

# Impact of Socio-Cultural Factors on the Development of Entrepreneurship: A Case Study of Belagavi City of Karnataka State

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## Abstract

This research investigates the defining traits of successful entrepreneurs, specifically within the context of small and medium-scale businesses in Belgaum. It explores the influence of personal attributes such as personality traits, family business background, upbringing, and the role of community support in shaping entrepreneurial ambitions and actions. Utilizing a mixed-methods approach, the study employs comprehensive content analysis alongside thematic analysis of qualitative data derived from semi-structured interviews with Belgaum-based entrepreneurs aged between 25 and 45. These methods facilitate the examination of psychological factors like self-efficacy, and risk-taking behaviour, as well as the impact of social networks and environmental upbringing on the development of entrepreneurial traits and skills. The interviews provide a platform to uncover detailed themes and pathways that lead to entrepreneurial skill acquisition and refinement, offering insights into the early stages of psychological development conducive to entrepreneurial success. The research's findings contribute to a deeper understanding of the complex interplay between an entrepreneur's personal and social environment and their success in business ventures. Through its exploration of these dimensions, the study aims to enrich the literature on enterprise management and entrepreneurship, particularly in the realm of small and medium-sized businesses in emerging markets like Belgaum.

**Keywords:** Psychological development, Entrepreneurial Traits, Family Business History, Social Upbringing, Small to Medium Scale Entrepreneurs, Belgaum, Thematic Analysis, Success Factors.

## Chapter 1

### Introduction

Exploring the vibrant entrepreneurial landscape of Belagavi, this research paper delves deep into the heart of what it means to nurture the spirit of entrepreneurship within the dynamic confines of a two-tier city. Belagavi, with its unique blend of cultural richness and community vibrancy, offers fertile ground for understanding how the seeds of entrepreneurial aspirations are sown and cultivated. Unlike the bustling megacities, Belagavi's story of entrepreneurship is woven through the intimate threads of socio-cultural fabric and psychological makeup, painting a picture of how strong entrepreneurial qualities emerge from the very essence of daily life and communal interactions. At the core of this exploration is a profound appreciation for the pivotal role of sociocultural influence - including the invaluable support of family, the

nurturing impact of social upbringing, and the critical choice of educational paths. These elements collectively shape the psychological development of individuals, guiding them towards the path of entrepreneurship. The study underscores those entrepreneurial qualities such as risk-taking, flexibility, and innovation are not merely inborn traits but are meticulously crafted and nurtured within the societal and cultural crucible of Belagavi. This journey into the entrepreneurial heart of Belagavi aims not only to highlight the city's unique position in fostering entrepreneurship but also to serve as a beacon for other emerging small towns across India. By shedding light on how socio-cultural factors stimulate and support entrepreneurial endeavours, this research hopes to inspire parents and educators alike. It beckons them to consider how their roles in parenting and education can profoundly impact the development of future entrepreneurs. Parents, by fostering an environment that values independence, creativity, and resilience, and educators, by choosing schools that not only educate but inspire and provide a wealth of opportunities for young minds to explore and grow, can significantly influence the entrepreneurial spirit from a young age. In weaving together the narratives of Belagavi's entrepreneurs, this paper aims to contribute meaningfully to the broader conversation on economic development and the nurturing of small and medium-sized enterprises (SMEs). It's a testament to how a community's collective values, beliefs, and educational choices can create a thriving ecosystem of innovation and entrepreneurship. Through the lens of Belagavi's entrepreneurial landscape, we're reminded of the power of human touch in shaping the business leaders of tomorrow—starting from the supportive embrace of a family, through the encouraging halls of education, to the broad, welcoming arms of the community. In essence, this research is a call to action for parents, educators, and community leaders to cultivate an environment that champions the entrepreneurial spirit, recognizing that the journey of a successful entrepreneur begins with the foundational steps taken in childhood, supported by the right school environment and a community that encourages seizing opportunities at a young age. Through this human-centric approach, the study aims to enrich both academic debates and practical strategies, fostering entrepreneurial ecosystems that resonate with warmth, support, and boundless potential across India's diverse urban and rural landscapes.

## Chapter 2

### Review of literature

Jawabri, (2020) studied the impact of Big-5 model leadership traits on team entrepreneurship –an empirical study of small businesses in UAE. This study states that small business owners focus on growing their businesses faster by building wealth. This wealth creation process requires skill and investment in terms of time and capital. However, the success or failure of entrepreneurial teams depends on the personality differences of the entrepreneurs. In this context, this study examines the impact of the characteristics of the Big 5 model on team entrepreneurship and firm. These personality traits can help solve business problems and achieve long-term business success. In this regard, the researcher conducted a survey of 49 employees working in five entrepreneurial companies in the United Arab Emirates. The results of the study revealed that the Big Five leadership sub-factors: Open-minded, Sociable, Confident, Responsible, Concerned and Emotionally Distressed have a significant impact on team enterprise in UAE small businesses, helping to increase customer base and business capabilities inventory values and new product updates.

Hanafiah, Yousaf, et.al (2017) conducted a study on the influence of psychological capital on the growth intentions of entrepreneurs - claim the growth of entrepreneurial companies plays an important role in the economic development of the country, and the growth intention of entrepreneurs is considered an

important predictor of the company's growth. On the other hand, psychological capital is one such resource that can influence attitudes and behaviours such as growth intentions of entrepreneurs. The purpose of this study is to examine the relationship between psychological capital and growth intentions of entrepreneurs specifically in the Malaysian context. Data were collected from 275 SMEs in Malaysia, and regression analysis shows that psychological capital as a core construct has a positive and significant effect on growth intentions of entrepreneurs. In addition, it is recognized that two of the four dimensions of psychological capital (hope and self-efficacy) have a significant and positive effect on the growth intentions of entrepreneurs. It also shows that psychological capital as an underlying construct predicts growth intentions more effectively than its first-order constructs alone. This finding underscores the importance of psychological capital as a core construct in entrepreneurship research. It complements psychological capital and entrepreneurship literature and has implications for current and future entrepreneurs, government and private bodies.

Babalola (2012) conducted a study on the Role of Socio-Psychological Capital Assets on Identification with Self-employment and Perceived Entrepreneurial Success among Spilled Professionals - This study examines the role of socio-psychological capital in self-employment and identification with perceived entrepreneurial success. The research questionnaire was administered to 201 experienced professionals in micro-enterprises with an average age of 38.2 years (SD = 7.34). The results of a stepwise multiple regression analysis show that the need for achievement, maternal and professional contribution, and education show significant positive effects, while father and professional importance are significant negative factors in identifying self-employment. It also shows that 23.8% of the disorders caused by the recognition of entrepreneurship are part of Vasans who are studied together. Regarding the perceived success of the business, the contribution of the family business is an important positive predictor, while self-esteem and age are negative predictors. The key finding shows that the need for achievement and contribution of the family business are the dominant factors influencing self-employment identification and, consequently, perceived entrepreneurial success. The study provides suggestions for the future of business growth.

Bhoganadam & Rao (2015) conducted a study on Socio-Cultural Factors Influencing Indian Entrepreneurship: A Critical Examination - The study concentrates on the socio-cultural dimension of Indian entrepreneurship. The main objective is to identify the various socio-cultural factors influencing entrepreneurship and theoretical linkages and build a conceptual framework for empirical validation. A thorough review of the literature leads to the identification of six socio-cultural factors that are influencing entrepreneurship: family background, education, caste, religion, social networks and social background and a set of theories which may apply to entrepreneurship. With the help of both empirically identified socio-cultural factors and theories relevant to entrepreneurship a conceptual model is developed. Future research may concentrate on empirical validation of the designed conceptual framework.

Thakur, Vashista, et.al (2022) researched linking Psychological Empowerment, Self-leadership and Psychological Capital among Young Entrepreneurs: Role of Positive Psychology in Building a Self-reliant India - This research focuses on examining the relationships between psychological empowerment, self-management and psychological capital in young entrepreneurs. Based on the inclusion criteria, a total of 35 entrepreneurs (18 men and 17 women) aged 23-30 were selected from the three cities. Study participants were administered a standardized psychological empowerment scale (Spretizer, 1996); Revised Self-Leadership Questionnaire (RSLQ) (Houghton & Neck, 2002); and the Psychological Capital Questionnaire (Luthans et al., 2007). The results showed that significant positive correlations were

obtained between self-management, psychological empowerment and psychological capital for the entire sample. In men, a significant positive correlation was observed between self-management and psychological empowerment, as well as between self-management and psychological capital. In women, a significant positive correlation was observed between Self-Leadership and Psychological Empowerment. Gender differences were evident in the constructs of Self-punishment and Self-Talk, Self-leadership, and all constructs of Psychological Empowerment, with male entrepreneurs scoring higher than female entrepreneurs. These findings can guide decision-makers to determine priority areas where training entrepreneurs enable self-management and self-management. The combination of diverse research studies presented in this collection offers a nuanced exploration of the multifaceted landscape of entrepreneurship. From the impact of Big-5 model leadership traits on team entrepreneurship in the UAE to the indicated interplay of psychological capital and growth intentions among Malaysian SME entrepreneurs, each study sheds light on distinct facets of the entrepreneurial journey. Socio-psychological capital assets and their role in the self-employment identification of experienced professionals, the critical examination of socio-cultural factors influencing Indian entrepreneurship, and the relationships between psychological empowerment, self-leadership, and psychological capital among young Indian entrepreneurs contribute to a rich insight. Collectively, these studies underline the complexity of entrepreneurship, emphasizing the interwoven nature of personal traits, psychological dimensions, and socio-cultural influences in shaping entrepreneurial endeavours across diverse global contexts.

### **Chapter 3**

#### **Methodology**

This study adopts a qualitative research methodology to explore the experiences, challenges, and motivations of entrepreneurs. The study adopted the Snowball sampling technique; through which 5 participants were selected. Semi-structured interviews were conducted; thus, this method allows for in-depth data collection while ensuring that key thematic areas are explored consistently across interviews. Following data collection, thematic analysis, guided by the framework, will be employed to systematically identify, analyze, and report patterns within the data. This approach facilitates a rich, detailed understanding of the complex phenomena under investigation, providing insights into the entrepreneurial journey from the perspective of those who have lived it. The methodology is designed with careful consideration of ethical standards, including informed consent and data confidentiality, to ensure the integrity and respect of participants' contributions.

#### ***Research question***

How do factors related to psychological development and social upbringing contribute to the development of successful entrepreneurial traits and skills?

#### ***Research Objectives***

To explore factors related to psychological development and social upbringing in small cities that contribute to entrepreneurial intentions.

#### ***Settings***

The choice of settings was purposeful, aiming to create an atmosphere conducive to rich data collection and to accommodate the preferences and accessibility of the participants, contributing to the depth and authenticity of the qualitative insights.

#### ***Population and Participants***

Snowball sampling is a non-probability sampling technique employed in this study to identify and recruit

participants from Belagavi through their interpersonal connections. This method is particularly useful for reaching specific populations that may be difficult to access through traditional sampling methods. Given the study's focus on a particular demographic or interest group within Belagavi, snowball sampling begins with a small group of initial participants who fit the research criteria of being born and raised in Belagavi. These initial participants are then asked to refer others from their network who also meet the study's requirements. This process continues iteratively, with each new participant recommending additional potential participants, thereby "snowballing" the sample size. This method leverages the existing social networks and interpersonal connections within Belagavi to systematically reach a wider, yet targeted, group of participants. Snowball sampling is especially advantageous in gathering rich, qualitative data from a community or group that is closely knit or less visible to outsiders, ensuring that the research captures a comprehensive and nuanced understanding of the phenomena under investigation within the specific context of Belagavi. The qualitative data collected from these 5 subjects has helped the study to draw down common themes and patterns through thematic analysis. The age range selected is 25-45, because statistical data shows most enterprises are run by youngsters, while older adults tend to have successful enterprises through past experiences and employment.

### ***Demographic data***

This study presents a demographic analysis of entrepreneurs in Belagavi, a burgeoning two-tier city, to understand the local entrepreneurial landscape through the lenses of age, social class, and gender. By categorizing participants into specific age groups, the research identifies key entrepreneurial cohorts and examines how entrepreneurial activities evolve across different life stages. The analysis reveals that most participants belonged to the middle class. The middle class typically refers to a socioeconomic group within a society that falls between the upper and lower classes, often characterized by a moderate income, education level, and standard of living. Highlighting the impact of economic backgrounds on access to entrepreneurial opportunities and business success. Additionally, the study delves into gender dynamics, exploring how the entrepreneurial experiences of male and female entrepreneurs differ, including the unique challenges and strategies employed by each. This demographic breakdown provides valuable insights into the complex interplay of age, social class, and gender in shaping Belagavi's entrepreneurial ecosystem, offering a detailed understanding of the diverse factors that influence entrepreneurship in the city.

**Table 1, Demographic data of samples**

Participants	Age	Gender	Social class belonged before
AK	35	male	Middle class
GK	42	male	Middle class
KB	43	male	Lower middle class
SJ	45	female	Middle class
SA	25	male	Middle class

### ***Data collection procedure***

The data collection procedure initiated with finding key factors relevant to the research objectives were identified through an extensive review of existing literature and preliminary observations. These factors helped develop a semi-structured questionnaire, which was structured to address the specific

research questions while allowing for data collection based on participants' experiences and perceptions. Upon finalizing the questionnaire, potential participants were informed about the study's aims, the nature of their participation, and assurances regarding their confidentiality and rights. Following this, interviews were scheduled at times convenient for the participants to encourage their full participation and to accommodate their schedules, thereby maximizing response rates and the quality of data collected. The semi-structured interviews were then conducted according to the predetermined schedule. This systematic approach to data collection, starting from factor identification to the execution of well-organized interviews, was instrumental in gathering rich, insightful data pertinent to the study's aims, ensuring the research's validity and reliability.

**Inclusion:** the study included the participants only from Belgaum (who were born and socialized throughout Belgaum), with the specific age group of 20-45

**Exclusion:** Participants who cannot speak English and are outside Belagavi city are excluded.

### ***Analysis and data presentation***

The data is systematically organized and categorized, and the collected data to identify patterns and recurring themes. During this process, the researchers have assigned descriptive labels or "codes" to 18 segments of the data, which are phrases, sentences, or paragraphs, reflecting the content's meaning. Codes are developed based on the data itself, allowing themes to emerge organically from the content rather than imposing preconceived categories. Coding helped the researchers to condense, facilitating the extraction of underlying concepts and insights. The coded data is then further grouped into themes, which serve as the foundation for the subsequent analysis and interpretation, ultimately offering a coherent and in-depth understanding of the study's research topic.

### ***Data analysis strategy***

The data analysis strategy employed thematic analysis with an inductive approach, complemented by a reflexive type. The inductive approach enabled the emergence of themes directly from the raw data without preconceived categories. In the research of entrepreneurs in Belagavi, thematic analysis played a crucial role in interpreting the interview data. This technique identifies common patterns and insights shared among entrepreneurs. Thematic analysis is beneficial because it's versatile and helps organize complex data, making it easier to understand the interviewees' main points by drawing out the "themes". Through categorizing the data into themes, the researcher gained a clearer picture of why individuals pursue entrepreneurship, the obstacles they encounter, and their strategies for overcoming these challenges. Therefore, the method solidified our research's credibility and provided a thorough understanding of the entrepreneurial landscape in Belagavi. It highlighted the real-world experiences of the entrepreneurs, offering valuable insights for policy-making and future studies. The thematic analysis thus was instrumental in uncovering the stories of entrepreneurship in Belagavi, enriching our study with in-depth knowledge.

### ***Ethical consideration in the study***

In conducting the research, ethical considerations were implemented to safeguard the study's integrity and participant protection. A key aspect involved the utilization of informed consent, wherein participants were provided with a letter outlining the study's purpose, procedures, and their rights.

Emphasis was placed on participants' freedom to withdraw without consequences, reinforcing their autonomy. Confidentiality of collected data was ensured, with personal information securely stored and accessible only to the research team. Anonymity was maintained, preventing disclosure of participants' identities in any study-related reports or publications. Adherence to these ethical principles upholds

participants' dignity, rights, and welfare, fostering a respectful and responsible research environment.

## Chapter 4

### Analysis and interpretation of data

#### Themes

**Middle class:** The middle-class background acts as a significant driving force for developing entrepreneurial traits in the context of the two-tier city of Belagavi. Individuals from these middle-class origins often face a complex balance between financial stability and the pursuit of aspirational growth. A key motivator identified in this socio-economic segment is the strong desire for social upward mobility. This specific backdrop is instrumental in shaping a unique entrepreneurial mindset, which aligns with the distinct opportunities and challenges found within Belagavi's two-tier city framework.

The inclusion of personal narratives, such as P1's experience of coming from a *"very lower middle-class family,"*

adds depth to the discussion, illustrating how socioeconomic status can profoundly influence an individual's entrepreneurial journey. This exploration highlights how socio-economic factors contribute to the cultivation of entrepreneurial ambitions and strategies in emerging urban environments like Belagavi.

**Positive peer:** Entrepreneurs in environments like Belagavi drew significant inspiration and support from their peers, fostering a culture rich in innovation, risk-taking, and resilience. This collaborative dynamic within peer networks did more than just contribute to individual entrepreneurial growth; it provided a vital platform for sharing ideas and offered a supportive backdrop in times of adversity.

Adding to this narrative, P1 said *"I had a positive environment, plus, we had a very holistic culture,"* underscoring the importance of a nurturing and comprehensive community ethos. This statement encapsulates how the collective and supportive nature of the entrepreneurial environment, characterized by positive interactions and a holistic approach to addressing challenges, plays a crucial role in shaping the entrepreneurial landscape. This communal spirit not only bolsters individual ventures but also strengthens the broader entrepreneurial fabric of the city, encouraging a shared journey towards innovation and success.

**Supportive family and relatives:** In the lower middle class, where financial constraints are a common challenge, the support of family and relatives emerges as a pivotal factor in nurturing entrepreneurial traits. The encouragement and belief in one's abilities, expressed by family members, cultivate a nurturing environment that is essential for fostering entrepreneurship. Even when financial support is limited, it plays a critical role by providing the initial push needed for entrepreneurial ventures, be it through small investments, collaborative efforts, or shared resources. This support system offers both mental and financial backing to entrepreneurs in Belagavi, creating a solid foundation for their entrepreneurial journey.

Adding to this, the participant(P1) highlighted the significance of having a supportive family backdrop that was *"open for me to take risks, with a positive attitude and strong moral values."*

This statement accentuates the importance of a family environment that not only encourages risk-taking but also instils positive attitudes and moral values, further enabling entrepreneurs in Belagavi to pursue their ventures with confidence and ethical grounding.

**Responsibility and Independence:** Entrepreneurs in Belagavi often grew up taking on significant responsibilities within their families from a young age, a practice that instilled a proactive and independent mindset in them. Such an upbringing underscored the value of self-sufficiency and endowed them with the

capability to navigate challenges autonomously. This foundational experience in responsibility not only equipped them with essential life skills but also fostered an environment where autonomy and initiative were highly valued. Reflecting on this, participant (P2) shared, *"So always I take responsibility, and responsibility has made me a lot tougher and more confident."*

This insight from P2 highlights how early experiences of responsibility have been instrumental in shaping the entrepreneurial spirit in Belagavi, contributing to the development of resilience and confidence which are crucial traits for navigating the entrepreneurial landscape. This culture of responsibility and self-reliance among the entrepreneurs of Belagavi sets a strong precedent for success in their ventures.

**Less family pressure:** In Belagavi, the entrepreneurial landscape was notably shaped by the supportive family environments experienced by the majority of participants. Out of five entrepreneurs interviewed, four reported facing significantly less pressure from their families regarding academic achievements and in terms of careers. This widespread lack of familial pressure provided them with the freedom to explore their true passions and strengths. Such autonomy in their educational and career pursuits fostered an environment ripe for risk-taking, independence, and innovative thinking outside conventional boundaries—key ingredients for developing successful entrepreneurial traits.

Echoing the sentiments of this supportive backdrop, one participant (P1) specifically mentioned, *"My family never pressured me."*

This statement highlights the positive influence of having a supportive family environment that encourages exploration and personal growth. The freedom from academic pressure allowed these individuals to channel their energies into areas they were genuinely interested in, encouraging creativity and resilience in their entrepreneurial ventures. Thus, the lack of academic pressure from families emerged as a crucial factor in shaping the entrepreneurial success stories in Belagavi, enabling four out of five participants to pursue paths closely aligned with their interests and strengths, significantly contributing to their development as entrepreneurs.

**First-generation entrepreneur:** First-generation entrepreneurship in Belagavi holds the power to evoke a unique set of traits and intentions. Unlike established family businesses, first generation entrepreneurs often embark on their ventures with a pioneering spirit and a drive to overcome challenges. The lack of predefined paths allowed these entrepreneurs to be innovative and risk-taking, shaping their ventures based on their own visions and experiences. Additionally, first-generation entrepreneurs became role models, inspiring others within the community to pursue their own entrepreneurial aspirations. The impact goes beyond individual ventures, which contribute to the overall entrepreneurial culture in the two-tier city by fostering creativity, ambition, and a collective sense of economic empowerment.

**Extracurricular activities:** Participation in diverse activities beyond academics provided a strong platform for Belagavi entrepreneurs. These activities often encourage creativity, leadership, teamwork, and problem-solving traits that are integral to entrepreneurial success. In a two-tier city context where access to formal entrepreneurial education may be limited, involvement in extracurricular pursuits became a practical avenue for honing these skills and gave them opportunity to participate across fests and events held in metropolitan cities like Mumbai and Bengaluru. The exposure gained through such activities inspired entrepreneurial intentions and helped navigate the dynamic landscape of entrepreneurship in Belagavi.

**Sports:** engagement in sports stimulated entrepreneurial traits by fostering leadership qualities, delegation and endurance. **Reputed schools and colleges of Belagavi:** In Belagavi, the pathway to developing entrepreneurial traits has been significantly influenced by the quality of education provided by reputed



schools and colleges. These institutions, known for their quality resources, experienced faculty, and diverse peer groups, create a nurturing environment for aspiring entrepreneurs. The prestige of attending renowned educational institutions, such as Gogte Institutes and KLE, not only boost confidence but also enhances students' social capital and networks—critical components for fostering an entrepreneurial mindset. Furthermore, the high-quality education offered by these institutions in Belagavi plays a crucial role in instilling the necessary skills and mindset for entrepreneurial success. The comprehensive and rigorous academic programs challenge students to think creatively, solve problems, and embrace innovation, preparing them for the complexities of entrepreneurial ventures.

The Gogte Institutes and KLE, in particular, have been instrumental in significantly boosting not just the confidence of their students, but also their ability to build valuable networks through enhanced social capital. Thus, the esteemed educational landscape of Belagavi, marked by its quality and prestige, acts as a catalyst for empowering individuals with the skills, mindset, and connections essential for navigating and excelling in the world of entrepreneurship. Learning apart from textbooks. In Belagavi, entrepreneurs, particularly the younger cohort, are characterized by their curiosity, frequently engaging in self-directed learning through online resources, workshops, and immersive real-world experiences. This self-motivated educational pursuit not only enhances their range of skills but also fosters a sense of adaptability, vital for thriving in the dynamic business environment.

Highlighting this unconventional path to knowledge, P4, a 25-year-old entrepreneur remarked, *"I didn't learn it through BBA or any degree, I learned directly from the field. This gave me huge exposure, in terms of understanding people skills that helped me build up this business."*

This statement underscores the value of experiential learning and its significant impact on acquiring practical skills, such as people management, that are crucial for establishing and growing a successful enterprise in the competitive landscape of a tier-two city like Belagavi.

Investment hurdles: In the context of Belagavi, where the entrepreneurial ecosystem may be emerging, individuals fueled by curiosity become an agent for growth of Belagavi Raising funds in Belagavi presents a unique set of challenges for entrepreneurs, deeply ingrained in the local economy. The limited availability of investors and venture capital, especially when compared to larger metropolitan areas, restricts the financial avenues accessible to local entrepreneurs. However, it's noteworthy that loans and support from local banks are highly forthcoming.

Adding to these hurdles, P1 highlights the particular difficulty in fund acquisition, stating, *"So, while raising funds, one particular trait for a tier-two city is that if you're not from a premier institute, then it becomes really very difficult to raise funds."* This observation underscores the impact of educational background on funding opportunities in such cities.

Furthermore, the fundraising landscape is complicated by gender biases, as noted by P5, who observed, *"I don't think in entrepreneurship gender doesn't make much difference except when it comes to raising funds. There, investors look at the gender; they feel that a man can handle a company much better, he is more resilient, whereas a woman can falter; they will be weak."* This statement sheds light on the additional challenges faced by women entrepreneurs in Belagavi, where prevailing stereotypes about gender roles influence investor attitudes and decisions, making it even more challenging for women to secure funding for their ventures.

Low consumption rate: Less consumer spending has led to the impact of the perceived market potential for investors, making them more cautious about supporting businesses that may face challenges in reaching a critical mass of customers. This low consumption rate shows limited market size, affecting the

scalability and growth prospects of startups. Entrepreneurs have navigated and come up with products that are adaptable to the patterns of consumption by the local population. Therefore, it is challenging for entrepreneurs to just rely on Belagavi consumers. Instead, they further capture the nearby two-tier cities for their survival.

**Location:** The geographical location of Belagavi has a strategic advantage for emerging entrepreneurs. This positioning opens doors to a wider customer base, drawing residents from nearby areas and increasing the visibility of businesses. The proximity to other nearby emerging cities not only enhanced networking opportunities but also fostered collaboration with entrepreneurs, investors, and professionals from diverse backgrounds. Belagavi city shares a border with Goa and Maharashtra, access to resources, talent, and diverse markets becomes more seamless, contributing to overall business efficiency and adaptability. The cultural exchange and diversity introduced by the proximity to small cities inspire innovation and enable businesses to tailor their offerings to a broader audience. Overall, the strategic location near other emerging cities positions has led entrepreneurs to sustained growth, increased visibility, and access to a range of opportunities that contribute to the success of their ventures.

**Gender neutral:** In Belagavi, a two-tier city characterized by a commendable absence of significant gender biases, entrepreneurs have found a conducive environment for their ventures to thrive, where individuals, regardless of gender, are provided with equal opportunities and face minimal challenges or privileges based on gender. This lack of gender bias has contributed to a flourishing entrepreneurial ecosystem where women and men alike can pursue their business aspirations with confidence.

Entrepreneurs in Belagavi benefit from a diverse pool of talent, as the emphasis is placed on skills, capabilities, and innovation rather than predefined gender roles. The “Mahila Market” and “BELA-Belagum ladies” stands as a testament to gender neutrality and the empowerment of women entrepreneurs. This unique initiative allows women to pursue their passions and engage in entrepreneurial activities in a supportive environment. The market, exclusively for women, showcases their determination and talent, offering them a platform to sell a variety of products. With earnings reported to be up to ₹18,000 per week, the Mahila Market not only promotes economic independence among women but also challenges traditional gender roles by highlighting their capabilities in the business realm. This initiative in Belagavi exemplifies how dedicated spaces can foster gender neutrality by providing equal opportunities for women, thereby contributing to the broader goal of gender equality in entrepreneurship.

**First mover:** Belagavi plays a vital role in encouraging the first movers. The absence of established norms allows the first mover to introduce new products or services, creating a demand that competitors may find challenging to emulate. The first mover also gains a head start in securing a prime location. This early positioning resulted in a more efficient operation and cost structure, giving the entrepreneur a competitive edge over potential later entrants. As the first provider of a particular product or service, the entrepreneur has the opportunity to become synonymous with innovation and quality in the minds of consumers of Belagavi. Being the first mover in a two-tier city not only encourages entrepreneurial intentions by offering a blank canvas for innovation but also provides strategic advantages in shaping the market, building brand recognition, and establishing key relationships that contribute to long-term success.

**Brand loyalty:** Establishing brand loyalty in Belagavi poses distinct challenges, leading entrepreneurs to adopt strategies that leverage the influence of metropolitan cities. Faced with a smaller market size and a nascent entrepreneurial ecosystem, businesses from Belagavi often seek validation from larger urban centers to enhance their credibility. This tactic involves setting a strong presence in metro cities first to align with the high brand value often associated with such areas. By leveraging the exposure and diverse

consumer base of metropolitan areas, these ventures aim to build trust and authenticity that can appeal to consumers back in two-tier cities like Belagavi.

P1 encapsulates this strategy: *"Brand loyalty or the brand value wasn't that prominent. So, we had to take up high-rental property in Bangalore and set up a store there to capture brand loyalty in tier-two cities. Connecting with metros, tier-one cities, or social media influencers is crucial for reaching the public of tier-two cities."*

This approach underlines the importance of metro cities and influential platforms in establishing a brand's presence and loyalty that transcends geographical limits, resonating with a wider audience.

Previous employment: Previous employment in reputable MNCs and metropolitan cities has endowed entrepreneurs with a valuable skill set and experiences, crucial for their success upon returning to their hometowns like Belagavi. Exposure to the fast-paced environments of multinational corporations furnished them with a global perspective, strategic acumen, and a broad understanding of business practices. The professional networks developed during their tenure in these cities opened doors to resources, potential investors, and industry insights. Upon their return to Belagavi, these entrepreneurs introduced a wealth of knowledge and best practices to the local entrepreneurial ecosystem, boosting its development and growth. Their credibility, bolstered by experience in renowned companies, built confidence among local stakeholders, including customers and suppliers. The financial stability acquired from their previous employment provided the necessary capital to initiate their ventures, making them significant contributors to Belagavi's business landscape.

Participant(P3) encapsulated this advantage, stating, *"I was quite fortunate to work in XYZ, which helped me gain rich experience to start my own."*

This remark underscores the transformative impact that prior corporate experience, especially in renowned companies, can have on an entrepreneur's ability to successfully launch and grow a business in their native city like Belagavi, bringing global insights and practices to the local market.

## Discussion

In conclusion, this qualitative study provides a comprehensive exploration of the entrepreneurial traits amongst the residents of Belagavi. Beyond the identified socio-economic factors and individual characteristics that shape the entrepreneurial traits of its residents, a theme that also emerges - innovation. The success of entrepreneurs in Belagavi is intricately tied to their ability to innovate, demonstrating a keen understanding of the importance of staying ahead in a dynamic business environment. The middle-class background, which serves as a catalyst for entrepreneurial traits, is closely aligned with the spirit of innovation. Entrepreneurs from this background exhibit a remarkable capacity to introduce innovative solutions that balance financial stability and aspirational growth. The desire for upward mobility is not merely an economic aspiration but also a driving force behind the inventive strategies employed by entrepreneurs to carve a niche in the competitive landscape of Belagavi.

Positive peer networks and supportive family environments foster a culture of innovation. Entrepreneurs in Belagavi draw inspiration not only from each other but also from the encouragement and belief instilled by their families. This support network becomes a breeding ground for new ideas, where the exchange of innovative concepts becomes a norm. The collaborative dynamic environment within peer networks not only contributes to individual entrepreneurial growth but also forms a collective force for innovative problem-solving and business strategies. Moreover, the educational journey, participation in extracurricular activities, engagement in sports, and attendance at reputed schools and colleges all

contribute to the development of a mindset that values and fosters innovation. Entrepreneurs in Belagavi understand that innovation extends beyond technological advancements; it encompasses creative thinking, unique business models, and solutions that address local challenges innovatively. The entrepreneurial spirit, instilled from a young age through a sense of responsibility and independence, fuels a proactive mindset that seeks out innovative approaches to navigate challenges. While recognizing the challenges within the Belagavi market, such as limited investors and low consumption rates, entrepreneurs demonstrate resilience by adopting innovative strategies to secure financial support and develop scalable solutions. The concept of being a first mover in this context is not just about seizing opportunities; it's about leading with innovation and introducing products or services that set the stage for subsequent advancements in the market. As we reflect on the intricate tapestry of factors contributing to the entrepreneurial ecosystem in Belagavi, it becomes evident that innovation is not just a characteristic but a driving force behind the success of ventures. For future research, a deeper exploration into the specific types of innovations emerging from Belagavi's entrepreneurial ventures could unveil patterns and insights that further enrich our understanding of innovation dynamics in this unique two-tier city setting. The ability of Belagavi entrepreneurs to embrace and drive innovation underscores their resilience, adaptability, and potential for sustained success in the ever-evolving business landscape.

### Limitations

The limitations of the study include a context-specific focus on Belagavi; however, this geographic specificity can be seen as an opportunity to delve deeper into how local innovations contribute to the unique entrepreneurial ecosystem. The study's reliance on self-reported data and a qualitative approach opens avenues for future research to incorporate quantitative measures of innovation, providing a more nuanced understanding of the innovative capacity within the entrepreneurial community. Additionally, the study's restricted generalizability, stemming from a small sample size of 5, may not accurately reflect the diverse perspectives present in a larger population. This limitation results in constrained variability in experiences and opinions, impeding a comprehensive understanding and the richness of data.

Furthermore, resource constraints impact the depth of the investigation, compounded by time limitations that hinder a more thorough exploration of the data. Future research endeavors could delve into the specific types of innovations emerging from Belagavi's entrepreneurial ventures. This might include studying how entrepreneurs leverage technological advancements, create novel business models, or pioneer unique solutions to address local challenges. Examining the relationship between the level of innovation and the success of ventures over time could provide valuable insights into the sustainability and adaptability of innovative practices. Comparative analyses with other two-tier cities could shed light on regional variations in the entrepreneurial approach to innovation, contributing to a broader understanding of innovation dynamics in diverse settings. Additionally, exploring the impact of government policies and support structures on fostering innovation within Belagavi's entrepreneurial community could unveil opportunities for strategic interventions.

In summary, integrating the innovation aspect into the study enriches our comprehension of the entrepreneurial ecosystem in Belagavi, emphasizing not only the socio-economic and individual factors but also the pivotal role that innovative thinking plays in driving the success and sustainability of ventures in this unique two-tier city.

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