdated legacy systems and are reluctant to make periodic upgrades to their operations.

The inability to adapt to new developments in the world can be a major hindrance to an organization, as it leaves it isolated from competitors and eventually begins to lose its own clientele.

The owner must realize that they are losing out on a portion of their potential for growth and income.



## **9. INEFFECTIVE MARKETING**

Small businesses that serve a specific geographic area but spend money on marketing strategies that don't help them reach their target audience are considered ineffective.

Owners often concentrate on traditional marketing methods like newspaper ads, banners, posters, and word-of-mouth promotions.

To increase sales, it's critical to identify the target market and know how to effectively reach them. Ineffective sales also result in higher customer acquisition costs, which are needless if the intended audience cannot see the ads.

## **1.7 SOLUTIONS FOR GROWTH CHALLENGES FOR STARTUP AND SMALL BUSINESSES**

### **1. PUTTING TOGETHER A TEAM WITH EXPERIENCED WORKERS AND INTERNS**

It is practically impossible to reduce an organization's working capital by hiring a large number of highly skilled and experienced workers at low salaries.

Hiring interns for simple tasks like brand promotion, online advertisements, assistance, and so on for free or at a reduced stipend is a great way to do marketing for free.

The intern will post the completion certificate from the organization on social media platforms like LinkedIn and will include the name of the organization on his or her CV for all future applications.

### **2. AFFILIATE MARKETING**

This tactic can be used when a startup is unable to market itself or when the organization's own marketing and promotion strategies are unable to generate enough leads to boost sales.

This type of marketing involves the affiliate receiving a fixed commission for each lead or sale they generate.

Affiliate marketing can be classified into two subtypes:

- (i) Payper click, which occurs when a user clicks on the advertisement, and
- (ii) Pay per action, which occurs when a user performs a specific action after clicking on the advertisement.

### **3. MARKET RESEARCH**

Having a deeper comprehension of the business world requires conducting market research. This can be accomplished internally by the organization's marketing department or externally by hiring a marketer.

Market research is also conducted to comprehend consumer preferences and competitors' strategies.

Market research can be carried out in a variety of ways: -

- (i) Surveys: These are the most popular type of research where participants are asked a series of questions known as questionnaires to gauge their opinions on a particular subject. It can be completed both offline and online.
- (ii) One-on-one interactions are challenging because they take more time because the marketer needs more time to attend, ask the same questions, and record the response.
- (iii) Free trials: This tactic, while pricey, is a great way to get customers and learn about their opinions about the goods and services the company provides.

### **4. INTERNET-BASED BRAND ESTABLISHMENT**

To thrive in the fierce competition of today's market, one must comprehend the benefits and applications of having an online presence that can elevate the company.

One can be contacted online through their social media accounts, websites, listings on e-commerce platforms, and more.

Maintaining an online presence does not entail operating a website, selling products through it, and spending millions on advertisements. Rather, it involves informing the target audience, who may live far from the business's physical location, about the various programs and policies of the company as well as the goods and services it provides.



Having an online presence is crucial because it allows customers to place orders even at night, when the store or business is closed.

### **5. TECHNOLOGY ADAPTATION**

Small businesses must realize how critical it is to embrace technology advancements, not just on the front end by going online but also on the back end for data storage and other critical tasks.

Although there will always be some error, technology makes business processes easier and more accurate.

Advancements in technology aid in determining the intended audience, monitoring consumer purchasing patterns, and other related tasks.

Technology implementation in businesses can be costly, but it is well worth the investment.

### **6. EXPANSION AND DIVERSIFICATION**

Growth Expanding the business is essential for the organization to survive in the market and against fierce competition. It is possible to expand both geographically and by introducing a new product category.

Establishing a new physical location and launching a new product line are expected to be costly endeavors, but with proper marketing, there will also be significant returns.

Diversification is an additional source of expansion.

Diversification refers to expanding an organization's operations into new fields. Startups can be ground-breaking or innovative, with Indian startups facing unique challenges and opportunities. Culture plays a significant role in the success of startups, as it is a recent phenomenon in the country. Failures are often frowned upon, but failures can teach entrepreneurs valuable lessons. Mentoring is crucial for startups, but there is no formal mechanism in place to provide mentors.

The government plays a vital role in the entrepreneurial ecosystem, but starting a business in India is difficult due to numerous laws and regulations. Starting a business takes about 30 days, and the government's role has been limited to providing grants and loans. To ensure startups thrive, the government must understand the importance of entrepreneurship in economic development.

Hiring is another challenge for startups, as the economy is in flux and the heady days of high growth are long gone. The biggest issue is finding skilled manpower, as India's skilling need is huge. Startups often cannot match the salaries of larger companies or see jobs as steady, making hiring difficult.

## **II. REVIEW OF LITERATURE**

Sabrina Korreck (2019) mentioned startups are getting recognized across the globe, especially developing countries like India. The government is ready to up hold the startups in various aspects.

C. Vijai (2019) expressed Fintech is a concept that is making it appearance in the India context which not only includes digital transactions but also making it more secure for its users, Fintech sector is rapidly expanding in India.

Dharish David (2019) stated India is ranked 3 in the world in terms of number of startups. In a developing country like India, it is seen that government is taking various initiatives in order to promote the startup culture as it leads to employment creation but the private sector is also empowering the new age founders via crowdfunding, angel investing, incubators and etc.

Renu Girotra (2021) mentioned the vision of entrepreneurs are solely sufficient in order to achieve their goals but the employees are the game changer for startups and maximum startups faced recruiting the correct employ as their biggest challenge

Anjna Dubey (2017) expressed the Indian women is coming forward not only in business field solely but managing both household activities and business altogether. The concept of women entrepreneur is not emerging in India but globally.



Dr. J. Kritika (2022) stated the India startup society has not only gathered the interest on Indian investors but also has encourage foreign organizations and investors in order to

Ashwarya Sharma (2023) expressed even in the modern world women entrepreneur is contented as neither the family nor the society assist them in fact they are against their entrepreneurship. The issue arises at home only when the lady of the house is underestimated which not only makes them lose their morale but are also forced to think that they are less capable for any position at work place.

Simeon S. Simon (2023) indicated in India the sector of women entrepreneur is booming as the female gender seeks to become the owner of their own venture to attain financial stability and become independent.

Ankita Medhekar (2023) gives her views that before the pandemic, people were looking for jobs aboard in order settle outside India but from last five years there is a wave of startups in India which is leading to the raise in number of people starting a side hustle for themselves.

Kalpna Koneru (2018) stated the female gender in the Indian industrial sector faces a lot of challenges till date as well due to the biasedness at the workplace doe by the men superiors and no or less support from the family.

Purohit (2023) expressed that in today's tough competition world one not only need to keep an eye of their competitors but must look that the organization is following all the government norms and guidelines. If an organization fails to do so they are heavily penalized, even in some cases the site is seized by the responsible authorities.

Manoj Kumar (2023) mentioned Indian small business house who are occupied from several generations in running their family own businesses are not giving importance to the modern day education or the education, skills and knowledge provide in the business schools. Lack of knowledge leads to less scope of innovation and adaption of new technologies in the business which will directly affect the profit of the organization.

Commonly it is observed that people mention that running a business doesn't require any degree which is true till an extent but one should always a knowledge seeking sponge.

Rahul Kumawat (2023) stated the political stability is an extreme challenge for the small businesses in a developing country like India as at a times the government collapses and business is hit with a new set of rules and guidelines. Sometimes the government either existing in power or formed new gives orders which are highly against the businesses.

Tushar Gahlaut (2023) expressed small businesses tends to face more of challenges such as trust and security issues but more over issues related to structured modelling at the time of factory setup and workplace setup.

### **III. RESEARCH METHODOLOGY**

#### **Research Method**

In this study, a combination of both Primary & Secondary data has been used. Primary data is used in the form of questionnaire method, which has been created using Google forms & distributed among internet & social media users. In addition to it, secondary data has been used to support the study.

Sampling

#### **SAMPLE SIZE**

50 samples were selected for the study at Gwalior. Sample consists of women's who are running their own business.

#### **SAMPLE AREA**

Gwalior is area from where all this information collected

#### **DATA COLLECTION**

Both primary and secondary data were used.

i. Primary data: data regarding the topic is collected directly by interacting with the employees by using structured questionnaire method.

ii. Secondary data: the secondary data was collected from the existing data sources, catalogues, internet.

The questionnaire was initially pilot-tested by trainer. The results of the pilot test proved to be satisfactory, since all the respondents found most of the questionnaire items understandable.



Nevertheless, some wording mistakes and unwanted questions were found, which were corrected in the questionnaire's version that was finally distributed in the field research. Respondents were approached randomly.

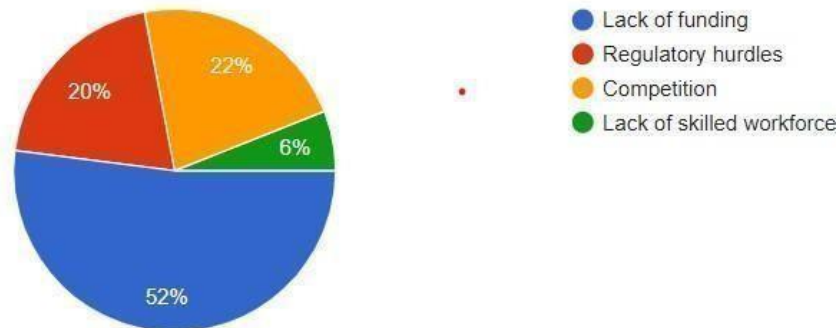
**Mode of Analysis**

The instrument used for data collection was in the form of questionnaire. The questionnaire was used as it facilitated the tabulation and analysis of the data to be collected. The data collected was subjected to simple frequency distribution and percentage analysis.

**IV. RESULT AND DISCUSSION**

What challenges do you think startups face in India.

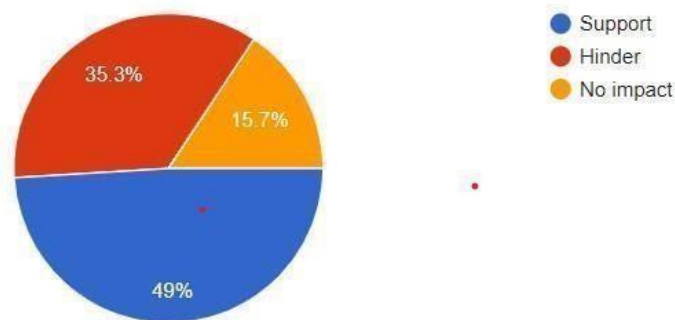
50 responses



Interpretation: In India funding is the major problem which startups faces, as per the survey more than 50% people believe that lack of funding is the major challenge in developing a new Startup.

Do you think government policies support or hinder startup growth in India?

51 responses

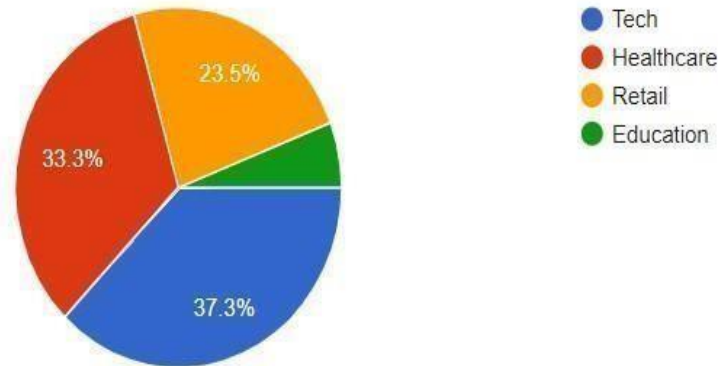


Interpretation: Now a days Government is more focusing on growing of startup in India and to support those startup government is introducing new policies which help the startups to grow.



Which sector do you think sees the most startup failures in India?

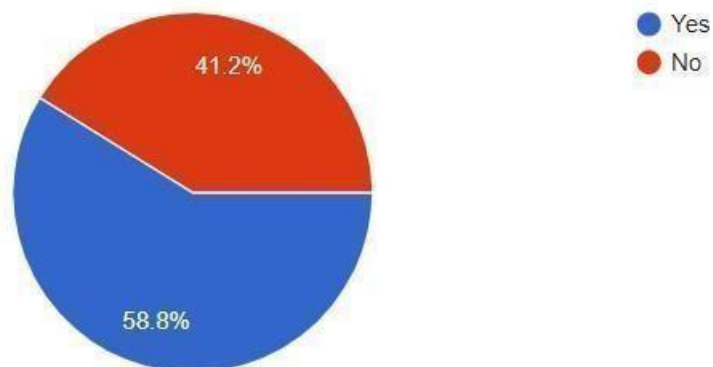
51 responses



Interpretation: All the startups does not get success, the highest number of startup failures are in the tech sector followed by healthcare and retail sectors.

Do you believe cultural factors play a role in the failure of startups in India?

51 responses

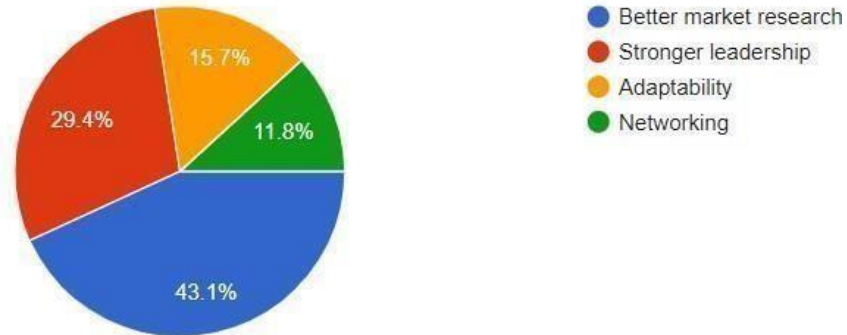


Interpretation: 58.8% people think that cultural factors make an impact on the failure of the startup, meanwhile 41.2% people believe that cultural do not make any impact on startup.



What do you think startups in India can do to avoid failure?

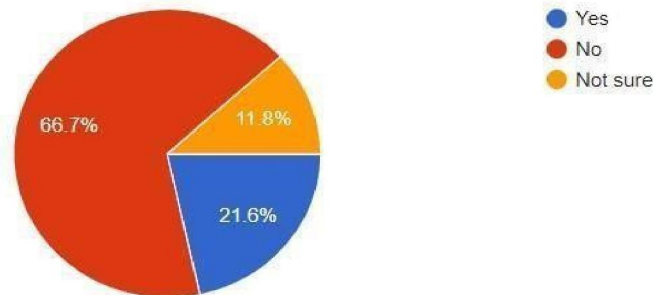
51 responses



Interpretation: As per the survey, startups need to focus on market problem i.e. should focus on better market research so that the startup should get to know the requirement of customers which helps the startup to survive in the market.

Do you think the education system in India adequately prepares individuals for entrepreneurship?

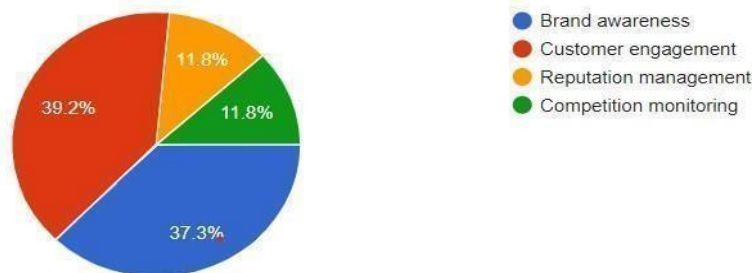
51 responses



Interpretation: Indian education system is more often focuses on theoretical knowledge, 66.7% people think that education system does not help in making new entrepreneur in the society.

What role do you think social media plays in the success or failure of startups in India?

51 responses

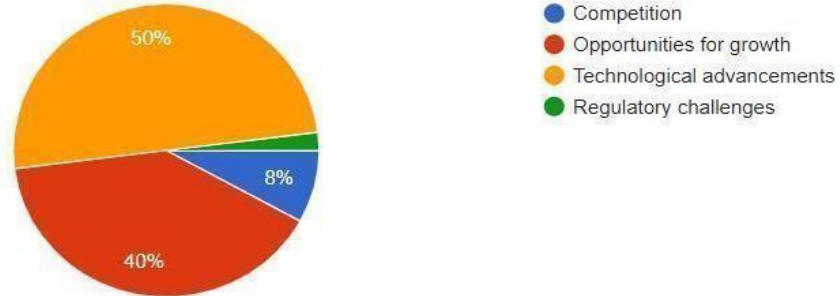


Interpretation – Social Media helps startup to customer engagement followed by brand awareness in the success of the startup.



What impact do you think the global market has on startups in India?

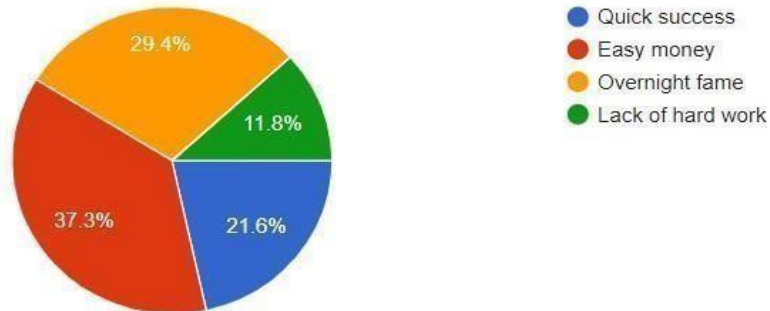
50 responses



Interpretation – technological advancement is the most think which creates a big impact on the startup, 50% of the people believe the same.

What do you think is the biggest misconception about startups in India?

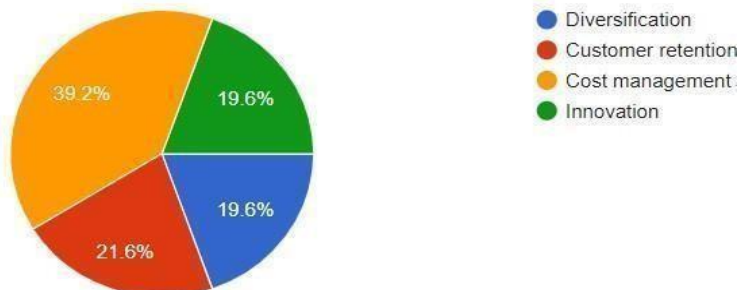
51 responses



Interpretation - People think that startups can help in making money very easily followed by overnight fame can be earned.

What strategies do you think startups in India should focus on to increase their chances of success?

51 responses



Interpretation- Almost 40% people believe that effective cost management will help the startups to increase in the chances of success of any new business idea.



## **V. CONCLUSION AND FUTURE RECOMMENDATION**

The aim of this study is to comprehend the nature of startups and small businesses, their operations, and the challenges they face in the contemporary business environment. Based on the analysis and findings, the organizations are requesting to seize the opportunity and go online because, in addition to saving money, doing so will help them reach their target audience around-the-clock and build brand awareness. The vision of a small business may not be as expansive as that of a startup because the former prioritizes maintaining complete control over the business and does not believe in giving up equity easily in order to raise capital. Conversely, startups focus on regularly raising capital in order to grow quickly and seize market share rather than aiming for equity ownership.

The sales department is responsible for bringing in money for the company, but most small and startup businesses struggle with this department's inability to produce leads, turn those leads into sales, provide after-sale services, handle customers, and other related tasks. To get where they want to go, an organization should invest in the worthwhile marketing channel that best fits their status and objectives. Every organization should first identify the type of challenge it is facing before attempting to identify the best course of action to overcome it. Organizations should remember that seeking support, assistance, and direction from sources other than the promoter's family or the organization is not inherently bad, given that the primary objective is to accomplish the organization's goals rather than the owner's personal objectives.

Thus, there will always be challenges, and how a startup or small business owner chooses to handle these issues and challenges will determine how long the organization stays in business.

## **FUTURE RECOMMENDATION**

I would like to advise all new and small businesses that, in order to survive the fierce competition, they should embrace information technology now, during this period of rapid technological advancement. In the business world, challenges will inevitably arise, but as the organization's founder or owner, it is crucial to never lose sight of its objectives and to guide the team that the owner has assembled, as they are its most valuable asset.

The company will be able to monitor their competitors and comprehend market trends once they begin utilizing the newest technology.

The majority of small businesses, including startups, employ fewer than 25 people, which is indicative of a small team. While a large team could ultimately result in financial losses for the company, it might also enable the owner to multitask and streamline work.

The first five years are crucial for any organization, new or established, as they are when a company is trying to make a name for itself in the market and recoup the cost of its goods or services. As a result, consistency is crucial, at least in the beginning. In the life of a startup, the initial phase is also regarded as the most challenging.

## **SUMMARY**

India has a lot of new businesses popping up, especially ones called startups. These startups are like fresh ideas trying to solve problems and make money. They often need help from investors to grow, and there are different ways they can get that help, like through crowdfunding, angel investors, venture capitalists, or even loans.

But starting a business in India can be tough. Many business owners are hesitant to share ownership of their company or don't have much to put up as collateral for loans. Also, there aren't as many investors around as before, making it hard to find funding. And traditional businesses, the ones that have been around for a long time, face their own challenges. They might not want to grow quickly or don't want to share control of their company.

The government has introduced some programs to help startups and small businesses, like providing grants or loans. There's also a lot of focus on promoting entrepreneurship and innovation through schemes like ASPIRE and Startup India.



But there are still challenges. Startups struggle with hiring the right people and facing stiff competition, especially from big companies. They also need to find ways to stand out and keep up with new technology. Plus, there are a lot of rules and regulations they have to follow, which can be hard to keep track of.

Despite the obstacles, there are solutions. Startups can try things like hiring interns, using affiliate marketing, or doing market research to understand their customers better. They also need to have a strong online presence and be open to using new technology. And if they want to grow, they might need to expand their business or try new things.

Overall, starting a business in India isn't easy, but with the right support and strategies, startups and small businesses can succeed and contribute to the country's economy.

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<https://www.investindia.gov.in/schemes-msmes-india>

### QUESTIONNAIRE

1. What challenges do you think startups face in India.
  - A. Lack of funding
  - B. Regulatory hurdles
  - C. Competition
  - D. Lack of skilled workforce
  
2. Do you think government policies support or hinder startup growth in India?
  - A. Support
  - B. Hinder
  - C. No impact
  
3. Which sector do you think sees the most startup failures in India?
  - A. Tech
  - B. Healthcare
  - C. Retail
  - D. Education
  
4. Do you believe cultural factors play a role in the failure of startups in India?
  - A. Yes
  - B. No



5. What do you think startups in India can do to avoid failure?
  - A. Better market research
  - B. Stronger leadership
  - C. Adaptability
  - D. Networking
  
6. Do you think the education system in India adequately prepares individuals for entrepreneurship?
  - A. Yes
  - B. No
  - C. Not sure
  
7. What role do you think social media plays in the success or failure of startups in India?
  - A. Brand awareness
  - B. Customer engagement
  - C. Reputation management
  - D. Competition monitoring
  
8. What impact do you think the global market has on startups in India?
  - A. Competition
  - B. Opportunities for growth
  - C. Technological advancements
  - D. Regulatory challenges
  
9. What do you think is the biggest misconception about startups in India?
  - A. Quick success
  - B. Easy money
  - C. Overnight fame
  - D. Lack of hard work
  
10. What strategies do you think startups in India should focus on to increase their chances of success?
  - A. Diversification
  - B. Customer retention
  - C. Cost management
  - D. Innovation

