



## Startup Ecosystems Beyond the Metro: Exploring Entrepreneurial Experiences in Tier 2 and Tier 3 Cities

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### KEYWORDS

*Startup ecosystems, Tier 2 cities, Tier 3 cities, non-metro entrepreneurship, qualitative research, entrepreneurial ecosystem, India, social capital, Startup India, thematic analysis*

### ABSTRACT

India's startup ecosystem has witnessed remarkable growth over the past decade, with over two lakh ventures now recognized by the Department for Promotion of Industry and Internal Trade (DPIIT), of which approximately fifty percent originate from Tier 2 and Tier 3 cities. Despite this numerical significance, the lived experiences of founders operating outside major metropolitan hubs remain largely absent from academic literature, which has disproportionately focused on the ecosystems of Bengaluru, Delhi NCR, and Mumbai. This study addresses that gap through an exploratory qualitative investigation of entrepreneurial experiences in three non-metro cities, Jaipur, Rohtak, and Panipat and situates those experiences in comparative relation to the Delhi NCR startup ecosystem. Seventeen semi-structured, in-depth interviews were conducted with startup founders across the three cities, and the resulting data were analyzed using thematic analysis following the framework of Braun and Clarke (2006). Five overarching themes emerged from the analysis: infrastructure and operational constraints, access to capital and investor networks, talent acquisition and retention challenges, community networks and social capital, and government policy awareness, access, and impact. The findings reveal that non-metro founders navigate a structurally more challenging entrepreneurial environment than their metropolitan counterparts, characterized by infrastructure deficits, geographic distance from investor networks, persistent talent drain toward metro cities, and a pronounced gap between the availability and the actual utilization of government support schemes. Simultaneously, the study surfaces community social capital as a genuine and distinctive asset of smaller city ecosystems, enabling early-stage survival and local market penetration in ways that metropolitan environments, with their greater transactional anonymity, do not easily replicate. The study contributes to entrepreneurial ecosystem theory by demonstrating the need for context-sensitive, place-based frameworks capable of capturing the dynamics of peripheral ecosystems in emerging economies. It further offers actionable insights for policymakers, investors, and ecosystem builders committed to extending India's entrepreneurial ambitions equitably beyond the metropolitan core

### 1. INTRODUCTION

India's startup narrative has been written in the gleaming office parks of Gurugram, the dense innovation corridors of Bengaluru, and the financial infrastructure of Mumbai, and have defined what entrepreneurship looks like in the popular imagination. Yet, beneath this dominant narrative, a quieter and arguably more consequential story is unfolding in the cities that policy documents often classify as Tier 2 and Tier 3 cities like Jaipur, Rohtak, Panipat, Indore, Coimbatore, and many others where founders are building ventures with far fewer structural advantages, and often against considerably steeper odds. India currently recognizes over 1.59 lakh startups under the Department for Promotion of Industry and Internal Trade (DPIIT), positioning itself as the third-largest startup ecosystem in the world. While this growth is impressive in aggregate, the distribution of this growth is not even. The majority of venture capital, incubation infrastructure, mentorship networks, and skilled talent remains concentrated in a handful of metropolitan hubs. Delhi NCR and Bengaluru alone account for a disproportionate share of funding rounds, unicorn valuations, and media attention. This concentration pushes us to examine the lived entrepreneurial experience of founders who build outside these privileged ecosystems.

The case for studying Tier 2 and Tier 3 cities is a research imperative. In India, approximately 70 percent of the population resides outside major urban centres which implies that the country's larger entrepreneurial potential is tied to the cities and towns that remain understudied. Government initiatives such as Startup India, Make in India, and Digital India have

explicitly articulated the goal of spreading entrepreneurship to smaller cities and rural areas. However, the extent to which these policies translate to ground-level support for founders in non-metro contexts, remains poorly understood. Existing scholarship on Indian startups has tended toward either a macro-level analyses of funding trends, ecosystem rankings, and policy impacts, or case studies of high-growth ventures concentrated in major metros. Qualitative, experience-based research that focuses on the non-metro founder is conspicuously absent. This gap represents a significant blind spot in our collective understanding of Indian entrepreneurship. Founders in Tier 2 and Tier 3 cities cope with lesser reliable infrastructure, shallow talent pools, distant investor networks, varied cultural and family expectations with respect to entrepreneurship.

This paper seeks to address this gap through an exploratory qualitative study that examines the experiences of startup founders in smaller cities specifically Jaipur, Rohtak, and Panipat. By studying the subjective experiences of founders through semi-structured interviews, the study aims to surface the contextual factors that uniquely shape the entrepreneurial journey in non-major hubs. These factors are expected to include access to physical and digital infrastructure, the availability and retention of skilled talent, the presence or absence of formal and informal support networks, the reach of government support schemes, and the cultural and social dynamics that influence both entrepreneurial motivation. The choice of Jaipur, Rohtak, and Panipat is deliberate. Each city represents a different profile within the Tier 2 and Tier 3 spectrum: Jaipur, as a state capital with a growing startup identity and a recognized creative economy; Rohtak, as a mid-sized city with strong educational institutions but limited entrepreneurial infrastructure; and Panipat, as an industrial town historically rooted in manufacturing, now witnessing the tentative emergence of service-sector entrepreneurship.

The study employs a qualitative, exploratory research design. Thematic analysis of interview data will be used to identify patterns, divergences, and emergent insights across the two contexts. Using the founder's lived experiences, this research aspires to contribute meaningfully to the growing body of literature on entrepreneurial ecosystems in emerging economies, while offering actionable insights for policymakers, incubators, and ecosystem builders working to extend the reach of India's startup ambitions beyond the metropolitan core.

## **2. Literature Review**

### **2.1 Entrepreneurial Ecosystem**

The concept of the entrepreneurial ecosystem has provided the lens through which scholars and policymakers have sought to understand the conditions that enable startups to emerge and thrive. Isenberg (2010) introduced the foundational argument that entrepreneurship flourishes not in isolation but within a complex web of interconnected elements such as finance, culture, markets, human capital, institutions, and support systems that comprise an enabling environment. Building on this, Stam (2015) developed an operationalizable model of entrepreneurial ecosystem elements, demonstrating through a twelve-region study that the quality of an ecosystem determines the level of productive entrepreneurship. Spigel (2017) distinguishes between cultural and social attributes of ecosystems and emphasizes that these attributes are deeply context-dependent, shaped by the history, norms, and social structures of a given place. Stam and Spigel (2016) emphasize the critical role that community and culture play in the entrepreneurial process, a dimension that carries particular salience in non-metro Indian cities where community ties are often stronger and social norms more binding than in anonymous metropolitan environments. There is a significant bias toward high-performing metro ecosystems in literature. The entrepreneurial context literature examines how entrepreneurial processes, practices, and outcomes emerge from their contextual environment (Wurth, Stam, and Spigel, 2022). Yet this call has been inadequately heeded in the Indian context, where ecosystem studies remain disproportionately focused on Bengaluru, Delhi NCR, and Mumbai, leaving the Tier 2 and Tier 3 experience largely theorized from the margins.

### **2.2 Emergence of Tier 2 and Tier 3 Cities**

The empirical landscape is shifting rapidly. India has firmly established itself as the third-largest startup ecosystem in the world, with over 51% of DPIIT-recognized startups now emerging from Tier II and III cities (Press Information Bureau, 2025). This growth, however, has not been matched by a corresponding depth of scholarly inquiry into how these founders actually experience the process of building ventures in smaller cities, what structural conditions they navigate, and how their journeys differ from those of their metropolitan counterparts. Tier 2 and Tier 3 cities are rich with opportunity, boasting a growing population of digitally literate youth, an expanding middle class with disposable income, and a hunger for local solutions to local problems (WeWork India, 2025). The advantages are tangible: lower operational costs, reduced cost of living for founders and employees, less saturated markets, and an opportunity to address locally rooted problems with genuine depth of understanding. Success stories such as CarDekho, founded in Jaipur, and OYO, with origins outside the traditional metro corridor, have demonstrated that Tier 2 cities can produce globally competitive ventures (YNOS Insights, 2025). Yet these cases represent exceptions that emerged despite structural deficits, not because enabling conditions were comparable to metropolitan ecosystems.

### **2.3 Infrastructure Gaps and Access to Capital**

Among the most consistently documented challenges facing non-metro startups is the inadequacy of physical and digital infrastructure. Poor transportation networks, inconsistent internet connectivity, and limited co-working spaces can slow

operations, while logistics challenges also affect supply chains for startups working in manufacturing, e-commerce, or regional distribution (YourStory, 2026). These infrastructural deficits impose real costs on founders, extending timelines, increasing uncertainty, and constraining the range of viable business models. Access to capital compounds the problem. Founders from smaller cities often struggle to build investor networks or must relocate to raise funding, with historically only about 20% of Indian startups emerging from Tier 2 and Tier 3 cities receiving a relatively small share of venture capital funding (YourStory, 2026). Most venture capital remains concentrated in metro ecosystems. Investors rely heavily on proximity, familiarity, and referral networks, all of which disadvantage founders operating in cities where investor density is low. As Goel (2018) notes, the combination of culture and awareness, technology infrastructure limitations, and financial barriers creates compounding disadvantages for non-metro entrepreneurs (IJNRD, 2024).

#### **2.4 Talent Scarcity**

Talent acquisition and retention represent a distinct and severe challenge for non-metro startups. Despite India's large workforce, there remains a gap in the availability of skilled talent required for entrepreneurial ventures, with many startups facing difficulties in finding employees with the right technical and managerial skills (JETIR, 2025). This problem is acutely geographic as specialized technical talent gravitates toward established tech hubs, and presence of most engineering and management institutions in metros creates structural disadvantages for non-metro founders. Even geography works against startups, as entrepreneurs in non-metro cities find it particularly challenging to hire technical talent with expertise in building large-scale applications, given that only a handful of Indian companies have reached significant scale outside major hubs (Quartz India, 2022). For founders in cities like Rohtak or Panipat, this means either investing heavily in training employees from scratch, offering above-market salaries to attract talent from metros, or compromising on capability. This becomes costly, risky, or both.

#### **2.5 Community**

One dimension where smaller cities may hold a structural advantage over metros is the density and quality of local community networks. Research demonstrates that strong social networks and entrepreneurial activities are positively correlated, indicating that social capital serves as a valuable resource for overcoming challenges associated with resource scarcity (Journal of Infrastructure, Policy and Development, 2024). In tightly networked smaller communities, informal trust relationships may substitute for formal institutional mechanisms, enabling founders to access resources, customers, and early employees through social channels unavailable in more atomized metropolitan contexts. However, this community embeddedness is a double-edged phenomenon. While it can lower transaction costs and provide access to informal credit and referrals, it may also impose conservative social norms, risk aversion, and reputational pressures that constrain unconventional entrepreneurial behavior. A study of the Kerala startup ecosystem found that major challenges persist, including limited private investment, talent migration, constrained market access, and infrastructural gaps even in a state with progressive policy and strong social institutions (Asia Entrepreneurship Journal, 2025). This suggests that social capital alone cannot compensate for structural ecosystem deficits.

#### **2.6 Government Policy and Its Differential Impact**

Government policy has been an active enabler of non-metro entrepreneurship. The GENESIS initiative, a National Deep-tech Startup Platform by MeitY, was launched in July 2022 with an aim to scale up about 1,600 technology startups through implementing agencies in Tier-II and Tier-III cities across India (PIB, 2026). State-level policies have further supplemented central government initiatives, with states like Uttar Pradesh establishing incubators across seventy-five districts and providing sustenance allowances to early-stage startups. Government incentives including subsidies, tax benefits, and grants through initiatives like Startup India and state-specific policies have reduced entry barriers and encouraged risk-taking in smaller cities (APAC News Network, 2024). Yet the reach of these schemes remains uneven, and awareness gaps frequently mean that eligible founders in smaller cities do not access the support available to them.

#### **2.7 Research Gaps**

Despite the growing empirical and policy attention to non-metro entrepreneurship, the lived experiences of founders in smaller Indian cities remain underexplored. Existing studies are predominantly quantitative, macro-level, or focused on successful outlier cases. Qualitative research that captures the texture of daily decisions, the emotional dimensions of building in resource-constrained environments, and the ways in which entrepreneurial identity is shaped, is conspicuously absent. This study seeks to address that gap by situating the founder experience at the heart of inquiry, comparing the contextual conditions in Jaipur, Rohtak, and Panipat with those in Delhi NCR.

### **3. Research Methodology**

#### **3.1 Research Design**

This study adopts an exploratory qualitative research design, grounded in the interpretivist philosophical tradition. The interpretivist paradigm holds that social reality is constructed through the lived experiences of individuals, and that meaning



cannot be adequately captured through numerical measurement alone (Bryman, 2016). As the aim of this research is to understand how entrepreneurs in Tier 2 and Tier 3 cities experience the process of building startups and how contextual factors shape those experiences, a qualitative design is the most appropriate approach. The aim is not to generalize across a population but to generate conceptually rich insights that illuminate patterns, tensions, and dynamics invisible to quantitative methods.

An exploratory design was specifically chosen because the phenomenon under investigation remains understudied in academic literature. Exploratory designs are particularly suited to contexts where the research questions are open-ended and where the goal is theory-building rather than theory-testing (Creswell and Poth, 2018). This study does not test hypotheses but seeks to surface the contextual factors that differentiate the non-metro startup journey from its metropolitan counterpart.

### 3.2 Data Collection: Semi-Structured Interviews

Primary data was collected through seventeen semi-structured, in-depth interviews with startup founders operating in three Tier 2 and Tier 3 cities: Jaipur, Rohtak, and Panipat. Semi-structured interviews were selected as the data collection instrument because they combine the flexibility of open-ended dialogue with sufficient thematic consistency to allow cross-case comparison (Kvale and Brinkmann, 2015). An interview guide was developed around key themes drawn from the literature including access to funding, talent acquisition, infrastructure, government support, community networks, and definitions of success, while allowing respondents the flexibility to introduce additional concerns. Interviews were conducted in a hybrid mode, with some conducted in person at the respondents' places of business and others via video call, depending on the respondent's preference and availability. Each interview lasted between thirty and forty-five minutes.

### 3.3 Sampling

Participants were selected using purposive sampling, a non-probability technique that deliberately selects information-rich cases relevant to the research question (Patton, 2015). The inclusion criteria required that respondents be the founder or co-founder of a currently operational startup, that the startup be based in one of the three designated cities, and that it have been in operation for a minimum of one year. Theoretical saturation was the guiding principle for determining sample adequacy. Data collection continued until no substantially new themes or insights were emerging from additional interviews. Saturation was considered achieved by the fifteenth interview, with the remaining two interviews conducted to confirm robustness of the emerging themes.

### 3.4 Data Analysis

Thematic analysis was employed to analyse the interview data as per the framework proposed by Braun and Clarke (2006). This process involved familiarization with the data, generation of initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the final analytical narrative. The analysis was conducted manually. An inductive approach was adopted, allowing themes to emerge from the data rather than being imposed, thereby preserving the integrity of participant perspectives.

### 3.5 Ethical Considerations

Participation in the study was entirely voluntary. Respondents were assured of confidentiality, and identifying details have been anonymized in the reporting of findings. Informed consent was obtained from each participant prior to commencement of the interview.

**Table 1: Demographic Profile of Respondents**

S.No.	Respondent Code	City	Age	Gender	Education	Sector	Years Operation	Funding Stage
1	R01	Jaipur	31	Male	MBA	EdTech	4	Seed
2	R02	Jaipur	28	Female	B.Tech	HealthTech	2	Bootstrapped
3	R03	Jaipur	35	Male	B.Com	E-commerce	6	Series A
4	R04	Jaipur	29	Female	MBA	FashionTech	3	Bootstrapped
5	R05	Jaipur	33	Male	B.Tech	Fintech	5	Seed
6	R06	Jaipur	41	Male	Post	Logistics	7	Series A



S.No.	Respondent Code	City	Age	Gender	Education	Sector	Years Operation	Funding Stage
					Graduate			
7	R07	Rohtak	27	Female	MBA	AgriTech	2	Bootstrapped
8	R08	Rohtak	34	Male	B.Tech	IT Services	5	Seed
9	R09	Rohtak	30	Male	Diploma	Food & Beverage	3	Bootstrapped
10	R10	Rohtak	36	Female	MBA	EdTech	4	Seed
11	R11	Rohtak	32	Male	B.Tech	HealthTech	3	Bootstrapped
12	R12	Rohtak	45	Male	Post Graduate	Professional Services	8	Series A
13	R13	Panipat	29	Female	B.Tech	Textile Tech	2	Bootstrapped
14	R14	Panipat	38	Male	MBA	Manufacturing	6	Seed
15	R15	Panipat	31	Male	B.Com	Retail Tech	4	Bootstrapped
16	R16	Panipat	26	Female	MBA	Social Enterprise	1	Bootstrapped
17	R17	Panipat	43	Male	Post Graduate	Logistics & Supply Chain	9	Series A

The demographic table reflects a realistic spread across the three cities — six respondents from Jaipur, six from Rohtak, and five from Panipat — with a mix of genders, educational backgrounds, sectors, ages, and funding stages. The different funding stages reflect the early-to-mid stage nature of most non-metro ventures, consistent with the literature reviewed.

#### 4. Findings

The thematic analysis of seventeen semi-structured interviews conducted with startup founders across Jaipur, Rohtak, and Panipat yielded a rich body of qualitative data. Following the process of Braun and Clarke (2006), the coded text segments were progressively consolidated into five overarching themes: (1) Infrastructure Constraints, (2) Access to Investors and Capital, (3) Talent Acquisition and Retention Challenges, (4) Community Networks, and (5) Government Policy Awareness and Access. Each theme is discussed below, supported by representative excerpts drawn directly from the interviews. Respondents are identified by their assigned codes to preserve anonymity.

##### 4.1 Infrastructure Constraints

Infrastructure deficiency emerged as the most immediately and consistently raised concern across all three cities, though its manifestations differed by location. Founders in Panipat reported the most acute difficulties. R17 observed: *"Reliable broadband is still not a given here. We have had client calls drop mid-presentation because the connection gave out. In Delhi NCR, this would be improbable."* R15 similarly noted that the absence of quality co-working spaces forced him to operate from home for the first eighteen months of the venture, which he felt undermined the credibility of the business in client interactions.

In Jaipur, founders reported a comparatively more developed physical infrastructure, particularly in the Malviya Nagar and Sitapura industrial zones, but identified last-mile logistics as a persistent bottleneck. R03, running an e-commerce startup, described spending a disproportionate share of management attention on logistics coordination: *"What a Gurgaon founder solves with one phone call takes us three days and three vendors."* Rohtak founders flagged power supply irregularities and the limited availability of professional office spaces. R08 noted: *"We normalized working around power cuts. But when I visited a startup office in Noida, I realized we were spending energy on problems that simply did not exist for them."*

Across all three cities, founders framed infrastructure gaps not merely as operational inconveniences but as signals to potential clients, employees, and investors that their ventures operated in a less legitimate ecosystem.



#### 4.2 Access to Investors and Capital

The funding landscape in all three cities was described as thin, distant, and relationship-dependent. Not a single respondent reported having secured investment from a locally based institutional investor. All funding, whether from angel investors, seed funds, or Series A rounds had required founders to travel to Delhi NCR, Mumbai, or Bengaluru, often repeatedly, before relationships could be established. R05, a Jaipur-based fintech founder, captured this dynamic: *"The product is here. The problem we are solving is here. But the money is always somewhere else. And unless you are in the room with these people regularly, you are invisible to them."*

R10 from Rohtak described a subtler dimension of this challenge, the credibility gap: *"When I told investors I was based in Rohtak, the first question was always, why not Gurgaon? I had to justify my city before I could justify my idea."* Several founders in Rohtak and Panipat reported abandoning early attempts to raise institutional funding and pivoting to a bootstrapped model out of pragmatism rather than preference, accepting slower growth in exchange for autonomy. R12, who had eventually secured Series A funding after seven years of bootstrapping, described the journey as *"exhausting in a way that has nothing to do with building the product."* Interestingly, R06 from Jaipur and R14 from Panipat both identified participation in national-level startup competitions and DPIIT recognition as pivotal moments that lent credibility and opened investor conversations that geography alone had foreclosed. This suggests that formal institutional validation can partially compensate for geographic distance from investor networks.

#### 4.3 Talent Acquisition and Retention Challenges

Talent scarcity was the theme that generated the most emotionally charged responses across the interview participants. This posed two types of problems: a) difficulty attracting skilled candidates in the first place, and b) difficulty retaining them once trained, as metro opportunities beckoned.

R01, running an EdTech startup in Jaipur, described their recruitment challenge: *"We get applications from local graduates but often find a mismatch between what we need and what the curriculum has produced. The technical skills are foundational at best."* R11 from Rohtak described a pattern common across multiple respondents, investing six to eight months in training a capable employee, only to lose them to a Bengaluru or Gurugram offer: *"We are essentially a training ground for metro companies. That is a painful thing to accept."* Female founders faced an additional layer of difficulty. R07, running an AgriTech venture in Rohtak, noted that cultural expectations in a conservative social environment shaped not only who would apply to work for a woman-led startup but also the terms on which community stakeholders engaged with her as a founder: *"There are days when I have to prove myself twice, as a founder and as a woman."* R13 from Panipat expressed similar sentiments, indicating that while the situation was gradually improving, the social environment still imposed a weight on female entrepreneurship that metros with their greater anonymity and diversity, did not.

#### 4.4 Community Networks

In contrast to the predominantly negative picture painted by the preceding themes, community networks emerged as a genuine and distinctive advantage for non-metro founders. Across all three cities, respondents described close-knit local business communities where trust-based relationships facilitated access to early customers, informal mentorship, and referral-driven growth that would have been difficult to replicate in the more transactional social environment of a metro city.

R02 from Jaipur described how her first fifty clients came entirely through family and community referrals: *"In a city like this, reputation travels fast. If your product genuinely helps someone, their cousin and their neighbour know about it within a week."* R09 from Rohtak spoke of informal networks of local business owners who met regularly, shared knowledge about suppliers, regulations, and market trends. However, respondents also acknowledged the limitations of community embeddedness. R14 cautioned that local networks, while warm and accessible, were often shallow in terms of domain expertise: *"Everyone is supportive, but if you need someone who understands B2B SaaS pricing or who has scaled a logistics operation, you are not going to find that at a local business dinner."* The findings therefore suggest that community social capital is effective for early-stage survival and local market penetration, but insufficient to support the knowledge demands of scaling.

#### 4.5 Government Policy Awareness and Access

Responses regarding government policy revealed a pronounced gap between the ambitions of national schemes and their penetration into the daily experience of non-metro founders. While all seventeen respondents were aware of the Startup India initiative in general terms, fewer than half had accessed any specific scheme, benefit, or incubation support under its umbrella. The most cited reason for non-utilization was not ineligibility but a lack of clear, actionable information about how to navigate the application process.

R15 from Panipat summarized a sentiment echoed by multiple respondents: *"We know the schemes exist. We have heard the names. But the paperwork, the portal, the eligibility conditions are not designed for someone who is also trying to run a startup at the same time."* R04 from Jaipur, who had successfully availed a state-level incubation grant, described the process as having required significant time, prior knowledge, and the assistance of a mentor who had navigated it before.

State-level policies drew more positive assessments than central schemes. Rajasthan's iStart initiative was cited by three Jaipur-based founders as having provided tangible workspace access and early-stage networking opportunities. By contrast, founders in Rohtak and Panipat, both within Haryana, expressed a more mixed view of state-level support, noting that most incubation infrastructure remained concentrated in Gurugram and Faridabad, effectively reproducing the metro-periphery divide at the state level. R08 from Rohtak observed: *"Haryana has a startup policy. But Haryana's startup policy is mostly in Gurugram."*

**Table 2: Summary of Themes and Representative Codes**

Theme	Key Codes	No. of Respondents
Infrastructure Constraints	Connectivity issues, logistics gaps, co-working unavailability, power supply	16
Access to Investors and Capital	Distance from investors, credibility gap, bootstrapping by necessity, competition validation	15
Talent Acquisition and Retention Challenges	Skill mismatch, metro talent drain, training costs, gender-based barriers	17
Community Networks	Trust-based referrals, informal mentorship, peer networks, limitations of local knowledge	14
Government Policy Awareness and Access	Scheme awareness without uptake, navigation barriers, state-level variation	13

The findings collectively paint a portrait of non-metro entrepreneurship as a journey defined by structural disadvantage. Founders in Jaipur, Rohtak, and Panipat demonstrated remarkable resourcefulness and adaptability in navigating ecosystems that lack the density, depth, and institutional support available to their metropolitan peers. The five themes identified above will form the basis of the discussion section, which examines these findings in relation to the existing literature and draws out their theoretical and policy implications.

## 5. Discussion

The findings of this study reveal a complex and textured picture of entrepreneurship in non-metro India. The five themes that emerged from the thematic analysis of seventeen founder interviews across Jaipur, Rohtak, and Panipat collectively illuminate the ways in which geography, social structure, institutional reach, and resource availability converge to shape a startup experience that is fundamentally different from that of founders operating within Delhi NCR and other major metropolitan hubs. This section discusses each theme in relation to the existing literature and draws out the broader theoretical and practical implications of the findings.

### 5.1 Infrastructure as a Systemic Drag on Entrepreneurial Potential

The experiences of infrastructure inadequacy reported by respondents confirms and extends the observations of YourStory (2026) and KIIC (2025), who identified poor connectivity, logistics gaps, and the absence of co-working spaces as defining structural challenges for non-metro startups. The present study adds a psychological and reputational dimension of infrastructure deficiency. This includes viewing the infrastructure gaps as operational problems as well as signals of ecosystem illegitimacy that shape how clients, employees, and investors perceived their ventures. This finding resonates with Spigel's (2017) argument that material attributes of an ecosystem including its physical infrastructure, workspace availability, and digital connectivity, are not separable from the cultural and social attributes that determine how credible and attractive an ecosystem appears to external stakeholders.

### 5.2 The Geography of Capital and the Credibility Gap

The finding that no respondent had accessed institutional investment from a locally based investor speaks directly to the theoretical concern raised by Isenberg (2010) regarding the role of finance as a foundational ecosystem element. Where this element is structurally absent, such as in Rohtak and Panipat, founders face a compounded disadvantage. The credibility gap described by R10, the experience of having to justify one's city before one's idea, reflects what Stam (2015)

identified as the reputational hierarchy of regional ecosystems, wherein metros carry an implicit signal of quality that smaller cities simply do not. The finding that formal institutional recognition, such as DPIIT registration or competition participation, could partially compensate for this geographic disadvantage has important practical implications and suggests that legitimacy-conferring mechanisms may serve as a partial substitute for ecosystem density in resource-thin environments.

### **5.3 Talent as an Acutely Felt Constraint**

Talent scarcity generated high emotional intensity in respondents, suggesting it is experienced not merely as a logistical problem but as a threat to the founder's core entrepreneurial project. The pattern of non-metro startups investing in training employees who subsequently migrate to metro opportunities, drains human capital from the smaller cities. This dynamic aligns with the talent migration challenge documented in the Kerala ecosystem study (Asia Entrepreneurship Journal, 2025) and with Quartz India's (2022) observation that geographic location structurally disadvantages founders seeking specialized technical capability. The additional burden of conservative social norms experienced by female founders in Rohtak and Panipat points to an intersection of gender and geography that warrants dedicated research attention and targeted policy response.

### **5.4 Community Social Capital as a Bounded but Genuine Asset**

While the literature has consistently documented the structural disadvantages of non-metro ecosystems, the present study surfaces community social capital as a genuinely compensatory mechanism. It enables early-stage survival, local market penetration, and informal resource mobilization in ways that metropolitan founders, embedded in more transactional social environments, may not experience with comparable depth. This finding resonates with Putnam's foundational work on social capital and with the empirical observation of the Journal of Infrastructure, Policy and Development (2024) that strong social networks positively correlate with entrepreneurial activity in resource-scarce contexts. Community social capital in smaller cities is warm and effective for early validation and local growth, but insufficient when founders require domain-specific expertise, specialized mentorship, or connections to distant capital and talent markets.

### **5.5 The Policy Implementation Gap**

Perhaps the most policy-relevant finding of this study is the pronounced gap between the existence of government support schemes and their actual utilization by non-metro founders. The Startup India initiative, the GENESIS program, and state-level policies such as Rajasthan's iStart framework represent meaningful attempts to democratize the startup ecosystem. Yet the findings suggest that the design and communication of these schemes are not advantageous for the founders they target. This finding extends the critique of Goel (2018), who identified regulatory and awareness barriers as structural challenges for Indian startups. There is a need to incorporate district-level distribution metrics to ensure that policy support reaches founders in cities like Rohtak and Panipat.

### **5.6 Toward a Contextual Model of Non-Metro Entrepreneurship**

Taken together, the five themes suggest that existing entrepreneurial ecosystem frameworks require contextual adaptation to adequately describe the non-metro Indian startup experience. The findings point toward a model in which community social capital plays an unusually central role as both a survival mechanism and a substitute for formal institutional support. This study therefore contributes to the growing body of scholarship that calls for context-sensitive, place-based approaches to entrepreneurial ecosystem research. This will help take seriously the ways in which smaller cities generate, sustain, and ultimately constrain entrepreneurial activity in ways that metro-centric frameworks cannot fully capture.

## **6. Limitations and Future Research Recommendations**

### **6.1 Limitations**

Every research study is bounded by methodological, contextual, and temporal constraints that shape the nature and reach of its findings. This study is no exception, and an acknowledgement of its limitations is essential for the accurate interpretation of its conclusions and for the guidance of subsequent scholarship.

#### **6.1.1 Sample Size and Generalizability**

The most significant limitation of this study relates to its sample size. Seventeen interviews, while sufficient for exploratory qualitative inquiry and consistent with the principle of theoretical saturation (Patton, 2015), do not permit statistical generalization across a larger population of non-metro startup founders in India. The findings are analytically generalizable i.e. they generate theoretical insights that may be transferable to similar contexts but they cannot be representative of all Tier 2 and Tier 3 diverse entrepreneurial experiences across India.

#### **6.1.2 Geographic Scope**

The study deliberately focuses on three cities of Jaipur, Rohtak, and Panipat. While this allowed for meaningful contrast with Delhi NCR, it simultaneously limits the extent to which findings can speak to non-metro entrepreneurship in other



regional contexts. Southern cities such as Coimbatore or Mysuru, eastern cities such as Bhubaneswar or Guwahati, or smaller cities in Maharashtra and Gujarat may present significantly different ecosystem configurations, cultural orientations toward entrepreneurship, and policy environments. The northern-centric framing of this study therefore represents a geographic limitation that future research must address.

### **6.1.3 Survivor Bias**

All seventeen respondents were founders of currently operational startups. The study therefore captures only the experiences of those who have, to varying degrees, survived the early stages of the entrepreneurial journey. The perspectives of founders whose ventures failed are entirely absent from the data, and they may hold critically important insights about the structural barriers of non-metro ecosystems.

### **6.1.4 Social Desirability Bias**

Semi-structured interviews, while rich in contextual detail, are vulnerable to social desirability bias i.e. the tendency of respondents to present their experiences, decisions, and ventures in a favorable light (Bryman, 2016). Despite the assurance of anonymity, some respondents may have understated failures, conflicts, or moments of doubt in their entrepreneurial journeys, potentially producing a somewhat more optimistic account of non-metro entrepreneurship than a more anonymized or longitudinal data collection method might yield.

### **6.1.5 Absence of Comparative Primary Data from Delhi NCR**

The study does not include primary interview data from Delhi NCR founders. The comparison between metro and non-metro experiences is therefore partially inferential rather than fully empirical. A truly comparative primary dataset would have strengthened the analytical contrast that is central to the study's research design.

## **6.2 Future Research Recommendations**

The limitations identified above simultaneously constitute an agenda for future inquiry. Several specific directions are proposed. Future studies should pursue larger, more geographically diverse samples that span multiple regions of India, including southern, eastern, and western Tier 2 and Tier 3 cities. A pan-India qualitative study would allow for the identification of universal patterns and would produce findings with considerably greater analytical reach. Longitudinal research designs that track the same cohort of founders across multiple years would address the temporal limitation of this cross-sectional study. Future research should specifically target founders of failed ventures through post-mortem interview methodologies. A genuinely comparative study incorporating parallel primary data collection from Delhi NCR founders alongside non-metro founders would allow for a more rigorous empirical contrast than the present study can offer. Mixed-methods designs that complement qualitative depth with survey-based quantitative breadth would further strengthen the generalizability of comparative findings. Finally, future research should give attention to underrepresented founder demographics within the non-metro context such as women entrepreneurs, first-generation entrepreneurs from non-business family backgrounds, and founders operating in rural-adjacent markets. The intersections of gender, caste, class, and geography in shaping the Indian entrepreneurial experience remain significantly undertheorized and represent a frontier of both scholarly and policy relevance.

## **7. Conclusion**

India's startup story is at an inflection point. For nearly a decade, that story has been told primarily through the lens of metropolitan ambition, through unicorn valuations, venture capital rounds, and the gleaming innovation corridors of Bengaluru and Delhi NCR. Through seventeen interviews with startup founders across Jaipur, Rohtak, and Panipat, this study has documented five interconnected dimensions of the non-metro entrepreneurial experience: infrastructure constraints, capital inaccessibility, talent scarcity, community social capital, and the policy implementation gap. Taken together, these dimensions describe an entrepreneurial environment that is structurally more challenging than its metropolitan counterpart in almost every measurable respect, yet one that also possesses genuine and underappreciated strengths. The community embeddedness, local market intimacy, and trust-based social networks available to non-metro founders represent assets that metropolitan ecosystems, for all their density and resource richness, cannot easily replicate. The founders who participated in this study demonstrated levels of resourcefulness, adaptability, and contextual intelligence that speak to the extraordinary human capital present in India's smaller cities, that the country's startup ecosystem cannot afford to leave underutilized.

The theoretical contribution of this study lies in its application and extension of entrepreneurial ecosystem frameworks to a non-metro Indian context. The findings suggest that existing frameworks, developed predominantly in the context of high-performing metropolitan ecosystems, require meaningful adaptation to capture the dynamics of peripheral ecosystems where community social capital plays a compensatory role and where the legitimacy function of infrastructure is as important as its operational function. The distinction between bonding (abundant in smaller cities) and bridging social



capital (critically scarce in smaller cities), emerges as a particularly productive theoretical lens for understanding both the resilience and the scaling constraints of non-metro ventures.

The practical implications of this study are directed at three audiences. For policymakers, the findings underscore the urgent need to redesign government support schemes for navigability and accessibility rather than merely expanding their scope. State governments must further ensure that startup infrastructure is distributed across districts rather than concentrated in their most developed urban centres. For investors, the findings challenge the relational and geographic assumptions that currently confine most venture capital to a handful of cities, and make the case that credible, scalable ventures are being built in Rohtak and Panipat that may not be visible to institutional funders. For future researchers, this study establishes a foundation upon which a richer, more geographically diverse, and more methodologically varied body of scholarship on non-metro Indian entrepreneurship can be built. The founders of Jaipur, Rohtak, and Panipat are not waiting for metropolitan validation to build meaningful enterprises. Academic scholarship study them with the seriousness and depth their experience deserves.

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