

**INVESTORS AWARENESS AND PERCEPTION TOWARDS
CROWDFUNDING - AN ANALYTICAL STUDY**

PROJECT REPORT

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In partial fulfillment of the requirements for the award of the degree of

MASTER OF COMMERCE

Submitted by

ASHLIN VARGHESE

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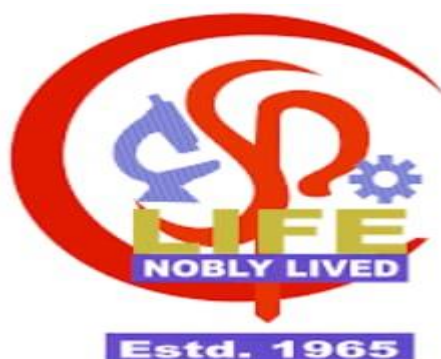
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ST. PAUL'S COLLEGE, KALAMASSERY

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DECLARATION

I **ASHLIN VARGHESE**, M.com final year student of Department of Commerce, **St. Paul's College, Kalamassery** hereby declares that this dissertation submitted for the award of Master's Degree in Commerce done under the supervision of **Dr. Asha E. Thomas** .Certified further that to the best of my knowledge the work reported here, does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on earlier occasion on this or any other candidate by any other university or academic body.

ASHLIN VARGHESE

Place:

Date

Bonafide Certificate



This is to certify that the dissertation entitled “INVESTORS AWARENESS AND PERCEPTION TOWARDS CROWDFUNDING – AN ANALYTICAL STUDY” is a record of original work done by Miss. **ASHLIN VARGHESE**(Reg. no: 180011024105) in partial fulfillment of the required for the degree in Master of Commerce under the guidance of Dr. ASHA , Assistant Professor, Department of Commerce.

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CHAPTER I

INTRODUCTION

I.1 INTRODUCTION

An investor is a person that allocates capital with the expectation of future financial return. He is a person who buys securities with the intention to earn income. Investors generally retain their security for a longer period and earn income. They are much interested in the safety of their investment and regularity of income.

There are different avenues and alternatives of investments in which one can invest his money. They include shares, debentures, bonds, money market instruments, mutual funds, life insurance, real estates etc. All are differentiated based on their different features in terms of risk, return, term etc. Besides above, in the modern era there arise many innovative investment avenues for the investors such as public provident fund, initial public offerings, crowdfunding etc.

Crowdfunding is an emerging and innovative online platform that provide small businesses and start-ups with opportunities to increase their social media presence, investment base and funding prospects. It is the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via internet.

Crowdfunding is a new and rapidly growing form of financial intermediation that channels funds from investors to borrowers without involving traditional financial organizations such as banks. Typically, it involves internet - based platforms that link 'savers' directly with 'borrowers'. There are various forms of crowdfunding, some of which have non- financial return (e.g. donation-based crowdfunding), while others have (or are expected to have) financial return.

The benefits of crowdfunding include innovation and flexibility, increased engagement between savers and borrowers, potentially lower transaction costs(and consequently higher net returns for savers or lower costs to borrowers), better (or at least additional) access to credit for small and medium- sized enterprises (SMEs), and additional competition for the traditional channels of financial intermediation.

However, a new form of financial intermediation such as crowdfunding inevitably also presents risks and challenges. From the perspective of the investor- the principal issues are the level of risk associated with the investments and the stability/security of the crowdfunding platform. More generally, awareness of crowdfunding as a form of investment may still be quite limited. It is therefore likely that user awareness and understanding of these risks is limited, which represents an important challenge for the successful development of crowdfunding into a major channel of financial intermediation. In recent year, the phenomenon of crowdfunding has steadily gained attention and the amount invested through such initiatives has risen sharply. Favoured especially by individuals, small companies and start-ups for raising capital, this relatively new funding option has proven incredibly effective in many cases.

But still there exist lack of understanding among the general public and investors about this new investment avenue. So this research is conducted to understand the awareness and attitude of individual investors towards crowdfunding as an investment option..

1.2 Statement of the problem:

The particular topic is mainly selected to analyse investors awareness and attitude towards crowdfunding - with reference to Ernakulam city based investors. This analysis was carried out to give more awareness and broader view to the investors about crowdfunding opportunities. Their attitude towards investments are guided by so many external and internal factors. Once they decide to invest, the major problem starts with lack of security for their investments and lack of understanding about various investment avenues.

The market has a heavy inflow of newer ideas, path breaking innovations and exceptional business models, brought by the young entrepreneurs. One of the biggest challenges that these entrepreneurs face is the dearth of enough funding and capital to kick- start the projects. The conventional means of generating capital through bank loans, venture capitalist and so on have been proven to be detrimental to these smaller, newly developing and thriving businesses. Here, the concept of crowdfunding caters to such

businesses and catalyses the fundraising process from the public through an online platform without any practical difficulties. Thus , it makes it important to study the trends and further advancements that could be made regarding crowdfunding, to make it more accessible amongst entrepreneurs in Ernakulam to create an awareness regarding the same. So, in the present study an attempt has been made to know, how far investors are aware of the term crowdfunding and their attitude towards it.

1.3 Significance of the study

Crowdfunding is a mainstream idea that developed in US and UK. It has emerged as a source for raising capital through web based life systems – facebook, linkedIn, twitter and some devoted sites. The cutting edge business and condition considers crowdfunding as a method for interfacing financial specialists with new businesses and undertakings, utilizing as online exchange entryway that takes out all the conceivable hindrances to passage.

India undeniably is developing as the most encouraging economy on the planet. It would not be right to state that the intensity of capital arrangement fundamental for crowdfunding lies in the hands of this quickly expanding working class Indians. Presently , equity crowdfunding is a popular model in india. At present Ketto, Wishberry FuelADream, Catapoolt, and Crowdera are a portion of the prominent crowdfunding stages in india. In the coming years, many such stage will exist together in the virtual world. Because of absence of administrative issues, a large part of the ongoing Indian crowdfunding stages are still in the prizes and gift stage.

Crowdfunding is a great alternative way to fund a venture, and it can be done without giving up equity or accumulating debt. Rewards-based crowdfunding platforms allow entrepreneurs to raise funds from the community in exchange for simply giving their tangible products or other relative gifts. Unconditional capital from crowdfunded source could serve as a vital source of money for them to learn and experiment with new opportunities for impact. Crowdfunding from hundreds of individuals also pushes non profits to improve their storytelling around their impact to engage this retail donor base.

1.4 Objectives

1. To study the awareness of individual investors towards crowdfunding as a source of investment.
2. To analyse the factors that influence investors behavior towards crowdfunding.
3. To study how much the investors are willing to invest in crowdfunding.
4. To study the impact of awareness on perception of investors towards crowdfunding

1.5 Alternative Hypothesis:

H1: Attitude towards crowdfunding investment varies with gender.

H2: Attitude towards crowdfunding investment varies with occupation.

H3: Attitude towards crowdfunding investment varies with educational qualification.

1.6 Operational definitions

1.6.1 Crowdfunding : crowdfunding is the practice of funding a project or a venture by raising money from a large number of people, especially via the internet. These people are called investors, and they can contribute any small amount of money depending on their capabilities. It targets individual donors.

1.6.2 Fundraising: fundraising is seeking financial support for a cause or a charity. It reaches more audience because someone who starts a fundraiser campaign has a lot of followers/support and the supporters persuade their network to garner more reach.

1.6.3 Individual investor: A retail or individual investor is someone who invests in securities and assets on their own, usually in smaller quantities. Many individual investors make trades based on their emotions. They let fear and greed dictate the stocks they buy. It is not the most optimal way to trade as stock markets are incredibly volatile, and it is often hard to predict the direction in which the stock will move.

1.7 Research methodology

1.7.1 Research design

For this study the design used was descriptive. This research was focused on typically structured investigation questions.

1.7.2 Source of data

The data collected for the study was done both by primary and secondary methods of data collection. Primary data for the study was collected through structured questionnaire using both in Physical and Google forms. Secondary data was collected by means of books, internet, online resources.

1.7.3 Tools of data collection

Structured questionnaire was used both in paper and Google forms were used for data collection.

1.7.4 Tools for analysis

Statistical tools like Percentage method, Simple arithmetic mean, Correlation and Chi-square test were used for data analysis.

1.7.5 Sample size

Were data was collected from 112 respondents including both male and female categories.

1.7.6 Sampling technique

The technique used for the study was convenience sampling. Convenience sampling is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in the study.

1.8 Scope of the study:

Crowdfunding is an exciting new opportunity that allows non-profits and entrepreneurs to raise funds for their projects whilst also allowing them to broaden their captive audience and engagers. Crowdfunding has taken the entire economic world by storm and india is no exception.

The study on investors awareness and perception towards crowdfunding was a depth survey done through questionnaire and secondary data. The scope of the study was confined to Ernakulam district. The study considers only individual investors.

1.9 Limitations

1. The area of the study was limited to Ernakulam city . Hence the results may not be true for other geographical locations.
2. Validity and reliability of the data depends on the truthfulness of the responses from the investors.
3. A structured questionnaire was the basis for collecting data, so it has the usual deficiency attached to this technique of data collection.
4. The data was collected from individual investors only.

CHAPTERISATION

CHAPTER 1 – INTRODUCTION

CHAPTER 2 – REVIEW OF LITERATURE

CHAPTER 3 – THEORETICAL FRAMEWORK

CHAPTER 4 – DATA ANALYSIS AND INTERPRETATION

CHAPTER 5 – FINDINGS, CONCLUSION AND IMPLICATIONS

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CHAPTER II
REVIEW OF LITERATURE

REVIEW OF LITERATURE

Many studies in the literature have analyzed crowdfunding as an alternative source of finance for different types of projects. The published work relating to the topic is reviewed by the researcher. The relevant literature is reviewed on the basis of Books, Articles, Thesis and Websites. The detailed review is given below:

Petteri Jalouen (2013): In his article “Investors Behavior in Crowdfunding” deals with the matter that although crowdfunding can be an excellent way to raise capital quickly and internationally, the lack of understanding how investors choose which projects to invest in makes using it highly risky and complicated. According to him, if the process was understood better, it could facilitate easing of the legislation and thus make crowdfunding easier and more accessible in many countries both to investors and organizations seeking funds.

Sebastian Dehling (2013): In his article titled “Crowdfunding –A Multifaceted Phenomenon” published in the University of Twente, The Netherlands in 2013, aimed to spread light on the diverse nature of crowdfunding to get the better understanding of its complexity and the practical implication of the phenomenon. It analyzed its two mechanisms reward-based crowdfunding and equity-based crowdfunding under the economic lens of price discrimination.

Alexandra Moritz and Jorn H. Block (2014): Have conducted a study on crowdfunding in which they proclaimed that a comprehensive overview of the economic literature on crowdfunding does not exist. They provided an overview of the crowdfunding literature,

classified by the main actors (capital seekers, capital providers, and intermediaries), and presented important research questions for future research.

Assadi and Djamchid (2015): In their book “Strategic Approaches to Successful Crowdfunding”, published in 02-Dec-2015, brings together a collection of research-based chapters relating to the use of the social web to raise funds and provide financial support for start-up companies, individual pursuits, philanthropic endeavors. Focusing on topics relating to e-commerce, capital investment, peer-to-peer lending, digital philanthropy, and virtual communities.

David M. Freedman and Matthew R. Nutting (2015): In their book “Equity Crowdfunding for Investors: A Guide to Risk, Returns, Regulations, Funding Portals, Due Diligence, and Deal Terms” published in May 2015, provides the guidance individual need to invest wisely, tempering the innovative business models, and exciting new brands with thorough, practical know-how –including investor requirements and limits. It shows readers how to take full advantage of crowdfunding, without being taken advantage of themselves.

Jerome Meric, Isabelle Maque and Julienne Brabet (2016): In their book titled “International Perspectives on Crowdfunding: Positive, Normative and Critical Theory” published in 29-Apr-2016, gather the research outcomes on the social and managerial impact of crowdfunding. In which the positive theory is used to understand how projects are organized, how they may succeed or fail, consideration of government to crowdfunding and how they regulate it. Normative theory provides recipes and advises to develop projects whereas critical theory considers the economic and social impact of crowdfunding.

Matrix Thompson and SarikaKhambaita (2016): Has conducted a study on the topic “Crowdfunding is The Greatest Con in The History of The Human Race Or The Greatest Opportunity” which introduced a new form of crowdfunding called “Social Reward – based” crowdfunding or ‘Affiliate-Based” crowdfunding. It highlighted the growing disparity and unequal division of crowdfunding and the persuasion of donors to support projects.

Richard T. Harrison (2016): In his book “Crowdfunding and Entrepreneurial Finance” published in 02-Oct-2017, shows the entrepreneurial finance research to the study of this new practice (crowdfunding). From this book, it is clear that the space of crowdfunding is still evolving and institutional forms are still developing whereas new institutional co-operations are emerging and there is an encountering of new challenges.

Annie Stephen and Anita Arul (2017): In their article titled “Prospects of funding Education: A Conceptual Framework” published in 05-May-2017, made a study on the challenges facing crowdfunding and measuring the level of awareness regarding this new source finance (crowdfunding) among the public for the educational advancement.

Benna, Umar G. and Abubakar U. (2018): In their book titled “Crowdfunding and Sustainable Urban Development in Emerging Economies” conducted a research on the current issues relating to the rise of new platforms for crowdsourcing, crowdfunding and other digital activities which polishing the developing countries. It also highlighted the topics, such as tertiary educational institutions, infrastructure finance and urban sustainability.

An article on “Crowdfunding from an Investor’s Perspective” by **Oxera*** aims to examine the level of existing awareness among the general population of potential users

of crowdfunding as a form of seeking a financial return and among those who are aware of crowdfunding the level of awareness of the risk associated with. (*citation – www.oxera.com).

Reference :

1. Patteri Jalouen (2013) : “Investors behavior in Crowdfunding”
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7. Matrix Thompson and Sarikakambaita (2016): “ Crowdfunding is The Greatest Con in The History of The Human Race or The Greatest Opportunity”
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CHAPTER III
THEORETICAL FRAMEWORK

THEORETICAL FRAME WORK

3.1 INTRODUCTION

Crowd funding is a new alternative used for raising funds in recent years. It enables new entrepreneurs to raise funds from crowd on internet. Crowd funding brings together different individuals who commit money to projects and companies they want to support. The crowd funding shows a growing trend and also provided with success stories. Recently, India witnessed its first ever live crowd funding event in Kolkata. Crowd funding is a fast growing process, with right set of rules. Crowd funding is a disruptive and decisive force to the real estate industry. It has rectified some of the major shortcomings of other traditional alternatives. As crowd funding is an out and out online process, all the investors around the globe can participate in it irrespective of geographical barriers and optimize their investments through varied options.

3.2 CROWDFUNDING – MEANING AND DEFINITION

Crowd funding is the process of funding a project by gathering small contribution from a large number of people spreading all over the world rather than seeking substantial sum from few investors. The funding campaigns and transactions are generally conducted through concerned crowd funding sites. In simple words, it is the process of asking general public for funds that provides startup capital for new projects. It enables entrepreneurs and small business owners to bypass venture capitalist and angel investors entirely and instead pitch ideas straight to everyday internet users, who provide financial backing.

Crowd funding can be defines as “the practice of obtaining needed funding (as for a new business) by soliciting contributions from a large number of people especially from the online community.”

“According to SEBI crowd funding is the “solicitation of funds (small amount) from multiple investors through a web based platform or social networking site for a specific project, business venture or social cause.”

“The act of fund raising by using the internet or a similar network to solicit funds from a large pool of potential donors.”- Encyclopedia

Unlike funds from venture capitalists or angel investors, the money raised through crowdfunding doesn't necessarily buy the lender a share, and there is no guarantee that it will be repaid if the venture is successful. Instead individuals are asked to make micro investments or donations to causes and ventures they believe in, thus allowing the work to be completed. It is also called crowd source capital. Crowd funded projects usually take the form of social improvement projects or not-for-profit activities, but some crowd funding sites are building a framework, where crowd funding for – profit ventures can come with an equity stake with potential payoff if the business succeeds.

3.3 HISTORY OF CROWDFUNDING

The term crowd funding gained popularity in recent years, but this fund raising platform has been in existence since 1700s. the 18th century poet Alexander pope wanted to fund his work of translating Greek poetry into English and he asked people for help in return of being acknowledge in his book. In late 1700s, the famous composer Mozart offered invitations and manuscripts to people who donated for funding his concert. In 1884, the New York world newspaper raised \$101,091 in funds from 160,000 people for the base of statue of liberty with the help of Joseph Pulitzer's fund raising campaign.

The history of crowd funding can be traced back to 1997 when the fans helped the British rock band Marillion by funding their US tour. The band managed to raise £39,000 with a crowd funding business model. This was later followed by various crowd funding gained popularity when a Boston musician and computer programmer launched Artistshare.

Modern day crowd funding has progressed to include social funding where people from the founder or business owner's network participate in the funding process. This category of funding helps start-ups and small business to generate funds. Crowd funding has evolved to include rewards instead of just equity. On 2008 indiegogo came into existence. It followed the reward- based crowd funding system. Indiegogo charges 5% on contributions from people soliciting funds for their idea or start-up business. In April 2012, president Barack Obama signed the JOBS Act, jumpstarts our business startups and introduced "the crowd funding bill." It has legalized crowd funding and helped small businesses by lessening the burden of regulations. Numerous start-ups have enjoyed the benefits of crowd funding platforms. It is the place where you can get to know the shortcomings of your business plans as the would- be backers want to know what they are investing in.

1997 – The inception of Modern Day crowd funding

2009 – Crowd funding emerges as a major funding source

2011 – Crowd funding Gains Washington's support

2012 – Fundable launches the First Business Crowd funding Platform

3.4 FEATURES

Crowd funding is new go-to strategy for budding start-ups. It is alternative finance system where funds are raised through mediums like internet-mediated registries, mail-order subscriptions, benefit events, and the like. Following are some of its features:

- **Online platform:** The process of crowd funding is done through online platforms. There are various crowd funding sites which helps in raising funds for innovative projects, reasonable causes, charity etc. Nowadays, social networking sites like Facebook, Whatsapp etc. also gives hands for crowd funding'

- **Global reach:** Crowd funding is more diverse than the stereotypical way of fund raising. As the entrepreneur and investors are connected through an online medium, the geographical limitations can be overcome. Investors and entrepreneurs in any part of the world can take part in crowd funding.
- **Large number of investors:** Unlike other alternatives, small amount of money is collected instead of substantial sum. Therefore, there will be large number of investors in crowd funding process as the amount of their contribution is small.
- **Campaigns:** Crowd funding campaigns are one of the distinct feature of crowd funding process. It is through these campaigns ideas of projects are made available to the public and it is through such campaigns the investors among the public are induced to make investments in various projects.
- **Concept validation:** Presenting the ideas of entrepreneurs to the masses helps them to acquire validation and refine it for potential investors.
- **Marketing:** There is marketing in crowd funding. Before starting a project its idea is exposed to millions of users and investors. It also provides a media coverage of the campaigns which helps to attract traffic to the entrepreneur's websites.
- **Presentation:** There is presentation of ideas in crowd funding. Presentation is usually done through short videos. This helps the investors to look at the ideas from different angles helping the entrepreneurs in understanding where it needs polishing

3.5 CROWDFUNDING PARTIES

There are three parties involved in crowd funding .

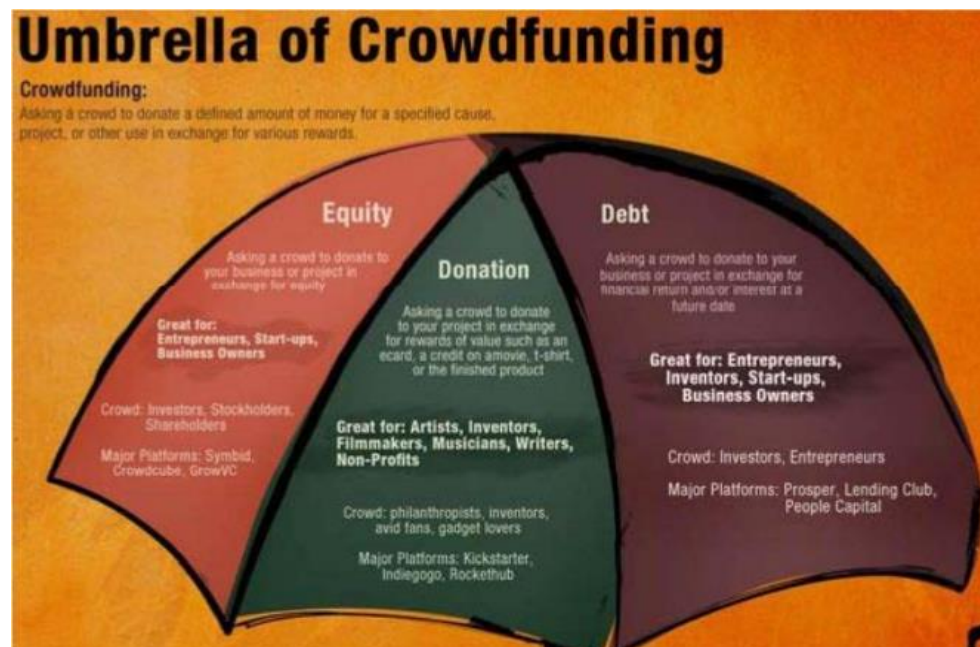
- **Project campaigner or entrepreneur:** Entrepreneur or project campaigner is the one who raises fund through online platform.
- **Website platformer:** Website platformer is the provider of the website through which crowd funding is done. The role of website platformer is to bring both entrepreneurs and investors jointly and meet together.

- **Crowd or Investor:** Crowd or investors are those who provides small contributions to entrepreneurs.

3.6 CROWDFUNDING MODELS

Crowd funding varies according to the product or services you offer and your goals of your growth and reimbursement. There are three primary types of crowd funding. They are:

1. Donation based crowd funding
2. Debt- based crowd funding
3. Equity crowd funding



Source: umbrella of crowdfunding (douglas j. cumming,sofia A. johan- 2018) – crowdfunding: fundamental cases, facts, and insights.(figure. 3.6)

3.6.1 DONATION BASED CROWDFUNDING

It is a way to source money for a project by asking a large number of contributors to individually donate a small amount to it. Here, the investors are promised no financial returns. In return, the backers may receive token rewards that increase; for the smallest sums. Sometimes referred to as rewards crowd funding, the tokens for donations may include pre-sales of an item to be produced with funds raised. Donation – based crowd funding can also be used in an effort to raise funds for charitable causes.

Because this sort of crowd funding is predicated on donation, funders do not obtain any ownership or rights to the project, nor do they become creditors to the project. Examples of donation – based crowd funding platforms include Kickstarter, Indiegogo, Crowd funder and RocketHub. Donation – based crowd funding includes fundraising for disaster relief, medical bills, charities, and other non- profit ventures.

Charities might look to crowd funding as a means to gather support for relief efforts or causes the organization is championing. For example, disaster relief charities may seek funds to aid in the search, rescue, recovery, and treatment of individuals affected by devastating storms or earthquakes. There may be campaigns for specific needs such as funding the transport of food and clothing to the disaster area. The donations may be sought to support the construction of temporary shelters or the procurement of medical supplies.

Crowd funding might also be used to pay for reconstruction of infrastructure and utilities that would not otherwise be covered by government disaster funds. Donation – based crowd funding can be seen as comparable to microfinancing. The requirements of securing money are not as stringent as using being sought may be smaller than the minimum loan or credit amount that is available from a bank or traditional investors. It is not unheard of, however, for the final amount raised through such a platform to far exceed the initial goal that was sought.

3.6.2 DEBT-BASED CROWDFUNDING

Debt-based crowd funding is another form of crowd funding that is gaining attraction. This model of crowd funding involves requesting support and resources from other investors in exchange for interest.

Debt based crowd funding , which is also commonly referred to as “crowd lending”, has proven to be a great alternative for start-ups, because although it is similar to acquiring a traditional bank loan, but often with competitive and lower interest rates, with more flexibility and options to secure resources. It is a great opportunity for small business owners and start-ups to acquire financial support and resources outside of traditional lending forms, such as banks and credit unions. An investors entering into debt crowd funding receives shares for the investments made by them with the expectation that they will be paid dividends on profit shares. In addition to that, when the startup develops over time to a point the investor can sell those shares at higher rate than its acquiring price.

In this model of crowd funding, the investors are investing in a security of the company where the investor’s goal is to loan his money to the company with a fixed repayment term and the company pays him a specified interest rate during the term of the loan.

Investors can work with various debt instruments while entering into a debt-based crowd funding agreement. Some instruments allow for entering into shares that relate to potential company growth whereas others are strictly interest based. Additionally there are secured and unsecured debt instruments. Interest rates are typically based on the level of risk associated with a particular startup or entity.

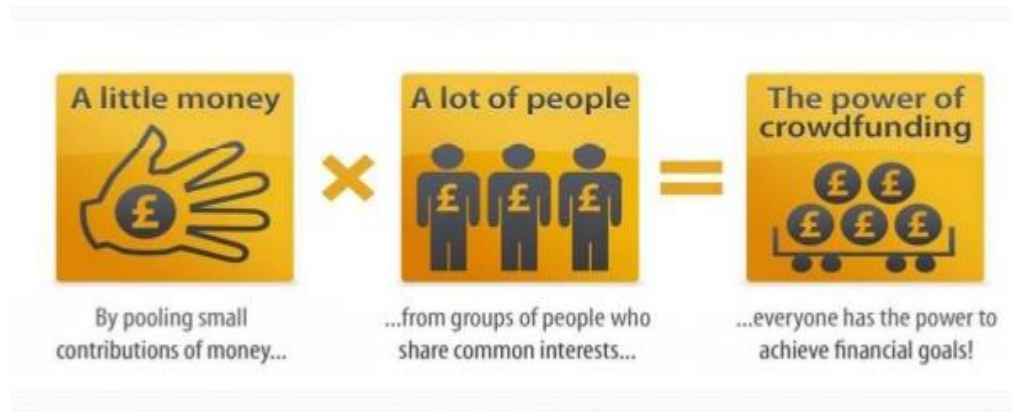
3.6.3 EQUITY CROWDFUNDING

Equity crowd funding is the online offering of private company securities to a group of people for investment and therefore it is a part of capital market. Because equity crowd funding involves investments into a commercial enterprise, it is often subject to securities

and financial regulation. Equity crowd funding is also referred to as crowd investing, investment crowd funding or crowd equity.

Equity crowd funding is a mechanism that enables broad groups of investors to fund start-up companies and small businesses in return for equity. Investors give money to a business and receive ownership of a small piece of that business. If the business succeeds, then its value goes up, as well as the value of a share in that business- the converse is also true. Coverage of equity crowd funding indicates that its potential is greatest with start-up businesses that are seeking smaller investments to achieve establishment, while follow-on funding(required for subsequent growth) may come from other sources.

3.7 STEPS TO CROWDFUNDING SUCCESS



Source : steps to crowdfunding success(sally outlaw – 2013) cash from the crowd; how to crowdfund your ideas and gain fans for your success(figure. 3.7)

- 1. Learn about Crowd funding and choose the right platform:** There is more information on the web that can educate the investors on the subject of crowd funding. Take time to learn about it. Then choose the right platform. Kickstarter and Indiegogo are the giants of the industry. There are many effective platforms choose the most suitable one after detailed research and compare it with different models, then you can make an informed decision.
- 2. Define your Idea and goals:** Define your idea and goals in most clear and concise terms. Create a business plan to penetrate the market you intend to enter.

A thorough business plan can be the best way to achieve a clear vision with an actionable strategy that will allow you move forward with unshakable confidence.

3. **Scrutinize your idea:** Start to expose your ideas to people you know, which can be done in many ways. Social media is one of the most preferable way so that it can give access to lot of people. But you should also present your plan in person, to trusted acquaintances and start to gauge interest for your ideas. During this step you can receive valuable feedback that can help you refine your concept.
4. **Create pre-campaign awareness and support:**The most important step required to be put in motion before you start your campaign is to raise awareness and gather support for your idea. This can take anywhere from 1-6 months, depending on the size and scope of your projects, networking skills and marketing ability.
5. **Use proven strategy when designing your campaign:** During this step you should take some time to study other campaigns. Evaluate the reasons for the success and failure of such campaigns and also the public acceptance of successful campaigns. It is important to determine what your project offers and then structure it. Don't make your campaign about yourself. When telling your story, make sure you focus on what your project will do for others.
6. **Make an awesome presentation:** Your presentation to the crowd can make huge difference in your results. Be sure to include as much visual imagery and information to illustrate what your project is about and how you will achieve your goal. By making best presentation possible, you will demonstrate that you are professional and serious about your vision. You will also want to get the crowd excited to be a part of your project and a strong presentation is a great way to do that.
7. **Setting your funding goal and campaign time-frame:**It is important to set a realistic funding goal that fits the size and scope of your project. When setting your goal, be sure to ask only what you will need. But don't cut short your project either. Be sure to show your contributors, what the money will be spent on in a budget overview. Choosing a time frame is an important thing. A minimum 30 days and maximum 60 days is pretty safe range.

8. **Offer desirable, exciting rewards and be sure you deliver:** Rewards or perks are an essential part of rewards-based crowd funding. You will be required to deliver your offers to your contributors. The expenses for these items should be accounted for in your budget as well. It is through the rewards and offers you thank your contributor for having faith in you and supporting your project. It is important to make sure that you offer creative, exciting rewards in return for contributions.
9. **Your video:** Make a best short video that will represent you, your team and your idea. It is your video that allows the crowd to connect with you on a more personal level. Your videos does not have to be of the highest production value, it just has to effectively convey your idea to the crowd.
10. **Time to launch:** prepare for launch, this is your chance to share your unique vision with the world. The crowd should be viewed as your partner in endeavour and be involved in every step of the process. Update them as often as you can ,read their comments and interact with them during the phase. Ultimately, the crowd will decide you are trustworthy and if your idea is one they wish to support. Create a buzz and get the crowd excited to be involved in your campaign and support your vision.

3.8 ADVANTAGES OF CROWDFUNDING

3.8.1 Advantages to investors

- **Potentially higher returns:** One of the main attraction of equity crowd funding is that the investors can earn high returns on their investments than that of investing in other assets such as bonds or publicly quoted shares. Of course the capital of the investors is at risk there is also a possibility of losing all his investments in the case if the company not succeed. But an environment of low interest rate, annuity rates and bond yields, investors are becoming increasingly attracted to the potential returns that equity crowd funding can offer.

- **Tax advantages:** In some countries, investors in crowd funding can enjoy certain tax advantages. Dependent on individual circumstances UK tax paying investors can enjoy tax benefits from certain crowd funding investments. Pitches may be eligible for the seed enterprise investment scheme or enterprise investment scheme, under which investors can claim back a respective 50% and 30% of their investment in the income tax relief.
- **Diversification:** Given their risk profile, equity in start-up firms can be considered to be a separate asset class. Thus helping investors to spread their investments and diversify their portfolios. Crowd funding allows angel investors to invest smaller amounts across many countries.
- **Rewarda:** Many companies offers rewards and gifts to investors for investing in their ventures. These typically includes free products, discounts, vouchers and many other specific benefits.
- **Intangible benefits:** As the feeling of satisfaction of being able to help business develop their ideas, making new contacts and learning more about investments.

3.8.2 Advantages to entrepreneur.

- **Fast and easy:** It can be a fast way for the investors to raise finance with no upfront fees. It allows the entrepreneur to collect the necessary capital without going through the complex process of taking loans. This founds to be particularly interesting to small and medium companies, that simply don't have enough of the creditworthiness to get a loan.
- **Valuable form of marketing:** Pitching a project or business through the online platform can be a valuable form of marketing and results in media attention.
- **Test the public's reaction:** It is a good way to test the public's reaction to the product or idea. If the people are keen to invest it is agood sign that your idea could work well in the market. It also serves as a help to gather data that the entrepreneurs might need in order to improve his data.

- **Relief from struggles to get bank loans or traditional funding** It is an alternative finance option so that the investors can raise funds through online platforms. It will help them to get relieved from the struggles of getting bank loans. Ideas that may not appeal to conventional investors can often get financed more easily.
- **Marketing:** Crowd funding allows the entrepreneurs to raise brand awareness as well as makes an opportunity to share his values. Investors can track the progress. This help him to promote his brand through their networks.
- **Loyal customers:** The investors can often become loyal customers through the finance process.

3.8.3 Advantages to society.

- **Economic growth:** As setting up of new ventures are promoted through crowd funding process, it will help the country to attain economic growth.
- **Innovative ventures:** Crowd funding mainly focus on the fund raising for innovative ideas. Development of new and attractive ideas helps in setting up of innovative ventures.
- **Employment opportunities:** Many new projects are funded through crowd funding platforms. Setting up of new ventures also helps in generating more employment opportunities.

3.9 DISADVANTAGES

- It will not necessarily be an easy process to go through compared to the more traditional ways of raising finance. Not all projects that apply to crowd funding platforms get onto them.
- When you are on your chosen platform , you need to do a lot of work in building up interest before the project launches.

- If you don't reach your funding target, any finance that has been pledged will usually be returned to your investors and you will receive nothing.
- Failed projects risk damage to the reputation of your business and people who have pledged money to you.
- If you haven't protected your business idea with a patent or copyright, someone may see it on a crowd funding site and steal your concept.
- Getting the rewards or returns wrong can mean giving way too much of the business to investors.

3.10 SEBI GUIDELINES FOR CROWDFUNDING

There are certain guidelines by SEBI on crowd funding. It includes the following:

- Only Accredited investors may invest:
- Qualified institutional buyers(QIB) to hold atleast 5% of issued securities.
- Retail investor contribution : Maximum- INR 20000 and Maximum- INR 60000.
- Maximum number of retail investors – 200;
- Only start up's less than two years old eligible to participate;
- Disclosure requirements such as anticipated business plan, intended usage of funds, audited financial statements, management details etc.
- Registered crowd funding platform to conduct regulatory checks and basic due diligence of start-up's and investors; and constitution of 'screening committee' by each platform comprising 10 persons with experience in capital markets, mentoring start-up's etc.

3.11 CROWDFUNDING SCENARIO: INDIA

It can be said that, India has seen many success stories of crowd funding many years before the term was coined: The story of the Reliance Industries founder Dhirubhai Ambani. His small yet growing textile business was crowd funding by communities across Gujarat.

- Recently, platforms such as Wishberry and Ignite Intent have been launched in the country.
- There have been attempts at crowd funding for events like the Goa project and campaigns like Teach for india.
- Crowd funding is slowly becoming an alternative funding channel for the film industry.

3.12 CROWDFUNDING: DRIVERS IN INDIA

- Varun seth, the founder and CEO of Ketto, a crowd funding platform based in Mumbai, feels that india is being the biggest countries for the (NGO), so crowd funding stands a big chance.
- Section 135 of the New Companies Act,2013 which mandates all companies to spend 2% of their average net profits on corporate social responsibility, will also help them crowd funding gain attraction.

3.13 CHALLENGES IN INDIA

- Low trust levels of doing the things online is also a challenge.
- As long as the crowd funding platforms on behalf of project campaigners or entrepreneurs are not making any financial promises to the contributors, they should not be safe to operate especially in case of Lending based model and Equity based model.
- The crowd funding industry is not so investor- friendly.
- People are not ready for this concept as it is new one and online based, channelized through internet.

3.14 REGULATIONS IN INDIA

- In India the concept of crowd funding is catching up fast and is posing a dander as many money laundering schemes might run in the name of crowd funding, this

made SEBI to set up a regulatory framework if it is found that such platforms involves large amount of money or issuance of securities.

- A discussion is on to find a nodal agency for such activities following a talk with various stakeholders like banking regulator RBI, Finance Ministry and Corporate Affairs and Ministry.
- An official from SEBI stated that crowd funding can be either regulated under SEBI's existing norms for Collective Investment Scheme or Alternative Investment Funds.
- But still there is no proper legal regime as to regulating the crowd funding in india.

3.15 MOST POPULAR CROWD FUNDED PLATFORMS

The crowd funding platforms are galloping at an unprecedented rate, impacting government policy and changing the face of financial operations crowd funding connects investors with small business start-ups and projects through an online transaction portal that removes barriers to entry. Interestingly it can be said that India has seen a many success stories. Few platforms for are as follows:



Source: crowdfunding platforms (SAGE business researcher – 2017)(figure. 3.15)

3.16 THREE MAIN RULES FOR SUCCESSFUL CROWDFUNDING

Crowd funding is the way to raise funds from public ('investors' or 'savers'/'contributors') as a donation to the borrowers (individuals or companies) or users of equity capital without involving the traditional form of financial organization such as banks. Following are the three rules for successful crowd funding.

1. **Clear story:** One of the main reason that the people gives money because of the story touches people. So it is necessary to express the story very clearly and precisely what the borrowers are trying to do and why it is significant.

“Crowd funding is built around relationships,” says Meece. “It is a very human phenomenon.”

The fund seekers have to be prepared, willing and ready to put themselves before the potential investors and also they can connect investors directly, through a video or photos. Clear presentation of the story can make investors attracted to invest in that particular project.

2. **First degree network:** The trust and reputation are the main factors in which the process of crowd funding relies. Every successful crowd funding campaign has an immediate first degree network. Otherwise, it cannot be called as a successful crowd funding or it may not be lead crowd funding in success. The first degree network of crowd funding campaign that jumps into that campaign. How much friends they have acquired through network is doesn't matter here. But they just need at least a small group that is willing to invest their funds for the ongoing of the campaign.
3. **Rewards:** The third rule is that, when the investors exchange their money, fund seekers will need to offer them a reward. For to get a broad range of contribution from the public, they'll need to offer multiple levels of perks to provide an incentive.

3.17 A SUCCESSFUL CROWDFUNDING CAN BE BETTER ENSURED BY CONSIDERING THE FOLLOWING FACTORS

- ❖ The fund seekers should have at least a small network of encouraging friends and family who are willing and able to help by giving funds and persuade others to give.
- ❖ It is one of the noted thing that the seekers must ensure whether the perks provided in return for money are cool or not.
- ❖ Careful and vigiland pre-planning and preparation of project, product or service can better ensure a successful crowd funding.
- ❖ The entrepreneurs or fund seekers must present their business plan clearly and easily understandable manner. So it can make an attraction towards investors or donors for investing their funds in the business plan presented.
- ❖ How differentiate the project plan of business entrepreneurs from the existing competitors or from alternative that have come before should be clearly described.
- ❖ As far as possible include a video pitch that is, some visual aspect of the project and make it simple, short and concise and precise.
- ❖ The business entrepreneurs must consider all financial variables including the cost of reward fulfilment, payment to the crowd funding service and taxes.
- ❖ Make sure staying active in social media sites until the completion of crowd funding campaign.

CHAPTER IV
DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

In this chapter, analysis of details given by respondents are presented and the interpretation of the study are discussed. The descriptive information and statistical analysis produced by the collected survey data are shown. Records are statistically analyzed. The research entitled “ Investors awareness and perception towards crowdfunding- an analytical study” focus on the role of awareness and perception on crowdfunding. In the present study an attempt has been made to know the awareness and perception towards crowdfunding.

Table.4.1

Demographic profile of respondents

Responses	Frequency	Percentage
1. Gender		
Male	66	59.29
Female	46	40.70
Total	112	100
2. Age		
20-30	36	32.1
30-40	55	49.1
40-50	17	15.2
Above 50	4	3.6
Total	112	100

3. level of education		
Matriculation	3	2.7
Plus two	10	8.9
Undergraduate	52	46.4
Postgraduate	33	29.5
Others	14	12.5
Total	112	100
4. Occupation		
Salaried	35	31.3
Self employed	19	17
Profession	21	18.8
Business	37	33
Total	112	100

Source : primary data

The above table 4.1 shows the background information such as gender, age, education and occupation from the respondents. This information was collected from 112 respondents through structured questionnaires. Here in this research, out of 112 respondents, 66 are male and 46 are female. The 30-40 category age groups gave more responses for this study. This in evidence that the majority of the respondents belong to the category of middle age. From the responses received, 46.4% of the respondents have degree education as the highest level of qualification and 29.5% of the respondents have postgraduation degree. From the responses received, 31.3% and 33% of the respondents are salaried and business persons.

Table.4.2

AWARENESS OF RESPONDENTS ABOUT CROWDFUNDING

Particulars	No. of Respondents	Percentage
Aware about crowdfunding	106	94.6
Not aware about crowdfunding	6	5.4
Total	112	100

Source: Primary data

The table 4.2 shows the awareness of respondents about crowdfunding. From the data it is evident that majority of the respondents are aware about the term crowdfunding. 94.6% of the respondents are aware. Whereas, only 5.4% of the respondents are not aware of the term crowdfunding. There is a significant relationship between category of respondent and their level of awareness. Majority of the respondents were business persons. Majority of the entrepreneurs are not that much aware about crowdfunding. It is advised to conduct campaigns in public and colleges to make individuals aware of crowdfunding, its possibilities and drawbacks. It will help in securing cash for new business and their innovative idea. Crowdfunding concept ought to be presented as a part of curriculum for commerce and management studies. Crowdfunding concepts and such activities ought to turn into a web sensation in the social media.

WILLINGNESS OF RESPONDENTS TO INVEST IN CROWDFUNDING PLATFORM

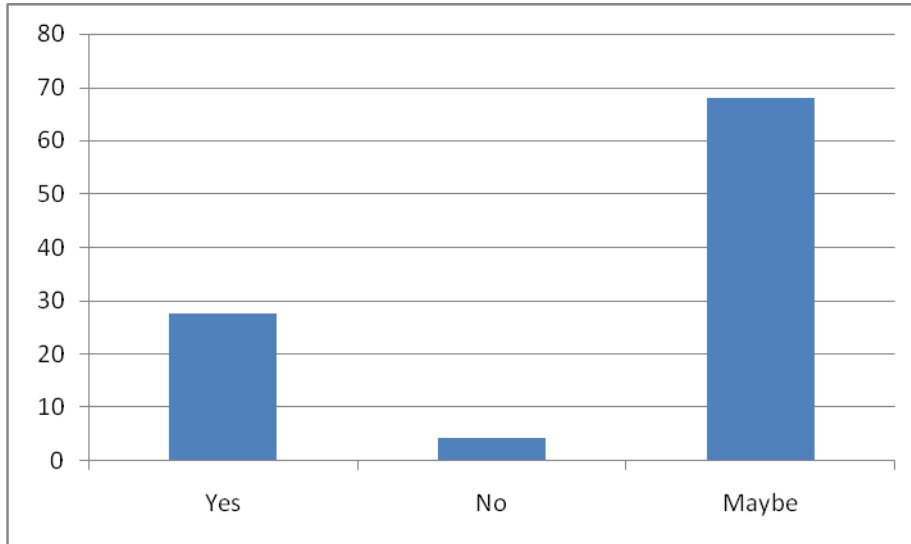


Figure .4.3

Source : Primary data

The table 4.6 shows that the willingness of respondents to invest in crowdfunding platform. From this data it is understandable, 27.7% of respondents are willing to invest in crowdfunding. And only 4.4% of respondents are not willing to invest in crowdfunding. Whereas 67.9% of the respondents are of the opinion that, they may invest in crowdfunding platforms and majority of the respondents are comes under this category.

Table.4.4

AWARENESS OF INDIVIDUAL INVESTORS TOWARDS CROWDFUNDING AS A SOURCE OF INVESTMENT.

Descriptive statistics

Particulars	N	Minimum	Maximum	Mean	S.D
CF's provide easy withdrawal facilities comparing to other investment scheme	112	1	5	3.5	0.8903
is management cost charged to the CF's are reasonable	112	1	5	3.133	0.7533
CF's provide innovative scheme with different objectives	112	1	5	3.375	0.7367
Do you agree that the CF's are healthy for Indian environment	112	1	5	3.321	0.9699
Valid N(list wise)	112				

Source: Primary data

The descriptive statistics shows the awareness of individual investors towards crowdfunding as a source of investment. Majority of the respondents of the study are aware about crowdfunding. A big part of the respondents are aware about the easy withdrawal facilities provided by crowdfunding compared to other investment scheme and says, they are aware, about the innovative scheme with different objectives, since it possesses the highest mean value of 3.5 and 3.37 respectively. Few of the respondents

are aware of the management cost charged to the crowdfunding are reasonable. So it shows a least mean value of 3.13. Many of the respondents(mean value 3.321) agreed that, crowdfunding is healthy for Indian environment. It is the practice of funding a project by raising money from large number of people, especially via the internet. The investors can contribute any small amount of money depending on their capabilities. Approaching VCs for funding a project might be a tedious process the startups of today face. If it is a budding startup, crowdfunding is something that they must look forward to.

Table .4.5

FACTORS THAT INFLUENCE INVESTORS BEHAVIOR TOWARDS CROWDFUNDING.

Descriptive statistics

Particulars	N	Minimum	Maximum	Mean	S.D
More return	112	1	5	3.866	0.9250
tax benefits	112	1	5	3.169	1.0895
Profitability	112	1	5	3.169	0.9669
Liquidity	112	1	5	3.678	1.0502
Safety	112	1	5	3.383	1.3639

Source: Primary data

The table 4.5 shows the factors that influence investors behavior towards crowdfunding. 5 factors are taken into consideration and it found that more return and liquidity are main factors influencing investors behavior towards crowdfunding. Since it possesses the highest mean value of 3.86 and 3.67 respectively. The respondents prefer liquidity and return while investing in crowdfunding. The investors invest in a business and receive a stake in return(normally shares). The money lend to individual or companies in return for a set interest rate. Liquidity options are also important for drawing retail investors back into the scene. The current absence of a platform and secondary market for shares from crowdfunding ventures does little to reassure investors

who are new to the crowdfunding. Another reason for the respondents prefer crowdfunding is that,safety(mean value 3.38). It provides with a personalized crowdfunding page with branding and photos, this way the donors know that their money is going directly to nonprofit and community. Few respondents considers tax liability as a factor that influence their behavior towards crowdfunding. So it shows a least mean value of 3.16.

PREFERENCE OF SAFETY LEVEL OF RESPONDENTS WHILE INVESTING IN CROWDFUNDING

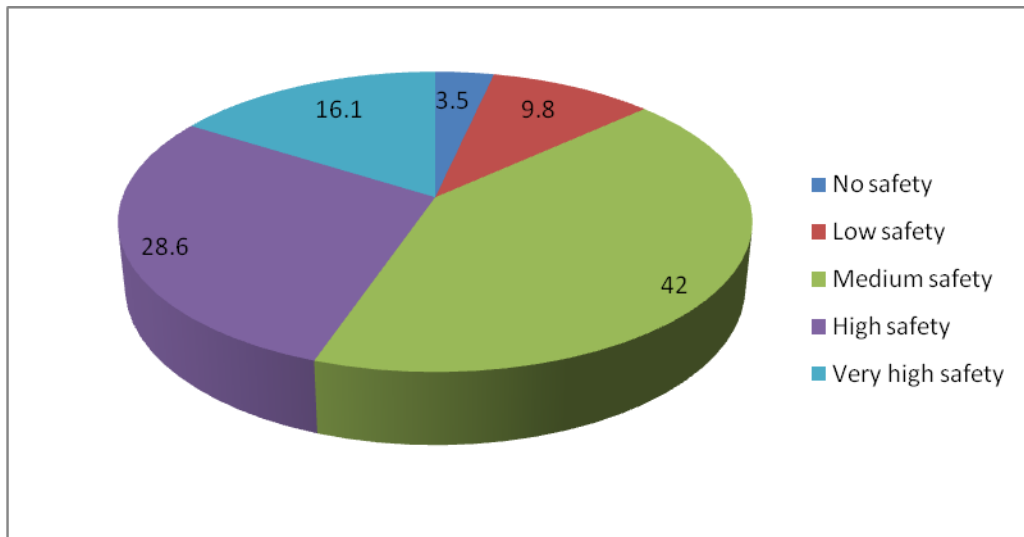


Figure .4.6

Source : primary data

From the table.4.6, it is seen that majority of the respondents prefer medium safety,i.e,42%. 28.6% and 16.1% of the respondents of the survey prefer high safety and very high safety while investing in crowdfunding.

Table.4.7

WILLINGNESS TO INVEST IN VARIOUS FINANCIAL ASSETS ACCORDING TO SAFETY LEVEL.

Descriptive statistics

Financial assets	N	Minimum	Maximum	Mean	S.D
Fixeddeposits /recurring deposits	112	1	5	3.982	0.7708
land/ other physical assets	112	1	5	4.142	0.8149
Equity/ debenture	112	1	5	3.383	0.8928
Gold and silver	112	1	5	4.044	0.8841
Mutual funds	112	1	5	3.339	0.8959
Crowdfunding	112	1	5	3.044	1.110

Source : Primary data

The table 4.7 shows that, the willingness of respondents to invest in various financial assets according to safety level. A big part of the respondents are willing to invest in land/ other physical assets according to safety level. Since it possesses the highest mean value of 4.14. Gold and silver got the mean value of 4.04 among various financial assets according to safety level. Land/other physical assests and gold were the almost first preference for majority of the respondents to invest. The respondents also prefer crowdfunding to invest by considering the safety level. Many of the respondents are willing to invest in fixed deposits/ recurring deposits(mean value 3.98). whereas the respondents are willing to invest equity/ debenture and mutual fund among various financial assets according to safety level. Since it possesses the mean value of 3.38 and 3.33 respectively.

Table.4.8

PERCEPTION OF INVESTORS TOWARDS CROWDFUNDING**Descriptive statistics**

Particulars	N	Minimum	Maximum	Mean	S.D
CF are useful for small investors	112	1	5	3.883	0.8462
CF's give higher return than other investments	112	1	5	3.383	0.7969
CF's with large corpus of fund perform better	112	1	5	3.464	0.8481
Public sector CF's are more secured than private sector CF's	112	1	5	3.428	0.9075
Public sector CF's perform better	112	1	5	3.633	0.9863
CF's have better professional expertise than individual investors	112	1	5	3.794	0.8816

Source: Primary data

The table 4.8 shows the perception of investors towards crowdfunding. Most of the investors use crowdfunding opportunities and it is beneficial to small investors like startups. Since it possesses the highest mean value of 3.88. The mean with 3.79 quoted that crowdfunding have better professional expertise than individual investors. Most of the respondents perception is that public sector crowdfunding and crowdfunding with large corpus of fund perform better . since it possesses the mean value of 3.63 and 3.46 respectively. Another perception of respondents is that , public sector crowdfunding are more secured than private sector crowdfunding.and it has the mean value of 3.42. While investing the respondents will check whether it is public sector or private sector crowdfunding. Few of the respondents perception is that, crowdfunding gives higher

than other investment. So it shows a least mean value of 3.38 among the others. Investors receive their money back with interest. Also called peer-to-peer or lend-to-save, it allows for the lending of money while bypassing traditional banks. Return are financial , but investors also have the benefit of having contributed to the success of an idea they believe in. The final conclusion is that, the perception of small investors towards crowdfunding is higher than that of the big investors. Investors considers public sector crowdfunding for the investment rather than private sector crowdfunding.

TESTING OF HYPOTHESIS

GENDER * WILLINGNESS

Test 1

Ho: Attitude towards crowdfunding investment does not varies with gender.

H1: Attitude towards crowdfunding investment varies with gender.

In order to test the hypothesis, chisquare is applied and result is given in the following table.

Table 4.9

Particulars	figures
Chi- square	1.419
Level of significance	0.05
Degree of freedom	110

Source : primary data

Interpretation

The above table shows the relationship between Gender and Attitude of investors. In this, Chi-square value is 1.419 and 'p' value in Asymptotic significance is 0.492 which is greater than level of significant , i.e. 0.05. therefore, we accept the null hypothesis(Ho) that "Attitude towards crowdfunding investment does not varies with gender". While , alternative hypothesis(H1)" Attitude towards crowdfunding investment varies with gender" is rejected. So we can conclude that there is no significant relationship between gender and attitude of investors.

EDUCATIONALQUALIFICATION * WILLINGNESS

Ho: Attitude towards crowdfunding investment does not varies with educational qualification.

H1: Attitude towards crowdfunding investment varies with educational qualification.

In order to test the hypothesis, chisquare is applied and the result is given in the table below.

Table 4.10

particulars	figures
Chi- square value	4.564
Level of significance	0.05
Degree of freedom	110

Source : primary data

Interpretation

The table shows the relationship between educational qualification and the attitude of investors. In this Chi-square value is 4.564 and 'p' value in Asymptotic significance is 0.803 which is greater than level of significance, i.e. 0.05. Therefore we accept null hypothesis(Ho) that “ Attitude towards crowdfunding investment does not varies with educational qualification”. While alternate hypothesis(H1) “ Attitude towards crowdfunding investment varies with educational qualification” is rejected. So we can conclude that the attitude of investors towards crowdfunding doesn't varies with their educational qualification.

OCCUPATION * WILLINGNESS

Ho: Attitude towards crowdfunding investment does not varies with occupation.

H1: Attitude towards crowdfunding investment varies with occupation.

In order to test the hypothesis, chisquare is applied and result is given in the table below.

Table 4.11

Particulars	figures
Chi- square value	6.692
Level of significance	0.05
Degree of freedom	110

Source : primary data

Interpretation

The above table shows the relationship between occupation and willingness of investors towards crowdfunding. In this, the Chi-square value is 6.692 and 'p' value in Asymptotic significance is 0.35 which is greater than the level of significance, i.e. 0.05. Therefore, we accept null hypothesis(H₀), that " Attitude towards crowdfunding investment does not varies with occupation. While, the alternative hypothesis " Attitude towards crowdfunding investment varies with occupation is rejected. we can conclude that crowdfunding has been used to fund a wide range of for-profit, entrepreneurial ventures such as artistic and creative projects, medical expenses and travel and community oriented social entrepreneurship projects. So the attitude of investors towards crowdfunding doesn't varies with occupation.

CHAPTER V

FINDINGS, CONCLUSION AND IMPLICATIONS

FINDINGS, CONCLUSION AND IMPLICATIONS

FINDINGS

The following inferences were drawn from the study:

1. Majority of the respondents are males.
2. Under age category, it was found that most of the respondents fall under middle age(30-40) and least under the age group of above 50.
3. The majority of the respondents were undergraduates.
4. Most of the respondents are business persons.
5. Majority of the respondents are aware about the term crowdfunding.
6. All the respondents had invested their savings ie, they all are investors.
7. It was evidenced from the analysis that crowdfunding provides easy withdrawal facilities comparing to other investment scheme. And it contributes to the awareness of individual investors towards crowdfunding as a source of investment.
8. The findings indicate that respondents mostly considers more return, liquidity and safety of principal before making an investment.
9. A big part of respondents prefer medium safety while investing in crowdfunding .
10. As per the data most of the respondents are willing to invest in land/ other physical assets and gold and silver among various financial assets according to safety level.
11. About 94.6% of the respondents are aware about crowdfunding and only 5.4% are not aware about crowdfunding.
12. While analyzing the data the perception of small investors towards crowdfunding is higher than that of the big investors.
13. It has been found that respondents choose public sector crowdfunding for investment rather than private sector crowdfunding.

14. Most of the respondents has a perception that crowdfunding have better professional expertise than individual investors.

15. It has been found that respondents are willing to invest in start-ups through crowdfunding rather than investing for disaster reliefs.

16 . It is found that there is no significant relationship between gender and the attitude of investors towards crowdfunding.

17. While analyzing the data the attitude of investors towards crowdfunding investment does not varies with educational qualification.

18. For the selected sample there is evidence that awareness about crowdfunding is related to perception. In particular, it seems that the more is the awareness level, the greater is their perception level.

CONCLUSION

In the recent years, crowdfunding(a phenomenon where individuals collectively contribute money to back different goals and projects through the internet) has been gaining a lot of attention especially for its socio-economic impact. Crowdfunding is particularly attractive to those who have limited access to traditional sources of financial backing, such as banks or venture capitalists, because of a lack of capital or connections. Beyond the financial backing, crowdfunding participants reports motivations to participate in crowdfunding to expand awareness of their work with others, learn new skills, collaborate with others, and identify collective concerns within a community of practice or an organization even when financial goals were not met.

This study is mainly focusing on investors awareness and perception towards crowdfunding. The study reveals that majority of the investors are aware of the term crowdfunding. But they lack knowledge regarding crowdfunding. A proper awareness programme should be conducted to provide more knowledge about crowdfunding. The investors behavior while investing were examined to identify the potential factors. More return , liquidity and safety are the most preferred factors leading the investors to go through crowdfunding. . Even though there is a nominal rate of awareness about crowdfunding. It would be the responsibility of different stakeholders of business segment and economy as a whole to give focus on crowdfunding activities to reduce difficulties in getting fund from conventional source of finance(like bank loan, lenders, VC etc), and it encourages the creation of start-ups and budding entrepreneurs. As majority of the investors are aged below 40 years shows that the future of crowdfunding investments in kerala is also very much promising.

FUTURE IMPLICATIONS

Many of our respondents are aware of the term crowdfunding. But the respondents are of the opinion that, they may invest in crowdfunding platform and majority of the respondents are comes under this category. A proper awareness programme should be conducted to provide knowledge about crowdfunding. The crowdfunding agencies should focus more on attracting the investors towards crowdfunding. Efforts should be made to bring these people also to experience crowdfunding. The procedure should make more user friendly to attract more investors towards crowdfunding. Uneducated investors are not so often investing through crowdfunding.

To overcome this, crowdfunding site's homepage should be clearer and easily understandable to the uneducated investors also. Most of the investors still confused to invest in crowdfunding because it is an emerging financial investment like mutual funds etc. Efforts should be made to change this mindset of investors by making them aware of the benefits of crowdfunding. The respondents prefer more return, liquidity and safety as the factors that influence their behavior towards crowdfunding. Therefore, the crowdfunding sites should be designed in such a way that investors will invest their money through crowdfunding platforms. Investors need fast processing websites with user friendly. It is advised to conduct campaigns in public and colleges to make individuals aware of crowdfunding, its possibilities and drawbacks. It will help in securing cash for new business and their innovative idea. Crowdfunding concept ought to be presented as a part of curriculum for commerce and management studies. Crowdfunding concepts and such activities ought to turn into a web sensation in the social media. Crowdfunding concept should be presented as in seminars and conferences. Crowdfunding concept likewise could be presented in commerce and management fests. Even though there is a nominal rate of awareness about crowdfunding. It would be the responsibility of different stakeholders of business segment and economy as a whole to give focus on crowdfunding activities to reduce difficulties in getting fund from conventional source of finance(like bank loan, lenders, VC etc), and it encourages the creation of start-ups and budding entrepreneurs.

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APPENDIX

8. Give your preference below mention statements for awareness towards crowdfunding.

Sl.no	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	CF's provide easy withdrawal facilities comparing to other investment scheme.					
2	Is management cost charged to the CFs are reasonable					
3	CFs provide innovative scheme with different objectives					
4	Do you agree that the CFs are healthy for Indian environment					

9. Why do you prefer crowdfunding?(5 for highest preference and 1 for least preference)

	5	4	3	2	1
More return					
Tax benefits					
Liquidity					
Profitability					
Safety					

10. How much safety you need while investing in crowdfunding?

- a) No safety
- b) Low safety
- c) Medium safety
- d) High safety
- e) Very high safety

11. What is your opinion on the degree of safety on the given financial assets?

SL. no	Financial assets	Absolutely safe	Reasonable safe	Somewhat safe	Not safe	Don't know
1	Fixed deposit/ Recurring deposit					
2	Land/other physical assets					
3	Equity/Debt					
4	Gold and silver					
5	Mutual funds					
6	Crowdfunding					

12. Give your preference below mention statements for perception towards crowdfunding.

Sl. no	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Crowdfunding are useful for small investors					
2	CFs give higher return than other investments					
3	CFs with large corpus of fund perform better					
4	Public sector CFs are more secured than private sector CFs					
5	Public sector CFs perform better					
6	CFs have better professional expertise than individual investors					

APPENDIX -2

GENDER * WILLINGNESS

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.419 ^a	2	.492
Likelihood Ratio	1.444	2	.486
N of Valid Cases	112		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.05.

APPENDIX -3

EDUCATIONAL QUALIFICATION* WILLINGNESS

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.564 ^a	8	0.803
Likelihood Ratio	4.153	8	0.843
N of Valid Cases	112		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is .13.

APPENDIX -4

OCCUPATION*WILLINGNESS

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.692 ^a	6	0.35
Likelihood Ratio	6.93	6	0.327
N of Valid Cases	112		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .85.