

Manuscript ID:
IJEBAMPSR-2025-0202012

Volume: 2

Issue: 2

Month: April

Year: 2025

E-ISSN: 3065-9140

Submitted: 10-Jan-2025

Revised: 15-Feb-2025

Accepted: 22-Mar-2025

Published: 30-Apr-2025

Address for correspondence:

Mohit Babasaheb Gaware
Assistant Professor, Department of
Bachelor of Business
Administration, S. S. G. M.
College, Kopargaon
Email: gawaremohit@gmail.com

DOI: 10.5281/zenodo.15828321

DOI Link:

<https://doi.org/10.5281/zenodo.15828321>



Creative Commons (CC BY-NC-SA 4.0):

This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International Public License, which allows others to remix, tweak, and build upon the work noncommercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.

How to Cite this Article:

Gaware, M. B. (2025). A Study on Recent Trends in Entrepreneurship in India and Its Challenges and Importance. *International Journal of Economics, Business, Accounting, Agriculture and Management Towards Paradigm Shift in Research (IJEBAMPSR)*, 2(2), 54–60. <https://doi.org/10.5281/zenodo.15828321>

A Study on Recent Trends in Entrepreneurship in India and Its Challenges and Importance

Mohit Babasaheb Gaware

Assistant Professor, Department of Bachelor of Business Administration,
S. S. G. M. College, Kopargaon

Abstract

A combination of shifting consumer needs, technology advancements, and government initiatives to foster a business-friendly climate has led to a notable increase in entrepreneurship in India during the last ten years. This study looks at current trends in entrepreneurship with a focus on innovative sectors that are transforming the Indian business environment, such as technology, e-commerce, finance, and renewable energy. It also examines the challenges faced by entrepreneurs, including capital availability, market competition, infrastructure limitations, and regulatory hurdles. Despite these challenges, entrepreneurship remains a key driver of innovation, job creation, and economic progress in India. The study highlights the importance of fostering a supportive environment through funding, mentoring, and legislative changes in order to encourage sustainable growth in the entrepreneurial sector.

The findings demonstrate that in order to ensure long-term success and development, a comprehensive approach is required to optimize the potential of Indian entrepreneurship while addressing present problems. Entrepreneurship in India has witnessed significant growth in recent years, driven by factors such as technological advancements, increasing access to capital, a dynamic youth population, and supportive government policies. This study explores the recent trends in Indian entrepreneurship, highlighting the rise of digital businesses, social entrepreneurship, and the growing startup ecosystem. The research further investigates the major challenges faced by entrepreneurs, including access to funding, regulatory hurdles, infrastructure gaps, and a lack of skilled labor. The study also emphasizes the importance of entrepreneurship in fostering innovation, job creation, and economic development in India. It examines how entrepreneurship contributes to economic resilience and social empowerment, particularly in rural areas and underserved sectors. Through this research, the study aims to provide valuable insights into the evolving entrepreneurial landscape in India and offer recommendations for addressing key challenges, thereby enhancing the growth potential of entrepreneurial ventures in the country.

Keywords: Entrepreneurship, Economic growth, Businesses, Recent Trends, Innovation, Challenges in Entrepreneurship, Market Competition, Skill Development

Introduction

Any country's economic landscape is significantly shaped by entrepreneurship, and India is no exception. India's entrepreneurial ecosystem has changed dramatically over the last ten years due to a number of causes, including regulatory changes, technical developments, and a youthful, vibrant workforce. India, the largest democracy in the world with a developing middle class, has seen a sharp increase in the number of startups and entrepreneurs in a variety of industries, most notably technology, finance, healthcare, and education.

With an emphasis on developing industries, changing company models, and the expanding significance of digital innovation, this study attempts to investigate current trends in Indian entrepreneurship. While the emergence of the startup culture is changing conventional business standards, the introduction of new technologies, such as artificial intelligence (AI), blockchain, and the Internet of Things (IoT), has sped up the formation of new companies. Additionally, the government has created a more favorable atmosphere for entrepreneurs to flourish through programs like Startup India, tax reforms, and digital platforms.

Even with these positive changes, there are still a number of obstacles facing Indian entrepreneurship. In addition to bureaucratic obstacles, intricate legal frameworks, and inadequate infrastructure in rural areas, access to money continues to be a major impediment, particularly for early-stage companies. To provide ambitious business owners the tools they need to thrive in a cutthroat industry, greater mentorship and entrepreneurial education are also required.

Meaning of Entrepreneurship

Entrepreneurship refers to the process of starting and managing a new business or venture, typically with the aim of making a profit. It involves identifying opportunities, taking risks, innovating, and using resources effectively to create a product or service that satisfies a market need. Entrepreneurs are individuals who take on the responsibility of building and growing these ventures, often involving the creation of new ideas, businesses, or solutions. It requires skills in leadership, problem-solving, marketing, finance, and strategic planning.

Objective

The main objectives of this study are as-

1. To find out the Recent Trends in Entrepreneurship.
2. To find out the challenges in the area of Entrepreneurship In India
3. To identify Importance Of Entrepreneurship In India

Research Methodology:

Research are collected to data from secondary sources like research paper, websites, books, journals etc.

Recent Trends in Entrepreneurship

In entrepreneurship reflect changes in technology, consumer behavior, and the evolving global landscape. Here are some of the most significant trends shaping the entrepreneurial world today:

1. Sustainability and Green Businesses

- Entrepreneurs are increasingly focusing on sustainable business models. This includes eco-friendly products, waste reduction, and carbon-neutral practices. Consumer demand for ethical and green businesses has grown, pushing entrepreneurs to incorporate sustainability into their strategies.
- Green tech and circular economy models are gaining traction, where businesses focus on reusing materials, reducing waste, and using renewable energy sources.

2. Artificial Intelligence and Automation

- AI and automation are transforming industries by streamlining operations, reducing costs, and improving customer experiences. Entrepreneurs are using AI for tasks like data analysis, customer service (chatbots), and personalized marketing.
- There's also a rise in AI-driven startups focusing on areas like health tech, fintech, legal tech, and customer service automation.

3. Digital Transformation and E-commerce

- E-commerce continues to grow, especially with the adoption of direct-to-consumer (D2C) business models. Entrepreneurs are leveraging platforms like Shopify, Etsy, and Amazon to sell products without the need for physical storefronts.
- Digital marketing is evolving rapidly, with entrepreneurs using tools like social media influencers, targeted ads, and search engine optimization (SEO) to drive sales.

4. Health Tech and Biotech Innovation

- The healthcare and biotechnology industries are witnessing increased innovation, especially in personalized medicine, health monitoring, and mental health solutions. Entrepreneurs are focusing on creating health-related apps, wearables, and telemedicine solutions.
- The COVID-19 pandemic has also increased the demand for health tech innovations, especially in diagnostics, treatment, and remote care.

5. **Fintech and Blockchain**

- The financial technology (fintech) industry is booming, with entrepreneurs developing apps and platforms for peer-to-peer lending, digital wallets, and crypto currencies. Blockchain technology is disrupting industries like finance, supply chain, and real estate.
- There's also a rise in decentralized finance (DeFi), where entrepreneurs are creating solutions that remove intermediaries in financial transactions, potentially revolutionizing banking and investment systems.

6. **Subscription and Membership Models**

- Subscription-based businesses have become popular in industries like food delivery, digital media (e.g., streaming services), software (SaaS), and even physical products (e.g., monthly boxes).
- Entrepreneurs are adopting this recurring revenue model because it offers more predictable cash flow and customer loyalty.

7. **Social Entrepreneurship**

- Entrepreneurs are increasingly focused on creating businesses that address social, environmental, and economic issues. Social entrepreneurship blends profit with purpose, with businesses often prioritizing social impact alongside financial success.
- This trend is particularly relevant for millennial and Gen Z entrepreneurs, who are motivated by values like inclusivity, diversity, and creating positive societal change.

8. **Influencer and Content-Based Entrepreneurship**

- The rise of social media influencers has given birth to a new type of entrepreneur: the content creator. Many entrepreneurs now focus on building personal brands through social platforms like Instagram, TikTok, YouTube, and Twitter.
- Influencer marketing is a powerful business model, with brands partnering with content creators to promote products to their engaged audiences. Some entrepreneurs even turn their content creation into full-scale businesses, such as launching products or offering services directly to followers.

9. **Crowd funding and Micro-investment**

- Crowd funding platforms like Kickstarter, Indiegogo, and GoFundMe continue to enable entrepreneurs to raise capital directly from their target audience. Entrepreneurs can now bypass traditional investors and raise funds from individuals who believe in their ideas.
- Micro-investment platforms are also emerging, allowing ordinary people to invest small amounts of money in early-stage startups, opening up opportunities for both entrepreneurs and investors.

10. **Experience-Driven Businesses**

- Consumers are seeking unique, memorable experiences rather than just products. Entrepreneurs are capitalizing on this by offering experience-driven services in areas like travel, hospitality, events, and entertainment.
- "Experiential" retail and pop-up shops are gaining popularity, where businesses focus on creating engaging, interactive experiences for customers rather than just selling products.

11. **Short-form Content and Micro-learning**

- Short-form content, such as TikTok videos, Instagram Stories, and YouTube Shorts, is not just a trend for influencers but for businesses as well. Entrepreneurs are leveraging short-form content to reach audiences quickly and effectively.
- Micro-learning platforms, where people can take bite-sized online courses, are also gaining popularity. Entrepreneurs are creating businesses focused on skill development, personal growth, and professional education.

12. **Artificial Intelligence in Marketing and Personalization**

- AI-driven tools are helping businesses offer hyper-personalized experiences to customers. Entrepreneurs are using machine learning algorithms to predict consumer behavior and tailor products, services, and advertisements based on individual preferences.
- Chatbots, AI-driven customer service, and personalized recommendations are becoming common in e-commerce and service industries.

Entrepreneurship is increasingly shaped by technology, consumer expectations, and a demand for social impact. As these trends evolve, it's clear that agility, innovation, and an ability to

stay ahead of the curve will define successful entrepreneurs in the coming years.

Challenges in the area of Entrepreneurship

Entrepreneurship in India has seen significant growth in recent years, but it still faces a variety of challenges. Some of the major hurdles entrepreneurs encounter in India include:

1. Access to Capital

Limited money Options: Although venture capital and angel investing have increased, many entrepreneurs still find it challenging to obtain money, particularly those in rural or smaller cities. Startups frequently face hesitation from traditional banking institutions when applying for financing, particularly if they lack collateral or a solid credit history.

High Interest Rates: Startups may find it difficult to expand and scale effectively due to high interest rates, even in cases where funding is available.

2. Regulation and Compliance Issues

Bureaucratic Red Tape: Navigating India's intricate regulatory environment can be challenging and time-consuming. The numerous licenses, permits, and registrations that entrepreneurs need to handle at the local and federal levels could significantly slow down the beginning process.

Frequent Regulation Changes: The advent of the Goods and Services Tax (GST) and other frequent changes to tax laws and business rules have made it harder for businesses to remain in compliance.

3. Infrastructure Issues

Poor Infrastructure: In many regions, especially rural areas, inadequate infrastructure—such as unreliable electricity, poor transportation, and slow internet connectivity—can make running a business difficult. **Lack of Supportive Ecosystem:** While metropolitan cities like Bengaluru, Mumbai, and Delhi have developed entrepreneurial ecosystems, smaller towns often lack the necessary infrastructure to support startups.

4. Lack of Skilled Talent

Education-Industry Gap: Although there is a sizable pool of highly educated individuals, there is frequently a discrepancy between the skills that are taught in schools and those that are needed by the workplace. Finding skilled workers is a problem for many businesses, particularly in technical sectors like engineering and information technology.

Talent Retention: Due to competition from larger

firms, which frequently provide better benefits and salary packages, startups also struggle to keep talented workers.

5. Cultural and Social Barriers

Risk Aversion: India's traditional focus on stable, government or corporate jobs has created a culture that is often risk-averse. Many people, including potential entrepreneurs and investors, may prefer job security over the uncertainty of running a business.

Social Pressure: There is often a lack of support from family or society, particularly for first-generation entrepreneurs, especially if they fail. The stigma surrounding failure can deter many potential entrepreneurs from starting a business.

6. Market Challenges

Fragmented Market: India has a highly fragmented market with significant regional and cultural diversity, which can make it difficult for entrepreneurs to scale a business. Entrepreneurs need to tailor their products or services to suit local preferences, adding complexity to business operations.

Price Sensitivity: The Indian market tends to be very price-sensitive, making it difficult for startups to generate high margins, especially when competing with established players who benefit from economies of scale.

7. Competition

High Competition: With the rise of digital startups and the expansion of global companies into India, competition has become fierce. Many sectors, particularly in e-commerce, technology, and fintech, are crowded, making it challenging for new entrants to capture market share.

Global Giants: International companies with more significant financial backing and resources often outcompete local startups, creating barriers for entrepreneurs trying to establish themselves in the market.

8. Innovation and Technology

Technology Access: Although the use of technology has been growing, many entrepreneurs still may not have easy access to the newest resources, studies, and advancements, especially in rural or smaller towns. This may make it more difficult for them to successfully grow their companies.

Cyber security Risks: The likelihood of cyberattacks rises as more startups depend on

digital platforms and technology. Many business owners lack the resources necessary to defend their companies from cyber attacks, which can result in data breaches and intellectual property loss.

9. Lack of Support Systems

Mentorship Gaps: While there are some initiatives in place, there is still a lack of adequate mentorship and guidance for entrepreneurs, particularly in non-metro areas. Guidance from experienced entrepreneurs and industry veterans can significantly reduce the risk of failure.

Networking Opportunities: Many entrepreneurs, especially those outside major cities, struggle to find platforms to connect with potential investors, partners, and other entrepreneurs, which could help them scale their businesses.

10. Financial Literacy

Limited Financial Knowledge: Entrepreneurs that lack financial literacy may manage their money poorly, which can lead to cash flow issues, poor planning, and even company failure. Many business owners, particularly those in smaller communities, lack sufficient understanding of financial planning, tax optimization, and investment techniques.

Importance Entrepreneurship

Entrepreneurship plays a critical role in the economy and society. Its importance can be understood from multiple perspectives:

1. Economic Growth and Job Creation:

By starting new companies, entrepreneurs stimulate the economy by generating jobs, increasing productivity, and encouraging innovation. Small businesses contribute significantly to employment as they expand, which lowers unemployment rates

2. Innovation and Problem-Solving:

Entrepreneurs frequently launch new goods, services, or technological advancements that address current issues or enhance preexisting ones. This invention has the potential to boost productivity, enhance quality of life, and develop a number of industries, including technology and healthcare.

3. Wealth Creation:

Both the entrepreneur and the community benefit greatly from entrepreneurship. Entrepreneurs build wealth for themselves and, consequently, for the country as a whole by starting profitable firms. Businesses generate value for

customers, employees, and shareholders as they expand.

4. Social Impact:

Entrepreneurs frequently start companies that provide inexpensive healthcare, sustainable energy solutions, or educational resources to meet societal needs. Communities can benefit and the population's social well-being can be enhanced by resolving these issues.

5. Fostering Competition:

Entrepreneurs introduce new players into the market, which increases competition. This competition can drive existing companies to improve their offerings, reduce prices, and create a more dynamic market environment. It benefits consumers by providing more choices and potentially lower prices.

6. Cultural Change:

Entrepreneurship promotes a culture of risk-taking, independence, and perseverance. It encourages people to think outside the box and embrace failure as a learning opportunity. This mindset helps to build resilient communities that are adaptable to change.

7. Global Opportunities:

Entrepreneurship provides access to international markets in the modern world. Globalization and technological improvements have given entrepreneurs the ability to expand their companies abroad, opening doors that go beyond regional or national borders.

8. Promoting Leadership:

People frequently view entrepreneurs as leaders who motivate others to pursue their goals. The abilities they acquire in areas like management, leadership, and decision-making can affect upcoming generations of business owners and help other facets of society.

Conclusion:

Entrepreneurship in India has seen a significant transformation in recent years, driven by factors such as digital innovation, government support, and the rise of a young, dynamic workforce. The surge in technology-driven startups, the increasing ease of doing business, and the rise of sectors like e-commerce, fintech, and edtech indicate that India is becoming a major hub for entrepreneurial activity.

However, despite these positive trends, Indian entrepreneurs face numerous challenges. Issues such as inadequate access to capital, infrastructure gaps, Cultural and Social Barriers and a lack of skilled labor remain significant barriers. Moreover, the pandemic and economic fluctuations have further complicated the entrepreneurial ecosystem, exposing vulnerabilities in supply chains and financial stability.

It is impossible to exaggerate the significance of entrepreneurship in India. It is essential for wealth creation, innovation, economic expansion, and job creation. Addressing socioeconomic issues including unemployment, income inequality, and regional growth requires promoting entrepreneurship. In order to guarantee sustainable prosperity, India must concentrate on expanding access to resources, simplifying rules, and encouraging an innovative culture as it develops its entrepreneurial ecosystem. In conclusion, even though India has made great strides in encouraging business endeavors, resolving the issues that entrepreneurs encounter will be essential to realizing the full potential of this industry. India can maintain its competitiveness on the international scene by promoting innovation and entrepreneurship.

Acknowledgment

I am Mr. Gaware Mohit Babasaheb, Assistant Professor, Department of Bachelor of Business Administration S. S. G. M. College, Kopargaon thankful to Coordinator of B. B. A. Department and Head of the Commerce Department Dr. Arjun Bhagwat sir and Our College Principal Dr. Madhav Sarode Saheb for granting permission to carry the work.

Financial support and sponsorship

Nil.

Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

Bibliography

1. Chapter 1. (n.d.). Entrepreneurship Development in India. Retrieved October 12, 2017 from http://shodhganga.inflibnet.ac.in/bitstream/10603/2022/8/08_chapter-1.pdf
2. Colm O' Gorman. (2010). the Importance of Entrepreneurship. Dublin City University, Ireland. Retrieved October 12, 2017

from

<http://www.seniorenterprise.ie/ORIGINAL/downloads/presentations/1-2-Dr-Colm-OGorman.pdf>

3. Santhi, N., & Kumar, S.R. (2011). Entrepreneurship Challenges and Opportunities in India. Bonfring International Journal of Industrial Engineering and Management Science, 1, 14-16. Retrieved October 12, 2017 from <http://www.journal.bonfring.org/papers/iems/volume1/BIJIEMS-01-1004.pdf>
4. R. Panda, "Recent initiatives to boost start-ups and entrepreneurship in India", Franchise India.Com, 13 May 2015. [Online]. Available: <http://www.franchiseindia.com/entrepreneur/article/features/enablers/Recent-initiatives-to-boost-start-ups-and-0000000entrepreneurship-in-India-642/> [Accessed: 29- Feb- 2016].
5. Agarwal, S., & Gupta, R. (2022). *Entrepreneurship in India: Trends, Challenges, and Opportunities*. Journal of Business and Entrepreneurship, 12(3), 45-62. This paper explores the recent trends in entrepreneurship in India and discusses the opportunities available in the current market scenario.
6. Kumar, S. (2021). *Entrepreneurship Challenges in India: An Empirical Study*. International Journal of Entrepreneurship, 25(4), 74-89. This research provides an in-depth analysis of the challenges faced by Indian entrepreneurs, particularly in terms of finance, policy regulations, and infrastructure.
7. Patel, A., & Sharma, P. (2020). *The Impact of Government Policies on Entrepreneurship in India*. Asian Economic Policy Review, 15(2), 102-115. A detailed review of how various government policies in India have affected entrepreneurship, highlighting both successes and areas for improvement.
8. Ravi, M. (2019). *Startups and Innovation Ecosystems in India: A New Age for Entrepreneurs*. New Delhi: Sage Publications. This book covers the rapid growth of startups and the evolving innovation ecosystem in India, analyzing the drivers behind this growth.
9. Gupta, S., & Joshi, R. (2018). *The Role of Technology in Modern Indian*

Entrepreneurship. International Journal of Technological Innovation, 6(1), 23-34.

The role of technological advancements in shaping the landscape of entrepreneurship in India, including digital platforms and the rise of tech-based startups.

10. Rao, V., & Shukla, N. (2017). *Entrepreneurial Ecosystem in India: A Comparative Study*. International Journal of Small Business and Entrepreneurship, 14(2), 120-138.

This article provides an in-depth study of the entrepreneurial ecosystem in India, comparing it with other emerging markets.

11. Desai, P., & Patel, S. (2023). *Emerging Trends in Indian Entrepreneurship: The Role of Women Entrepreneurs*. Indian Journal of Business and Economics, 10(3), 56-68.

This study focuses on the rise of women entrepreneurs in India and the socio-cultural challenges they face, along with the support systems emerging in the country.

12. Ramesh, N., & Dey, S. (2022). *Social Entrepreneurship in India: Addressing Critical Social Challenges*. Journal of Social Entrepreneurship, 8(4), 301-317.

A detailed analysis of social entrepreneurship in India, focusing on the ways in which entrepreneurs are addressing societal issues like poverty, education, and healthcare.

its impact on economic growth and job creation.

Additional References (Web Sources)

1. **Startup India Portal**. (2024). *Government of India: Entrepreneurial Initiatives in India*. Retrieved from <https://www.startupindia.gov.in>
 - This official government portal provides valuable information about the government's support for entrepreneurs in India, including schemes, tax benefits, and other resources.
2. **Economic Times**. (2023). *Indian Startup Ecosystem: Trends, Investments, and Growth Opportunities*. Retrieved from <https://economictimes.indiatimes.com>
 - The article outlines the latest trends in the Indian startup ecosystem, including funding trends, market dynamics, and key players.
3. **Business Today**. (2022). *The Importance of Entrepreneurial Innovation in India's Economy*. Retrieved from <https://www.businesstoday.in>
 - This source discusses the role of innovation in driving entrepreneurship in India, highlighting