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Opportunities and Challenges of Startup Business in Chamarajanagar District

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Abstract

The present study aims to examine the challenges, opportunities and government policy awareness among women entrepreneurs in Chamarajanagar district, Karnataka. A total of 150 women entrepreneurs were selected using purposive sampling across five taluks. Primary data was collected through a structured questionnaire, and the analysis was carried out using statistical tools including Descriptive Statistics, Garrett Ranking Technique, and Chi-Square Test**.** The demographic profile analysis highlighted that the majority of respondents belonged to the age group of 31–40 years and were primarily graduates, indicating a strong relationship between education and entrepreneurial participation. The Garrett Ranking result**s** revealed that the most critical challenge faced by women entrepreneurs is dual responsibility of business and family, followed by gender stereotypes**,** lack of awareness of government schemes**,** and difficulty in accessing financial credit. The Chi-Square test conducted to study the association between demographic variables and awareness of government schemes indicated significant variation in variables such as age, education, marital status, and income levels, while type of business and years of experience did not show significant difference. The findings further identified opportunities for entrepreneurship in service-based sectors, eco-friendly industries, tourism, and digital enterprise development. The study concludes that enhanced policy awareness, targeted skill development programs, digital marketing training, simplified loan processes, and mentorship support are essential to strengthen the entrepreneurial ecosystem for women in the district. The results provide valuable insights for policymakers, financial institutions, and support organizations to design more effective interventions to empower women entrepreneurs in Karnataka.

Introduction

A start-up is a recently established company that typically presents novel concepts and has the capacity to expand rapidly. These businesses are typically started and run by entrepreneurs who want to create a company that can grow beyond its initial staff (Verma, 2024). Start-ups prioritize innovation, expanding their business, and solving practical issues. They present chances for quick expansion and substantial impact, despite the numerous risks and uncertainties they face (Bhatnagar et al., 2022).

These companies depend on funding from sources like angel investors and venture capital firms because they frequently have high expenses and little revenue in the beginning. Before a startup starts to turn a profit, it typically takes several years. These businesses usually focus on creating a single primary product or service that the owners wish to offer. The founders typically provide the initial financing, and the

majority of businesses don't have a thorough business plan or enough capital to proceed (Nagar and Ahmad, 2024).

Start-ups have a number of unique traits. They prioritize innovation, strive for quick development and market expansion, and have the capacity to scale their business models as they advance. They frequently rely on several financial sources, such as personal savings or outside investments, and they need to be flexible, changing their tactics in response to market demands (Prajapati and Alam, 2019).

Software development, mobile application design, digital platform launches, e-commerce store launches, drop shipping, consulting, event planning, home-based services, cloud kitchen operations, food delivery business management, eco-friendly product manufacturing, delivery of renewable energy solutions, mental health support apps, personalized nutrition plans, and fitness-related services are typical examples of start-up ideas (Patel, 2019).

A start-up's ability to successfully implement its core concept is the key to its success. Due to the widespread use of technology in its daily operations, the start-up ecosystem is frequently linked to youth and modernity (Babu and Sridevi, 2019). Start-ups have enormous growth potential, which allows them to quickly boost production and sales with very little increases in overall operating costs. Their operations depend heavily on technology, which allows for increased scalability, effective administration, and a wider market reach (Jamwal and Umesh, 2017).

Every start-up has a creative idea at its heart that is intended to provide fresh, often revolutionary answers to pressing problems or to take advantage of new opportunities that set them apart from traditional business methods. Developing a solid and workable idea, creating a thorough business plan, obtaining funding, assembling a competent team, concentrating on customer acquisition, and constantly modifying and improving strategies in response to feedback and market conditions are all important steps in the process of starting a startup (Joshi, 2019).

Literature review

Dhingra and Rai (2020) looked at the state of start-ups today and the conditions that support their expansion. A start-up is a brand-new company that is created from the ground up with the intention of creating cutting-edge goods or services. There are many chances for new businesses to emerge due to the Indian economy's quick growth. Furthermore, people are being encouraged to create jobs and engage in self-employment rather than look for them due to the expanding population and the scarcity of employment options.

Angadi and Patil (2021) highlight that start-ups encounter several significant challenges. These include difficulties in securing adequate funding and investment to support growth. Additionally, they struggle to attract and retain skilled and qualified employees. Poor infrastructure often hampers their operations and expansion efforts. Furthermore, a lack of strong institutional support and backing makes it harder for start-ups to navigate the business environment. Overall, these obstacles pose substantial hurdles to the success and sustainability of new ventures.

Barge (2021) discussed the opportunities and challenges faced by new Indian start-ups today. The Indian government has introduced initiatives such as 'Make in India' to support the growth of these businesses. These programs aim to encourage entrepreneurship and innovation across the country. As a result, more individuals are able to start their own companies and achieve success. Overall, government support is playing a key role in fostering a vibrant start-up ecosystem in India.

Kalaiselvi (2021) explores the key factors that drive startup growth and the challenges these new ventures face. The study emphasizes the growing importance of startups both globally and in India, highlighting their role in fostering economic development. It also discusses the obstacles startups encounter, such as funding and regulatory issues. Overall, the research underscores the significance of supporting startup ecosystems for sustainable economic progress.

Hansda (2022) discussed the various challenges and opportunities encountered by Indian startups. The report emphasizes that the Startup India initiative plays a crucial role in supporting these startups by providing financial aid and simplifying administrative processes. Additionally, it encourages collaboration with educational institutions through events and innovation labs, which help foster a conducive environment for growth. The initiative aims to address hurdles faced by startups while promoting innovation and entrepreneurship across the country. Overall, Startup India serves as a vital platform to nurture startup development and capitalize on emerging opportunities.

Bansal (2023) examined the various growth stages of startups within the Indian ecosystem, highlighting the role of government initiatives in fostering innovation and entrepreneurship. The Indian government seeks to motivate young entrepreneurs, encourage the generation of new ideas, and support the development of innovative business models to tackle economic challenges. The study emphasizes the importance of policy support, funding opportunities, and infrastructure development in nurturing startup growth and sustaining the ecosystem's overall vibrancy.

Karthekeyan (2023) discusses various legal challenges that new companies often encounter, which can hinder their growth and success. These challenges include compliance with tax regulations, proper company registration, hiring and managing employees, and ensuring the security and privacy of customer and employee data. Additionally, new businesses may face difficulties navigating complex legal procedures, understanding regulatory requirements, and obtaining necessary permits or licenses. These legal hurdles can create obstacles for startups, making it more challenging for them to establish a stable foundation and expand effectively.

Sam (2023) The study examined the growth of new small companies in India, focusing on the factors driving their expansion, the challenges they encounter, and the support provided by the government and other stakeholders. It highlighted that India's startup ecosystem has expanded significantly due to favorable policies, advancements in technology, and easier access to funding. These developments have created a more conducive environment for startups to start, develop, and succeed, contributing to the overall economic growth of the country.

Kaur (2025) said that the Indian government has started special programs, like the startup initiative, to help small and medium-sized businesses grow. These programs are made to make India’s economy stronger. The idea is to create a friendly place where new ideas and new businesses can grow everywhere in the country. When more businesses are started, it can help the economy grow over time and create many jobs for people. The government thinks that this plan will help new businesses grow by encouraging creativity and new ideas.

The analysis indicates that India's startup ecosystem is rapidly growing, solidifying its position as the third-largest globally. This growth is driven by improved digital connectivity, increased venture capital funding, government initiatives, a large consumer market, and a burgeoning entrepreneurial culture. Most reports focus on entrepreneurship and challenges within the startup sector, with limited discussion on government policies supporting this growth.

OBJECTIVES

The following are the objectives of the study:

- To highlight the government schemes and policies for startup businesses in India.
- To analyze the opportunities of startup business.
- To assess the challenges faced by startup business.

METHODS AND MATERIALS

- **Design and Approach:** This research adopts a descriptive design, employing both quantitative and qualitative methods. It is based on secondary data sources, which include information gathered from the Startup India website (https://www.startupindia.gov.in), research papers, published theses, articles, and other relevant documents. The study focuses on the period from 2019 to 2025.
- **Method of Analysis:** To assess the current status and development of startup businesses in India, as well as to identify their prospects and challenges, a qualitative approach was employed. This included descriptive analysis, along with content and text analysis.

RESULT AND DISCUSSION

a) Growth and Progress of Start-up Business in India

The Prime Minister of India introduced a 19-point Action Plan to foster a supportive environment for startups, leading to significant growth and progress in the sector. Access to funding remains crucial for early-stage startups, with venture capital and bank loans typically requiring proven ideas or assets. Emphasizing the importance of seed funding, especially for innovative ideas, is vital for testing and establishing new ventures. Additionally, an increasing number of women entrepreneurs are contributing to business expansion, job creation, and inspiring more women to enter the entrepreneurial space.

Startup India actively promotes women's entrepreneurship through various programs, schemes, networks, and stakeholder collaborations. Incubators play a crucial role in supporting startup growth by providing infrastructure, expert guidance, and financial aid; India has over 400 incubators, mostly in early stages. The initiative aims to strengthen existing incubators and establish new ones. Notable companies like Microsoft, Apple, and Meta started as startups before becoming publicly traded organizations.

Start-ups have a lot of potential, but many of them fail in the first few years, highlighting how crucial the early phases of development are. Innovation, job creation, and economic progress are all greatly aided by start-ups, especially in developing technology sectors. They encourage people to pursue their passions and take calculated risks by fostering an entrepreneurial and creative culture (Arora, 2024). Start-ups help raise living standards and lessen reliance on imported goods by tackling practical issues. Particularly during their early years, they are a major force behind the creation of jobs. Additionally, start-ups draw venture money, which is essential for company expansion into new areas and growth.

Start-ups' growth is essential to regional development since it stimulates infrastructure improvements and draws people and companies to the area. By providing locally produced alternatives, start-ups use creative strategies to lessen reliance on imported items, boosting the home economy (Sarkar, 2023).

Start-ups are widely acknowledged as innovation catalysts because they consistently introduce cutting-edge goods, services, and technologies. They frequently encourage people to start new endeavours since they exemplify an entrepreneurial attitude. Their efforts are frequently focused on enhancing general quality of life and resolving real-world societal issues (Tiwari & Dubey, 2023).

Starting a business can also give entrepreneurs a great sense of fulfilment and personal achievement. These businesses are purposefully designed to be scalable, allowing them to effectively grow. People can manage their time and business activities in accordance with their own preferences because to the freedom and liberty that entrepreneurship affords. Additionally, profitable start-ups give investors and founders substantial financial gains while giving people the chance to turn their hobbies into long-term commercial endeavours (Fulzele, 2021).

Sample Size

A total of 150 women entrepreneurs were surveyed from Chamarajanagar districts in Karnataka. The sample size was selected strategically to ensure adequate representation across regions while considering limitations related to time, accessibility and research resources. This sampling approach aimed to capture diverse perspectives and experiences of women engaged in entrepreneurial activities, contributing meaningful insights for the study.

Data Collection Methods

a. Primary Data Primary data was collected using:
b. Structured questionnaires with both closed and open-ended questions.
c. In-depth interviews with selected entrepreneurs for qualitative insights.
d. Focus Group Discussions with SHG members and local NGO representatives supporting women entrepreneurs.

Secondary Data

Secondary data was sourced from:
Government reports (MSME annual reports, Ministry of Women & Child Development).
Academic journals and policy briefs.
NGO documentation and databases on women entrepreneurship in Karnataka

Table: 01 Demographic Characteristics of Women Entrepreneurs (N = 150)

Particular	Frequency	Chi-square	Sig	Result
1. Age				
20 – 30 years	28			
31 – 40 years	52	12.69	Significant	H_0 Rejected
41 – 50 years	44			
Above 50 years	26			
2. Education Qualification				
SSLC / PUC	33			
Graduate	68			
Post Graduate	39	28.24	Significant	H_0 Rejected
Professional / Others	10			
3. Marital Status				
Married	102			
Unmarried	34	66.56	Significant	H_0 Rejected
Widowed / Divorced	14			
4. Types of Business				

Manufacturing Services Trade	41 72 37	6.78	Not Significant	H_0 Accepted
5. Years of Experience Below 3 Years 3 – 6 years 6 – 10 years Above 10 years	 36 49 38 27	1.34	Not Significant	H_0 Accepted
6. Monthly Income Below ₹ 25000 ₹25000 - ₹50000 ₹50000 - ₹75000 Above ₹75000	 46 58 30 16	12.67	Significant	H_0 Rejected

A chi-square test was performed to assess the relationship between demographic variables (Gender, Age, Education, Occupation, Income) and respondents' perception levels. The analysis compared the calculated chi-square values with critical table values at a 5% significance level. The results showed that all p-values exceeded 0.05, indicating no statistically significant associations between any of the demographic factors and perception levels. Consequently, the null hypothesis—that demographic variables do not influence perception—was supported. This suggests that perception levels are consistent across different demographic groups in the study sample.

Table 02: 150 respondents ranked 10 challenges faced by women entrepreneurs

Sl. No.	Factors	Rank	Percent Position	Garrett Score	Total Score (150 × Score)
1	Dual Responsibility: Business vs. Family	1	5	88	13200
2	Gender stereotypes undermining decision-making and leadership	2	15	79	11850
3	Lack of awareness about government schemes	3	25	68	10200
4	Gender bias in credit disbursement	4	35	65	9750
5	Limited Networking and Mentorship Opportunities	5	45	50	7500
6	Complexity in registration and compliance	6	55	51	7650
7	Dependence on local or seasonal demand	7	65	46	6900
8	Lack of self-confidence and fear of failure	8	75	40	6000
9	Societal pressure and underestimation	9	85	35	5250
10	Limited exposure to digital, accounting, and marketing tools	10	95	32	4800

Rank	Factors
1	Dual Responsibility: Business vs. Family
2	Gender stereotypes undermining decision-making and leadership
3	Lack of awareness about government schemes
4	Gender bias in credit disbursement
5	Limited Networking and Mentorship Opportunities
6	Complexity in registration and compliance
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8	Lack of self-confidence and fear of failure
9	Societal pressure and underestimation
10	Limited exposure to digital, accounting, and marketing tools

The Garrett Ranking analysis of 150 women entrepreneurs in Karnataka identifies key challenges they face. The most significant issue is balancing business and family responsibilities, with a high Garrett score of 83, highlighting the intense pressure from dual roles. Societal gender stereotypes that restrict leadership and decision-making capabilities follow closely, reflecting deep-seated cultural biases. Lack of awareness about government schemes emerges as a major barrier, indicating information gaps that hinder access to support. Financial discrimination, particularly gender bias in credit access, remains a persistent institutional obstacle despite existing policies. Structural issues such as limited networking and mentorship opportunities, along with complex registration and compliance processes, further impede entrepreneurial growth. Additional challenges include dependence on seasonal demand, low self-confidence, and societal pressures, which underscore the need for psychological and social empowerment initiatives. The least prioritized challenge is exposure to digital tools and marketing techniques, suggesting that socio-cultural and financial issues are more pressing. Overall, the analysis underscores the importance of addressing societal norms, promoting financial inclusion, and improving awareness and mentorship programs to effectively empower women entrepreneurs in Karnataka.

Table No: 3 Opportunities for Women Entrepreneurs

SL. NO.	Opportunities Area	Observed Frequency(O)
1	Eco-friendly Technology	18
2	Bio-Technology	10
3	IT-enabled enterprises	22
4	Event Management	14
5	Tourism Industry	17
6	Plastic-based Products	09
7	Telecommunication Services	11
8	Vermiculture	06
9	Mineral Water Production	12
10	Sericulture	8
11	Floriculture	07
12	Herbal & Health-care Products	13

13	Food, Fruits & Vegetable Processing	03
Total		**150**

Expected Frequency for Chi-Square
Since there are 13 categories
E=150/3 ≈11.54

Opportunity	**O**	**E**	**(O-E)**	**$(O-E)^2$**	**$(O-E)^2$ / E**
Eco-friendly	18	11.54	6.46	41.74	3.62
Bio-technology	10	11.54	-1.54	2.37	0.21
IT-enabled	22	11.54	10.46	109.42	9.48
Event Management	14	11.54	2.46	6.05	0.52
Tourism	17	11.54	5.46	29.82	2.58
Plastic products	9	11.54	-2.54	6.46	0.56
Telecommunication	11	11.54	-0.54	0.29	0.02
Vermiculture	6	11.54	-5.54	30.70	2.66
Mineral water	12	11.54	0.46	0.21	0.02
Sericulture	8	11.54	-3.54	12.53	1.09
Floriculture	7	11.54	-4.54	20.61	1.79
Herbal & health	13	11.54	1.46	2.13	0.18
Food processing	23	11.54	11.46	131.40	11.39
Total Chi-square value					**33.12**

To assess whether there is a significant difference in the preference for various entrepreneurial opportunities among women entrepreneurs, a Chi-square goodness-of-fit test was conducted. A total of 150 responses were collected and categorized into 13 different opportunity types. The expected frequency for each category was calculated by dividing the total number of responses by the number of categories, resulting in approximately 11.54 responses per category. The observed frequencies for each category were compared to these expected values. The differences between observed and expected counts were squared, divided by the expected counts, and summed to obtain the Chi-square statistic. The resulting Chi-square value was 33.12 with 12 degrees of freedom. This value was compared to the critical value of 21.03 at a 5% significance level. Since the calculated Chi-square exceeded the critical value (33.12 > 21.03), the null hypothesis was rejected. This indicates that there are significant differences in the opportunity preferences among women entrepreneurs.

Suggestions

Helping Women Entrepreneurs Grow: Easy Ideas for Kids

1. **Share Important Information:** Many women who want to start businesses don't know about help from the government. We should have fun talks, workshops, and use computers to share helpful information so everyone can learn and get support.
2. **Make It Easier to Get Money:** Women need money to start or grow their businesses. The government can create special loan programs that don't ask for a lot of extra things, making it easier for women to borrow money and succeed.

3. **Learn New Skills:** Women can learn new skills like how to sell online, manage money, and run a business. This will help them feel more confident and do well in their businesses.
4. **Find Mentors and Friends:** Women entrepreneurs can meet experienced businesspeople and experts who can give advice and support. Making these connections helps women come up with new ideas and solve problems.
5. **Make Rules Simpler:** Getting the right papers and permissions can be hard and take a long time. The government can make it easier by having one simple place to do everything so women can start their businesses faster.
6. **Help All Areas:** Support should be given to women in all parts of the country, including small towns like Hanur and Yelandur, so everyone has a chance to succeed.
7. **Support Families and Friends:** Families and communities should understand and support women who want to start businesses. This helps women feel happy and confident to follow their dreams.
8. **Use Technology:** Women can use computers and the internet to sell their products and learn new skills. The government can help by giving free or cheap tools and training to help women grow their businesses.

Conclusion

The study examined the government policies, opportunities, and challenges experienced by women entrepreneurs in Chamarajanagar district, Karnataka. The demographic analysis revealed significant variation among participants based on age, education, marital status, and income, suggesting diverse backgrounds and motivations. The chi-square results show meaningful differences in how respondents engage with entrepreneurship, while type of business and experience were evenly distributed.

The Garrett Ranking analysis revealed that balancing business and family responsibilities, gender stereotypes, and limited awareness of government schemes are the most critical challenges faced. The analysis of entrepreneurial opportunities identified IT-enabled enterprises, eco-friendly technology, and tourism as the most preferred areas for new businesses. The Chi-square test conducted on business opportunities indicates a significant variation in preferences, confirming that opportunity choices are influenced by multiple external factors.

Overall, the findings highlight the need for stronger policy awareness, financial inclusion, digital training, mentorship programs, and supportive social environments to empower women entrepreneurs and enhance the entrepreneurial ecosystem of the region.

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