Key Trends in the Indian Startup Ecosystem
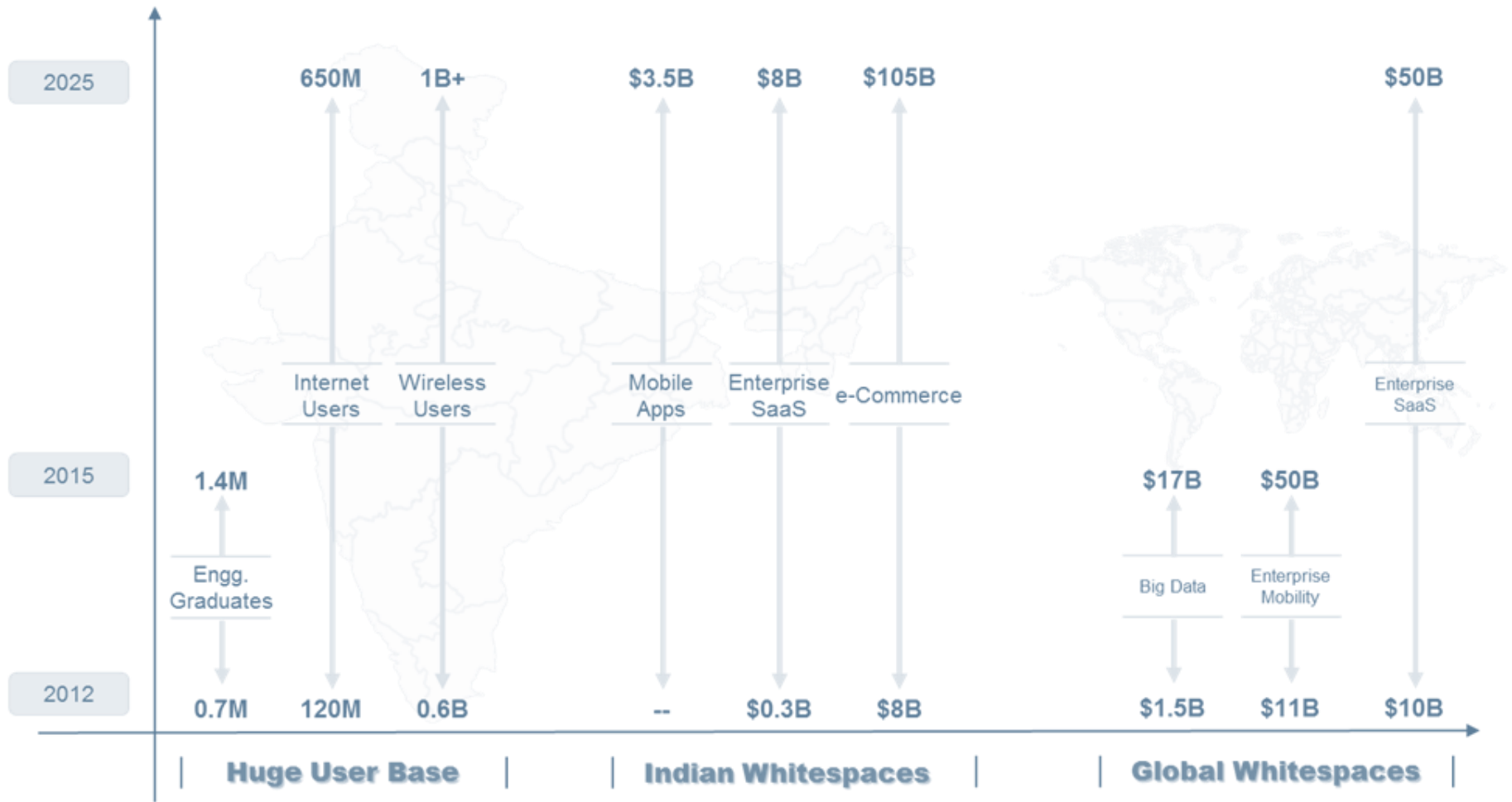
Manish Dalal

September 12, 2013

	Huge User Base			Indian Whitespaces			Global Whitespaces	
	Engg. Graduates	Internet Users	Wireless Users	Mobile Apps	Enterprise SaaS	e-Commerce	Big Data	Enterprise Mobility	Enterprise SaaS
2025		650M	1B+	$3.5B	$8B	$105B			$50B
2015	1.4M						$17B	$50B	
2012	0.7M	120M	0.6B	--	$0.3B	$8B	$1.5B	$11B	$10B

Source: Edelweiss 2011 India Internet Report, McKinsey Internet Report, Indian Goes Digital, Avendus, Zinnov Public Cloud Report 2011, IDC, Gartner, Zinnov Analysis

...however, India lags behind as a startup nation

Technology Start-ups	~250	15,000+	800+

Why?

Entrepreneurs face several challenges in India

How supportive is the community for startup?

21.62 %

What startups need?

Top Challenges

Funding	31.36 %
Contacts	20.80 %
Mentoring	16.45 %
Hiring	13.97 %
Eco-system	11.18 %

Marketing	31.36 %
Raising money	20.80 %
Sales	16.45 %
Product	13.97 %
Engineering	11.18 %

What can improve the success rate of startups?

mentoring Seed Fund people TechSparks focus Platform
startup Investors touch events sessions Strategy
angel investors product technology business development guys Recognition
contacts startups tieups fund founder mentors
team market workshops Network Entrepreneurs venture engineers

In spite of this, 155 startups got funded in 2012

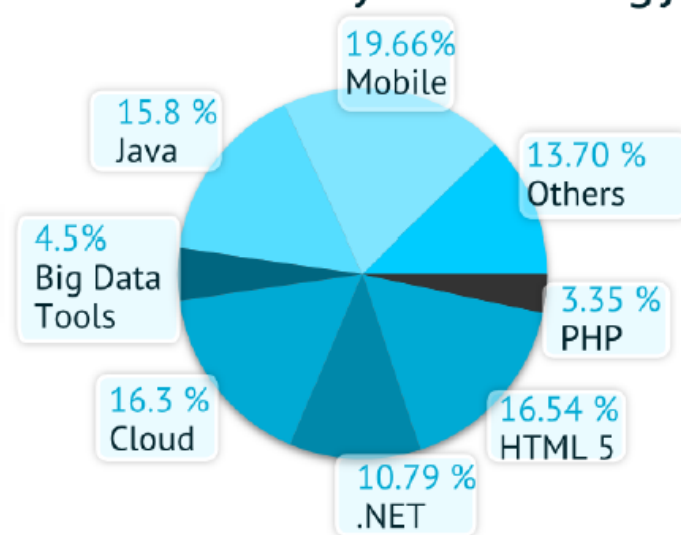➢ **Approximately $750 million of venture capital was invested**

Target Sector and Technologies

Startups targeting the Consumer Web accounted for the largest share, 28.5%, of startups this year. Mobile came in second with 21.6% of startups focusing on the mobile. Education and e-commerce sectors came in next, with 16.6% and 14.1% of the companies focusing on these sectors.

Target Sector

- 21.60 % Mobile
- 28.53 % Web
- 8.61 % Others
- 10.52 % Enterprise
- 14.12 % E-commerce
- 16.62 % Education

Primary Technology

- 19.66% Mobile
- 15.8 % Java
- 13.70 % Others
- 4.5% Big Data Tools
- 3.35 % PHP
- 16.3 % Cloud
- 10.79 % .NET
- 16.54 % HTML 5
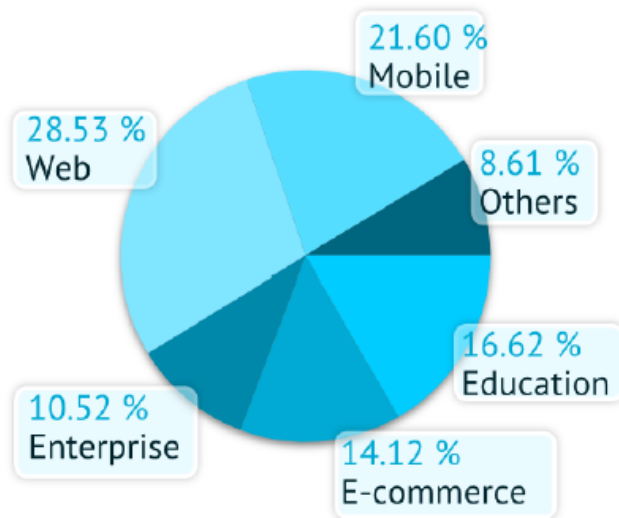
Meet the Investors…

A majority of VCs have moved upstream

Seed **Angel** **Pre - Series A**

- Angel groups (Mumbai Angels, IAN)
- Individual angels
- Incubators & Accelerators (Microsoft Accelerator, iAccelerator, Nasscom 10K Startups, Venture Nursery)
- Seed funds (Kae Capital, Blume Ventures)

Series A

- Inventus
- Accel
- Helion
- Sequoia Capital
- IDG Ventures
- Saama (formerly SVB)
- Kalaari (formerly IndoUS)
- Matrix
- Nirvana
- Omidyar
- Qualcomm

Series B / Growth

Series C / pre-IPO

- Nexus
- Canaan
- NEA
- Bessemer
- Norwest
- SAIF
- Lightspeed
- Fidelity
- Tiger
- Vertex
- Intel
- Cisco

What are some of the opportunities in 2013?

1. ## e-SMB's
   - 40 million SMB's but only 1 million websites => big web services opportunity in bringing SMB's online

2. ## Mobile Applications
   - Will end 2013 at 60 million smart phones (out of 600 million unique phone users) => big market for mobile applications, especially on Android

3. ## Digital Advertising
   - Online search, display and video advertising growing rapidly; big brands enhancing their TV and print campaigns with digital advertising

4. ## Big Data
   - Will reach $1 billion in India by 2015 and $25 billion globally => big opportunity for Indian startups who are good at IT and Analytics

5. ## Cloud Services
   - Public cloud services market in India will reach $450 million in 2013; SaaS will be 1/3 of this market

A few interesting examples: NowFloats

Get SMBs online with just 4 simple SMS's

SMS or [laptop] or [phone] } [globe]

- Only 4 simple SMS
- Zero technology awareness
- New mode to connect to Internet
- Anytime, from anywhere

- Basic technology awareness
- More detailed website
- More details for user
- Ease of payment

- New-gen users
- Accurate location (max error up to 20m)
- Operator billing

- A new way to connect to the modern day customer

A few interesting examples: Squeakee

Get hyper-local merchants online with local deals / offers
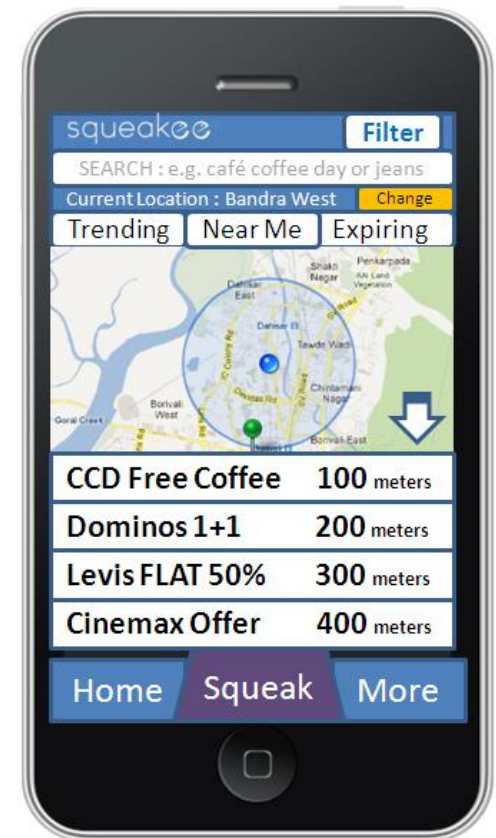
A few interesting examples: Exotel

exotel **=** *Cloud telephony service for SMB's*

IVR

Call Recording

Call Logs & Data Records

Call Conferencing

Virtual Phone Numbers

022-12345678
011-87654321
9234-123456
9243-EXOTEL
9234-654321
011-12345678
022-12345678

Missed Call Marketing

A few interesting examples: Mobstac

Adaptive platform to create mobile sites and native apps

mobstac™

Fully customized mobile and tablet website

Engaging HTML5 mobile and tablet websites that work on 6000+ smartphones, feature phones and tablet devices and can be managed through a single unified dashboard.

Powerful native apps for smartphones and tablets

Native apps for Android, iOS and Windows 8 smartphones and tablets delivering device specific experiences.

A few interesting examples: Rolocule

Mobile game development studio

A few interesting examples: ZipDial

Marketing and analytics platform based on missed calls

zipdial

Polls & Surveys

Customer Feedback
Get real-time inputs on how your business is performing

Opinion Polls
Manage customer support requests and eliminate time on hold for customers.

Live Event Voting
Deliver special offers and coupon codes through your SMS response.

Ratings
Evaluate performance of your business divisions

Customer Mobile Verification

Lead Verification
Ensure accuracy of lead mobile numbers to streamline sales.

User Registration
Build a clean database of users registering on your site.

Transaction Authorization
Make online transactions secure without delayed OTPs.

Cash On Delivery
Confirm mobile numbers of customers who have placed orders offline.

A few interesting examples: FreshDesk

Software as a service (SaaS) for help desk software