







“Factors increasing entrepreneurs’ loss concerns and role of startup accelerators in loss protection”

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ARTICLE INFO Ranjany Sundaram, Snehal Shetty and Prashobhan Palakkeel (2022). Factors increasing entrepreneurs’ loss concerns and role of startup accelerators in loss protection. *Problems and Perspectives in Management*, 20(4), 422-435. doi:[10.21511/ppm.20\(4\).2022.32](https://doi.org/10.21511/ppm.20(4).2022.32)

DOI [http://dx.doi.org/10.21511/ppm.20\(4\).2022.32](http://dx.doi.org/10.21511/ppm.20(4).2022.32)

RELEASED ON Wednesday, 14 December 2022

RECEIVED ON Thursday, 15 September 2022

ACCEPTED ON Tuesday, 06 December 2022

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JOURNAL "Problems and Perspectives in Management"

ISSN PRINT 1727-7051

ISSN ONLINE 1810-5467

PUBLISHER LLC “Consulting Publishing Company “Business Perspectives”

FOUNDER LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

89



NUMBER OF FIGURES

2



NUMBER OF TABLES

2

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BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 15th of September, 2022
Accepted on: 6th of December, 2022
Published on: 14th of December, 2022

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Prashobhan Palakkeel, 2022

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Conflict of interest statement:
Author(s) reported no conflict of interest

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FACTORS INCREASING ENTREPRENEURS' LOSS CONCERNS AND ROLE OF STARTUP ACCELERATORS IN LOSS PROTECTION

Abstract

The aim of this study is to analyze the factors that increase loss concerns among entrepreneurs and the underlying mechanism for loss protection. An e-mail-based survey among 335 entrepreneurs from India is employed in this paper. Using a quantitative methodology and PLS-SEM approach, the study analyzed the relationship between loss concerns and loss protection behavior and the mediating role of startup accelerator programs. Thus, human capital increases loss concerns. Participating in the startup accelerator program is the underlying mechanism to carry out protection behavior when entrepreneurs deem their venture at risk of losing money. The theoretical model explicates 70% of variances in loss concerns and 42% of variances in protection behavior. Every one-unit increase in human capital and uncertainty increases the loss concern by 28% and 10%, respectively. Participating in the startup accelerator program increases the loss protection behavior of entrepreneurs by 36%. Perceived severity increases loss protection behavior by 17%. The present study extends the protection motivation theory in the entrepreneurship literature and provides evidence that startup accelerators influence entrepreneurs in increasing loss protection mechanisms in an emerging economy.

Keywords

entrepreneur, finance, risk, new ventures, human capital, founder, India

JEL Classification

L26, M13

INTRODUCTION

Survival of startups is critical as the investment involved is high. The survival rate of US startups (Carrigan, 2020) and Indian startups (Cherian, 2018) are 10%, while venture capital investments exceeded 300 billion USD (Teare, 2021). If these investments have to be good, startups' failure should be reduced. It is crucial to investigate the loss-preventing mechanisms so the survival rate of startups can be increased through the learning process (Startup Genome, 2017). Threats of markets, customers, competitors, and technologies trigger perceived severity among entrepreneurs. Entrepreneurial efficacy includes being able to meet sales goals, make uncertain decisions, and strategically plan for the future.

Protection motivation theory (PMT) suggests that individuals protect themselves based on the perceived severity of a threatening event and cope with the threat using their self-efficacy (Rogers, 1975). This protective behavior is gained through various educational, experience, and network support gained by entrepreneurs. Entrepreneurs may accumulate experience and skills by attending incubation programs (Hackett & Dilts, 2004) or short-cohort-based accelerator programs

(Hochberg, 2016). The present study aims to analyze the factors that increase loss concerns among entrepreneurs and the underlying mechanism for loss protection. The studies conducted on startup accelerators brought out many benefits. This present study's motivation in analyzing entrepreneurs' loss protection behavior arose from the influence of startup accelerators in increasing funding and network support, thus elucidating gaps identified by past accelerator studies (Shetty et al., 2020; Crison et al., 2021).

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

In developed countries like the western world, failure is considered a learning opportunity, while in developing countries, failure is a death sentence (Cotteril, 2012). Failure in developing countries can have severe personal consequences increasing fear of failure, leading to significant debts and loss of social status and reputation of entrepreneurs (Ucbasaran et al., 2013). As developing countries have low economic freedom (Khyareh & Mazhari, 2016), the impact of fear will be more significant. In developed countries with high entrepreneurial opportunities, even entrepreneurs with loss aversion (Barberis & Huang, 2001) can make decisions amidst uncertainty. The number of startup activities depends on how well the country's economic policies are formulated and how many institutions are established (Sobel, 2015). External factors such as government support, venture capital during the growth phase, intensified competition among startups, vigor of the external environment, and science and technology regulations provide a better ecosystem for startups (Melegati et al., 2019). Developing countries like India are still facing challenges in implementing quality economic policies. India has twice the fiscal deficit compared to other emerging economies (Ahluwalia, 2019) and poor tolerance for startup failure (Jha, 2018). Market strategy, time of entry into the market, team, product-market fit, lack of innovation, and lack of market demand for the product are some reasons for mounting losses (CB Insights, 2021).

Various human and market factors play a role in entrepreneurs controlling losses. Human capital and entrepreneurial efficacy (Gieure et al., 2019) influence the decision-making capacity of entrepreneurs. Perceived severity (Kollmann et al., 2017) and uncertainty (McMullen & Sheppard, 2006) challenge the decision outcome. Amidst un-

certainty, entrepreneurs have to look for new market opportunities constantly. Founders' human capital helps identify increased market opportunities (Gruber et al., 2012). Entrepreneurial efficacy helps to cope with the threats from the volatile market or new competitors.

Entrepreneurs will implement the corresponding protection behavior when concerns about financial losses increase. In the case of preventing health problems, various health concerns make an individual implement healthy behaviors. In the case of environmental protection, the threat to the environment makes people implement planet-friendly steps. Finally, in the case of financial loss, the threat posed by uncertainty, market, and new competition makes entrepreneurs implement loss protection behavior.

PMT has been widely applied in privacy literature to explain how users protect their information to maintain their privacy (Tsai et al., 2016; Verkijika, 2018). In privacy literature, PMT suggests that the threat of information attacks raises the awareness of users' need for privacy control. The coping mechanisms enable the users to manage the threats so privacy will not be lost. In the entrepreneurship literature, PMT suggests that the threat (perceived severity of market, customers, or technologies) raises awareness. Coping (entrepreneurial efficacy) factor equips entrepreneurs with the necessary tackling mechanism to manage the threats. Even though entrepreneurs constantly face threats, the appropriate protection mechanism is implemented to control financial losses as and when danger is sensed. This is the premise of this study.

Uncertainty is entrepreneurs' incompetency in predicting accuracy (Milliken, 1987). Entrepreneurs do not attempt to predict what will happen in the face of uncertainty but rather control the unpredictable future through their actions and options (Saravathy, 2001). The structured actions and

strategic options should fit with the environment (Miller, 1988). Uncertainty creates hesitancy, indecisiveness, and procrastination, making entrepreneurs miss opportunities as they are unaware of how to appraise different outcomes (O'Brien et al., 2003). This leads to two scenarios: failing to act when action is required and acting when inaction is required (Shepherd, 2003). As the level of uncertainty concerning technology and consumers' demand changes, entrepreneurs resort to inaction (McKelvie et al., 2011), as each source of potential losses will be exaggerated (DellaVigna, 2009) in the nascent stage of business. Liao and Gartner (2006) found that uncertainty surrounding the market and state of finance impacts planning activities more directly than internal or operational issues. Firms survive in uncertainty because they are lucky, not because they are good (Barnett & Hansen, 1996). Uncertainty in organizations leads to political struggles (O'Reilly et al., 1989). Sandmo (1970) states that uncertainty leads to saving decisions because the situation cues increase security needs.

The accelerator program includes serial entrepreneurs and business developers' mentoring to stimulate startup welfare. The funding structure of these programs helps startups sustain themselves during the initial stages. Accelerators are ecosystem builders, matching startups with customers and building relationships with alums and investors (Pauwels et al., 2016). Interacting sessions for startups increase to a greater extent through the coaches' and organizers' meeting sessions (Bruneel et al., 2012) with the startups that are part of the accelerators. Peer learning and supporting each other while being part of an accelerator program paves the way for quick learning (Davidsson & Honig, 2003). Providing financial support alone is not enough, as it will not fully impact the growth potential of a startup without a well-connected network to increase critical corporate clients. Startups can be injected with cash, but it will not help them identify the right market or gain market recognition (Sutton, 2012). In this case, connecting the startups with the corporations' upper management by the accelerators' staff using their personal relationships could improve the outlook of the startup more than seed capital would. Frequent observations of customers' preferences and constant learning from customers help start-

ups deal with the fast-changing market and consumer behavior. Startup capabilities gained from entrepreneurial and managerial capital are essential ingredients for the growth process (Garnsey et al., 2006), as entrepreneurial capital leads to startups' success. Skills are imparted through advice and mentoring sessions (Bruneel et al., 2012) in a typical accelerator program, which increases the startups' contacts, and thus, the visibility of startups (Roberts et al., 2017). Accelerators enhance the startups' growth process and validation (Chevalier et al., 2004) by delivering lectures relevant to entrepreneurs' problems, increasing the knowledge base (Davidsson & Honig, 2003). Participation in the accelerator program increases revenue by 130% in the first three months (González-Urbe & Reyes, 2021). Thus, accelerator programs pave the way for entrepreneurs when their concerns about losses increase by equipping them with financial protective mechanisms.

Perceived severity is the identification of risks and prioritizing the topmost needs of the firms to minimize resource wastage so firms can extract maximum out of the opportunities (Hubbard, 2009). A strategy not too cautious or careless (Culp, 2011) is needed to minimize resource wastage. The severity of risk can not be eliminated but must be managed. Entrepreneurs with high perceived severity would avoid negative consequences and prefer safe tasks, and those with moderate perceived severity avoid risk moderately (McGregor & Elliot, 2005). Fear of failure arises when the surrounding operating environment is unfavorable (Li, 2011), increasing risk aversion (Wagner & Stenberg, 2004). Environmental threats are imposed upon the entrepreneurs outside of the venture and outside of the entrepreneurs' control (Cardon et al., 2011). Threats from market instability reduce entrepreneurs' willingness to engage in action (McKelvie et al., 2011).

Similarly, customer instability reduces value co-creation and causes loss in sales (Gomez et al., 2004). Perceived severity makes entrepreneurs aware of these pitfalls, increases awareness of market-oriented challenges, and eventually cautions entrepreneurs to avoid losses (Kollmann et al., 2017). Entrepreneurs can achieve their goals despite their perceived severity, protect themselves, and even enjoy excess returns (Cochrane, 2005) by

engaging in export-oriented activity when the domestic market is hostile (Zahra et al., 1997) and by employing alternate safe options. Loss from any one source can be cushioned by expanding economic activity. Perceived severity makes entrepreneurs recognize shifts in markets, customers, and technologies quickly.

Human capital, accumulated talent, knowledge gained through education, work experience, and prior experience founding a startup (Lucas, 1988) contribute to a startup's growth. The human capital theory postulates that productivity increases with higher human capital (Becker, 1964). High human capital attracts investors, thereby funding (Shetty & Sundaram, 2019), which is very important for startup growth. Growth demands increase coordination requirements associated with a changing business environment. The feeling of loss of control by the founders and reduced flexibility in startups challenge the decision-makers in the growth phase (Garnsey et al., 2006). Firm growth rates are random and unpredictable, which may increase the risk of failure (Coad, 2009). The management procedures required to foresee shortages need to be improved among startups, which often catches them unrehearsed (Garnsey, 1998). Growth at the right time is essential; if it happens

late, entrepreneurs risk environmental changes. However, the growth phase is fraught with serious setbacks that result from external change and anachronism, reduced flexibility, and feeling of loss of control (Garnsey et al., 2006), which increases tension among founders. Generally, a startup faces the same risk as a game of poker or a betting game (March & Shapira, 1987).

This study aims to analyze the factors that increase loss concerns among entrepreneurs and the underlying mechanism for loss protection. With the aim of testing the impact of these factors on loss protection behavior and based on the literature review, the following hypotheses are proposed (Figure 1):

- H1: *Uncertainty increases loss concerns.*
- H2: *Participating in an accelerator program mediates the relationship between loss concern and protection from losses.*
- H3: *Perceived severity increases the protection behavior of entrepreneurs in protecting from losses and failures.*
- H4: *Human capital increases loss concerns.*

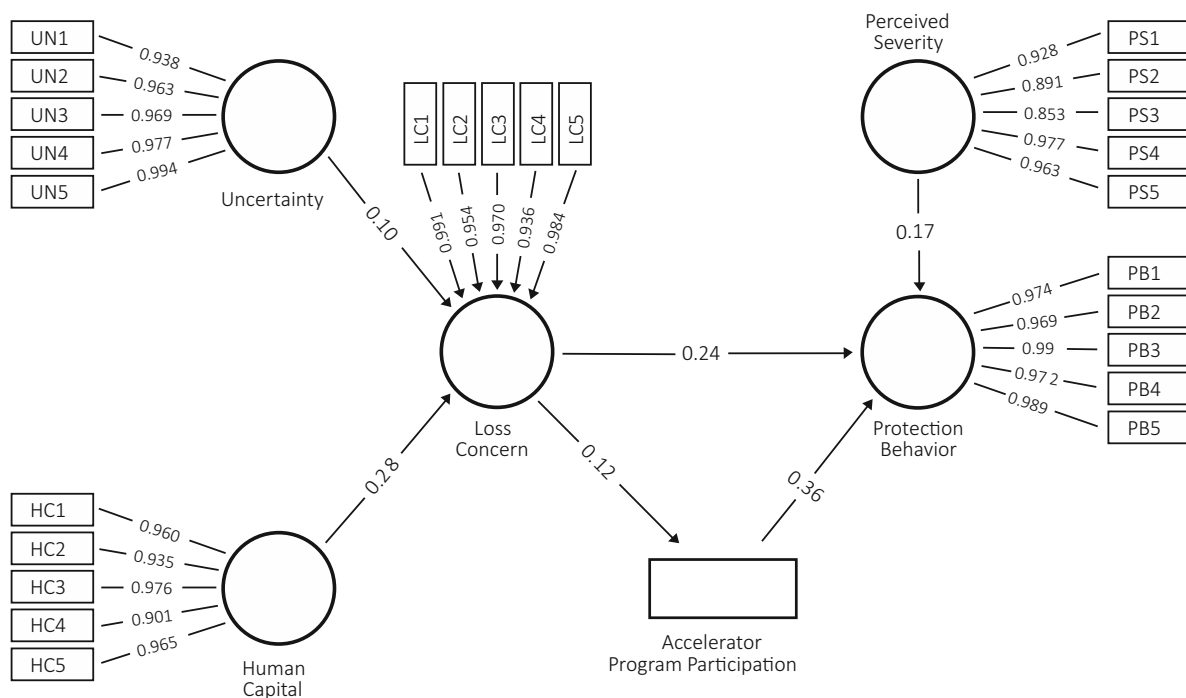


Figure 1. Hypothesized structural model

2. METHODOLOGY

2.1. Samples and data collection

Quantitative analysis is the most common method for survey-based research and gives accurate results (Queirós et al., 2017). Online questionnaire for surveys offers many advantages (Taherdoost, 2016). A structured questionnaire was sent to entrepreneurs belonging to all corners of India. These entrepreneurs' email addresses were registered with a Technology Business Incubator supported by the Government of India. A total of eight hundred and fourteen entrepreneurs were contacted, and 335 responded to the online questionnaires representing the sample population. Table 1 shows the demographic profile of participants in this study. Male participants occupy 65.6%, and female participants are 34%. The majority of the participants are from the 26 to 35 age group. Most participants have Bachelor's degree, followed by a Master's and then a doctorate degree.

Table 1. Sample characteristics

Characteristics	Sample	Frequency	% of population
Gender	Male	220	65.67
	Female	115	34.9
Age	18-25	48	14.3
	26-35	172	51.34
	36-45	47	14.02
	45-55	67	20.00
	55-60	1	2.00
Education	High school	0	0
	Bachelor	166	49.55
	Master	118	35.22
	Doctorate	51	15.22

2.2. Measures

Questions were adapted from previous studies, and some were borrowed. Protection behavior and loss concerns questions were constructed firsthand for this study. Scale development procedure (Boateng et al., 2018) was followed for new constructs. Forty entrepreneurs were interviewed to evaluate the scale items. The original scale had eight items. After multiple rounds of testing, three scale items were removed; hence, the final scale has five items. The adversarial sentence was added for the attention check, and thirteen samples that failed the attention check were removed.

Therefore, the total sample was three hundred and thirty-five. The survey questionnaire consisted of 33 items. A five-point Likert scale (from Strongly Agree (1) to Strongly Disagree (5)) was implemented for collecting responses. The questionnaire was pretested by ten entrepreneurs who checked content validity, criterion validity, and face validity. Entrepreneur-efficacy scale items were adapted from Chen et al. (1998), perceived severity from Podoyntsyna et al. (2012), uncertainty from Jiang and Tornikoski (2019), and human capital from Vidotto et al. (2017). Ethical principles related to data collection were followed to maintain participants' privacy in this study. Construct details and construct loadings are given in Appendix A.

2.3. Analysis

Empirical data were analyzed using Partial Least Square (PLS) analysis. Structural equation modeling (SEM) was used to assess structural and measurement models. Constructs validity and reliability were checked using various tests. Convergent and discriminant validity was checked using confirmatory factor analysis (Hair et al., 2016). Since PLS was used with SEM in a two-step analysis, the measurement model, followed by SEM, was analyzed.

The convergent validity test result is shown in Table 2. This test checks how close the items are within a construct. Cronbach's alpha value greater than .7 shows good reliability. As shown in Table 2, Cronbach's values are above .7, ranging from .86 to .92. Fornell and Larcker (1981) suggested a threshold for average variance extracted of .50. This analysis reported values ranging from .642 to .766.

In discriminant validity tests (Bagozzi et al., 1991), the distance between the constructs is measured; in other words, constructs should not be related or correlated to each other. As a result, AVE values surpass the threshold value of 0.5. Table 3 shows that each construct's discriminant validity condition is satisfied (Fornell & Larcker, 1981).

The condition to satisfy discriminant validity is that the values of correlation items in any construct should be less than the AVE (Hair et al., 2010). Discriminant validity testing is supported as per Table 3. Construct loadings are listed in Appendix A, Table A2.

Table 2. Convergent validity

Variables	Cronbach's Alpha	Rho_A	Composite reliability	AVE
Entrepreneur efficacy	0.923	0.927	0.942	0.766
Perceived severity	0.860	0.873	0.899	0.642
Human capital	0.863	0.877	0.902	0.649
Uncertainty	0.860	0.880	0.901	0.647
Loss concern	0.877	0.881	0.911	0.671
Protection behavior	0.891	0.908	0.920	0.698

Table 3. Discriminant validity

Variables	Loss concern	Protection behavior	Uncertainty	Perceived severity	Human capital	Entrepreneur efficacy
Loss concern	0.819	–	–	–	–	–
Protection behavior	0.384	0.836	–	–	–	–
Uncertainty	0.534	0.407	0.804	–	–	–
Perceived severity	0.742	0.453	0.466	0.801	–	–
Human capital	0.588	0.257	0.427	0.412	0.806	–
Entrepreneur efficacy	0.651	0.546	0.453	0.583	0.412	0.875

3. RESULTS

PLS-SEM analysis was performed to assess the proposed model. The path measurement model reveals that the R2 value for loss concern is 0.70, and protection behavior R2 is 0.42. The model shows that loss concerns variance is explained by 70%. Thus, the variables predict the model well. Protection behavior variance is explained by 42% of the variables. Figures A1 and A2 show the model values. The factor loadings are above the recommended threshold value of 0.5, ranging from 0.853 to 0.990 (Table A2). A collinearity test was performed to test if the method was biased. Variance inflation factor values are less than 0.3; hence, the model is considered free of method bias. Figure 2 shows the result of the structural model.

3.1. Assessment of model fit

Pretests are conducted to avoid measurement and sampling errors (Kumar, 2015). Model fit was tested using SRMR and NFI fit measures. The SRMR fit measure is the Standardized Root Mean Square Residuals (SRMR), and the NFI fit measure is the Normed Fit Index (NFI) method. The former is the index of the average of standardized residuals between hypothesized and observed correlations. The latter compares the Chi-Square value with a benchmark value. This study reported the SRMR value as 0.098 and the saturated model as 0.092. Henseler et al. (2014) suggest that values not greater than 0.8 are considered a good fit. The NFI value for this study reported a value of 0.805, which satisfies the threshold suggested by Ramayah et al. (2017).

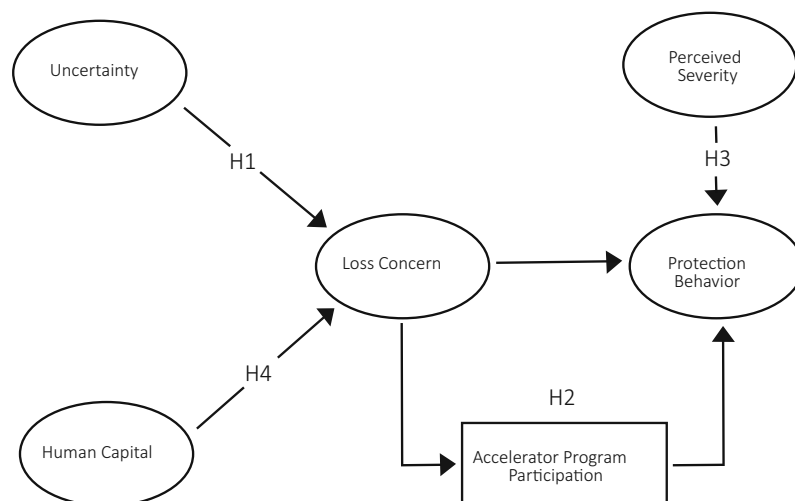


Figure 2. Structural model

Table 4. Hypotheses testing

Hypotheses	Path coefficient	Std. dev	t-statistics values	p-values
<i>H1</i> : Uncertainty increases loss concerns	0.103	0.054	2.021	0.03
<i>H2</i> : LC and PB are mediated by accelerator programs	0.361	0.052	2.144	< 0.001
<i>H3</i> : Perceived severity increases protection behavior	0.173	0.053	3.254	< 0.001
<i>H4</i> : Human capital increases loss concern	0.284	0.052	5.421	< 0.001

3.2. Testing the hypotheses and the mediating effect

The result shows that uncertainty is positively and significantly related to loss concerns, with path coefficient = 0.103, $t = 1.913$, and $p = 0.03$, indicating that *H1* is supported. Furthermore, the mediation effect from the accelerator between loss concerns and protection behavior is supported with the path coefficient = 0.361, $t = 2.144$, and $p < 0.001$, indicating that *H2* is supported.

The mediating effect of loss concern on protection behavior is transmitted through the accelerator. Since the direct relation between loss concern and protection behavior is positive and significant after introducing the accelerator as mediating variable, partial mediation relation is supported.

H3, suggesting the relationship between perceived severity and protection behavior, is supported by the path coefficient = 0.173, $t = 3.254$, and $p < 0.001$. Human capital increases loss concerns, supporting *H4* with the path coefficient = 0.284, $t = 5.421$, and $p < 0.001$. There are substantial variances between groups supporting all the proposed hypotheses.

4. DISCUSSION

Many factors increase the loss concerns of entrepreneurs. Contextualizing PMT with the loss concerns and protection behavior to prevent losses (Gaskill et al., 1993), this study analyzed the impact of human capital, uncertainty in an entrepreneurial environment, perceived severity, and self-efficacy on loss concerns and protection behavior. All hypotheses in this study are supported.

An interesting finding in this study is that human capital does not influence protection behavior though it increases loss concerns. This contradicts the previous findings that showed human capital leading to the survival of startups (Gimmon

& Levie, 2010; Huggins et al., 2017). Of the three necessary human capital variables (industry experience, education, and prior startup experience), industry experience increased survival (Delmar & Shane, 2006). The study did not differentiate education and experience. The source of funding also plays a role in survival. Keogh and Johnson (2021) reported that industry experience contributed to survival and success when the funding was from angel investing but worked against survival when funding was from a venture capitalist.

The finding of *H1*, uncertainty increases loss concerns, matches with prior studies focusing on making decisions in an ill-structured environment. Reasoned action in an ill-structured environment (Packard et al., 2017), financing in uncertain circumstances (de Bettignies & Brander, 2007), innovation quality (Dougherty & Heller, 1994), and time to enter the market (Lévesque & Shepherd, 2004) increase loss concerns. There is a positive relationship between uncertainty and protection behavior because the well-planned financial structure focuses on high profit (Stone, 2003) and prevents loss.

There are many mechanisms to avoid losses. This study showed accelerator participation as an underlying mechanism for preventing losses. Past studies showed that entrepreneurs participating in accelerator programs are from an elite set of universities, receive their first round of funding sooner, and are likely to be acquired sooner (Winston-Smith & Hannigan, 2013). In addition, accelerators typically run a short-duration cohort-based program that increases startup survival (Chatterji et al., 2019). *H2* showed that one of the reasons for this survival could be the various loss protection strategies learned by entrepreneurs from attending accelerator programs.

The finding on *H3*, the positive relationship between perceived severity and protection behavior, matches with a recent study conducted on organizations' protection behavior (Sundaram & Shetty, 2022) and online protection behavior (Boerman et

al., 2021). Perceived severity (Jenkins et al., 2014) of a new market, customer preference, and new competitors increase the loss concerns. Survivability and financial risks (Gaskill et al., 1993) make entrepreneurs take proactive measures to guard against potential pitfalls. Finally, *H4* finding matches prior findings in loss concerns and financial soundness (Abdel Fattah et al., 2020) and in predicting financial risks (Wellalage & Locke, 2012).

Future research should differentiate industry experience into education, work experience,

and prior startup experience so that influence of each experience can be thoroughly understood. The stage of the startups participating in the accelerator programs should be included in future studies to observe the interaction effects of revenue and funding amount on the loss protection mechanisms. Entrepreneurs' awareness of changes in customer preferences, technologies, and new competitors should be included in the studies that will be conducted to measure the impact of each of these factors on protection behavior.

CONCLUSION

This study aimed to analyze the factors that increase loss concerns among entrepreneurs and the underlying mechanism for loss protection. Findings suggest accelerators mediate between financial loss concerns and loss protection behavior. Uncertainty and human capital increase the financial loss concerns. Perceived severity increases loss protection behavior. The structured cohort-based accelerator programs are effective in imparting financial loss sensing abilities and the corresponding loss protection behavior. The reason accelerators are impactful is that the awareness of entrepreneurs increases multifold through the connections they make with knowledgeable and influential individuals that accelerator programs introduce them to in addition to the intense knowledge lectures. Human capital accumulated through education and experience increases the financial loss concerns because entrepreneurs are already aware of the pitfalls in the nascent stage of startups. However, this awareness alone is insufficient to convert into loss-protective measures to prevent losses.

The theoretical implication of this study is that the protection motivation theory applied in the entrepreneurship context is very scarce. This study addresses this lacuna by selecting the relevant factors and their impact on protection from losses. A practical implication is that accelerators shall have specific courses on increasing entrepreneurs' forecast ability, which will make entrepreneurs manage their resources effectively while constantly looking for ways to increase sales. The curriculum followed in the accelerators can be deployed in the startup incubators and other entrepreneur mentors. Human capital and self-efficacy are essential indicators in predicting losses. Entrepreneurs may choose founders having high human capital and self-efficacy. Founder teams may be formed with the skill sets such as the ability to meet sales goals, innovate new products and services, make decisions under uncertainty, and perform financial analysis to conquer financial losses effectively.

AUTHOR CONTRIBUTIONS

Conceptualization: Ranjany Sundaram, Snehal Shetty.

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Investigation: Snehal Shetty, Prashobhan Palakkeel.

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ACKNOWLEDGMENT

The authors appreciate the assistance provided by Arun Thottath in reaching out to survey participants.

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APPENDIX A

Table A1. Construct details

Construct	Abbreviated code	Survey questions	Source
Loss control (LC)	LC1	I am concerned about maintaining the repeat order to an optimum level	Authors' elaboration
	LC2	I am concerned about maintaining revenue at an optimum level	
	LC3	I am concerned about acquiring new customers	
	LC4	I am concerned about raising new funding	
	LC5	I am concerned about controlling the expenses	
Protection Behavior (PB)	PB1	I implement a customer loyalty program	Authors' elaboration
	PB2	I constantly review pricing strategies to boost marketing and sales efforts	
	PB3	I focus on lead-generating marketing methods	
	PB4	I am constantly looking for ways to be connected to investors	
	PB5	I make sure the budget has enough room for unexpected expenses and eliminate unnecessary purchases	
Entrepreneur efficacy (EE)	EE1	I can set and meet sales goals	Chen et al. (1998)
	EE2	I can innovate and bring new products and services	
	EE3	I can strategically plan for the future	
	EE4	I can make decisions under uncertainty and risk	
	EE5	I can perform financial analysis	
Perceived severity (PS)	PS1	I am afraid of threats from new competitors	Podoyntsyna et al. (2012)
	PS2	I am afraid of threats from volatile markets	
	PS3	I am afraid of threats from new technologies	
	PS4	I am afraid of changes in customer preferences	
	PS5	I am afraid of startup failure	
Uncertainty (UN)	UN1	Customers do not understand what we are doing	Jiang and Tornikoski (2019)
	UN2	Investors do not understand what we are doing	
	UN3	Customers would react negatively to our new concepts	
	UN4	I have no idea how to apply strategy to this company	
	UN5	An unexpected event can change the future	
Human capital (HC)	HC1	I am Talented	Vidotto et al. (2017)
	HC2	I am educated at a Premier Education Institute	
	HC3	I have good industry experience	
	HC4	I have prior startup experience and knowledge	
	HC5	I am very competent	

Table A2. Construct loadings

Variable	Mean	Std. dev	Loading values	VIF
PB1	3.2507	1.2513	0.974	2.544
PB2	3.0179	1.1861	0.969	1.864
PB3	3.1612	1.3033	0.99	2.355
PB4	3.0627	1.3709	0.972	2.112
PB5	3.2209	1.2449	0.989	3.165
EE1	3.594	1.2559	0.921	2.543
EE2	3.6358	1.1341	0.918	2.189
EE3	3.7493	1.2843	0.985	3.862
EE4	3.6985	1.138	0.980	3.095
EE5	3.5284	1.2567	0.969	3.734
PV1	3.6537	1.2451	0.928	2.604
PV2	3.8657	1.2936	0.891	2.328
PV3	3.3313	1.1349	0.853	2.062
PV4	3.3582	1.2609	0.977	2.047
PV5	3.3015	1.4441	0.963	1.703
LC1	4.0806	1.0594	0.991	2.589
LC2	3.9343	1.2675	0.954	2.248
LC3	3.7851	1.1919	0.970	1.750
LC4	3.7881	1.338	0.936	1.734
LC5	3.9075	1.0297	0.984	2.679
HC1	3.3821	1.2938	0.960	1.896
HC2	3.5582	1.332	0.935	1.664
HC3	3.5373	1.344	0.976	2.399
HC4	3.4000	1.421	0.901	1.760
HC5	3.5254	1.3465	0.965	2.881
UN1	3.1224	1.5515	0.938	1.410
UN2	3.4209	1.2664	0.963	1.735
UN3	3.3463	1.2523	0.969	2.302
UN4	3.4776	1.1341	0.977	2.603
UN5	3.5403	1.2939	0.994	2.552

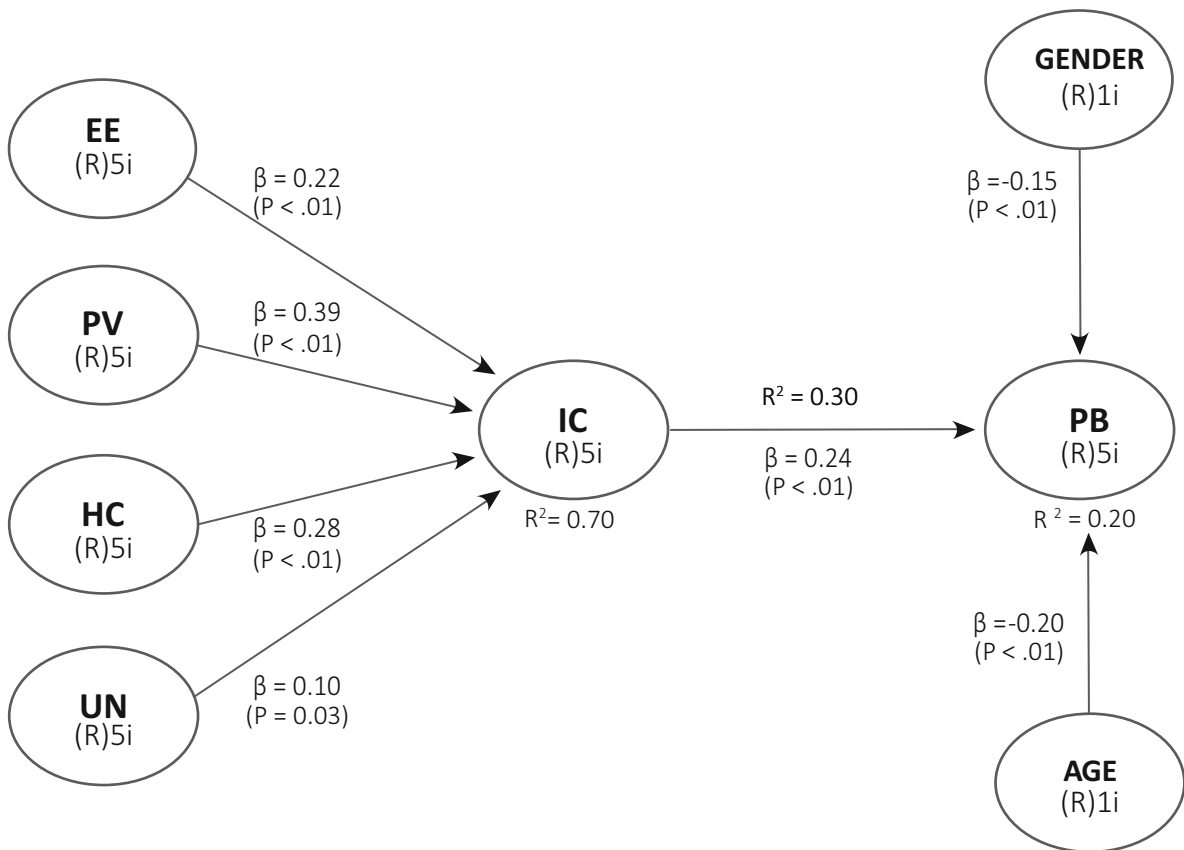


Figure A1. Variables' effect on loss concerns

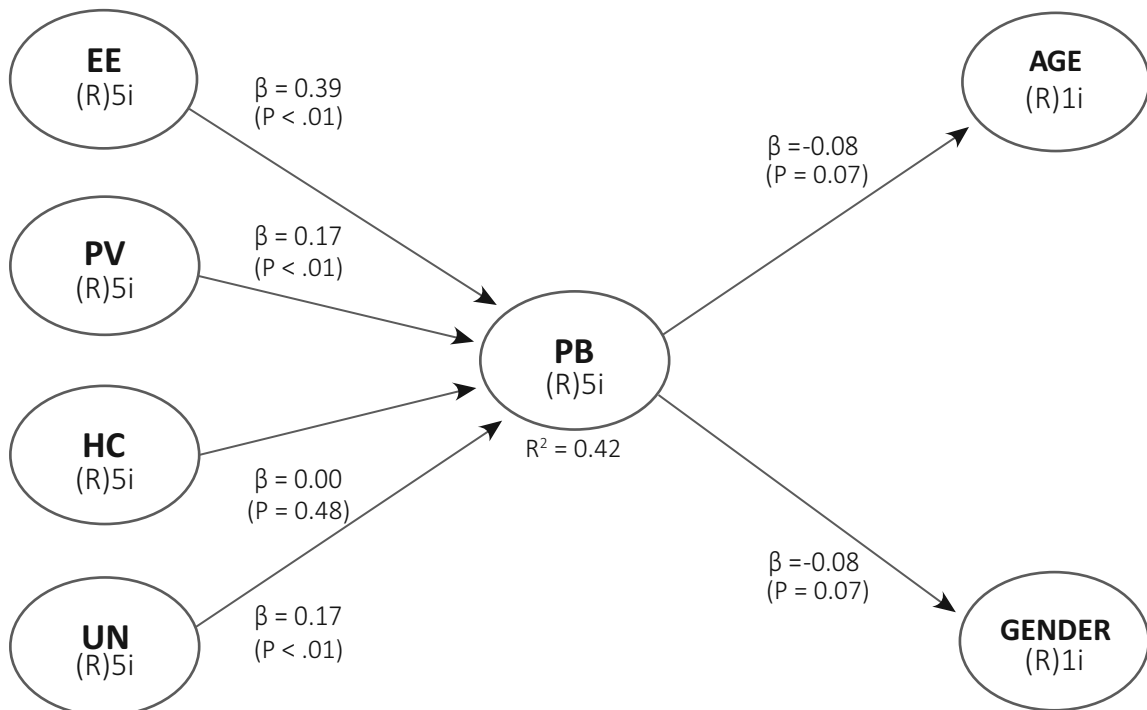


Figure A2. Variables' effect on protection behavior