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STARTUP INDIA PROGRAM SUPPORT AND BUSINESS SUSTAINABILITY: AN EMPIRICAL STUDY OF KARNATAKA STARTUPS

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ABSTRACT

The study on startup India program is focused on the programs support on business growth in revenue and market expansion of startups, and it further explores how these factors contribute to overall business sustainability. The data collected from 30 startup companies of different sectorsin Karnataka. The findingsprovide insights into the programs impact on percentage of revenue increase and market expansion under the program, key factors supporting for business sustainability.

KEYWORDS: Startup program, business sustainability, startup companies, Karnataka.

INTRODUCTION

A startup is a company that was established less than ten years ago and generates less than 10 0 crores in sales annually.The Department for Promotion of Industry and Internal Trade of th e Ministry of Commerce and Industry in India oversees startup initiatives.It is an endeavor to build a robust startup ecosystem in the country to foster innovation and offer opportunities to aspiring entrepreneurs. The Program was launched on January 16, 2016, by honorable Prime Minister, NarendraModi in an event held in Delhi were thousands of entrepreneurs and stakeholders acknowledge the event.

The Startup India initiative in India is based on three principles.(a) Fostering collaborations a nd financial assistance for the country's entrepreneurs; (b) Encouraging industryacademia coo peration and incubation facilities; and (c) Offering support and streamlining procedures.

Startup Definition

Department of Industrial Policy and Promotion (DIPP) has defined a startup A startup is an entity has a business of less than 10 years from its commencement further; it is a limited company or partnership firm or a limited liability partnership in India. The turnover of the entity has not exceeded 100 crores. It has a scalable business model with innovative products or services capable of generating employment and wealth.

Definition of startup asper companies act 2013 The term 'start-up' or "start-up company" means a private company incorporated under the Companies Act, 2013 or the Companies Act, 1956 and recognized as start-up in accordance with the notification issued by the Department of industrial Policy and Promotion, Ministry of Commerce and Industry."

Literature Review

Khanindra. Ch. DasIndian startups from (2016-2021) The research article highlights on the developmental initiative and progress in startups activity in the period of five years. The paper discussed on ten key areas of startup eco system such as rise of Unicorns in the country, existence of plethora options for raising finance including IPO, acquision and exit of startups, funding status in varies sectors, growth of women startups, states specific programmes, education institutions role, demographic advantage, international market entry. This study also highlights the darkness of various initiatives and the scope for the further research on all the initiatives exploring.

David Audretsch et,al., (2020) "Innovative start-ups and policy initiatives" The researcher found considerable differences in definition of innovative startups as how scholars and policy makers mean. Indepth definition of innovative startups and the policies supports towards theses approach are understood by the researcher studying 37 policy initiatives of all over the world and sorted different approaches on innovative startups that helped to develop a methodological framework for policy matters, administrative and operational issues and the approach for research in different stages of development of startups**.**

WooseungLee,et al (2019) Business Sustainability of Start-Ups Based on Government Support:

An Empirical Analysis of Korean StartUps.The study analyzes the effects of the key business elements required for startups, such as market orientation, network of business sustainability t hrough flow experience, and entrepreneurial happiness through government startup support.The hypothesis posits that government support is positively impacted by market orientation and network factors.Entrepreneurial satisfaction and business sustainability are positively impacted by government support for startups.The variables are measured using a Likert scale, and statistical procedures such as factor analysis and correlation are used.According to the conclusive findings, flow experience and networks have a significant impact on sustainability, but entrepreneurial happiness had the most impact on business sustainability.

Objectives of the study

1. To assess the impact of Startup India support on business growth in revenue and market expansion of startups.
2. To analyse the contribution of the startup India program onoverall sustainability of startups.

Data Analysis and Interpretation

Demographic description, Age, Gender, Education, and Sector analysis is doneby using the frequency and percentage method.

Table 1: Demographic Variables.

Demographic Variables		No. of Respondents	Percent
Age	Less than 30 years	3	10
	30 - 40 years	15	50
	40 - 50 years	6	20
	Above 50 years	6	20
Gender	Male	**23**	**77**
	Female	7	23
Education Level	Graduation	12	40
	Post graduation	15	50
	Other	3	10
Sector	IT service	18	60
	Healthcare	6	20
	Edutech	6	20

Source: Survey Data

Increase in startup’s revenue after enrolling in the Startup India Programme

The table presents data on changes in revenue experienced by startups after enrolling in the Startup India Programme.

Table 2: Increase in startup's revenue after enrolling in the Startup India Programme.

Increase in startup's revenue after enrolling in the Startup India Programme	Number of Respondents
Yes, significantly increased	7 (23.3%)
Yes, moderately increased	11 (34.8%)
No significant change	10 (33.7%)
Revenue has decreased	2 (8.1%)
Total	30 (100%)

Source: Primary Data

34.8% (11 respondents) noted a moderate increase in revenue, suggesting that for a significant portion of startups, the program has provided support that contributed to steady growth, likely through resources, networking, and visibility. 23.3% (7 respondents) reported a significant increase in revenue, demonstrating a strong impact on nearly one-fourth of the respondents. This group may have effectively leveraged program benefits, such as funding, mentorship, and market access, to achieve substantial revenue gains. 33.7% (10 respondents) observed no significant change in revenue, suggesting that while the program offers support, it may not have a direct impact on the revenue growth of all startups, particularly those in early stages or in need of specific sectoral support. 2% (50 respondents) experienced a decrease in revenue, indicating that for a small segment, the program's support may not have aligned with their immediate growth needs or business model.

Percentage of Revenue Increase since Participation in the Startup India Programme

The table provides insights into the percentage of revenue increase experienced by startups since joining the Startup India Programme.

Table 3: Percentage of Revenue Increase since Participation in the Startup India Programme.

Percentage of Revenue Increase since Participation in the Startup India Programme	Number of Respondents
Less than 10%	6 (20.4%)
10% - 25%	10 (34.2%)
26% - 50%	8 (26.9%)
51% - 75%	4 (11.8%)
More than 75%	2 (6.7%)
Total	30 (100%)

Source: Primary Data

34.2% (10 respondents) reported a revenue increase of 10% to 25%, indicating that the largest segment experienced steady yet moderate growth, possibly benefiting from program resources that helped improve their market presence and operational efficiency. 26.9% (8 respondents) experienced a revenue increase of 26% to 50%, suggesting a positive impact on over a quarter of respondents who likely used the program's support for scaling and expansion. 20.4% (6 respondents) saw an increase of less than 10% in revenue, indicating minimal growth. This group may include early-stage startups or those still in the process of establishing market traction, for whom the benefits of the program may take longer to materialize. 11.8% (4 respondents) achieved 51% to 75% revenue growth, and 6.7% (2respondents) reported increases above 75%, representing startups that significantly benefited from the program. These high-growth startups may have effectively leveraged the program's financial, networking, and mentorship opportunities.

Market Expansion

Facilitation of Startup's expansion into new markets under the Startup India Programme

The table illustrates the extent to which the Startup India Programme has facilitated market expansion for startups.

Table 4: Facilitation of Startup's expansion into new markets under the Startup India Programme.

Facilitation of Startup's expansion into new markets under the Startup India Programme	Number of Respondents
Yes, expanded to national markets	13 (43.5%)
Yes, expanded to international markets	4 (15.3%)
No market expansion	10 (32.7%)
Not applicable	3 (8.5%)
Total	30 (100%)

Source: Primary Data

43.5% (13 respondents) indicated expansion to national markets, suggesting that the program has been effective in helping nearly half of the startups reach broader domestic audiences. This expansion may be due to increased visibility, networking opportunities, and resources provided by the program, which can enhance market access within India. 15.3% (4 respondents) reported expansion to international markets, demonstrating that the program's support also enables a portion of startups to explore global opportunities. This reflects positively on the program's potential to foster startups capable of international growth, which can contribute to increased global competitiveness. 32.7% (10 respondents) reported no market expansion, indicating that while the program offers market support, it may not align with the needs of all startups, particularly those focused on niche or local markets or those at earlier stages where expansion may be less feasible. 8.5% (3 respondents) marked the option as not applicable, likely representing startups that do not prioritize market expansion due to their business model or stage of development.

Business Sustainability

Contribution of the Startup India Programme to the Sustainability of Startups

The table illustrates the extent to which the Startup India Programme has contributed to the sustainability of startups.

Table 5: Contribution of the Startup India Programme to the Sustainability of Startups.

Contribution of the Startup India Programme to the Sustainability of Startups	Number of Respondents
Very high contribution	6 (20.2%)
High contribution	9 (30.5%)
Moderate contribution	10 (32.2%)
Low contribution	3 (11.9%)
No contribution	2 (5.2%)
Total	30 (100%)

Source: Primary Data

32.2% (10 respondents) indicated a moderate contribution from the program, implying that the program provides essential, albeit partial, support that helps startups maintain stability and adapt to challenges in their early stages. 30.5% (9 respondents) reported a high contribution, demonstrating that nearly one-third of startups benefit substantially from the program's resources. This group likely finds the program effective in offering financial, networking, and operational support critical for sustained growth. 20.2% (6 respondents) observed a very high contribution to their sustainability, suggesting that for a significant portion of startups, the program's support mechanisms have been integral to their continued success and resilience. 11.9% (3 respondents) felt the program made only a low contribution to their sustainability, indicating that while some benefits are evident, they may not fully address the unique needs or challenges of these startups. 5.2% (2 respondents) reported no contribution, implying that a small segment of startups did not find the program impactful in terms of sustainability. This may include startups with specific needs that the program does not directly address.

Key Factors from the Startup India Programme Supporting Business Sustainability

The table details specific ways the Startup India Programme has contributed to sustaining business operations for startups, with a focus on financial support, operational training, and resilience measures.

Table 6: Key Factors of the Programme Supporting Business Sustainability.

Key Factors from the Startup India Programme Supporting Business Sustainability	Number of Respondents
Improved access to funding during critical growth phases	14 (45.3%)
Enhanced operational efficiency through training and resources	5(15.6%)
Access to incubation and acceleration programs	8 (28.2%)
Strengthened ability to weather economic downturns	3 (10.9%)
Total	30 (100%)

Source: Primary Data

45.3% (14 respondents) highlighted improved access to funding during critical growth phases as the most impactful support mechanism. This indicates that financial assistance from the program plays a crucial role in helping startups overcome funding challenges, particularly during phases requiring investment for scaling or expansion. 15.6% (5 respondents) cited enhanced operational efficiency through training and resources as a key benefit, suggesting that the program's training initiatives and resource offerings are instrumental in helping startups streamline processes, improve productivity, and optimize operations. 10.9% (3 respondents) reported that the program strengthened their ability to weather economic downturns. This support is likely important for startups facing market volatility, as it enables them to better navigate financial challenges and maintain stability during economic fluctuations. 28.2% (8 respondents) noted access to incubation and acceleration programs as beneficial, indicating that structured support from incubators and accelerators has helped startups with mentorship, business strategy, and growth planning, which are vital for long-term sustainability.

Key Findings

The majority of participants are in their mid-career stage, as evidenced by the fact that 50% of respondents are between the ages of 30 and 40, With 77% of respondents being men, which reveals there is a notable gender disparity that suggests male dominance in the sample. Majority of the respondents are highly educated, indicating that most participants have strong academic backgrounds. Regarding the sector distribution, the largest share of respondents **(**60%**)** belongs to the IT service sector**,** whileHealthcareand EdTech sectors each account for

20%**.** This shows that the sample is predominantly composed of IT professionals, with comparatively equal but smaller representation from healthcare and EdTech fields.

Startup India programs contribution to business sustainability.

A majority of respondents (over 80%) reported moderate to very high contributions, showing that the program effectively supports startups through resources like funding, networking, and operational guidance. However, while many startups benefit significantly, a smaller group (around 17%) experienced low or no impact, suggesting that the program may not fully meet the diverse needs of all participants. Overall, the program plays a meaningful role in supporting startup stability and growth, but there is room for improvement to make it more inclusive and adaptable.

Findings on factors influence supporting business sustainability as access to funds is essential for growth and expansion,that it is the most effective support methodwith nearly half of the respondents identifying it as crucial for growth and expansion. More than 25% of businesses benefit from incubation and acceleration support, which provides strategic direction and coaching. A lower percentage of responders also reported increases in operational efficiency and the capacity to manage economic downturns. In general, defined developmental plans and financial backing are the main forces behind startup sustainability.

Inference

The analysis infers that financial support is one of the very significant factors that influences startups business sustainability. It is the primary need for all business setups that builds confidence to promote their business. Structured support mechanisms like incubation and acceleration programs through mentorship and strategic guidance associates in business success. But the respondentsresponse varies and indicates startups have diverse needs, Therefore, to make the program more impactful, a more customised and flexible support system needed to be adopted for greater impact to have inclusive and balanced outcomes.

CONCLUSION

The startup India initiative is the most ambitious program implanted to overcome the unemployment and reach the economy growth by the increased GDP, percapita and standard of living. Overall, the program plays a meaningful role in supporting startup stability and growth, but there is room for improvement to make it more inclusive and adaptable.

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