

RESEARCH ARTICLE

IS CROWD FUNDING RESHAPING THE START-UP ECOSYSTEM IN INDIA? - A CASE OF HOLOSUIT

Sathvik S

Department of Management Studies, Ballari Institute of Technology and Management, (Autonomous institute under VTU-Belagavi), Jnana Gangotri Campus, Ballari- Hosapete Road, Near Allipur, Ballari, Karnataka, India.

*Corresponding Author: Sathvik S

Abstract: Crowd funding is one of the popular method of raising funds within short span of time crowd funding has become popular in sourcing of finance. Crowding funding concept has emerged in wake of 2008 financial crisis. It is an important platform for entrepreneurs to share their innovative ideas on social platforms these platforms provide an opportunities for new startups and entrepreneurs to raise funds. Social media platforms help in connecting entrepreneurs with potential investors who support innovative ideas and invest in new startups. In India the concept of crowd funding is in growth phase. Crowd funding platforms helps many individuals, artisans, entrepreneurs to collect funds furthermore, crowd funding campaign is an innovative approach of financing projects and social cause. Using social media profile, web based communication channels, social networking sites, an individuals and firms can raised funds in form of charity, donations, debt- equity funds. India has witnessed a remarkable growth in crowd funding investment from last two decades. Crowd funding helps to finance a projects, small business, film productions, disaster reliefs, medical treatments and so on. On other hand there are challenges associated with crowd funding, how to overcome the potential risks and challenges is major consideration. The present case study concentrates on crowd funding investments in India and author intends to present an inspiring successful crowd funding story of Holo Suit from Indian context. The present study is purely is descriptive in nature and secondary data has been collected from journals, authentic e-sources, company websites. The outcomes of the study revealed that Crowd funding is a boon for individuals who wants to achieve their goals, since India is developing nation people will hesitate to invest in new start-ups, innovative businesses or ideas major concern is about accountability and transparency. Although there are some challenges and risk associated with crowd funding people across the globe come forward to Invest in social benefit projects and contributing towards economic growth of nation.

Keywords: Crowd funding, social networking, Innovative ideas, Investments, Economic growth, descriptive study.

Article Received: 21 July 2024

Revised: 12 August 2024

Accepted: 19 August 2024

INTRODUCTION

Crowd funding emerged as multi-billion dollar industry with the help of technology crowding assists in development of new ventures, pooling funds from investors, creation of employment opportunities, contribution to economic growth and development of nation. Social media serve as mechanism for promoting entrepreneurship and venture development. Only little frauds has witnessed in crowd funding it was expected that growth of crowd funding may increases up to \$ 93 billion investments per annum by 2025. Crowd funding is growing

immensely industry experts are expecting number of deals will reach \$300 billion by 2025. As per the statistics 50% of online platform campaigns are achieving in raising funds over 78% campaigns are successful in raising more than expected funds. Basically crowd funding is classified into four major types reward based, donation based, equity based and lending based. In current scenario donation based and equity based are majorly identified as popular sources of funding in global market perspective. 70% of online crowd funding accounts for donation based

crowd funding on leading social media platforms the donation based crowd funding highly depends on supporters who have no expectation on financial returns. The donation amount may differ with platform and reason for collecting funds. Donation based crowd funding is raised in case of emergencies like natural disasters, education sponsorship, arranging medical camps, food facilities for needy. The donors will not get any return on this crowd funding. Monetary contribution is made by donors as an act of generosity and virtue ethics.

Equity based crowd funding aims at allowing investors to receive ownership in investments, project or business venture. It is popularly known as investment crowd funding in this crowding funding company offers its securities to potential investors through online platforms investors receive equity ownership in business. In this method of crowd funding a company profile is created and updated with financial statements, history and other information related to business on online platforms.

Crowd funding is one of the popular methods of raising funds within short span of time crowd funding has become popular in sourcing of finance. Crowding funding concept has emerged in wake of 2008 financial crisis. It is an important platform for entrepreneurs to share their innovative ideas on social platforms these platforms provide an opportunity for new startups and entrepreneurs to raise funds. Social media platforms help in connecting entrepreneurs with potential investors who support innovative ideas and invest in new startups.

In India the concept of crowd funding is in growth phase. Crowd funding platforms help many individuals, artisans, entrepreneurs to collect funds furthermore, crowd funding

campaign is an innovative approach of financing projects and social cause. Using social media profile, web based communication channels, social networking sites, an individual and firms can raise funds in form of charity, donations, debt-equity funds. India has witnessed a remarkable growth in crowd funding investment from last two decades.

Crowd funding helps to finance a project, small business, film productions, disaster reliefs, medical treatments and so on. On the other hand there are challenges associated with crowd funding, how to overcome the potential risks and challenges is major consideration. India is developing nation from last two decades crowd funding has gained significance importance and people understand the process of raising funds through online media, technology and media has fueled the growth of crowd funding in India.

About Catapoolt Crowdfunding

Catapoolt is India's first crowding platform situated in Mumbai which helps the industry to seek resources and professional expertise in production, distribution and release of creative and artistic projects. Catapoolt will seek strategic partnerships with leading industries and luminaries and organisations to unleash new creative works. Catapoolt is an entrepreneurial crowdfunding platform and aims at enabling start-up companies and entrepreneurs at large it helps in market positioning, market accessing and investment funding.

Super solvers, an initiative by catapoolt concentrates on innovations and facilitates throughout start-up ecosystem through media support, meeting capital requirements, funding to entrepreneurs and market access with necessary infrastructure provided by corporates and market drivers [Agrawal *et al.*, 2015, Xi zhang 2022].

Table 1: Categories in fund raising through online campaign's is presented below

S. No	Categories for funding
1	Music
2	Literature
3	Gaming
4	Fashion
5	Film
6	Stage
7	Events
8	Food

9	Technology
10	Travel
11	Environment
12	Sports
13	Art and craft
14	Start-ups
15	Social
16	Photography

Source: catapooolt.com

How the Crowdfunding Works at Catapooolt

The process of crowd funding campaign will start with story -telling, starting with brief description of ideas of individuals, then upload a video on social platforms later upload rewards for contributors and backers.

Successful and Inspiring Story of the Make in India “HOLOSUIT”

Holo Suit is the Skill MetaVerse Augmenting Humans and Robots founded by Harsha Kikkeri and Shwetha in 2018. The flagship product is HoloSuit - which is a full body motion capture suit with haptic feedback. HoloSuit allows humans to skill themselves

and their robots in HoloWorld Skill Metaverse using a combination of Augmented Reality, Virtual Reality, Artificial Intelligence, Robotics and 5G. **Mission:** To build the world largest skill metaverse augmenting and human robots. **Vision:** To enable everyone anywhere at any time to learn from past, understand the present and invent the future. The company valued at \$ 50 Million the online campaign of crowd funding has become successful in raising funds for establishing tech based company. Crowd funding is not only about pooling funds from online campaigns but it has created remarkable and positive impact on start-up ecosystem.

Table 2: Brief description about Holosuit

S.No	Description about Holosuit
01	Key people: Harsha Kikkeri and swetha
02	Industry: IT services and IT consulting firm
03	Company Size: 11-50 Employees
04	Head Quarters: Mysuru Karnataka
05	Type: Private
06	Founded : 2018
07	Specialties: Virtual reality and sports training

Source: <https://www.holoworld.one>

Holosuit is a tech company and the founders of company had sourced funds through crowd funding they have used catapooolt online platform to raise funds this platform helps entrepreneurs who have innovative ideas and potential growth for investment harsha kikkeri and shwetha raised funds using the online platform. The company bi-directional flagship has over 40 embedded sources across arms, legs and fingers and those material will prepared in mysuru India by Kaaya visualization tech and capable of tracing users array of movements from head to toes and playing in digital world. In near future augmented reality and virtual reality had become reality.

Founders opined they never imagined about immersive metaverses supported by tech glasses and assistive sensors as technology is changing the world. Many companies are focusing on assistive sensors and tech glasses development an Indian company Holo-suit has built a full body analytics platform to train the body virtually using Augmented and virtual reality. Company is developing major products like real training sensors and haptic feedback devices and it is using in army fields.

The major focus of holosuit lies in tech and defence grade, precision, speed and accuracy are important features that make unique

from competitor products. Holo suit has been deployed in armies across India, USA, South

Korea, and in NATO forces. Holo suit have sold it products such as controlled robots, virtual/ extended reality, training and remote management platforms and using those products in 25 different nations, holosuits is used in treating patients undergoing neurohab, According to Harsha Kikkeri

Holosuits helps to teach students using AR/VR teaching process may become easier to deliver lectures improves the learning, understanding and retention of contents. Since there are multiple core technologies at play, the range is rather broad. While some defence-grade solutions like holosuit were affordable compared to other service offerings built for educational purposes might be cheaper.

Table 3: SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Tech based products. • More than 25 nations using Holo-suit products. • As of now no competition. • Diverse application of products. • Brand image • Precision, accuracy and cost effective. 	<p>Weakness</p> <ul style="list-style-type: none"> • Human capital • Infrastructure. • Government support.
<p>Opportunities</p> <ul style="list-style-type: none"> • Expansion and diversification of tech products. • Diverse applications. • Consistency in customer growth. • Customization of products. • Smart technology. 	<p>Threats</p> <ul style="list-style-type: none"> • Cost of materials and equipments may increase in future. • Work force and talent acquisition. • Security and privacy.

Principle Findings of the Study

- Crowd funding is emerged as alternative source of fund raising through online platforms and has gained significant importance.
- Catapooolt is promoting start-ups in 16 broad categories with potential opportunity for doing business.
- Tech based company like Holo-suite with an innovative approach of developing AR/VR has more scope to expand and diversify its operations.
- It is very important to protect the ideas and innovations of entrepreneurs due to heightened competition in raising funds from online platforms competitors may copy the innovative ideas.
- The online crowd funding campaign was one of the most successful ones on Catapooolt-an entrepreneurial crowd funding platform.
- In India, crowd funding is on growth phase needs to nurture the industry with flexi

business policies [Agrawal *et. al.*, 2015, Xi zhang 2022].

CONCLUSION

Digital platforms have offered ample of opportunities for entrepreneurs to raise the funds. Indian crowd funding segment is in the growth phase. Crowd funding segment IS moving towards upward direction in raising funds through social platforms. Donation based and reward based crowd funding are majorly found in India and equity based crowd funding is restricted in India. Valued at \$50 million, Holo Suit, is another example of crowd funding success. Founded by Harsha Kikkeri and Shwetha in 2018, Holosuit is the world’s first affordable, bi-directional, wireless and easy-to-use full body motion capture suit. It allows users to point, touch and feel 3D objects and helps in creating a complete immersive experience.

REFERENCES

1.Agrawal Ajay K. (2015) Some_Simple_Economics_of_Crowdfunding/citation/download?_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFhZSI6InB1YmxpY2F0aW9uIn19

2. Xi zhang (2022) Exploring the effects of social capital on crowd funding performance: A holistic analysis from the empirical and predictive views
<https://doi.org/10.1016/j.chb.2021.107011>.
3. <https://economictimes.indiatimes.com/small-biz/entrepreneurship/crowdfundings-tryst-with-success/articleshow/81464803.cms?from=mdr>
4. <https://www.socialforaction.com/blog/success-stories-of-crowdfunding-campaigns-in-india/>
5. <https://www.holoworld.one/holosuit>
6. catapoolt.com