

Early-stage startups see creative destruction

Craftsvilla Buys PlaceofOrigin, 2nd Co In 1 Month

Samidha.Sharma
@timesgroup.com

Mumbai: Consolidation continues in the Indian consumer internet space as early-stage companies are unable to shore up fresh funds amid a slowing financing environment. The latest move is being made by Sequoia Capital-backed ethnic products e-tailer Craftsvilla, which is acquiring PlaceofOrigin.in, an online gourmet food marketplace in a share-swap deal. The Bengaluru-based e-commerce player PlaceofOrigin had raised an initial round of funding from Axilor Ventures, an incubator run by Infosys' S D Shibulal and Kris Gopalakrishnan, among others.

Food delivery aggregators, internet-first restaurants, hyperlocal and offline-to-online players have been severely hit as investor senti-

Food delivery aggregators, hyperlocal and offline-to-online players have been severely hit as sentiments waxed & waned in past year

ments waxed and waned around these sectors in the past year. Besides correcting valuations, multiple early-stage ventures have folded up or got acquired in all-equity transactions with no cash being exchanged between the companies. In the last six months, as many as 53 tech startups — mostly unfunded — have been acquired, according to data from Tracxn, indicating the wave of consolidation that's hit some of the erstwhile hypergrowth sectors.

Confirming the acquisi-

tion, Manoj Gupta, co-founder and CEO, Craftsvilla, said, "We believe that ethnic foods is as big a category as ethnic wear: It is estimated to be a Rs 50,000-crore market but is highly unstructured currently. Also, the shelf life for these products is a unique challenge to online shopping. PlaceofOrigin has been working in this category for last two years and has been able to bring a lot of regional varieties online and address key logistics challenges. We look forward to utilizing their experience and our reach to make this a huge category for us."

"Our vision is to build a one-stop destination for consumers to buy everything ethnic," Gupta told **TOI**.

The Mumbai-based Etsy-like marketplace had announced its first acquisition earlier in the month when it bought out virtual logistics startup Sendd.