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CONTRIBUTION OF STARTUPS TO INDIAN ECONOMY – A STUDY IN HYDERABAD

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Abstract
A startup encompasses any venture dedicated to fostering the growth, commercialization, and introduction of innovative products, services, or technologies, often rooted in intellectual property or emerging tech. Over the past couple of decades, the startup landscape in India has experienced a remarkable surge, buoyed by increasing support across all fronts. These startups don't operate in isolation rather they are integral components of a larger business environment geared towards generating impactful solutions, thus serving as catalysts for socioeconomic progress and transformation. By virtue of their penchant for pioneering innovations, startups not only create employment opportunities but also play a pivotal role in bolstering economy of the country, fostering stronger communities, and revitalizing urban centres, as exemplified by the transformative impact of Information Technology, especially in a city like Hyderabad. While the main aim of the paper is to study the contribution levels of startups to Indian economy, Hyderabad city has been selected as the study area and the startup companies in this city considered as study units. Among the registered startups in the city, the author identified 338 through random sampling method and data was collected from these startups with the help of a structured questionnaire. Hence, the perceptions of entrepreneurs on contributions of startups to Indian Economy revealed that the startups create job opportunities in the country and contribute to increase in GDP and GNP of the country. Moreover, startups contribute to the economy of the country through taxes, they raise finance or capital for circular flow of money in the country and contribute to market capitalization. Therefore, it can be concluded that the startups are playing a significant role in contribution of wealth increase in the country.

Keywords: Startups, entrepreneurs, contribution, Indian economy.

Introduction

'Startup' is usually an entrepreneurial venture, formed as a small business, is in the first stage of its operation, financed initially by their founders, which is designed to develop, grow fast and scale up higher with its business model which focuses on an innovative product, service, process, platform or solutions to address various business and economic problems pertaining to the target market, in which the founders strongly believe in (Nutan, Ankita Nagpal, 2024). Most often, startup companies make use of technologies, such as the internet, e-commerce, telecommunications, or robotics. Generally, startups have very high failure rates, but those with their best strategies and plans in place, with their innovative offers, with a perfect understanding of the environment and its trends, can face the difficulties, scale-up higher and can grow into potential and big influential companies (Robehmed and Natalie, 2013).

Indian startups have witnessed remarkable growth in recent years, with the country emerging as the third-largest ecosystem for ventures globally. With a clear vision and supportive government policies, Indian startups are well-positioned to elevate the country's status as a global leader in innovation and entrepreneurship (Andrew Constable, 2024). The Indian government has been proactive in supporting aspiring entrepreneurs through various initiatives including the Startup India scheme. Thus, the Government has launched Startup India initiative on 16th January 2016 with an aim to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities. Sustained Government efforts in this direction have resulted in increasing the number of recognized Startups from 471 in 2016 to 72,993 in 2022 (PIB, 2022).

Contribution of Startups

In 2022, Indian startups attracted a whopping $42 billion in funding, a substantial leap from the previous year's $16 billion which underscores their pivotal role in India's aspiration to achieve a $5 trillion economy goal. However, India's tech space has seen a huge decline in funding this year. Despite this, India remains one of the top-performing tech ecosystems globally. Therefore, today the startups are catering to every need of consumers, that is, from B2B to B2C. Several sectors that shine in India include fintech, e-commerce, SaaS, D2C, Autotech, and others as these areas have consistently topped the investment charts (Alka Jain, 2023). Startups function on an entirely different business model, which creates new customers, new demands and functions on an idea that is repeatable and scalable. In India, the number of youngsters turning entrepreneurs or those thriving on an entrepreneurial ambition is increasing exponentially every year. India is the third largest startup ecosystem in the world (NASSCOM, 2019). As per the DPIIT there were 27,916 startups in India which were recognized by the government in the year 2020, and increased to 92,683 and further hold the potential to drive a $5 trillion economy by 2024 (Alka Jain, 2023). Startups have played and continue to play a significant role in the growth, development and industrialization of many economies the world over (Amruta Deshpande, 2017). Globally technology-based startup companies were registering in higher numbers than non-technology companies because of their growing importance in the new knowledge economy. Since the rate of generation and innovation in knowledge has become very fast, the rate of obsolescence of technology has also become fast and consequently, the rate of mortality of startup companies has

also gone up. There is a need for an entrepreneur not only to have the best idea and passion to pursue his dream of startup entrepreneurship but also to have the best team, understand the potential market and competition, network with the startup ecosystem, understand the regulatory policies, calculate the risk involved and it is very essential and important that appropriate strategies are framed for its long term survival (Nutan and Ankita Nagpal, 2022). Hence, here are a few sectors in startups that contributed to a massive boost to the Indian economy.

1) Electronic Vehicles (EV): Startups are helping the EV space to create a sustainable ecosystem in collaboration with the government to further boost the transition. Over 486 EV startups are exploring opportunities and challenges in charging infrastructure, battery recycling, and energy storage solutions to enable green mobility in the country (Alka Jain, 2023).

2) FinTech: Is a combination of the words 'financial' and 'technology', refers to software that seeks to make financial services and processes easier, faster and more secure. It is one of the most disrupted sectors in India with more than 87% adoption rate, adding that around 6,386 startups have popped up over the last decade catering to distinct financial needs of consumers in India, ranging from insurance technology, digital lending, cashless economy, wealth management to block chain.

3) Jobs Creation: Over 98,000 recognized startups have created over 10.34 lakh direct jobs for people in the country (The Indian Express, 10 Aug, 2023). These entrepreneurial ventures will act as dynamic catalysts, propelling economic growth through their innovative solutions and job creation. They infuse fresh ideas and technologies into the market, enhancing competitiveness and attracting foreign investment.

4) Technology: One of the critical ways startups are contributing to India's $5 trillion economy vision is through their foray into cutting-edge technologies. From advanced battery technologies, electric vehicle components, and self-driving technology to charging infrastructure, Indian startups are driving the EV space.

5) Bilateral Trade: The startups bolster India's exports, with software services exports hitting $156.7 billion in 2021-22 (Mahankali Srinivas Rao, 2023). The collaborations with the US, indicated by the $191 billion bilateral trade and investment in 2022, and initiatives like the US-India Defence Acceleration Ecosystem, further ignite the startup ecosystem's growth (Chandrajit Banerjee, 2023).

6) Healthcare: There are numerous innovative ideas focused on better patient management, patient data analysis, and insurance claim management that startups are addressing to boost the healthcare sector in India. The current trends in this sector further suggest a 45.06% increase in the total investments in health tech startups, encompassing telemedicine and telecommunication services, robotic surgeries, AI-based medical solutions that assist in detecting diseases, and more (Yatti Soni, 2019).

Literature Review

Krishna Satyanarayana, et al. (2021) studied to examine the role played by the entrepreneurial, firm-specific and external environment-related parameters in impacting the competitiveness of Indian high-tech startups, considering startup survival as a milestone and using survival analysis techniques for the analysis. For this purpose, the study used primary data collected from 175 Indian high-tech startups, using a semi-structured questionnaire and in-depth interviews with the top-level management of the sample firms for analysis. This study found that entrepreneur-specific, firm-specific and external environment-specific factors of a firm influence the competitiveness of high-tech start-ups that are in pre-growth stage in a developing economy. Mungila and Bala (2020) have studied technology business incubators in India with reference to determinants of R&D contributions and national economy. The purpose of this study is to explore how do the characteristics of technology business incubators (TBIs), their chief executive officers, selection process and incubation process influence their research and development (R&D) contribute to the national economy. The study found that there is scope and potential for an increasing R&D contribution to emerge from the TBIs along with their incubated startups and supplement national R&D efforts in economic development of India. Goparaju Sudhakar (2020) studied entrepreneurship for economic development in India to study the role of startups for economic development, job creation and wealth building. Thus, it is found that the contribution of startups in identifying products and services, market research, job creation, funding, technology transfer and green technologies are significant. Chidambaram and Nagarajan (2019) in a study on tech-startups - a milestone to Indian Economy revealed that the Government of India took initiatives for the growth and development of indigenous production through startups and also by assisting the young entrepreneurs through various schemes for meeting up the challenges with the global competitors. Moreover, the Government of India concentrated for the development and enrichment of startup environment, the study found that the growth and development of technology-based startups in India contribute more to the economic development of the country. Kavita and Aashu (2017) studied the role of youth in entrepreneurship and implications for the Indian economy. This study seeks to build an understanding of youth entrepreneurship under establishment of startups, its nature, role and implications for the Indian economy. The study also throws a light on the challenges faced by youth entrepreneurs and steps that should be undertaken to tackle these challenges efficiently and encourage young individuals to start their ventures. Neeta Baporikar (2015) in her study on framework for social change through startups in India stated that a startup is a temporary organization in search of a scalable, repeatable, profitable business model and a small startup founded by two or three entrepreneurs can produce and test the feasibility of tens of possibilities for a new business idea. This study enhances to understand the startup ecosystems and recognize the framework for social change taking shape due to Indian startup contribution to the national economy. The study also attempts to understand the key success factors and provides commandments to further foster startups to optimize the social change and economic development. Moreover, the literature presented and discussed in this section attempts to reduce the research gap in the area of startup contribution to Indian economy.

Need for the Study

The success and failure of any business in general and startups in particular largely depends on coping with challenges that emerge like the commercialization of novel technique or technology prepositions into viable revenue-generating products or services. Besides this financing, the startups were also troublesome to the investors due to lack of adequate return for a longer period of time with the aggregated risk involved in it. Further, positioning of the product or service is also another threat to the entrepreneur since it does not give any guarantee to have sustainable demand from the consumers. Identification of potential human resources who can serve the needs of a startup is also a challenge to these startups. Hence, the researcher made an attempt in this paper to study the contribution of startups to Indian economy in the present scenario.

Objectives

1. To study the demographic features of start-ups in Hyderabad city
2. To elucidate the perceptions of entrepreneurs on the contribution of start-ups to Indian economy

Hypothesis

H_o: There is no significant difference in the perceptions of various demographic featured entrepreneurs on the contribution of start-ups to economy of the country

H_1: There is a significant difference in the perceptions of various demographic featured entrepreneurs on the contribution of start-ups to economy of the country

Methodology

The main aim of this paper is to study the contribution of startups to Indian economy. For this purpose, the author selected Hyderabad city as the study area and the startup companies in this city were considered as study units. Hyderabad has undergone a remarkable transformation in the Indian startup landscape, attracting $141 billion in funding over the past decade. Today, Hyderabad stands proudly alongside traditional startup powerhouses like Delhi, Mumbai and Bengaluru, which are proving emerging hubs and capturing significant investor interest and gaining prominence. Hyderabad's startup ecosystem is now a force to be reckoned with, boasting of a staggering 4,369 tech startups (Shreshtra Verma, 2023). Among these startups, the researcher identified 338 startups based on random sampling method. Hence, the data was collected from these startups with the help of a structured questionnaire. This questionnaire contains 7 statements related to contribution of startups to economy of the country and in addition, the demographic features of the startup enterprises like age of startup, nature of startup, location of startup, no. of employees working, yearly turnover, technology used and no. of branches in the country or state are included. Thus, the perceptions/ opinions of the entrepreneurs are presented in the following tables and analyzed.

Data Analysis

Here in this study the demographic features of the startups in the study area deals with the age of the startups, nature of the startups, location of the startups, number of employees or the manpower in the startups, yearly turnover of the selected startups, technology used by the selected startups, and number of branches established by the selected startups. Hence, the frequency

distribution and percentage of the demographic features of the startups are presented in the following Table-1 and analysed with discussion. Thus, the following table illustrates the demographic features of the startups surveyed in the current study.

Table-1: Demographic features of the startups

Demographics		Frequency	Percentage
Age of the Startup	0-1 year	154	45.56
	1-3 years	111	32.84
	3-4 years	53	15.68
	4-5 years	20	5.91
Nature of the Startup	Product-Based	60	17.75
	Service-Based	188	55.62
	Hybrid	90	26.62
Location of the Startup	Urban	172	50.9
	Rural	30	8.9
	Semi-Urban	136	40.2
No. of Employees Working	Less than 20	36	10.7
	20-50	93	27.5
	50-100	97	28.7
	100-200	72	21.3
	Above 200	40	11.8
Yearly Turnover (in Millions)	0-10	144	42.6
	10-20	116	34.3
	20 -30	54	16.0
	More than 30	24	7.1
Technology used	Artificial Intelligence (AI)	83	24.6
	Machine Learning (ML)	40	11.8
	Cloud Technology	69	20.4
	Mobile Applications	68	20.1
	Internet of Things (IoT)	55	16.3
	Any others	23	6.8
No. of Branches	1-2	311	92.0
	3-4	27	8.0
	Total	**338**	**100.0**

It is found that out of the total sample startups surveyed for this study a predominant group of 45.56 percent started less than one year ago and from the rest, 32.84 percent started between 1-3 years, 15.68 percent have started between 3-4 years and the remaining 5.19 percent have started

between 4-5 years ago. With reference to nature of startups the data revealed that 17.75 percent are product based, 55.62 percent are service based and 26.62 percent are hybrid based companies. Whereas location of startups in Hyderabad shows that above fifty percent (50.9%) are in urban areas, and from the rest, 40.2 percent are in semi-urban areas and very few (8.9%) are in rural areas of Hyderabad. Regarding employee strength of the startups, the data indicates that 10.7 percent are working with less than 20 employees, 27.5 percent are working with 20-50 employees, 28.7 percent are working with 50-100 employees, 21.3 percent are working with 100-200 employees and and 11.8 percent are working with above 200 employees. The annual turnover of the startups revealed that 42.6 percent are with 0-10 million, 34.3 percent are with 10-20 million, 16.0 percent are with 20-30 million and 7.1 percent are with above 30 million annual turnovers. While the technology used by the startup shows 24.6 percent are using AI, 11.8 percent are using ML, 20.4 percent are using cloud technology, 20.1 percent are using mobile applications, 16.3 percent are using IoT and 6.8 percent are using other technologies, the number of branches established by the startups revealed that a dominated group of 92.0 percent are having 1-2 branches and the remaining 8.0 percent are having 3-4 branches in Hyderabad.

Table-2: Perceptions of entrepreneurs on contributions of startups on Indian economy

S. No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	Entrepreneurs contribute to increase the GDP of the nation	25 (7.4)	36 (10.7)	56 (16.6)	96 (28.4)	125 (37.0)	**338 (100.0)**
2	Entrepreneurs contribute to increase the GNP of the nation	30 (8.9)	45 (13.3)	63 (18.6)	90 (26.6)	110 (32.5)	**338 (100.0)**
3	Entrepreneurs contribute to economy through taxes	17 (5.0)	21 (6.2)	60 (17.8)	106 (31.4)	134 (39.6)	**338 (100.0)**
4	Entrepreneurs raise finance/capital for circular flow of money	31 (9.2)	39 (11.5)	55 (16.3)	110 (32.5)	103 (30.5)	**338 (100.0)**
5	Entrepreneurs contribute to market capitalization	29 (8.6)	46 (13.6)	60 (17.8)	94 (27.8)	109 (32.2)	**338 (100.0)**
6	Entrepreneurs contribute to increase in wealth	34 (10.1)	53 (15.7)	68 (20.1)	86 (25.4)	97 (28.7)	**338 (100.0)**
7	Entrepreneurs create job opportunities	18 (5.3)	36 (10.7)	45 (13.3)	100 (29.6)	139 (41.1)	**338 (100.0)**

The Table-2 presents the opinion of entrepreneurs on contribution of their firm to the economy. It is noticed that out of total entrepreneurs, 37.0 percent strongly agreed, followed by

28.4 percent who agreed, 16.6 percent were neutral, but 10.7 percent disagreed and 7.4 percent strongly disagreed about entrepreneur contribution to GDP. It is found that 32.5 percent strongly agreed, 26.6 percent agreed, whereas 13.3 percent disagreed, 8.9 percent strongly disagreed about entrepreneur contribution to GNP, but 18.6 percent were neutral about it. It is observed that as many as 39.6 percent strongly agreed, 31.4 percent agreed, 17.8 percent were neutral, 6.2 percent disagreed and 5.0 percent strongly disagreed that the entrepreneurs contribute to economy through taxes.

The data reveals that a dominated group of 32.5 percent agreed, 30.5 percent strongly agreed, 16.3 percent were neutral, 11.5 percent disagreed and 9.2 percent strongly disagreed that the entrepreneurs raise finance/capital for circular flow of money. It shows that 32.2 percent strongly agreed, 27.8 percent agreed, but 17.8 percent were neutral, 13.6 percent disagreed and 8.6 percent strongly disagreed. It is observed that as many as 28.7 percent strongly agreed, 25.4 percent agreed, 20.1 percent were neutral about the entrepreneur contribution to increase in wealth, but 15.7 percent disagreed and 10.1 percent strongly disagreed about it. From the data, 41.1 percent strongly agreed, 29.6 percent agreed, 13.3 percent were neutral, 10.7 percent disagreed and 5.3 percent strongly disagreed that the entrepreneurs create job opportunities.

Table-3: Perceptive score analysis on opinions of entrepreneurs towards contributions of their firm to the economy

S. No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
	Scale Value (SV)	**1**	**2**	**3**	**4**	**5**	
1	Entrepreneurs contribute to GDP	25	36	56	96	125	**338**
	Frequency x Scale Value	25	72	168	384	625	**1274-III**
2	Entrepreneurs contribute to GNP	30	45	63	90	110	**338**
	Frequency x Scale Value	30	90	189	360	550	**1219-VI**
3	Entrepreneurs contribute to economy through taxes	17	21	60	106	134	**338**
	Frequency x Scale Value	17	42	180	424	670	**1333-I**
4	Entrepreneurs raise finance/capital for circular flow of money	31	39	55	110	103	**338**
	Frequency x Scale Value	31	78	165	440	515	**1229-IV**
5	Entrepreneurs contribute to market capitalization	29	46	60	94	109	**338**
	Frequency x Scale Value	29	92	180	376	545	**1222-V**

6	Entrepreneurs contribute to increase in wealth	34	53	68	86	97	**338**
	Frequency x Scale Value	34	106	204	344	485	**1173-VII**
7	Entrepreneurs create job opportunities	18	36	45	100	139	**338**
	Frequency x Scale Value	18	72	135	400	695	**1320-II**
	Total score						**8770**
	Maximum Possible Score	5 (Maximum score points) 338 (number of respondents) X 7 (number of statements)					**11830**
	Percentage of score	Total score for contributions of your firm to the economy /Maximum Possible Score X 100					**74.1**
	Average						**1252.9**

The Table-3 represents the Perceptive score analysis on opinions of respondents towards contributions of their firm to the economy. There are 7 statements and each one is carrying a score on the basis of perceptions of the respondents. Based on the perspective score the ranks have been generated and the rank order analysis has been discussed. According to the above table data, it can be understood that the 1st rank is given to the statement "Entrepreneurs contribute to economy through taxes" with a score value of 1333, the 2nd rank has been given to the statement "Entrepreneurs create job opportunities" which is secured with a score value of 1320. The data reveals that 3rd rank is given to the statement "Entrepreneurs contribute to GDP" with a score value of 1274, the 4th rank was given to the statement "Entrepreneurs raise finance/capital for circular flow of money" which is carrying a score value of 1219. It is found from the data that 5th rank is given to the statement "Entrepreneurs contribute to market capitalization" with a score value of 1222, the 6th rank is given to the statement "Entrepreneurs contribute to GNP" which is carrying a score value of 1219. It is noticed that 7th rank is given to the statement "Entrepreneurs contribute to increase in wealth" with score value of 1173.

Hence, the maximum possible score of the above 7 statements are 11,830 and the obtained score is 8770, which is 74.1 percent of the total score. While the average score is 1252.9, the individual score of statements, which are higher than the average score considered more positive statements and the individual scores of the statements which are lesser than the average score considered as less positive statements. Therefore, 3 statements are on more positive side and 4 statements are on less positive side.

Table-4: Perception score difference among various demographic group entrepreneurs towards contribution of their firm to the economy

Particulars	Category	N	Mean	Std dev	Std Err	f- value	p-value
Age of the Startup	0-1 years	154	26.12	3.379	0.272	0.631	0.595
	1-2 years	111	25.60	3.157	0.300		
	2-3 years	53	26.17	3.251	0.447		
	4-5 years	20	25.90	3.508	0.784		
Nature of the Startup	Product-Based	60	25.55	3.291	0.425	0.637	0.530
	Service-Based	188	26.10	3.458	0.252		
	Hybrid	90	25.90	2.919	0.308		
Location of the Startup	Urban	172	26.06	3.281	0.250	1.329	0.266
	Rural	30	26.63	2.906	0.531		
	Semi-Urban	136	25.65	3.370	0.289		
No. of Employees Working	Less than 20	36	25.19	3.640	0.607	1.211	0.306
	20-50	93	26.23	2.938	0.305		
	50-100	97	26.32	3.340	0.339		
	100-200	72	25.67	3.677	0.433		
	Above 200	40	25.58	2.800	0.443		
Yearly turnover (in millions)	0-10	144	26.33	3.417	0.285	1.255	0.290
	10-20	116	25.63	3.144	0.292		
	20-30	54	25.83	3.202	0.436		
	More than 30	24	25.42	3.335	0.681		
Technology	AI	83	26.45	3.372	0.370	0.684	0.636
	ML	40	25.85	3.520	0.556		
	Cloud	69	25.94	3.180	0.383		
	Mobile Apps	68	25.65	3.291	0.399		
	IOT	55	25.55	3.078	0.415		
	Any others	23	26.17	3.499	0.730		
No. of Branches	1-2	311	25.99	3.279	0.186	0.586	0.444
	3-4	27	25.48	3.435	0.661		
Total		338	25.95	3.290	0.179		

The perception score differences among various demographic group startup entrepreneurs on their contribution towards Indian economy revealed in the above Table-4. Among various age group startups the average contribution score of 0-1 year entrepreneurs is 26.12, 1-2 years entrepreneurs is 25.60, 2-4 year entrepreneurs is 26.17 and 4-5 year entrepreneurs is 25.90, and their respective standard deviations are 2.379, 3.157, 3.251 and 3.508. With these mean and standard deviations the calculated f-value 0.631 is not indicating any significance because the p-value 0.595 is higher than 0.05. This infers that age of startup does not determine their contribution towards economy of the country.

Regarding the nature of startups, the average contribution score of product-based entrepreneurs is 25.55, service-based entrepreneurs is 26.10 and hybrid firms is 25.90, and their respective standard deviations are 3.291, 3.458 and 2.919. With these mean and standard deviations, the calculated f-value 0.637 indicates no significance because the p-value is 0.530. Therefore, it shows that the contribution of the startups to economy of the country isn't influenced by the nature of enterprise.

With reference to location of the startup, the contribution of entrepreneurs to economy of the country based on the data indicates that the average perceived score of urban area firms is 26.06, rural area firms is 26.63 and semi-urban area firms is 25.65, and their respective standard deviations are 3.281, 2.906 and 3.370. According to these mean and standard deviation values, the calculated f-value 1.329 indicates no significance because the p-value 0.266 is higher than 0.05. Thus, it predicts that location of the startup does not determine the impact on economy of the country.

The average perceived score of startups towards their contribution to economy of the country is based on their employee strength. It is found that the average score of less than 20 employees strength firm is 25.19, 20-50 employee strength firms is 26.23, 50-100 employee strength firms is 26.32, 100-200 employee strength firms is 25.67 and above 200 employee strength firms is 25.58, and their respective standard deviations are 3.640, 2.938, 3.340, 3.677 and 2.800. With these mean and standard deviations, the calculated f-value 1.211 shows no significance because the p-value 0.306 is higher than 0.05. This infers that number of employees in the startups do not influence the economy of the country.

As per the turnover of startups it is found that the average score of contribution to economy of the country is 26.33 for 0-10 million turnover enterprises, 25.63 for 10-20 million turnover enterprises, 25.83 for 20-30 million turnover enterprises and 25.42 for above 30 million turnover enterprises, and their respective standard deviations are 3.417, 3.144, 3.202 and 3.335. With these mean and standard deviation values, the calculated f-value 1.255 indicates no significance because the p-value 0.290 is not less than 0.05. Therefore, it infers that the turnover of the firm does not contribute to the economy of the country.

Regarding the average perception scores of various technology using startups towards contribution of firms to economy of the country, it is found that the average score of IA technology using startups is 26.45, ML using startups is 25.85, Cloud using startups is 25.94, Mobile apps using startups is 25.65, IOT using startups is 25.55 and other technology using startups is 26.17, and their respective standard deviations are 3.372, 3.520, 3.180, 3.291, 3.078 and 3.499. With these mean and standard deviation values, the calculated f-value 0.684 infers no significance because the p-value 0.636 is higher than 0.05. Therefore, this indicates that the technology used by the startups does not contribute to the economy of the country.

In this study, the total startup enterprises surveyed are divided into two groups based on their number of branches in the country. Hence, the perceptions of each group to the contribution of startups towards economic development of country indicates that the average scores of startups which are having 1-2 branches is 25.99 and the startups which have 3-4 branches is 25.48 and their standard deviations are 3.279 and 2.435 respectively. With these mean and standard deviations, the calculated f-value 0.586 is not significant because the p-value 0.444 is higher than 0.05. This infers that there is no significance of startups to their contribution towards economy of the country based on their branches.

Hence, the analysis revealed that the contribution of startups to the Indian economy isn't influenced by the demographic features of the enterprises because almost every startup has its own role towards the contribution of economic development of the nation.

Discussion

The perceptions of entrepreneurs on contributions of startups to Indian economy revealed that as many as 84.0 percent of the respondents felt that the startup entrepreneurs create job opportunities in the country. While 82.0 percent opined these entrepreneurs contribute to GDP of the country, 77.7 percent opined that these entrepreneurs contribute to GNP of the country. Moreover, 73.1 percent of the respondents agreed that these entrepreneurs contribute to the economy of the country through taxes.

While 88.8 percent of the respondents opined that startup entrepreneurs raise finance or capital for circular flow of money in the country, 77.8 percent entrepreneurs contribute to market capitalization. Therefore, it can be conclude that 77.2 percent of these entrepreneurs felt that they contribute to increase the wealth in the country.

Conclusion

A startup encompasses any venture dedicated to fostering the growth, commercialization, and introduction of innovative products, services, or technologies, often rooted in intellectual property or emerging technology. Over the past couple of decades, the startup landscape in India has experienced a remarkable surge, buoyed by increasing support across all fronts. These startups don't operate in isolation rather they are integral components of a larger business environment geared towards generating impactful solutions, thus serving as catalysts for socioeconomic progress and transformation. By virtue of their penchant for pioneering innovations, startups not only create employment opportunities but also play a pivotal role in bolstering economy of the country, fostering stronger communities, and revitalizing urban centres, as exemplified by the transformative impact of information technology, especially in a city like Hyderabad. Moreover, these startups serve as incubators of talent, attracting a diverse pool of individuals with varied skill sets and expertise. By providing a platform for experimentation and exploration, they empower aspiring entrepreneurs to translate their ideas into tangible solutions, thereby catalyzing a ripple effect of positive change. In this regard, government interventions such as the "Standup India"

initiative underscore a concerted effort to nurture and bolster the startup ecosystem, recognizing its pivotal role in shaping India's economic landscape.

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