

Untapped potential in smaller cities attracting start-ups

'Indian start-ups seek new homes'

Experts say as metros begin to saturate, new ventures begin eyeing tier-I and tier-II cities

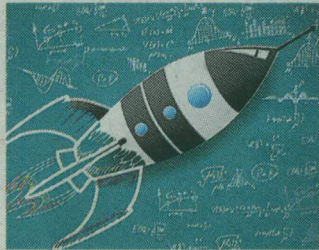
dna correspondent @dnaahmedabad

Ahmedabad: Experts in the start-up and incubation space say smaller cities are the next big thing in this field in India. Rising aspirations among youngsters and proliferation of technology has created opportunities in areas so far untapped, they say.

Addressing a gathering of start-ups and incubators during a session 'Start-up, Incubation and Acceleration - Best Practices' at the two-day Vibrant Gujarat Start-up Summit 2016

Communities are well connected in small cities, something that is not possible in big cities. Start-ups also get prominence as there are few business organisations in these places."

-Jatin Chaudhary, founder, eChai



that began in Gandhinagar on Friday, Nasscom's 10,000 Start-ups programme director Ashok Madaravally said that a recent study has revealed that tier-2 and tier-3 cities together have a share of about 66% of 150 odd start-up incubators in the country. "Moreover, there is about 40% rise in the number of start-up incubators in these cities and about 30% are in academic

institutions," he said.

Local players agree with the opinion and say that this is because while start-up ecosystem in metros is plateauing, the uptick in smaller cities' start-up activity is higher. "Smaller cities will play an important role in the next phase of growth of start-ups as this is by and large an uncharted territory. The combination of academic institutions and young talent is fuelling start-up growth here," said UT Rao, chair at MICA Incubator here.

These cities mainly include Ahmedabad, Vadodara, Surat and Rajkot, in Gujarat, as well as Jaipur, Indore, Chandigarh, Bhubaneswar, Kochi and Coimbatore in other Indian states. A combination of academic institutions, support of local government and active communities has given a fillip to the start-up movement in such cities, feels Jatin Chaudhary, founder of eChai, a network of young entrepreneurs.