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INDIAN UNICORN STARTUPS AND THE FACTORS CONTRIBUTING TO THEIR SUCCESS: AN IN-DEPTH ANALYSIS OF PAYTM, NYKAA, AND SWIGGY

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Data and Research Methodology

‘Unicorn’ is the term given to a privately held startup company with a valuation of $1 billion or more. India has a thriving startup ecosystem, with more companies becoming Unicorns every year due to several market and social changes that have created a nurturing environment to support the growth of such startups. This research paper will evaluate 3 Indian unicorns through an in depth analysis of the factors contributing to their success. Despite the several advantages of the Indian economy, each startup was witness to their own challenges that shaped each’s path uniquely. Although these startups have been proven to have an established customer loyalty and unique selling points that have acquired them large investments and funding, they still fail to make profits. The purpose of this paper is to reflect on the aspects that should result in abnormal profits for each company but have somehow failed to do so, leaving the question of what is actually happening.

Indian Unicorn Ecosystem: An Assessment

During the 21st century, India has seen tremendous growth in its startup system. As the number of Indian startups began to increase, the number of unicorns- a private startup company valued at over $1 billion- emerging in the country simultaneously began increasing as well. As of 2021, India ranks 3rd globally, having had 83 startups join the unicorn club (Banerjee and Sayed). This boost has drawn several global investors towards potentially funding emerging Indian startups. With the increasing emergence of unicorns every year, there has been a change in the millennial generation’s entrepreneurial mindset as more youth are attracted towards business and innovation. These factors have given rise to a startup revolution within the country.

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In order to support the startup ecosystem, the government of India launched ‘Startup India’ in January 2016, intending to promote a strong and inclusive ecosystem for innovation and entrepreneurship. Based on a 19-point action plan, Startup India focuses on encouraging sustainable economics while consequently generating large scale employment opportunities (Chaudhari). Further, the government is playing a substantial role in changing the mindset of millennials by instilling confidence and creating business friendly policies and strategies (Korreck). Moreover, regulatory measures have been undertaken by the Central government, The Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDAI) and the ministries to boost businesses in India; for entrepreneurs, measures regarding tax, regulatory and monetary relief have been introduced (Chaudhari). Such government intervention has played an important role in boosting the Indian startup economy.

Name	Industry	Valuation (USD)	Year Founded	Year of Unicorn ‘
InMobi	Tech	$1.0 billion	2007	2014
Ola	Transportation	$6.2 billion	2010	2014
Snapdeal	Retail	$1.0 billion	2010	2014
Quikr	Media	$1.0 billion	2008	2015
Hike	Tech	$1.4 billion	2012	2016
ShopClues	Retail	$1.1 billion	2011	2016
One97 (Paytm)	Financial Services	$15.0 billion	2010	2017
ReNew Power	Energy	$1.8 billion	2011	2017

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BillDesk	Financial Services	$1.8 billion	2000	2018
Flipkart	Retail	$22.0 billion	2007	2018
Freshworks	Tech	$1.5 billion	2010	2018
Musigma	Tech	$1.5 billion	2004	2018
OYO	Hospitality	$10.0 billion	2013	2018
Pine Labs	Financial Services	$1.0 billion	1998	2018
Policy Bazaar	Financial Services	$1.0 billion	2008	2018
Swiggy	Transportation	$3.3 billion	2014	2018
Byju's	Tech	$5.4 billion	2008	2018
Udaan	Logistics	$2.3 billion	2016	2018
Zomato	Transportation	$2.5 billion	2008	2018
Big Basket	Retail	$1.2 billion	2011	2019
Nykaa	E-commerce	$2.3 billion	2012	2021

Table 1 (Tripathi, Singh) shows the year-wise breakup of Indian unicorns that emerged during 2014-2021. Up till 2013, when the term 'Unicorn' was coined, India had no startups that had reached a valuation of USD 1 billion. At that time, startups in India faced several challenges like

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scarcity in funding and talent, inadequate infrastructures and other cultural and social obstacles. 2014 saw the rise of India's first unicorn: InMobi. The success of InMobi paved the way for startups that aimed to reach the Unicorn goal. Even the Covid-19 pandemic did not limit India's startup economy that produced 12 Unicorns in 2020. The year 2021 saw a boost in the previous year's numbers with a total record of 44 unicorns, leading India to overtake the United Kingdom (UK) on the list of 'Countries with Most Number of Unicorns' (Tripathi, Singh). The growth in the number of Indian Unicorns, even during the pandemic, showcases the economic stability and power of the Indian economy.

Indian Startups: Challenges Faced

India is often described as a harsh environment for startups due to the vast number of challenges prevalent in its startup ecosystem. Although there are typical challenges faced by startups globally, some obstacles are solely limited to the Indian market.

Developmental Challenges

1. Founder's Persistence

A persistent founder is key to the success of a startup. Self-motivation and determination are essential for creating a product and effectively launching it in the market. Good leadership and entrepreneurial skills are essential to mentor a team effectively. Thus, a successful product is often a result of the founder's vision, passion and innovation (Chaudhari 4).

2. Complex Regulatory Environment

Every new startup requires permissions and approvals from government departments and agencies. Many startups are overwhelmed by the lengthy costs accrued during these bureaucratic procedures. Further, insufficient information and long waiting periods for receiving approvals also slow down the pace of a business. India ranks 77th out of 190 countries on the World Bank's Ease of Doing Business Index and 137th out of 190 countries on the World Bank's Starting a Business Ranking Index (Banerjee and Sayed). While the present regulatory framework is seen as inefficient and difficult, the government is trying to introduce policies that aim for easing the tough business environments for startups (Korreck 12).

3. Financial Resources

Many entrepreneurs with commercially viable ideas face difficulties in acquiring funding through investors. Due to the lack of funding, many startups are not able to upscale their

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products to meet consumer demand and thus fail. However, in recent years, the startup revolution in India has attracted more foreign investors towards upcoming startups, helping them acquire the required funding (Chaudhari 5).

4. Inefficient Team

An efficient team is crucial to launching a successful startup. Founders may face challenges while trying to hire the right talent for their company since skilled and experienced professionals are often skeptical about joining a new business.

5. Diversity and Digital Divide

Due to the information gap between startups and their customer base, many startups do not develop a thorough understanding of the market demand (Chaudhari). This challenge is much larger in India due to the diversity of the country, in terms of religion, culture, language and region. Without concrete datasets, startups are unable to analyze the needs of their diverse customer base that evolve rapidly with changing trends. Thus, it is difficult to build a pan-India startup. Further, many customers targeted by the startup may be uneducated and thus, unable to understand the benefits offered by certain products. To tackle such divisions, the company would require a holistic understanding of their targeted market base and the appropriate tools to market their products and services (Korreck 9).

Post Developmental Challenges

1. Customer Expectations

Startups are expected to meet the high standards of customer expectations with regards to customer service. In order to attain credibility and gain customer loyalty, they need to be responsive to customer feedback and constantly improve their product and system to influence market factors. This might be difficult to achieve for those startups that were unable to acquire sufficient funding or did not prioritize a budget for such expenses (Chaudhari 6).

2. Lack of Proper Branding

Startups need to invest in appropriate branding and advertising initiatives to create customer awareness and pique curiosity for their product. They need to maintain their business image and product standards by focusing on creating a respectable brand (Korreck). One common mistake that many startups make is that they divert their attention to gaining new customers and

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recording more sales without realizing that their weak branding strategy led to the loss of their original customers (Chaudhari 6).

3. Replicating other Startups

Many startups may have similar business models to existing companies and thus try copying their market strategies (Tripathi, Singh). Some startups base their business idea on successful companies in other countries without realizing that the Indian market has a different set of requirements and expectations. Only through thoughtful planning and originality can one create a successful and long-lasting product (Chaudhari 6).

4. Low Willingness to Pay

Startups require time and effort to build customer trust. Without acquiring trust, many customers hesitate to pay for a particular good or service (Tripathi, Singh). Moreover, a large percentage of the Indian population has a low disposable income and thus may not be willing and able to pay for goods or services that require a high proportion of their income. This can make it difficult for startups to achieve their financial goals (Chaudhari 6).

Indian Startups: Opportunities to Grow

1. India's Population

Currently, 65% of the Indian population is below the age of 35 years, creating a big advantage for the Indian economy. Such a large population of customers with disposable income leads to large consumer demand and market potential. Due to its GDP growth of 7% in 2018, India is now seen as one of the fastest growing large scaled economies in the world. As the Indian economy grows, customers' income and purchasing power increase as well (Chaudhari 7; Korreck 3-5).

2. Increasing Investments in Startups

Due to the expected boom in the Indian economy and the startup revolution, a large number of investment firms and investors are more inclined to fund rising startups. Furthermore, to encourage entrepreneurship, successful Indian entrepreneurs and big business houses are willing to invest in startups with original products or services (Chaudhari 7; Korreck 6-7).

3. Mindset of Working Class

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Due to changes in the economy, Indian millennials are more inclined to take risks and focus on non-traditional career options than their predecessors. More people have been noticing the potential advantages of startups in terms of their working culture and growth opportunities and thus are willing to accept job opportunities at such companies. There has also been a rising hype around entrepreneurs that quit their corporate jobs to develop successful startups. These factors have helped in changing the outlook of the working class towards risk taking in terms of stable jobs (Chaudhari 7; Korreck 8).

4. Government Initiatives

The current government has recognised the advantages of startups for economic growth, particularly their role in reducing unemployment rates. The Indian government has introduced several policies and initiatives to help startups, including Start-up India, MUDRA Yojana, SETU Fund, E-Biz Portal, and Royalty Tax (Chaudhari 7-8; Korrect 6-7).

5. Technological Changes

There is a vital need for new technological innovations to tackle large problems such as financial instability and high rates of inflation as faced by the Indian economy. With the advent of online education, more people have access to literacy through the digital world. Increase in education subsequently gives rise to more job opportunities and lowers unemployment rates. Separately, many startups require market access to identify and charge their customers through a secure gateway. With an increase in adoption of mobile banking and digital payments, cases of fraud have decreased over time (Korreck 5-6).

Paytm

Launched in 2010 by Vijay Sharma, Paytm was initially a prepaid mobile and DTH recharge platform. With a seed funding of USD 2 million, Paytm soon expanded their services to include data card, postpaid mobile, and landline bill payments by 2013 (Iyer). Today, the company is India's largest leading payment gateway that offers comprehensive payment services between customers and merchants. Not only do they offer mobile payment solutions to over 7 million merchant users but also allow their consumers to make seamless mobile payments through credit/debit banking (Swaminathan). Pioneering as the leader of QR based mobile payments in India, Paytm is consistently working on improving their services to serve a larger range of customers in India. Moreover, the increasing access to the internet has led to a change in the way people shop. Being at the forefront of this change, Paytm has successfully established itself as a trusted fintech monopoly in India (Banerjee).

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Business Model

As India’s leading digital ecosystem for consumers and merchants, Paytm offers payment services, commerce and cloud services, and financial services to its 337 million registered customers and 21.8 million registered merchants (Banerjee).

Operating as a two-sided ecosystem for consumers and merchants, the company enables commerce by providing access to financial services through its financial institution partners. This is done by using technology as a leverage to improve not only the lives of its consumers but also to help merchants expand their business pan-India (Banerjee).

Paytm Benefits for Consumers

Payments: Known for its diverse payment options, Paytm enables consumers to complete payments using a variety of options such as: P2P money transfers, online payments, and in-store payments. These seamless transactions require a minimal number of clicks, increasing its customer friendliness. Like any other service provider, Paytm charges commissions for these operations but has managed to maintain a low transaction fee. Further, they have retained and invited more customers to the application by extending cash-back offers or rewards. Even the smooth functioning of the application and real-time customer service has increased customer loyalty (Banerjee).

Paytm Benefits for Merchants

Consumer Payments: This service facilitates merchants to receive payments from consumers, both offline and online.

Business Payments and Software: The company also launched services like POS Billing Software, Advertising, nodal accounts, Business Khata etc. to provide ease of business to merchants, by simplifying technical nuances of such processes.

Opportunities to Merchants: Along with its other benefits, Paytm offers a number of opportunities to merchants in the market. These include: easy set up, wide reach, bargain power, unified dashboard, catalog and inventory management, and promotions that help merchants successfully manage their businesses (Finextra).

Revenue Generation

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Revenue is generated by Paytm using two separate revenue lines (i) Payment and Financial Services- 75% and (ii) Commerce and Cloud Services- 25% (Banerjee)

Payment and Financial Services

Paytm primarily generates revenue using this line of revenue generation. Such revenue originates from the transaction fees that Paytm charges its merchants based on the percentage of Gross Merchandise Value (GMV). Additionally, the company also charges a consumer convenience fee for certain types of transactions and obtains recurring subscription fees from merchants to access the services they offer (Iyer).

For financial services, revenue is generated through two mechanisms: through clients who access different types of service and financial institution partners. For the financial services extended to its clients, revenue depends on the product, nature of partnership, level of involvement in distribution, product creation, and collections.

For its lending business through its financial institution partners, Paytm earns a sourcing fee from the former during the time of loan disbursal and a collection fee based on the percentage of loan amount for the services performed by the company.

For credit card distribution, Paytm charges its partners an upfront distribution fee per card and a percentage of the total amount spent annually through the card. For its equity broking services, Paytm accrues revenue through consumer fees such as upfront account opening fee, transaction fee, and annual subscription fees (Banerjee).

Cloud Services

For software and cloud services, Paytm charges its merchants a subscription fee and in some cases a fee linked to the volume of activity on its platform. Performance and brand marketing is carried out for merchants, charging them depending on the scale and type of campaign for its advertising business (Iyer).

Paytm Cost Structure

Paytm's major expenses include (Banerjee):

a. Payment processing charges (40%)

b. Marketing and promotional expenses (11%)

c. Employee benefits and expenses (25%)

d. Software, cloud, and data center expenses (7%)

e. Depreciation and amortization expenses (4%)

f. Finance costs (1%)

g. Other expenses (12%)

Investments

Following the original investment of USD 2 million to fund the startup, Sapphire Ventures invested USD 10 million in 2013. This was followed by investments from the Alibaba Group in exchange for 40% equity stock. In 2016, funds were raised from Mountain Capital followed by investment from Softbank. This brought the company's evaluation to USD 8 billion. The following year, Berkshire Hathaway invested USD 356 million for a 3%-4% stake in the company (Iyer).

Important Factors (Swaminathan)

1. Enabled with India's Digital Wallet: When it was launched, Paytm was a new innovation that aimed to change the Indian Digital Wallet. At the time, it faced very little competition. Further, RBI's approval of e-wallets removed the roadblock of lack of interoperability which earlier restricted the segment's growth. The new set of guidelines facilitate money transfer between digital wallets.

2. Ease of Onboarding Merchants: Merchants can create a Paytm account without having a bank account. They can receive money into their Paytm wallet which can be used for consumer expenditure. As a result, Paytm was able to attract a larger category of merchants into their ecosystem.

3. Security Features: Paytm's high security features and credibility have built customer trust over time. By using Verisign-certified SSL, they ensure that a user's online information and details remain encrypted.

4. High Capacity and Wide Range: By implementing simple, effective, and safe payment methods, the company is able to handle 5000 high capacity transactions per second. These secure and high capacity transactions have made Paytm a consumer favored payment company. As these services are necessary in large metropolitan as well as

smaller cities, Paytm’s popularity has constantly been increasing, bringing in new consumers everyday.

5. Demonetisation: In 2016**,** when the government of India demonitised notes from the Indian currency, people faced shortage of time to deposit their invalid currency in the bank. This announcement massively crippled the economic cycle of the country as the demonetised currency, amounting to INR 500 and INR 1000,represented 86% of the value of all notes in circulation at the time. Due to the poor implementation of the scheme, new notes were scarce in circulation, creating a situation that Paytm could use to its advantage. Targeting physical stores from large supermarkets to roadside vendors, the company utilized skillful advertising to promote Paytm as a form of payment. As a result of the nation wide economic distress, large sections of the population were forced to transact digitally, through Paytm. This led to the rise of 20 million new users, carrying out 7 million transactions per day.

Swiggy

Swiggy, an Indian online food ordering and delivery platform, was founded in 2014 by Nandan Reddy, Rahul Jamini, and Sriharsha Majety. At the time there was a huge gap in the Indian market for online food ordering and delivery services and the three founders sought to bridge it, thus, launching Swiggy (Sen). This app enabled customers to order food online, on demand from their favorite restaurants and have it delivered to their doorstep within 30 mins. Swiggy partnered with local restaurants and shops, and used their own delivery service providers to deliver the order. Within four years, Swiggy managed to grow its company tremendously, making it India’s fastest growing Unicorn startup. Today, Swiggy gets approximately 1.5 million orders per day (Baisya). As a majority of its operations are dependent on its customers, Swiggy emphasizes on developing and enhancing its technology to cater to changing trends in customer service. Swiggy succeeds by maintaining a leading role in the industry today through their efficient business plan. Large investments were made towards a talented sales team that ensured partnerships with famous restaurants and technology to make its logistics network effective and well-organized.

Business Model

Swiggy’s business model is based on a hyperlocal on-demand food delivery business operation (Sen). Working as a bridge between restaurants and customers, Swiggy created an innovative technology platform that works as a single point of contact. By allowing customers to place orders from nearby restaurants that can be delivered to their doorstep via the delivery partners, the company attracts a broad range of customers. To meet the demands of such an expansive consumer base, not only does it enlist a variety of restaurants, but also maintains a huge fleet of delivery partners (Baisya). This dual partnership business model is based on restaurant partners agreeing to deliver to routed customers via the Swiggy app and delivery partners acting as a point of contact between the restaurants and customers. Such a partnership is not only beneficial to restaurants as it cuts their personal costs for delivery services while getting more orders at the same time but also beneficial to delivery partners as the app offers them a platform to make deliveries at all times of the day (Gupta).

Value Propositions

Swiggy's main value proposition is its no-restriction order policy and efficient online payment system. It does not require a minimum order value for delivery, increasing the number of orders received. The application allows customers to easily access and understand the products offered by its restaurant partners. A review section enables customers to give feedback on not only the food they received but also the delivery services they experienced to ensure a quality standard of service. This review section dictates the application's popularity and credibility. Further, recent ventures like Swiggy Stores (online grocery and medicine delivery services) and Swiggy Go (a pick-up and drop-off service to send packages anywhere within the customer's city) have been launched to expand the company's services and secure an additional source of revenue. Moreover, Swiggy offers its customers 8 different types of payment methods for convenience (Gupta; Singh).

These methods can be categorized in 3 forms:

Digital Wallets

Different platforms like Paytm, PhonePe, Freecharge, and Mobikwik can be used by customers to pay for orders.

Cards

Customers can use credit cards, debit cards via Swiggy's netbanking facility. By partnering with many financial institutions, customers receive discounts and offers by availing them.

Others

Cash on delivery is another option that is available to customers who prefer physical transactions

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Customer Relationships

Swiggy prioritizes maintaining positive customer relationships. This is done by providing 24/7 customer support to assist customer enquiries and using a real-time ‘Customer Support Chat’. Customers can make live complaints and get assistance within minutes. In case of problems regarding order payments, cancellations and delivery, Swiggy is quick to respond via their automated chatbot and orders can be canceled in 10 seconds (Sen).

These features have been launched recently. In 2018, the app had a third-party messaging software that enables customer care executives to chat with customers. An operator discovered that 70% of customers preferred communicating via text as opposed to phone calls (Gupta). Due to the rapid growth and expansion of Swiggy, the customer care conversations increased tremendously at the time. Identifying the need for a more sophisticated system, Swiggy launched the ‘Customer Support Chat’. This feature not only enabled customer care executives and customers to communicate more comfortably but also gathered valuable customer data regarding ordering trends which would be analyzed by the company’s analytics team to improve customer experiences (Baisya).

Revenue Generation

Swiggy has 4 major streams of revenue:

Delivery Charges

This type of revenue is obtained directly from customers by charging a certain amount for their online order. During periods of high demand or unusual weather conditions, the company charges an increased delivery fee to meet the costs of the unusual variables (Singh).

Commissions

A major part of Swiggy’s revenue stream comes from commissions that are collected from partner restaurants to generate sales leads and deliver orders using Swiggy partners. Restaurants have to pay 15%-25% on every order placed from the website (Singh).

Advertising

Swiggy earns advertising revenue using promotional banners and priority listing of restaurants. Restaurants, related to different regions, receive greater visibility via banner promotion and pay an additional price for their displayed advert on the Swiggy app. Moreover, Swiggy charges a

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premium fee to rank restaurants in the list of restaurants available to customers in a region. The higher the restaurant wishes to be on the list, the more they have to pay (Singh).

Affiliate Income

Swiggy earns revenue by partnering with various banks like HSBC, Citibank, and ICICI bank. Such collaboration benefits all parties involved in the process, even allowing customers to receive several credit card offers from the partnered financial banks (Singh).

Cost Structure

Like any other business, Swiggy incurs costs and expenditures for its daily functioning. The major cost sources are:

- Payroll expenses for employees and delivery partners, including incentives and benefits that are offered to restaurants.
- Costs for website development and operations
- Running costs and maintenance charges
- Administrative, advertising, and marketing costs
- Promotional offers and benefits given to customers
- Kitchen base-like facility setup and maintenance costs
- Returns, refunds, and miscellaneous expenses (Singh; Gupta).

Nykaa

Nykaa is an Indian e-commerce beauty retail company that was founded by Falguni Nayar in 2012. In addition to being a highly profitable venture with a net profit of INR 61.96 crores, in March 2020, Nykaa also became India's first Unicorn startup that was founded by a woman. Today, not only does it sell cosmetics, both online and offline, but also maintains a loyal customer base through its e-beauty magazine, active social media presence, and product reviews (Banerjee and Dutta). Initially started as an online corporation, it eventually transformed into using an omnichannel strategy. Witnessing the inconsistencies prevalent in the beauty product market, Nayar used her experiences to launch Nykaa. At the time, the Indian beauty and cosmetics market was small and almost nonexistent in the rural parts of the country. Now, Nykaa

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is credited for successfully marketing and launching these products in Tier II and Tier III cities of India (Singh).

Business Model

Following an inventory-based business model, the company purchases its products directly from manufacturers and keeps them in warehouses located in Mumbai, Delhi, and Bangalore. These products are then sold either on the Nykaa website or through its 3 offline store formats: Nykaa Luxe, Nykaa On Trend, and Nykaa Kiosks (Wikipedia). Such a business model helps the company witness high-profit margins and results in a profitable business. As an oligopolistic firm, Nykaa adapts the competitive pricing model.

Revenue Model

Nykaa reported $324.77 million in FY21, a surge of around 38.10% from its reported figures in FY2020 (Singh). The company primarily earns its revenue through the sale of its products and banner advertisements. Selling its own products and products of partnered brands, is the primary source of the company's revenue. Banner advertisements of the company also generate a lot of traffic, leading to an increase in sales. Nykaa's other sources of revenue include discounting, income from commissions, and miscellaneous income (Banerjee and Dutta; Singh).

Marketing Strategy

One of the key factors that allowed Nykaa to compete with large market players in the beauty and cosmetic industry was its robust marketing strategy. The brand not only focuses on marketing in Tier 1 cities but also pitches to potential customers from Tier 2,3, and 4 cities (Singh).

Through its four social media accounts, Nykaa emphasizes on promoting its in-house brand, My Nykaa and Nykaa beauty which leads to more brand recognition and customer engagement. By partnering with different influencers and celebrities via Instagram or Youtube, Nykaa has gained and maintained a loyal customer base. Their extensive Youtube marketing strategy focuses on offering beauty and personal care tips and hacks to its viewers. This helps the brand retain its relevance and reliability amongst the young generation. Through event marketing, Nykaa attempts to pitch to its target customers efficiently. For instance, by sponsoring large beauty events like Femina Miss India and smaller college fests it is able to attract an all rounded customer base (Banerjee and Dutta).

Growth

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With over 5 million monthly active users, Nykaa has seen tremendous growth since October 2021. Despite their current success, Nykaa faced financial hurdles during the Covid-19 lockdown as the company witnessed a fall of up to 70% of its sales in April 2020 (Wikipedia). To combat this sudden downfall in sales, the company reacted swiftly by keeping all essential items in stock and removing all other non-deliverable inventory. Subsequently, the company started further developing its physical stores by leveraging the facility of its hyperlocal delivery.

Towards the end of 2020, Nykaa had recovered fast from the ill effects of the Covid-19 pandemic by recovering more than 90% of its losses reported during the pandemic (Banerjee and Dutta). The company's shift from an online business model to an omnichannel retail model contributed majorly to its success after the pandemic.

On July 16, 2021, Nykaa turned into a publicly listed company limited by shares and filed its Draft Red Herring Prospectus in August 2021. Subsequently, Nykaa successfully launched its IPO, where the value was fixed at INR. 1085-1125 per share and sought a total market valuation of $7.4 billion for its upcoming IPO round. The company had an ideal debut in its IPO where the market cap of the economy crossed INR 1 lakh crore. In November 2021, the valuation of the company surged to almost $13 billion in its Indian market debut (Singh).

Conclusion

The Indian startup ecosystem has seen tremendous growth in the past decade. Through the case studies of Paytm, Swiggy, and Nykaa we see how these companies created an innovative product that helped in the development of the Indian economy and technology. Factors such as efficient business models, effective marketing strategy, and diverse streams of revenue generation were key to defining the success of the three companies. Even the encouraging government support through various policies, rules and regulations, and investments has boosted the incentive towards startups in India. Moreover, the rise in technology and changing attitude towards entrepreneurship has stimulated the success of these startups. The case study of Nykaa proved that even during a worldwide pandemic and rough market conditions, it was able to grow into a unicorn. In the example of Paytm, the demonetisation of cash bills by the Indian government proved to be an instrumental shift in preference from cash to cashless transactions. As technology connected the country further, the need for an online payment service only increased. Thus, through skillful marketing, Paytm was able to establish itself as India's leading payment services gateway. Swiggy managed to maintain its position through product differentiation and variety of services they offer. Although these unicorns have proven successful, the question about the business's profitability still remains.

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