

# Crowdfunding

By Alen Tayzhanov

# What is?

- **Crowdfunding** is the practice of funding a project or venture by raising monetary contributions from a large number of people
- The crowdfunding model is based on three types of actors:
  - *Who need*
  - *Who support*
  - *Who moderate*

# History

- Word "crowdfunding"
- The first crowdfunding sites

# Types

- Equity based
- Donation based
- Lending based
- Reward based

# Role of the crowd

- Choose what you want to
- Innovations
- Availability

# Crowdfunding platforms

- **Crowdfunding models:**
  - Money for goods
  - Donation based
  - Money for business ventures
  - Continuous funding
  - Post-creation services

# Money for good

Name	Model	Focus	Country	Notes
ArtistShare	KiA	Musicians	US	Has own
CentUp	KiA	Ongoing	US	Decentrali
ClassWish	KiA	Education	US	Allows tax-
CommonBond	KiA	Student loans	US	Funded by
Community	KiA	Platform	US	Allows
First Funder	KiA or AoN	Community	US	
FundAnything	KiA	Funding for any	US	Fundrais
FundedByMe	AoN	Equity and	Sweden,	Only
FundRazr	KiA or AoN	Personal,	Canada	Lets you
Fundly	KiA	Personal,	US	Available
GiveForward	KiA	Online	US	Provides
GlobalGiving	KiA	Nonprofit	US, UK,	Provides
GoFundMe	KiA or AoN	Non incentive-	US	Provides 5-
Headstart	AoN	Entrepreneurs	Israel	
ICrowdFund	KiA or AoN	Donation and	Ireland	Non-profit
Indiegogo	KiA or AoN	Allows a broad	US	
JustGiving	KiA	Social good	UK	Non-profit
Ketto	KiA	Funding for any	India	Largest
Kickstarter	AoN	Creative projects	US, UK,	Highest
LaunchGood	KiA or AoN	Allows a broad	US,	Largely
Mobcaster	AoN	TV shows	US	
Myfreeimplants	AoN	Cosmetic surgery	US	Focused
Offbeatr	AoN	Pornography	US	Projects
Peoplefund.it	AoN		UK	Attached
Piggybackr	KiA	Young children,	US	Young
Planeta.ru	AoN or KiA	Allows a broad	Russia	
PledgeMe	AoN	Allows a broad	New	
PledgeMusic	AoN	Musicians	Spain, UK,	
Pozible	AoN	Creative	Australia,	Bitcoin
Rally.org	KiA	Medical,	US,	
RocketHub	KiA		US	
Sellaband	AoN	Musicians	Germany	
Sponsume	KiA		UK	
Tilt.com	KiA or AoN	Any goal	US	Offers
YouCaring	KiA	Medical	US, UK,	Does not
Weeve	KiA	Nonprofits	Canada	Site

# Donation based

<b>Name</b>	<b>Model</b>	<b>Focus</b>	<b>Country</b>	<b>Notes</b>
DonorsChoose	AoN	Education	US	
Experiment.co	AoN	Scientific	US	No



Name	Funding model	Focus	Country	Notes	# of investor	Funded sum
Angels Den	Equity, Debt	All businesses	UK			
AngelList	Equity, Debt	Start-ups	US	Currently serves		\$104 Million
BnkToTheFuture	Equity, Debt, Rewards	small businesses	CYM			
CircleUp	Equity	Consumer products	US	Currently serves		€50 Million
Comanisto	Equity	European companies	Germany		45	€25 Million
Crowdfunder	Equity, Debt	Small and medium	US	Currently serves	12	\$100 Million
CrowdCube	Equity, Rewards	start-ups, small	UK		167,384	£80 Million
EarlyShares	Equity		US			
Emerging Crowd	Equity, Debt	SMEs in emerging	UK			
EquityNet	Equity, Debt	Startups and mature	US	Launched		\$200 Million
Fundable	Equity, Debt, Rewards	Seed stage	US			\$164 Million
FundedByMe	Equity, Rewards	Entrepreneurs	Sweden, Finland			\$2.434
FundersClub	Equity	Start-ups	US	Currently serves	14	\$35 Million
Funding Circle	Debt	Small businesses	UK		39,738	£634 Million
Gambitious	Equity	Game development	Netherlands			
Innovestment GmbH	Equity auctions		Germany			€2 Million
Investor	Equity	Startups and growth	Finland, Sweden			€5 Million
InvestedIn	Equity		USA			\$47 Million
Invest Next Door	Equity	Small Businesses	US	Currently serves		
Kopernik	Other	3rd world issues				
Lendico	Debt	Small and medium	Germany			
Lending Club	Debt		USA			\$9 Million
LendingCrowd	Debt	Small and medium	UK	First Scottish peer-to-		£1.2 Million
LendInvest	Debt	Property	UK	First live peer-to-peer		£308 Million
MicroVentures	Equity	Tech Startups & High	US	Currently serves	28	\$70 Million
Optimize Capital	Equity		Canada			
OurCrowd	Equity		Israel			
PledgeMe	Equity		New Zealand			
Prosper Marketplace	Debt		USA		2,200,000	\$3,000 Million
rebuildingsociety.co	Debt	All businesses	UK			
Return on Change	Equity	Early and growth	USA			
Rock The Post	Equity	Early stage tech-	USA			
SecondMarket	Equity, Debt	Late stage start-ups	USA			
SeedInvest	Equity	Early stage	USA	Currently	25	\$20 Million
Seedrs	Equity	Seed-stage	UK & Europe	First equity crowd	30	£100 Million
Seedups	Equity	Early stage tech-	UK, Ireland, USA &			
StartupValley	Equity	Technology start-ups	US			
Symbid	Equity, Rewards	Start ups and	Netherlands	Responsible for one	33.5	€321 Million
SyndicateRoom	Equity	Growth businesses	UK			£37 million
TenPages.com	Revenue sharing	Books	Netherlands			
ThinCats	Loan	Small businesses	UK			£110 Million
Trillion Fund	Equity	environmental and	UK		7	
TrustLeaf	Debt	Small businesses	US	Friends and family	1,6	\$41 Million
TubeStart	Equity	Video production	US			
Unbound	Perqs	Books	UK	Acts as both a		
Upstart	Debt	Loans for recent	US	Currently serves		
Wahooly	Equity	Tech startups	US	Rebranded to		
Wefunder	Equity	Startups	US		45	\$13 Million
Wishberry	Debt	Creative startups	India		10.5	
Zencap	Debt	Small and medium	Germany, Spain			
Zopa	Debt		UK			

For business ventures

Name	Frequency	Focus	Notes
Bountysource	Monthly or one-time donations	Open-source software developers	Money can be withdrawn via Paypal, Check, Bitcoin, and Ripple or used to post software bounties within Bountysource.
Patreon	Monthly or every time new content is released	Musicians, Podcasts, Vloggers, Youtubers, Webcomics	Subscribing to a project allows to view and post on its content stream. Patreon allows to set a monthly maximum to avoid going over a set budget.
Subbable	Monthly or one-time donations	Web series (both entertainment- and education-oriented)	The money that users spend goes into a "perk bank" and can be redeemed for creator-determined perks. Free subscriptions are available.
Sprked	Monthly or everytime content is released	Modders (mod creators), Indie gamers, Live streaming, Gaming related	The site uses a subscription-based model but the actual mods are not allowed to be sold.

# Continuous funding

# Post-creation

Name	Method	Focus
Flattr	Flattr button display	Content creators
Unglue.it	Contributing to	Books

# Benefits

- Profile
- Marketing
- Audience engagement
- Feedback

# Risks & barriers

- Reputation
- IP protection
- Donor exhaustion
- Public fear of abuse