

Unicorn Companies: Some regions are better than others at creating privately held start-ups worth \$1bn

<https://marketpublishers.com/r/U33981A0ABEEN.html>

Date: June 2019

Pages: 36

Price: US\$ 1,495.00 (Single User License)

ID: U33981A0ABEEN

Abstracts

Unicorn Companies: Some regions are better than others at creating privately held start-ups worth \$1bn

SUMMARY

Unicorns are start-up companies, typically in the tech and finance space that have reached the advantageous position of over a \$1bn market capitalization and remain in privately owned hands. These are effectively the cream of the crop of start-up opportunities and many have been serious disruptors in their traditional industries, rising rapidly to become very large businesses in what is often a short period of time.

Unicorns get a great deal of publicity not least because of their size, but also many are often preparing for stock market listing and trying to display the superiority of their technology or business model. Not all regions are adept at producing unicorns however and despite their relative rareness globally (estimated around 360 companies worldwide) some regions are particularly good at producing them. The US and China have managed to find methods to fund and support significant numbers of these companies, whereby comparison Europe is much weaker at producing them. Other regions are starting to emerge as new tech hubs and we might see a new epicenter of these massive private companies emerging in regions such as Africa. There are however questions over whether unicorns are desirable for a country to have though, because they undoubtedly absorb a vast amount of investment capital that could be better used funding large numbers of smaller businesses.

KEY HIGHLIGHTS

Silicon Valley in California, United States has long been the home of tech startups, with the country as a whole producing some of the biggest names in the environment in a range of segments such as e-commerce and on-demand. The historically large appetite of venture capitalists, as well as being the renowned 'go to' place for entrepreneurs seeking to make their fortunes in tech, has made the US the perfect location for unicorns to flourish. Furthermore, the US has large numbers of top level financial investors that can provide finance for the later ramped up funding rounds necessary to get start-up ideas off the ground and continue their momentum. In 2018 for instance, 35 companies reached unicorn status in the US alone, which is only around half the all-time total for Europe. The general business environment in the US has allowed ambitious emerging start-ups to be less risk averse, given them a broader range of funding options and faced regulatory environments which are less daunting.

China has trailed the US in terms of the number of unicorns for some years however, favorable economic conditions and continuous investment in innovation and technology, particularly in Shenzhen, has resulted in China producing large amounts of unicorns. China has started producing more unicorns than The US and could become the global hot spot for businesses to achieve \$1bn valuations in the near future. The rise of the mobile Internet has transformed China's huge consumer market allowing internet giants to emerge such as Tencent, Alibaba, Baidu and JD.com. These so called super unicorns have been instrumental in financing new business and driving innovation in throughout the country. As a result the number of unicorns in the Asia-Pacific has grown at an unprecedented rate. Many leading Chinese companies have adopted aggressive investment strategies particularly in the technology sector; as a result, start-ups are able to acquire adequate capital support, enabling them to reach unicorn status. Technology driven companies have been the most successful in securing large investments and account for a high percentage of APEC unicorns. Financial technology, Artificial intelligence and e-commerce businesses are some of the markets producing the greatest number start-ups valued over \$1bn.

The number of unicorn companies in Africa is tiny compared to most of the world, but there are signs the number should grow over the coming years. Yet there is a gathering argument in favor of Africa ignoring developing unicorns and instead concentrating resources at a much smaller level. Despite this view, more venture capital funds are ploughing more money into the continent as interest

risers around the world in tapping opportunities on offer. More venture capital funding will improve the chances of more unicorns coming out of the world's poorest continent. The startup ecosystem is improving swiftly, but long-term progress still depends on significant improvements in the fundamentals of managing a national economy from governments spread throughout the region.

SCOPE

Examine the nature of unicorns and their essential business needs

Learn how well they are developing worldwide

See which regions are able to produce large numbers of unicorn businesses and why

Understand what the future for start-up tech firms looks like and whether the outlook is positive

REASONS TO BUY

What regions have a better environment for unicorn development, China, the US, Europe or Africa?

What is helping or hindering the emergence of these companies worldwide?

How many unicorns are expected to go public in 2019?

Which Unicorns have the most promising outlooks?

How big are the seed funds that Unicorns are so reliant on?

Contents

1. OVERVIEW

1.1. Executive Summary

- 1.1.1. The US continues to lead in share of unicorns
- 1.1.2. China is fast becoming a global unicorn hotspot
- 1.1.3. African unicorns are emerging slowly but much development is needed to create more
- 1.1.4. UK is gaining but remains far behind United States

2. THE US CONTINUES TO LEAD IN SHARE OF UNICORNS

- 2.1. Current trends in the US environment is very beneficial
- 2.2. Willingness to take risks has driven proliferation of unicorns in the US
 - 2.2.1. Seed stage funding is on the decline
- 2.3. Silicon Valley stands out, but other states are catching up
- 2.4. Going public can bring challenges
- 2.5. Business friendly environment fosters unicorns
- 2.6. Rise of the decacorn

3. CHINA IS FAST BECOMING A GLOBAL UNICORN HOTSPOT

- 3.1. The Chinese government has encouraged start-up investment
- 3.2. The US invest heavily in Chinese start-ups
- 4.1. China's venture Capital market close to overtaking the US
 - 4.1.1. SoftBank Group's Vision Fund fuels Chinese start-ups
- 4.1. BAT lead unicorn investment
- 4.2. Shenzhen branded the 'Chinese Silicon Valley'
 - 5.1.1. Chinas Greater Bay Area aims to drive future unicorn growth
- 5.2. Regulations and trade tensions slow start-up investment

6. AFRICAN UNICORNS ARE EMERGING SLOWLY BUT MUCH DEVELOPMENT IS NEEDED TO CREATE MORE

- 6.1. Reasons for lack of African unicorns are predicated on fundamental economic issues
 - 6.1.1. Despite talk of which company will be the next African unicorn, the argument that attention should be elsewhere is gathering strength

6.2. Startup scenes in Africa are growing and attracting venture capital investment, helping companies to grow

6.3. Venture capital funding in Africa is increasing, helping the creation of unicorns

6.3.1. Number of potential unicorns is increasing but assessing chances of success is very difficult

7. UK IS GAINING BUT REMAINS FAR BEHIND UNITED STATES

7.1. Risk averse culture in United Kingdom has hindered growth of unicorns to the benefit of the United States

7.2. United Kingdom is developing unicorns at a quicker rate than the rest of Europe

7.2.1. Need to produce a 'Titan' is more pressing now unicorn numbers are rising

7.2.2. Interpretation of unicorns means headline numbers are not quite as good as claimed

7.3. Venture capital funds are becoming more enthusiastic

7.3.1. Access to funds for startups is getting better, helping to close gap to United States

8. POINTS OF INTEREST

9. APPENDIX

9.1. Sources

9.2. Further reading

10. ASK THE ANALYST

11. ABOUT MARKETLINE

List Of Tables

LIST OF TABLES

Table 1: Highest valued unicorns globally

List Of Figures

LIST OF FIGURES

Figure 1: Top 5 metro's by share of US total (2016-2017)

Figure 1: Lyft annual revenue and earnings (million \$)

Figure 1: Uber co-founder Garret Camp is a Canadian immigrant

Figure 1: Total US unicorns as of end of Q4

Figure 2: Top BAT-backed unicorns in 2018 by post-valuation (\$B)

Figure 1: World Bank, Ease of doing business index position of top 10 African nations

Figure 1: President of Nigeria, Muhammadu Buhari

Figure 1: Q1 2018 source of startup funding in Nigeria

Figure 1: Percentage of venture capital funds locally run and headquartered in Africa

Figure 1: Top five leading US unicorns by value (\$bn)

Figure 1: boohoo share price history

Figure 1: Top five leading UK unicorns by value (\$bn)

I would like to order

Product name: Unicorn Companies: Some regions are better than others at creating privately held start-ups worth \$1bn

Product link: <https://marketpublishers.com/r/U33981A0ABEEN.html>

Price: US\$ 1,495.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/U33981A0ABEEN.html>