INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE

04ᵗʰ International Conference on Marketing, Technology & Society 2020

Possible downfalls of startup Unicorns

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Abstract

The study is on the possible downfalls of the startup Unicorns in the forthcoming years. It includes the analysis based on the feedback of the clients or customers on their services provided. The mistakes being made as per the revised reviews in been addressed that can actually help understand the proper direction of the startups to overcome the obstacles in the future. The small unrecognized dissatisfaction can lead to the failure of a Unicorn. This is not a study on the primate data, but on the secondary data like the reviews, feedbacks, comments on the listed startups.

Keywords: Startup Unicorns, Future of Startup Unicorns, Indian Unicorns, Survival of Startup Unicorns, Indian Scenario.

1. Introduction

Unicorns, the commonly heard name in financial world for Startup, the name that is taking the millennials go crazy for their career, the name considered as an opportunity drive, for a greater growth in future is in all colors. But, to what extent are these "Unicorns" having a smooth functioning? Are these "Unicorns" reaching the expectations of the customers or clients? Or Actually, will they survive in the long run? India known as the world's third largest startup ecosystem, with around 1300 tech startups in 2019 is questioned here as to how far are the startups successful in their survival. A few selected startup unicorns have been keenly studied to relate the above -mentioned questions.

It somehow feels that startups are the magic that is exciting but are not sure in the long-run. When the major point that is having a healthy relationship with the customers is being neglected in the unicorn startups, it's clear that the startups have to be prepared for the downfall. That's exactly the point of discussion that is being missed in the present. It is important to have a view of both the side of the coin. Is it the point that is being not considered by the so-called Unicorn Startup or been not discussed outside?

Time to speak about the topic, that is been so far missed from the talk, the possible downfalls of the startup unicorns, with consideration of the reasons. For any startup or business, taking measures for not being negligent of any possible point that affect their functioning of the business is mandatory. Consideration of feedbacks, having best USP to not get into the level of competition is major.

2. Literature Review

This review has helped in understanding a lot about the startup unicorns, from just knowing their existence to suspecting their possible downfalls. Going through the data that is available about startups, it's clear that there has been no much talk of their downfalls as a concept of discussion anywhere.

The possibility of downfall of the unicorn startups is something very evident through the study. The reasons might not as big as their success stories, but have a potential to bring them completely down.

Byju's being India's largest EdTech Startup, started 9 years ago in 2011 with a mission to help children fall in love with learning, has been performing better accordingly with the changing education system. But having a mission of helping the children, it somehow got out of track in handling the queries faced to its users. When service is the type of their business, it's very much essential to be handling a very good customer service. But if observed keenly, the most seen complaint on Byju's is no proper response to the queries raised by the users (mouthshut.com). In this context, it's an easy chance for any new business to

come into action and for the users who are already disappointed with many other reasons like, lack of good content, false commitment, lack of latest updates, etc., it's never a of point of loyalty in swapping for an alternative.

For an impressive business model like **Big Basket**, which came into market around years ago, it's important to maintain the impression. But with a poor-quality goods, damaged packaging and above all with a horrible incident of plastic eggs delivered instead of eggs. Its high on risk for the smooth flow. Its clear mentioned in articles as to how competitive is BIG BASKET in the ecommerce sector, but it's very less of concentration when it comes to the falls in the sights of customers slowly happening over the period.(Mrs. Monali R. Jahagirdar – "E-Commerce Store Big Basket – Its Execution, Expansion and Impact on Grocery Market" – 2016)

Ixigo, being one of the best travel websites in India, as mentioned in the article - **"**India's number 1 travel search engine" by whizsky.com in September, 2017. It is surprising, how the drawbacks being under the shadow, invisible for the startup themselves. The major comment that pops up in the review box of this startup is about the problem with refund to the customers, when it comes to the issue of money, every small issue will be considered very huge. And when a well-known travel website is pointed with the complaint of refund issues? Its high time that it has be resolved. But it is seen the startup has shown no interest with responding to either such complaints or the service complaints. Further continuing to leave the issues like ignorance with customers, bad customer services and refund issues unsorted, will definitely bring the startup down.

Paytm, the most creative and helpfully startup that happened in 2010. Is now have a really bad services of "worst fastag", employee harassment, no update in services, "pathetic customer services". Not just coming into market at the right time matters, but survival matters too. With unrealized issues like this, it is an unplugged explosion bomb under the table, harm is an anytime possibility. An article, "Paytm Wallet Bad for Economy? Why You Should Stop Using It Immediately!" by Heena Siddique, adds to the drawbacks of this Startup Unicorn, an "Don't do" with any startup brings a lot a confusion and fear in the users and market. So, this is an added threat to the startup.

Oyo, an article ("Determining the factors affecting customers satisfaction in Oyo rooms" by Dr. Namrata Maheshwari, Dr. Jesu A. Kundailaraj, in Feb,2018), concludes stating that the OYO service vendors can easily retain customers by providing quality services and best satisfaction. But to what extent are the Oyo services being the quality service providers is the point to be considered. With the reviews of the customers like no punctuality in provide rooms on time basis, rude staff, posting of irrelevant photos and manipulation in invoice, it's clear that the startup is failing in following their mission of providing quality services. In the world of newalternatives-everyday, it's a huge risk to have issues left unsolved. Being a service model startup, not realizing the customer relations are the mandatory points to maintain is a negligence that can easily push down the startup.

To always respect the opinions of the customers and respond back is something very important for any B2C business model. Which is clearly missing in the so-called Startup Unicorns of today.

3. Research Methodology

Though the data is a secondary data that is used, it is gathered from different sources like, the chosen startup websites, articles in google, the review boxes of individual startups in play store and the websites like mouthshut.com, quora.com. Not just going through the content written in sites and articles but also used mouth of word to get a practical picture of the opinion on these startups.

The usage of word of mouth opinions were purely from those individuals who have previous done their projects on the startups and have a sound knowledge on the processing of these startups.

The review boxes of the individual startups both in google and also in the play store has provided more data related to the topic, as it's the experience that actually talks more than any books.

Directions for Future Research & Implications: Like its said "It's the little things that make a big difference.", negligence of a point, considering it a tiny or unaffecting factor will lead an unexpected downfall of any Startups. With the research that is made with the help of the available secondary data,

and with the points gathered from the individuals who have taken related projects, the process of finding the possible downfalls can be taken to the next level.

More of primary data can be also collected, keeping the collected secondary data as a basis. The complete set of information can then be used in the practical implications by both the existing and new startups, to not to get into the stage of failure or downfalls.

4. Conclusion

The study made has given a very deep understanding on the actual customers wants and the perception of the Unicorns. It is a lot of learnings personally on do's and don'ts in the field of startups and what actually a customer can like to get from any company. Its more a clear picture now to say "services matter", irrespective of what kind of a product be sold, the service and the way it is served is the matter of need in the customers mindset.

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