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Review Article

Indian Business in the Digital Age

Manjula Mallya[1], V Basil Hans[2]

[1]Associate Professor Of Economics At Gfg Women's College In Balmatta, Mangalore, India
[2]Research Professor At Srinivas University In Pandeshwar, Mangalore, India

I N F O

Corresponding Author :
V Basil Hans, At Srinivas University In Pandeshwar, Mangalore, India
E-mail Id:
vhans2011@gmail.com
Orcid Id:
https://orcid.org/0000-0003-2713-2188
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A B S T R A C T

The digital revolution has changed the way people do business in India, opening up new possibilities for innovation, growth, and reaching people all over the world. This article looks at how Indian entrepreneurship has changed in the digital age. It focuses on how the rise of tech-driven businesses has sped up because of the widespread use of the internet, cheap mobile technology, and government programmes that help businesses. It looks at how digital platforms, finance breakthroughs, e-commerce ecosystems, and startup incubators may help both city and country entrepreneurs get to markets and resources more easily. The article also talks about some of the main problems that still affect entrepreneurs, such as gaps in digital literacy, complicated rules, and a lack of capital. The report shows how Indian startups are using data, automation, and digital ecosystems to build long-lasting business models and compete on a globala scale. It does this through case studies and insights from different sectors. The article ends by thinking about where India's digital entrepreneurship is headed and how it could help the economy grow in a way that includes everyone.

Keywords: Digital Entrepreneurship, Indian Startups, Innovation Ecosystem, Technology Adoption, Economic Development

Introduction

The Beginning

The digital age in India officially started around the year 2000. The study aims to analyse the nascent digital entrepreneurship ecosystem from a modern perspective. Some of the most important issues are: Which sectors are growing or changing as technology changes? What roles do different technologies play in helping entrepreneurs? And how much are the different aspects of entrepreneurship growing or becoming established?

People are starting to think that digital tools and technologies are very important for starting and growing a successful business in any field. This study looks at one part of this limitation: which digital advances offer the best chances for new businesses that use technology-based solutions? India has a strong technology infrastructure that has helped the country become one of the best places in the world for digital entrepreneurship, especially for people who work from home. Both big IT organisations and new businesses have decided to base their services on India's progress in technology. Because the country is so big, new businesses and investments can flourish in ways that encourage people to try out new business and investment models. Additionally, record-breaking investments in infrastructure have led to the lowest costs for mobile data service in the world and the fastest rates of access in any other country during the same time period. This has allowed the economy to quickly shift towards digitisation and e-commerce.[1]

The start-up economy has been one of the five most important areas of the government's Make in India programme since 2014. Unicorns, start-ups, venture capital funding, corporate participation, start-ups coming from academic institutions, accelerator and incubator programmes, and angel networks have all grown a lot.[2]

Different types of people, such as entrepreneurs, corporate professionals, and academic practitioners, have joined each tier of the ecosystem. Some of these people are known to the public, while others are not. Watching this ecosystem grow shows that there is a chance to find both the most important start-up industries and the digital tools that are seen as vital to compete in those sectors.

The digital change in India

India's digital transition started in 1984 when microcomputers were first used in schools. The opening of the Indian economy in 1991 made it easier for overseas software businesses to enter the market. The informatics sector grew even more when the Internet became more open in 1998. In 2006, the National e-Governance Plan (NeGP) started a statewide program of e-government projects. The start of the Aadhar project in 2011 was a significant event that changed and digitised how government services are delivered using a single identification. The Goods and Services Tax, which went into effect in 2017, made the tax system more consolidated and made it easier to follow the rules by allowing people to send invoices online.

Digital platforms change the way businesses work and open up new ones. Digital technology lets you get products or services when you need them. People are used to getting things and services on demand through virtual access. So, new businesses usually select the marketplace or platform model instead of making their own product. Artificial intelligence, data, mobility, cloud computing, electronic commerce, and financial technology are the main parts of digital technology. They are changing businesses and starting new ones in India.[3]

Digital innovation has driven key sectors.

Digital technology has a lot of promise for new businesses in several fields in India. The fintech industry has drawn a lot of private equity investment, totalling more than $51 billion, and it is said to have 600 million customers [3]. Digital products in e-commerce, health tech, edtech, agritech, and logistics help with problems like accessibility, scale, and efficiency. The wide range of health tech looks at both physical and emotional wellness. Edtech platforms help kids study and help adults get job training, which helps them develop skills that are useful in today's industry. Agritech solutions make it easier to choose crops, get finance, access equipment, and keep track of perishable goods. Logistics businesses employ online platforms to make the most use of their vehicles and drivers. They have invested more than $24 billion in these networks, which now have 150 million users.

Startup Ecosystem and Help Systems

The startup scene in India has grown thanks to the interactions of many different people. Entrepreneurs are the ones who are ahead of the game, but they need help to be successful. Mentors help people come up with plans for long-term growth, accelerators provide people a way to be creative, incubators fill in gaps in research, and universities give people the information and skills they need. Even if big companies are involved in the entrepreneurial area, small firms are still what keeps India's economy going. Angel investors, venture capitalists, and the government all give money to startups at different points in their life cycles. Angel investors give seed money, venture capital helps businesses grow, and government initiatives like the Fund of Funds for Startups Scheme support private venture capital firms to foster entrepreneurship. Funding is still very important because most new businesses lose money in their first few years, and digital entrepreneurs need a lot of money to build and market their websites.[4]

V. R. Mohan Reddy's main goal for supporting digital businesses[5]: He stresses connectivity, capital, skill, and visibility to create an environment for digital entrepreneurs. Investment banks, consultancy firms, and big organisations with well-known brands often support young people, get the word out, and get things moving. Accelerators work with state-run programmes to improve incubation, mentorship, and networking in places that are connected. The Government of India's Startup India initiative helps with this effort, especially when it comes to money. It also involves state policy frameworks in many states.[6]

Problems for Digital Entrepreneurs

When starting their businesses, digital entrepreneurs in India face a wide range of problems. Even though there are new digital tools and platforms available, entrepreneurs still have to deal with problems that are comparable to those that came before them.

One of the biggest problems is getting access to start-up finance; the supply is still below what is needed. Making policy is still hard since rules change slowly and aren't always clear. So, problems with cell networks and long waits for business permits make the policy mess even worse. Indian business owners are also still worried about the safety and privacy of their data. More competition from both local and foreign enterprises makes it harder to get into new markets. Even well-known start-ups have trouble growing their operations because of problems with infrastructure and rules that banks put on outside funding sources. Many new entrepreneurs don't have the tech skills they need because there aren't many schools that teach some of the quickly changing tech concepts that are currently being taught. Even hardware businesses have trouble finding parts. Differences between regions make it harder to get to infrastructure like fast internet and stable energy. Finally, nine hundred million people who don't know much about computers or the internet slow

down the expansion of digital services. Software solutions for this group are still not well-developed and don't get enough money.[1,6]

Effects of Policy and Regulation

Digitalisation helps both new and experienced businesses; thus, the government and startup community need to help and remove obstacles. Tax breaks, quick permits, and laws for exchanging data and making transactions can all help anyone who wants to start a digital firm. Access to finance, exit choices, and rules for worldwide expansion are some of the policies that aid digital entrepreneurs at the growth stage. Also, too much or unclear regulation can hurt the ecosystem by making things unclear or uncertain, which slows down the entry, investment, and growth of hundreds of other start-ups. When new companies compete in the same sectors, they cause a chain reaction of further delays that make it harder for everyone to access digital opportunities in the economy. Today, support and the flexibility to take smart risks are sometimes more important than rules for encouraging this kind of innovation. Start-ups that have received more help from the public and private sectors during their early stages are still looking for ways to give back and help other businesses get over problems, improve their skills, and avoid protracted delays.[7]

Stories of success and what to learn from them

Success stories and case studies of unique company concepts are like lights in the dark when you're not sure what to do. They show how a chosen path should guide a digital business. Five of India's biggest internet companies—Ola, Flipkart, Paytm, and Zomato—each show a clear path. InMobi, Druva, Quikr, and RentoMojo are some businesses that have proved that if you know when to act, have the money, and meet the needs of customers and the businesses that help those customers, your business can grow quickly and become successful.

Flipkart, the world's best venture, is home to product makers who understand Indian customers and create goods that fulfil their wants at rates that global competitors can't match. Around Flipkart, payment systems, banking, and logistics services have been put up to support e-commerce. People can now trust Flipkart as a new user. Zomato has a business concept that can grow and costs very little per unit. 6 million people trust it to help them find restaurants, and it lets customers order food from restaurants and establishments deliver food to clients. InMobi is an ad network startup that helps app developers and other mobile app makers make more money in 165 countries. InMobi is similar to Flipkart in that it is taking advantage of the leap that low-cost technology and the ability to speak local languages give, but it is doing it for a larger group of people. Quikr is making it easier to buy and sell secondhand things by shortening the time it takes. RentoMojo lets people rent ordinary items instead of buying them by offering new ways to pay for them and a marketplace that lowers the risk of transactions. Most businesses and people who utilise money in India are moving away from the limited-access banking paradigm and towards the Fusion finance model.

Future Chances

Indian digital entrepreneurs still have a lot of problems to deal with, but there are also intriguing chances at the crossroads of need and creativity. Over the next few years, certain new regions have a lot of potential. One is digital access in rural areas. There may be a convergence of policy focus, resource allocation, and talent location here because opening up this market might lead to a lot of value creation, and the need has grown since the pandemic.

India has done a lot, but it is still a small player in the regional fintech scene. Only 7% of the country's GDP goes through regulated financial institutions. There are several chances for neobanks that make it easier to invest, payment systems that assist people in getting credit, merchant enablement platforms, and trade finance for payments across borders. Artificial intelligence is thriving because there are so much more data and digital transactions happening so quickly. There is even more optimism about the potential for technology to drive broad-based economic growth in areas that aren't getting enough attention, like agriculture, climate technology, and electric mobility [4].

Conclusion

The digitalisation of the Indian economy has led to an unprecedented level of entrepreneurship, which is essential for the country's long-term success. Data demonstrates that new businesses and entrepreneurs are making up to five times more jobs than older, more established businesses. More than half of all employment created is in new businesses. Statistical estimates show that 30% of young people who are now looking for work work for startups. This gives them a unique advantage over organised and large firms when it comes to finding jobs. Digitalisation has made a huge difference in the way business works in India. The use of core technologies has driven the digital transformation, and many new businesses have started up to help the country get out of the economic trouble caused by COVID-19. The COVID-19 epidemic has turned out to be a blessing in disguise for business owners because the government is now giving them extra initiatives to help them deal with the effects of the pandemic. When things are tough, new enterprises help the economy. As young people learn more about technology, it has been easier to get information, which has led to greater business chances and growth. So, even in terrible times, the future of entrepreneurship in India seems bright.

Digital-age technology has been very important in speeding up economic growth through new business ideas. Market access, digital infrastructure, regulation, and more resources are all problems that India needs to solve in order to make more digital-age breakthroughs. These problems have been seen in industrialised countries during prior transitions to digital-age technologies and the rise of clusters. The overall growth potential for young aspiring entrepreneurs in a digital world is based on expected future policy, capital, resource, and market trends, as well as looming digital risks and mitigative techniques.

Digital-age businesses are still growing very quickly, but further legislative and regulatory changes, as well as more financial and resource assistance, are needed to help them move forward. Three important areas of opportunity need to be given special attention. These are improving last-mile connectivity and expanding digital access to rural economies as a way to achieve full financial inclusion; promoting fintech applications to help financially underserved people become more included; and encouraging the development of AI technology to meet the needs of many underserved sectors that don't have good solutions yet.

Entrepreneurs should concentrate on enterprises that seize current market opportunities rather than distant future innovations or extensive last-mile implementations. It's just as important to focus on fast venture growth, keep the customer at the centre of everything, create a low-cost business model that looks good, use technology that can grow with the firm, and keep an eye on performance and customer engagement all the time.

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