Attitudes and Perspectives of Key Stakeholders in the Retail Start-ups toward Long-Term and Sustainably Profitable Business Model in India - An Empirical Evaluation

H. R. Ganesha[1] & P. S. Aithal[2]

[1] CEO – Consulting Division, Gramss Retail Trading Private Limited, Bengaluru, India, and Post-Doctoral Research Fellow at the College of Management & Commerce, Srinivas University, Mangalore, India. OrcidID: 0000-0002-5878-8844;
E-mail: hrganesha@yahoo.co.in
[2] Vice Chancellor, Srinivas University, Mangalore, India.
OrcidID: 0000-0002-4691-8736; E-mail: psaithal@gmail.com

Subject Area: Business Management.
Type of the Paper: Empirical Research Paper.
Type of Review: Peer Reviewed as per |C|O|P|E| guidance.
Indexed In: OpenAIRE.
DOI: http://doi.org/10.5281/zenodo.4087497
Google Scholar Citation: IJAEML.

How to Cite this Paper:
Ganesha, H. R. & Aithal, P. S. (2020). Attitudes and Perspectives of Key Stakeholders in the Retail Start-ups toward Long-Term and Sustainably Profitable Business Model in India - An Empirical Evaluation. *International Journal of Applied Engineering and Management Letters (IJAEML)*, *4*(2), 174-187. DOI: http://doi.org/zenodo.4087497

International Journal of Applied Engineering and Management Letters (IJAEML)
A Refereed International Journal of Srinivas University, India.

Attitudes and Perspectives of Key Stakeholders in the Retail Start-ups toward Long-Term and Sustainably Profitable Business Model in India - An Empirical Evaluation

H. R. Ganesha[1] & P. S. Aithal[2]

[1] CEO – Consulting Division, Gramss Retail Trading Private Limited, Bengaluru, India, and Post-Doctoral Research Fellow at the College of Management & Commerce, Srinivas University, Mangalore, India. OrcidID: 0000-0002-5878-8844;

E-mail: hrganesha@yahoo.co.in

[2] Vice Chancellor, Srinivas University, Mangalore, India.

OrcidID: 0000-0002-4691-8736; E-mail: psaithal@gmail.com

ABSTRACT

It is evident that among more than 250 Retail start-ups in India, only a few have created a true retailer image in their employees, investors, competitors, and consumer's minds. Furthermore, the retailing business model adopted by a majority of them which is widely known as *Digital or Technology-Enabled Retailing* is still in question owing to no clear evidence of profit being reported by such Retail start-ups in India. In this study, we have (i) identified key aspects of a start-up business available in the literature, (ii) analyzed the last five years investment pattern using secondary data, (iii) collected levels of importance/priority given by the key stakeholders of select Retail start-ups to the key factors of retailing business, (iv) mapped the actual levels of importance/priority with the ideal required levels that were derived from previous research carried in the context of retailing in India, (v) evaluated last two year's actual financial performance of these select Retail start-ups, and (vi) drawn inferences based on qualitative and quantitative findings from primary and secondary data. Results indicate that (a) *sustainable profit* is not an important aspect and priority; (b) exponential growth in revenue and *firm valuation* is the most important priority; (c) *unit economics* is not a need of the hour; (d) *overconfidence* among founding team and investors is persistent; (e) a majority of Retail start-ups are concentrated in a single retailing model that has *serious limitations* in reaching a majority of the population; (f) investors are *carried away* by a few success stories of start-ups that may not be clear representations of the Retail segment.

Keywords: Indian Retail; Retail Entrepreneurs; Entrepreneurship; Start-ups; Retail Start-ups; Unit Economics; Entrepreneurial Overconfidence; Sustainable Profit; Start-up Investment; Start-up Investors

1. INTRODUCTION:

Based on various definitions available in the literature, a for-profit start-up is a business organization instituted by an entrepreneur which seek to develop and validate a business model that (a) comprises of a founding team demonstrating higher human asset value; (b) uses innovative technology; (c) is ideated through an innovative business model; (d) is young; (e) is capable of disrupting the market; (f) is able to challenge the existing oligopolistic markets; (g) is able to grow faster; (h) can contribute to innovation and growth in the economy of a country; (i) work toward commercialization of new business ideas; (j) is set to covert an intellectual property of an individual into a business model using his/her own financial resources; (k) has a founding team demonstrating high-levels of risk tolerance; (l) demands raising capital funding for scale up which is highly challenging; (m) require entrepreneurs to expect capital funding in multiple stages; (n) though puzzling, has high probability of extremely high marginal rates of return to capital; (o) is economically scalable [1-25]. Glaringly, among the available literature on the definition of a start-up, we were unable to find the most important aspect of a for-profit business organization, that is, an entity which seeks to develop and validate a business model that is *profitable and sustainable for a longer period that* *shall withstand expected/unexpected market disruptions*. Whether or not done consciously, the aspect of sustainable profit is either kept out of the scope or kept out of the priority list from the for-profit start-up definition. The aspect that is prominently pressed upon in a start-up business environment across stakeholders is *showing a rapid revenue growth* that would potentially *attract the interest of existing and potential investors* for required capital funding. Probably this is one of the reasons as to why a majority of start-ups in India are loss-making across sectors. In this paper, we have empirically and qualitatively evaluated the journey of start-ups in India specific to the Retail sector.

Fig. 1: Categorization of Retailers in India by their key objective

We have observed that (a) many investors and investments in the retail start-ups have gone through a learning curve over the last five years, (b) investors are trying to find better ways to evaluate the true potential of Indian retail start-ups, (c) the majority of investments are attracted by retail start-ups whose business model is predominantly skewed toward online/internet retailing and, (d) month-on-month revenue growth is given more preference over unit economics of retail start-ups. A majority of the investors are considering a few key factors while determining to invest in retail start-ups such as (a) gap in the market, (b) original concept/idea, (c) short-term and long-term motives of the founding team, and (d) previous academic/industry affiliations/associations of the founding team. Despite various issues faced by the existing/potential investors, senior leadership members of retail organizations and big conglomerates in measuring and evaluating the real performance of retailers in India, many start-ups and established retailers of Indian origin have attracted investors. To name a few Reliance, Mahindra & Mahindra, Tata, and Birla (big conglomerates); Arvind Mills, Raymond, S Kumar's, First Steps Babywear, Relaxo, VKC, and Prateek Apparels (large export houses/manufacturers); Flip Kart, Myntra, Jabong, Snap Deal, Shop Clues, Big Basket, Grofers, Ur Door Step, Cars 24, Pepperfry, Urban Ladder, Bewakoof, Chumbak, Clovia, Koovs, Voonik, Zivame, Indofash, Kaaryah, Faballey, Zink London, Stock Buy Love, First Cry, Mama Earth, Hopscotch, 1MG, Med Life, Net Meds, Lens Kart, Purplle, Nykaa, The Man Company, Chaayos, Roll Mafia, Tea Box, Blue Stone, Melorra, eSardar, Envoged, Mojarto, Edge Fx and so on (start-ups). Figure 1 depicts different types of retailers in India which indicates that the objectives of each retailer in India are not the same.

2. PURPOSE AND OBJECTIVES:

India is one of the most sought-after countries for retailing opportunities globally, mainly because of the higher population consisting of the relatively younger population and higher penetration of internet users.

India is also one of the largest countries with consumers belonging to the widest range of Religions, Regions, Languages, Cultures, Sub-Cultures, Ethnicities, and Socioeconomic backgrounds that makes it difficult for only a few retailers to service divergent needs of such consumers and also aim for taking the larger share of the retail market. It is reported that the organized retailing in India that was at 12% of the overall retail market in the year 2017, is expected to increase to just 25% by the year 2021 that is way too low in comparison with a majority of developing and developed countries [26]. Furthermore, despite India being dominantly represented by Tier-2, Tier-3, and Tier-4 cities are also witnessing rapid expansion of national and international brands/companies such as Housing, Automobiles, IT, Banking, and most importantly B&M Retail Stores into these cities owing to an exponential growth in the urbanization of Tier-2 and Tier-3 cities post-economic liberation, Government's interest and plans for improving basic infrastructure at Tier-2 and Tier-3 cities, relatively cheaper real estate, and most importantly steadily increasing disposable income level of consumers in Tier-2 and Tier-3 cities. The overall market size of the Indian retail industry that was 950 billion USD in the year 2018 of which 97% was from brick-and-mortar (B&M) retailing and just about 3% was from online retailing, is forecast to reach 1.75 trillion USD by the year 2026. In other words, at present, about 10% of the nominal GDP of India is contributed by the retail industry in addition to accounting for 8% of employment [27]. And by the year 2030, urban agglomerations in India could lead to (a) an increase in the middle-class consumer segment by 3 times compared to the year 2010 which was at 22 million, (b) an increase in the number of people living in the urban cities to 590 million, and most importantly (c) an increase in cities with more than one million population to 68 [28].
These developments and numbers are clear indicators of upcoming changes that are expected in the way consumers will behave while choosing retail stores to fulfill their product needs. In addition to the humongous population, exponential growth in several working women, double-income families, middle-class consumer segment, increasing disposable income, rapid adoption of new trends/fashion, urbanization, the overall size of Indian retail industry, the rapid expansion of national and international brands into smaller cities, the emergence of modern retailing formats, and an enormous increase in internet penetration/usage providing new opportunities for existing retailers in India, simply *allure* more and more investment interest into start-ups in India.
However, the hard reality is that out of over 250 Retail start-ups in India that were successful in attracting funds from different types of investors, at least one is yet to witness a *sustainably profitable stage* of its evolution. This state of retail start-ups in India raises the following questions in our minds and encourage us to carry out this study.

- Why there is no evidence of even a single start-up that has reached a sustainable profitable stage?
- Despite no evidence of a successful retail start-up, why still investors are showing interest in funding retail start-ups in India?

3. APPROACH AND METHODOLOGY:

Step I: Intense and in-depth analysis of data available in the public domain was carried to understand the start-ups and funding patterns in India across segments.
Step II: A series of open-ended semi-structured direct *mystery* interviews were conducted with different types of investors; existing and exited founding team members and employees; supply-side partners of a few select Retail start-ups representing i) only product brand; ii) only retail brand; iii) both product and retail brands, selected through convenience sampling to understand their perspective and attitude towards the start-up's entrepreneurship and their experience in the overall journey till now.
Step III: Evaluation of actual financial performance data of select Retail start-ups.
Step IV: In the last step, we have analyzed the collected primary data vis-à-vis secondary and exploratory qualitative findings from direct interviews to draw inferences.

4. FINDINGS AND INSIGHTS:

In the First step, using the secondary data available in the public domain, an attempt was made to understand the start-up's funding patterns in India from the year 2015 to 2020 [32-37]. About 2,300 start-ups were successful in attracting capital funds which amount to over 41 billion USD in the last five years through about 3,200 transactions across business segments. Though the year 2016 has shown the highest number of transactions (32.33%) followed by the year 2015 (29.72%), the year 2017 has shown the highest capital infusion (24.40%) followed by the year 2019 (23.62%). A majority of start-ups (60.81%) were found to be targeting Consumers directly (B2C) and others targeting Organizations (B2B) for selling products/services. However, the capital infusion is significantly skewed towards B2C start-ups concerning absolute fund value (75.43%).

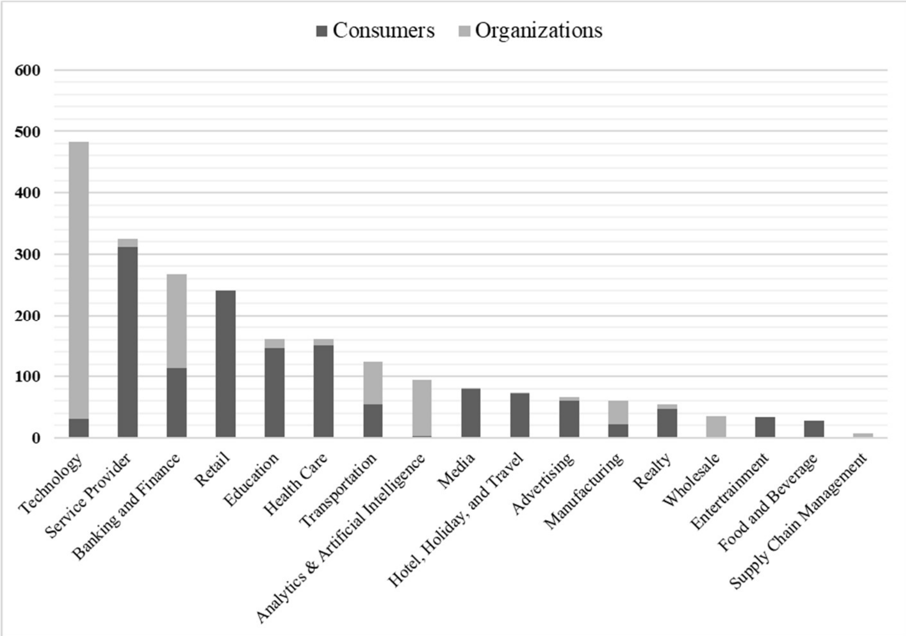

Chart 1: Count of start-ups funded by segment and target group

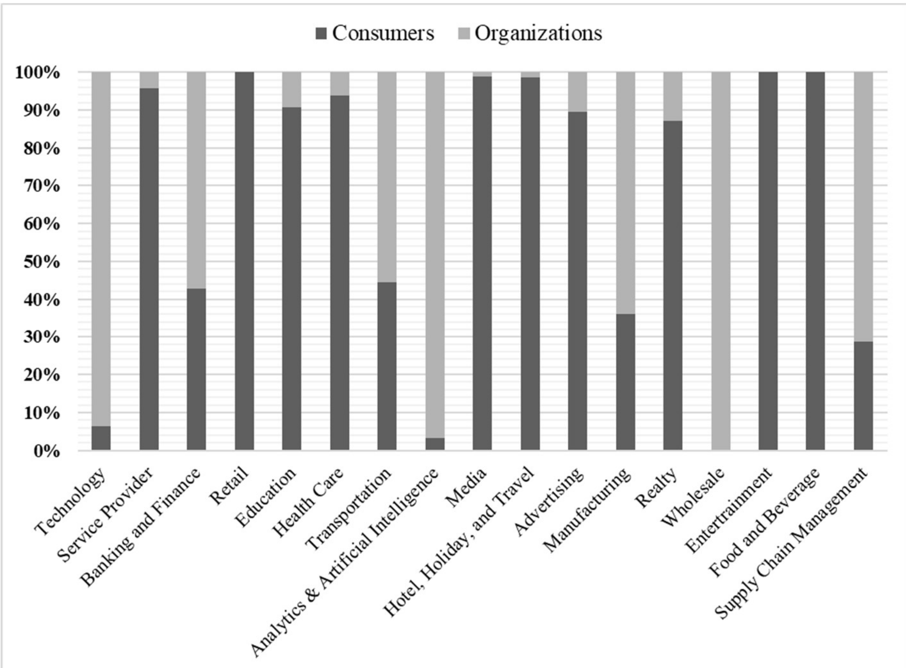

Chart 2: Distribution of start-ups funded by target group within each segment

Chart 1 depicts the number of start-ups that were funded in the last five years categorized by their segments and the target group. The Technology segment has been one of the highest numbers of start-ups (21.05%) generator followed by the Service Provider segment (14.17%), Banking and Finance segment (11.64%) and Retail segment (10.46%), Education segment (7.02%), Health Care segment (7.02%), Transportation segment (5.41%), and, Analytics cum Artificial Intelligence segment (4.10%). Other segments such as Media, Hotel, Holiday, Travel, Advertising, Manufacturing, Realty, Wholesale, Entertainment, Food and Beverage, and Supply Chain Management together have generated 19.14% of the overall start-ups.
Chart 2 indicates the distribution of start-ups based on their target group (B2C and B2B) by segment.

Technology, Analytics cum Artificial Intelligence, and Wholesale segments have mostly focussed on the B2B model, whereas other segments focus found to be in the B2C model.

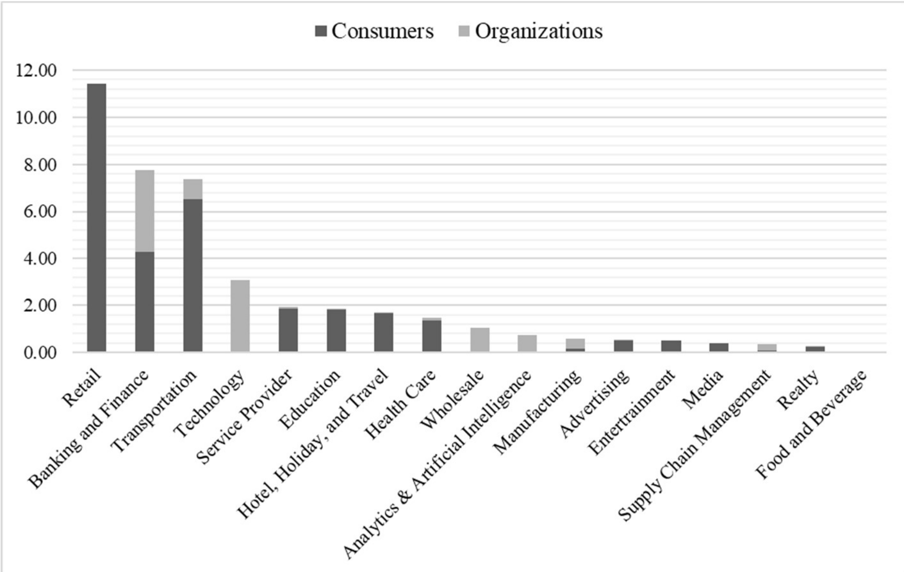

Chart 3: Amount of fund (in billion USD) invested by segment and target group

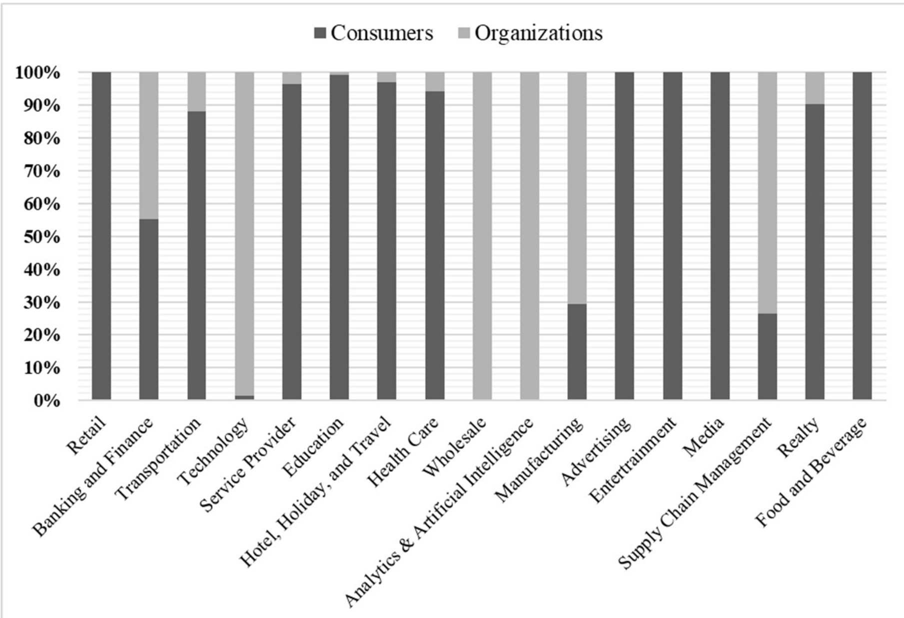

Chart 4: Distribution of fund invested by target group within each segment

Furthermore, when we look at the absolute capital infusion value, the mixture changes dramatically as shown in **Chart 3 and 4**. The Retail segment has attracted the highest capital infusion over the last five years (27.82%) followed by Banking and Finance segment (18.89%), Transportation (17.99%), Technology segment (7.55%), Service Provider segment (4.70%), and Education segment (4.49%). All other segments together attracted a balance of 18.56% of the overall capital infusion. However, it is imperative to note that despite the Retail segment being the highest grosser of capital infusion, almost half of the total capital infusion into the Retail segment was attracted *by just One start-up* (Flipkart).

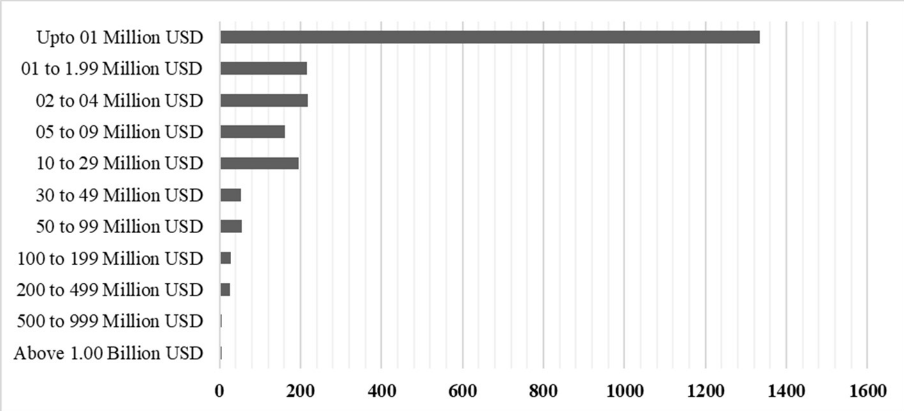

Chart 5: Start-up's count by investment slab

The story of the last five years of capital infusion into start-ups is encouraging. However, in reality, a majority of start-ups (58.20%) have not been able to attract a capital infusion of more than 1 million USD cumulatively over the last five years. **Chart 5** depicts the number of start-ups by the capital infusion slab that is a cumulative amount over the last five years. Interestingly there are only Five start-ups viz., Flipkart, Rapido, Paytm, Ola Cabs, and Byju's that have attracted more than a billion USD capital infusion. Of these Five, Byju's entered this list recently in September 2020 owing to a positive impact of the Covid-19 crisis on digitally-enabled education systems/institutions/organizations.

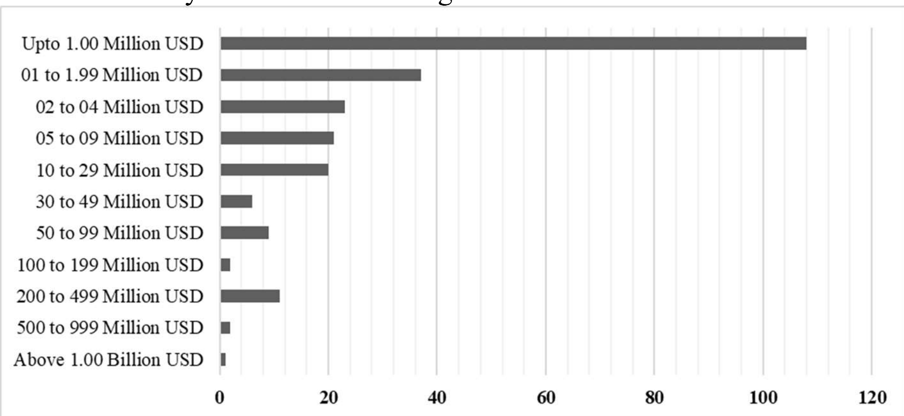

Chart 6: Start-up's count by investment slab in the *Retail* segment

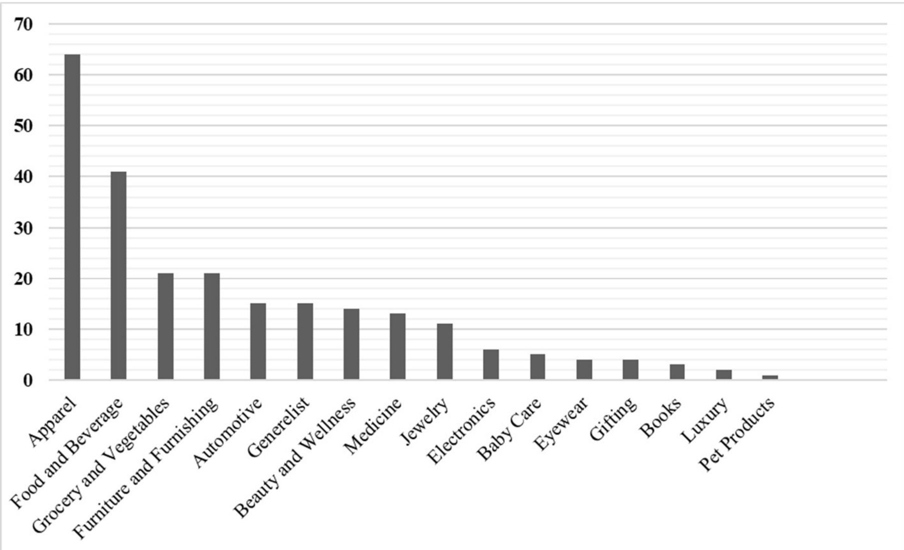

Chart 7: Start-up's count by product category in the *Retail* segment

Within the Retail segment, a majority of start-ups (45.0%) have not been able to attract a capital infusion of more than 1 million USD cumulatively over the last five years. **Chart 6** depicts the number of start-ups by the capital infusion slab that is a cumulative amount over the last five years in particular to the Retail segment. Over 14 start-ups in the Retail segment have been successful in attracting over 500 million USD capital funds infusion.

Chart 7 depicts the number of start-ups that were funded in the last five years categorized by their sub-segments within the Retail segment. The Apparels category has been one of the highest numbers of start-ups (26.67%) generator followed by the Food and Beverage category (17.08%), Grocery and Vegetables category (8.75%), Furniture and Furnishing category (8.75%), Automotive category (6.25%), General category (6.25%), and Beauty and Wellness category (5.83%). Other categories such as Medicine, Jewelry, Electronics, Baby Care, Eyewear, Gifting, Books, Luxury, and Pet Products categories together have generated 20.42% of the overall start-ups.

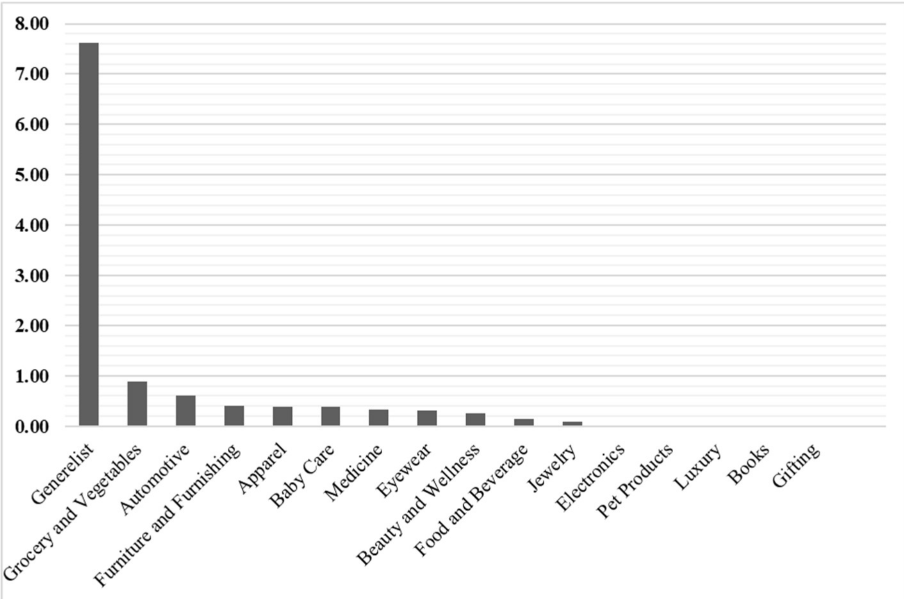

Chart 8: Investment (in billion USD) by product category in the *Retail* segment

Furthermore, when we look at the absolute capital infusion value within the Retail segment, the mixture changes dramatically as shown in **Chart 8**. The General category has attracted the highest capital infusion over the last five years (66.67%) followed by the Grocery and Vegetable category (7.69%), Automotive category (5.36%), Furniture and Furnishing category (3.50%), and Apparel category (3.41%). All other categories together attracted a balance of 13.39% of the overall capital infusion. However, it is imperative to note that despite the General category being the highest grosser of capital infusion, almost 3/4th of the total capital infusion into the General category was attracted *by just One start-up* (Flipkart).

In the second step, we tried understanding the perspectives of supply-side partners of select start-ups through a series of open-ended semi-structured direct mystery interviews to understand their perspective and attitude towards the start-up's entrepreneurship and their experience in the overall journey working with Retail start-ups till now. The following are some of the key findings that were unanimous across *supply-side partners* associated with start-ups.

- Inconsistency across key aspects of retail management is the most consistent aspect among start-ups.
- Too much of employee turnover leading to lower interest and engagement-level with start-up companies.
- Lower-levels of product/category knowledge, exposure, experience, and expertise among the founding team and employees of start-ups.
- The importance given to the higher quality standards, durability, and the utility of a product is significantly lower than the importance given to sourcing products at lower costs in the start-ups.

- The importance given to the long-term sustainability of a product's cost is significantly lower than the importance given short-term benefits of sourcing products at lower costs in the start-ups.
- The capability of supplying high-levels of quality products consistently is not a factor of importance to start-ups. Rather they look at partnering with suppliers who can supply products at relatively lower costs irrespective of their long-term supply capability and consistency.
- Investing in new product developments is risky owing to a lower rate of conversion of product development into bulk orders is very poor in start-ups.
- Poor correlation between the number of new products/models developed by a start-up and the actual bulk orders finally placed for production.
- Poor accountability and ownership among the product sourcing team and the founding team of start-ups concerning long-term commitment with suppliers.

Table 1: Level of importance and priority that is given by the key stakeholders across key factors in start-ups

Particulars	Ideal Required Level	Actual Level			Consistency with the Ideal Required Level
		Founding Team	Employees	Investors	
Consumer Acquisition	Low	**High**	**High**	**High**	Low
Consumer Engagement	**High**	Low	Low	Low	Low
Consumer Retention	**High**	Low	Low	Low	Low
Consumer Repeat Store Visit Rate	**High**	Low	Low	Low	Low
Month-on-Month Growth - Absolute Number of Consumers	**High**	Low	Low	Low	Low
Bills/Invoices Generated	**High**	Low	Low	Low	Low
Bills/Invoices Consisting of Essential Products	**High**	Low	Low	Low	Low
Quantity Sale	**High**	Low	Low	Low	Low
Original Price (MRP)	**High**	Low	Low	Low	Low
Discount-Level	Medium	**High**	**High**	Low	Medium
Selling Price	Medium	Low	Low	Low	Low
Average Basket Size (ABS)	Low	**High**	**High**	**High**	Low
Average Transaction Value (ATV)	Low	**High**	**High**	**High**	Low
Consumer Lifetime Value (LTV)	**High**	Low	Low	Low	Low
Revenue	**High**	**High**	**High**	**High**	**High**
Month-on-Month Growth - Revenue	Medium	**High**	**High**	**High**	Medium
Inventory Turns	**High**	Low	Low	**High**	Low
Warehousing and Logistic Expenses	**High**	**High**	**High**	**High**	**High**
Employee Training	**High**	Low	High	Medium	Low
Employee Retention	**High**	Low	N/A	Medium	Low
Profit - Operational Level	**High**	Low	Low	Medium	Low
Profit - Company Level	**High**	Low	Low	Medium	Low
Firm Valuation	Medium	**High**	**High**	**High**	Medium
Earnings per Share	Medium	**High**	**High**	**High**	Medium
Shareholding of Founding Team	Medium	Low	Medium	**High**	Medium
Return on Investment (ROI)	**High**	Low	Low	**High**	Medium
Investor Retention	**High**	Low	N/A	Medium	Low
Unit Economics	**High**	Low	Low	Low	Low

N/A = Not Applicable

In the extended part of the second step, we tried understanding the perspectives of the founding team, employees, and investors of select start-ups through a series of open-ended semi-structured direct mystery interviews to understand their perspective and attitude towards the start-up's entrepreneurship and their experience in the overall journey till now. **Table 1** indicates the level of importance (on a scale of low to high) given to the key factors of retailing business management by the founding team, employees, and investors against the ideal level that is required for a sustainably profitable retail organization *in India* [33-44].

Table 2: Last two years of the actual financial performance of select Retail start-ups together

Particulars	F17	F18
Growth in Consumer Acquisition Expenses	61%	50%
Annualized Product Discount	39%	43%
Growth in Revenue	47%	38%
Growth in COGS	35%	32%
Growth in Employee Benefit Expenses	65%	13%
Growth in Other Expenses	535%	49%
Growth in Total Expenses	150%	40%
Growth in Operational Level Profit	-554%	-241%
Growth in Profit/Loss Before Tax	-543%	-241%
Emp Cost as % Revenue	23%	19%
Other Cost as % Revenue	145%	156%
Total Cost as % Revenue	168%	175%
Profit Before Tax as % Revenue	-167%	-168%
Growth in the New Capital Funds Invested	683%	1063%
Growth in the Number of Investors	22%	36%
Growth in the Firm Valuation	78%	251%
Original Price/MRP per Unit Sold (INR)	***1145***	***1247***
Revenue per Unit Sold (INR)	***515***	***589***
Discount per Unit Sold (INR)	***630***	***658***
Cost per Unit Sold (INR)	***458***	***499***
Other Expenses per Unit Sold (INR)	***863***	***1032***
Profit/Loss per Unit Sold (INR)	***-806***	***-942***

In the third step, we evaluated the last two year's actual financial performance of select Retail start-ups together as shown in **Table 2**. These numbers corroborate with the importance/priority mapped based on qualitative findings from the direct interview stage. These numbers are indicators of the past, present, and future of retail start-ups in India unless the stakeholders seriously start giving utmost importance/priority to the unit economics. These unit economics indicate that the probability of retail start-ups in India becoming sustainably profitable is significantly low. Interestingly few Retail start-ups have reported operational level profits recently [45-47], however, we strongly disagree with such reports as a majority of retail start-ups do not include the consumer acquisition expenses as part of their operational expenses. Results indicate that a strong and healthy unit of economics and profit levels are *not at all* the key determinants of investment decisions.

5. CONCLUSION AND SUGGESTIONS:

First, our study indicates that the overconfidence among the start-up founding team as well as the investors is one of the key reasons for such a large number of start-ups being lunched and invested in the Retail segment in India. *"Perhaps the most robust finding in the psychology of judgment is that people are overconfident"* [48]. Such overconfidence persuades start-up entrepreneurs to venture into business segments that more cogent individuals might not undertake. In a study of 2,994 entrepreneurs in the USA, it was found that about 81% believed their chances of success are at least 70%, and about 33% believed their chances are a certain 100% [49]. However, in reality, a majority of start-ups no longer exist after five years.

Second, a majority of the investment decisions into retail start-ups are based on the results of early consumer traction to a few new/innovative retailing models. Surprisingly, such investors ignore the fact that such trials were carried out on a very small proportion of the population. Furthermore, investors are even carried away by a few success stories of start-ups that may not be clear representations of the Retail segment. Besides, a majority of the investments in the Retail start-ups are significantly skewed towards the digital/technology-enabled retailing models that hold less than 3% of the overall retail market share in India. Early-stage investors might even exit with lucrative ROI, but after a saturation point of firm valuation, it is highly unlikely for continuing investors to expect healthy ROI. Though digital/technology-enabled retailing models hold a minority share in the overall market, they are successful in disrupting the B&M retailing formats in the country holding 97% of the market share [50]. Offering high and deeper-levels of product-level discounts to acquire consumers had been one of the most prevalent tactics of Retail start-ups in India to achieve dramatic growth levels in the revenue and firm valuation that time and again ensured new investment interests. A sustainably profitable business model cannot be built on strategies based on price-war [51]. Such business models in addition to disrupting the existing market could also implicitly impact the overall economic development of a country negatively in the long-term.

Third, it is imperative to note that a significant number of Retail start-ups in India are intensely concentrated into one particular retailing model, i.e., digital/technology-enabled retailing that has serious limitations in attracting the majority of the population in India. Owing to such limitations, almost all the Retail start-ups are reaching out to the same consumer time and again with different names and offers for the same need/product/model/brand and nothing beyond that. Unless Retail start-ups explore other retailing models that are proven in India, it is unlikely that a majority of these start-ups even last for more than five years. However, a majority of the Retail start-up founding team and investors have a predisposition in their mind which pushes them away from concentrating on consumers beyond Tier-1 cities in India, and in such circumstances expecting them to think beyond digital/technology-enabled retailing models is further away from reality [52].

Finally, it is not just about break-even at the operational level or even making marginal profits at the company level; it is also not about achieving exponential growth in revenue and the firm valuation. What is most important and inevitable is the basic objective of a business organization that needs to develop and validate a sustainably profitable business model for the long-term which can explicitly or implicitly contribute to the overall economic development of a country as well as all the stakeholders of a business organization. We strongly recommend retail start-ups to think beyond profits and strive for achieving a healthier Margin of Safety to be able to withstand expected/unexpected market disruptions which are possible only when they have adopted an appropriate Marketing Mix which can naturally build enough Margin of Safety [53].

6. LIMITATIONS AND SCOPE:

The main limitation of this study is the coverage of various stakeholders viz., the *existing and exited* Retail start-ups, founding team members, employees, investors, and supply-side partners selected for the direct mystery interview. The second limitation would be that the empirical validation is restricted to the data available in the public domain concerning investment into start-ups and actual performance data of only select Retail start-ups. However, it provides significant inputs concerning the attitudes and perspectives of key stakeholders in the Retail start-ups toward a sustainable profit business model that corroborates with the secondary and primary data. We recommend researchers to use this methodology to understand the state of start-ups in other business segments.

REFERENCES:

[1] Solow, R. M. (1957). Technical change and the aggregate production function. *The Review of Economics and Statistics, 39*(3), 312-320.

[2] Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal, 5*(2), 171-180.

[3] Rajan, R. G., & Zingales, L. (2001). The firm as a dedicated hierarchy: A theory of the origins and growth of firms. *The Quarterly Journal of Economics, 116*(3), 805-851.

[4] Kerr, W. R., Nanda, R., & Rhodes-Kropf, M. (2014). Entrepreneurship as experimentation. *Journal of Economic Perspectives, 28*(3), 25-48.

[5] Manso, G. (2016). Experimentation and the Returns to Entrepreneurship. *The Review of Financial Studies, 29*(9), 2319-2340.

[6] Katila, R., Chen, E. L., & Piezunka, H. (2012). All the right moves: How entrepreneurial firms compete effectively. *Strategic Entrepreneurship Journal, 6*(2), 116-132.

[7] Graham, P. (2012). Startup equals growth. *Graham's Essays on entrepreneurship*. http://www.paulgraham.com/growth.html. Retrieved in October 2020.

[8] https://dipp.gov.in/sites/default/files/Startup_Notification11April2018_0.pdf. Retrieved in October 2020.

[9] Bruno, A. V., & Tyebjee, T. T. (1985). The entrepreneur's search for capital. *Journal of Business Venturing, 1*(1), 61-74.

[10] Fisman, R., & Love, I. (2003). Trade credit, financial intermediary development, and industry growth. *The Journal of Finance, 58*(1), 353-374.

[11] Comin, D., & Nanda, R. (2019). Financial development and technology diffusion. *IMF Economic Review, 67*(2), 395-419.

[12] Crowne, M. (2002). Why software product startups fail and what to do about it. Evolution of software product development in startup companies. In *IEEE International Engineering Management Conference, 1*(August), 338-343.

[13] https://www.grantthornton.in/globalassets/1.-member-firms/india/assets/pdfs/grant_thornton-startups report.pdf. Retrieved in October 2020.

[14] Ebben, J., & Johnson, A. (2006). Bootstrapping in small firms: An empirical analysis of change over time. *Journal of Business Venturing, 21*(6), 851-865.

[15] Campbell, J. R., & De Nardi, M. (2009). A conversation with 590 nascent entrepreneurs. *Annals of Finance, 5*(3-4), 313-340.

[16] Caliendo, M., Fossen, F., & Kritikos, A. (2010). The impact of risk attitudes on entrepreneurial survival. *Journal of Economic Behavior & Organization, 76*(1), 45-63.

[17] Fairlie, R. W., & Holleran, W. (2012). Entrepreneurship training, risk aversion and other personality traits: Evidence from a random experiment. *Journal of Economic Psychology, 33*(2), 366-378.

[18] De Mel, S., McKenzie, D., & Woodruff, C. (2008). Returns to capital in microenterprises: evidence from a field experiment. *The Quarterly Journal of Economics, 123*(4), 1329-1372.

[19] McKenzie, D., & Woodruff, C. (2008). Experimental evidence on returns to capital and access to finance in Mexico. *The World Bank Economic Review, 22*(3), 457-482.

[20] Banerjee, A. V., & Duflo, E. (2007). The economic lives of the poor. *Journal of Economic Perspectives, 21*(1), 141-168.

[21] Fafchamps, M., McKenzie, D., Quinn, S. R., & Woodruff, C. (2011). *When is capital enough to get female microenterprises growing? Evidence from a randomized experiment in Ghana* (No. w17207). National Bureau of Economic Research.

[22] Udry, C., & Anagol, S. (2006). The return to capital in Ghana. *American Economic Review, 96*(2), 388-393.

[23] Acs, Z. J., & Audretsch, D. B. (2005). *Entrepreneurship, innovation, and technological change* (Vol. 2105). Now Publishers Inc.

[24] Bianchi, M., & Henrekson, M. (2005). Is neoclassical economics still entrepreneurless? *Kyklos, 58*(3), 353-377.

[25] Carlsson, B., Braunerhjelm, P., McKelvey, M., Olofsson, C., Persson, L., & Ylinenpää, H. (2013). The evolving domain of entrepreneurship research. *Small Business Economics, 41*(4), 913-930.

[26] https://www2.deloitte.com/content/dam/Deloitte/in/Documents/consumer-business/in-consumer-RLS-2019-noexp.pdf. Retrieved in October 2020.

[27] https://www.ibef.org/industry/retail-india.aspx. Retrieved in October 2020.

[28] https://www.mckinsey.com/featured-insights/urbanization/urban-awakening-in-india. Retrieved in October 2020.

[29] https://trak.in/india-startup-funding-investment-2015/. Retrieved in October 2020.

[30] https://www.grantthornton.in/globalassets/1.-member-firms/india/assets/pdfs/grant_thornton-startups report.pdf. Retrieved in October 2020.

[31] https://nasscom.in/knowledge-center/publications/indian-tech-start-ecosystem-leading-tech-20s. Retrieved in October 2020.

[32] https://inc42.com/datalab/presenting-the-state-of-indian-startup-ecosystem-report-2020/. Retrieved in October 2020.

[33] H. R., Ganesha., & Aithal, P. S. (2020). Theory of Brick-and-Mortar Retailing in India (ToR-b). *International Journal of Management, Technology, and Social Sciences (IJMTS), 5*(2), 116-132.

[34] H. R., Ganesha., & Aithal, P. S. (2020). Sales Personnel Attrition Control and Retention – An Integrated Framework for Retailers in India (RSPR-LS). *International Journal of Applied Engineering and Management Letters (IJAEML), 4(*2), 78-95.

[35] H. R., Ganesha., & Aithal, P. S. (2020). Rational Organizational Structure: For Brick-and-Mortar Lifestyle Retailers in India to Overcome Diseconomies of Scale and Protect Firm's Sustainability (ROLS-b). *International Journal of Management, Technology, and Social Sciences (IJMTS), 5*(2), 42-61.

[36] H. R., Ganesha., & Aithal, P. S. (2020). Consumer Communication Deployment Tactics: An Integrated Framework for Lifestyle Brands and Retailers in India (CCF-LS). *International Journal of Applied Engineering and Management Letters (IJAEML), 4*(2), 1-21.

[37] H. R., Ganesha., & Aithal, P. S. (2020). Retailing Performance Evaluation Scale for Indian Brick-and-Mortar Lifestyle Retailers (LSRS-b). *International Journal of Applied Engineering and Management Letters (IJAEML), 4*(1), 303-322.

[38] H. R., Ganesha., & Aithal, P. S. (2020). Measuring True Potential of Lifestyle Brands in India: A Consumer-Level Scale for Existing and Potential Investors (CL-LBSi). *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4*(1), 207-222.

[39] H. R., Ganesha., & Aithal, P. S. (2020). Sales Personnel Training – An Integrated Framework for Indian Brick-and-Mortar Retailers. *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4*(1), 172-187.

[40] H. R., Ganesha., & Aithal, P. S. (2020). Measuring True Potential of Lifestyle Brands in India: A Firm-Level Scale for Existing and Potential Investors (FL-LBSi). *International Journal of Applied Engineering and Management Letters (IJAEML), 4*(1), 279-302.

[41] H. R., Ganesha., & Aithal, P. S. (2020). Rational Distribution Channel Mix for Lifestyle Brands in India – An Empirical Study. *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4*(1), 136-154.

[42] H. R., Ganesha., & Aithal, P. S. (2020). Establishing True Lifestyle Brand in India: An Integrated Marketing Mix Framework. International Journal of Management, Technology, and Social Sciences (IJMTS), 5(1), 261-284. ISSN: 2581-6012. DOI: http://doi.org/10.5281/zenodo.3901365.

[43] H. R., Ganesha., Aithal, P. S. & P, Kirubadevi. (2020). Integrated Marketing Mix Framework for Baby Care Retailing in India. *International Journal of Applied Engineering and Management Letters (IJAEML), 4*(1), 191-218.

[44] H. R., Ganesha., Aithal, P. S., & P, Kirubadevi. (2020). Optimal Category Mix in Multi-Category

Retailing – Insights from an Experiment. *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4*(1), 112-126.

[45] https://yourstory.com/2018/09/six-startups-turned-operationally-profitable-fy18. Retrieved in October 2020.

[46] https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/the-bell-tolls-for-indian-startup-superstars-now/articleshow/73570397.cms. Retrieved in October 2020.

[47] https://www.flop2hit.com/insights/loss-making-startups-india/. Retrieved in October 2020.

[48] De Bondt, W. F., & Thaler, R. H. (1995). Financial decision-making in markets and firms: A behavioral perspective. *Handbooks in Operations Research and Management Science, 9*(1), 385-410.

[49] Cooper, A. C., Woo, C. Y., & Dunkelberg, W. C. (1988). Entrepreneurs' perceived chances for success. *Journal of Business Venturing, 3*(2), 97-108.

[50] H. R., Ganesha., Aithal, P. S., & P, Kirubadevi. (2020). Changes in Consumer Perspective towards Discount at Brick-and-Mortar Stores owing to Emergence of Online Store Format in India. *International Journal of Management, Technology, and Social Sciences (IJMTS), 5*(1), 43-83.

[51] Fershtman, C., & Pakes, A. (2000). A dynamic oligopoly with collusion and price wars. *The RAND Journal of Economics, 31*(2), 207-236.

[52] H. R., Ganesha., Aithal, P. S., & P, Kirubadevi. (2020). Consumer Affordability in Tier-1, Tier-2, and Tier-3 Cities of India – An Empirical Study. *International Journal of Applied Engineering and Management Letters (IJAEML), 4*(1), 156-171.

[53] H. R., Ganesha., & Aithal, P. S. (2020). Extending the Margin of Safety Concept to Brick-and-Mortar Retailing in India (MoSR-b). *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4(*2), 117-131.

******