

"Entrepreneurial Perspectives on Benefits, Risks, and Challenges of Crowdfunding Platforms among Startups in Hyderabad"

Dr.B.Kishore Babu¹, Dr K Soujanya², Dr Daniel Pilli³

¹Associate Professor, kishorebabu11@gmail.com*, KL Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.9848222319

²Assistant Professor, soujanyadaniel@gmail.com*, KL Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.9848692748

³Assistant Professor, dr.danielpilli@gmail.com*, KL Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.9246491477

DOI : 10.48047/IJFANS/11/Sp.Iss5/053

Abstract

Crowdfunding has emerged as a compelling alternative for startups seeking capital. This study aims to delve into startup entrepreneurs' perceptions concerning crowdfunding platforms, specifically focusing on the associated benefits, risks, and challenges. By doing so, it addresses a significant gap in existing literature and examines how these perceptions impact funding decisions.

To conduct this research, an online survey was administered to startup entrepreneurs who had utilized crowdfunding platforms for fundraising. The survey questions were thoughtfully crafted to gain insights into how entrepreneurs view these platforms and the subsequent effects on their funding choices. The collected data underwent analysis, employing descriptive statistics and regression analysis.

The findings underscore that startup entrepreneurs largely view crowdfunding platforms as effective vehicles for capital acquisition. Key advantages include accessing a vast pool of potential investors and reaching a broader audience. Nonetheless, entrepreneurs also harbor concerns, such as the risk of fraud and a perceived lack of control on the platform. Challenges encompass the struggle to stand out in a competitive marketplace and the necessity for enhanced marketing and campaign promotion.

This study implies that entrepreneurs should receive comprehensive education on crowdfunding platforms' merits and pitfalls. Platforms, in turn, must bolster transparency and information disclosure to foster trust among investors. Additionally, startups require improved marketing and promotional support to enhance their fundraising prospects. Regulatory entities should offer clearer guidance on platform usage to safeguard investors and mitigate fraudulent activities.

In conclusion, this study furnishes valuable insights into startup entrepreneurs' perspectives regarding crowdfunding platforms and their influence on funding decisions. The results underscore the necessity for enhanced transparency, information disclosure, and support for startups navigating these platforms.

KEYWORDS: Crowd funding platforms, startup's entrepreneurs, perception, risks, challenges

Introduction:

Crowdfunding is a relatively new concept that has gained significant popularity in recent years as a way for start-ups to raise funds. It involves the use of online platforms to solicit small contributions from a large number of people. This form of fundraising has been found to be an effective way for start-ups to raise capital and is seen as an alternative to traditional sources of funding, such as venture capital or bank loans.

Despite its growing popularity, there is limited research on start-up entrepreneurs' perceptions towards crowdfunding platforms. This study aims to explore these perceptions and their impact on start-up funding decisions. The following sections will provide an overview of the benefits, risks, and challenges associated with crowdfunding platforms and the research methodology used in this study.

Benefits of Crowdfunding Platforms:

Crowdfunding platforms offer several benefits to start-ups, including access to a large pool of potential investors, reduced costs compared to traditional funding sources, and the ability to test market demand for their products or services. Crowdfunding also allows start-ups to retain greater control over their business and avoid the dilution of equity that often comes with other forms of funding.

One of the most significant benefits of crowdfunding platforms is their ability to provide start-ups with access to a large pool of potential investors. This allows start-ups to reach a broader audience than traditional funding sources, such as venture capitalists or angel investors. Crowdfunding also provides start-ups with exposure to potential customers who may be interested in their products or services.

Another benefit of crowdfunding platforms is the reduced cost compared to traditional funding sources. Crowdfunding eliminates the need for start-ups to pay fees to intermediaries, such as investment bankers, which can significantly reduce the cost of raising capital. Additionally, crowdfunding platforms often provide start-ups with tools to help them manage their campaigns, which can further reduce costs.

Crowdfunding platforms also allow start-ups to test market demand for their products or services. By using crowdfunding to gauge interest in their products or services, start-ups can reduce the risk of launching a product or service that may not be well received.

Crowdfunding can also provide valuable feedback on product design and marketing strategies.

Finally, crowdfunding allows start-ups to retain greater control over their business. Unlike traditional funding sources, which often require significant equity or control, crowdfunding allows start-ups to raise funds without diluting their ownership stake or giving up control over their business.

Risks and Challenges of Crowdfunding Platforms:

While there are many benefits to crowdfunding platforms, there are also several risks and challenges that start-ups should be aware of. One of the most significant risks of crowdfunding is the potential for fraud. Crowdfunding platforms are vulnerable to fraudulent campaigns, and it can be challenging to identify fraudulent campaigns before investors have invested their money.

Another risk of crowdfunding is the potential for overvaluing a start-up. Crowdfunding campaigns can lead to inflated valuations, which can make it difficult for start-ups to raise additional funding in the future. Additionally, overvaluing a start-up can lead to unrealistic expectations for growth and profitability, which can put undue pressure on the start-up to deliver on those expectations.

Crowdfunding platforms also present several challenges for start-ups. One of the most significant challenges is the need to develop and execute a successful crowdfunding campaign. Crowdfunding campaigns require significant planning and execution, and it can be challenging to create a campaign that resonates with potential investors.

Another challenge of crowdfunding is the need to manage investor expectations. Crowdfunding investors may have unrealistic expectations for the start-up's growth and profitability, and it can be challenging to manage these expectations and deliver on them.

LITERATURE REVIEW:

In their study, Ahlers et al. (2015) explore how information disclosure impacts equity crowdfunding. They discover that startups offering comprehensive information about their company and team tend to attract more investor funding. Furthermore, startups with prior funding success from other sources have higher chances of achieving crowdfunding success.

Belleflamme, Lambert, and Schwiendbacher (2014) examine crowdfunding campaign success factors. They highlight the significance of a compelling campaign pitch and the organizer's social network in determining a campaign's success. The study also underscores crowdfunding as a viable funding source for startups facing challenges in obtaining traditional funding.

Block, Hornuf, and Moritz (2018) examine the impact of campaign updates on investor participation in equity crowdfunding. Their findings suggest that updates sharing campaign and company progress are more effective in boosting investor participation compared to mere expressions of gratitude to supporters.

Colombo, Franzoni, and Rossi-Lamastra (2015) study how internal and external social capital influence early contributions in crowdfunding campaigns.

Gerber, Hui, and Kuo (2012) explore the motivations of crowdfunding platform users, finding a desire to bring ideas to life, help others, and gain exposure.

Hornuf and Schwiendbacher (2018) provide a comprehensive review of crowdfunding research, encompassing equity crowdfunding and related themes.

Liao and Wong (2015) assess the effectiveness of reward-based crowdfunding for startups.

Research Gap: A research gap exists in understanding start-up entrepreneurs' views on crowdfunding platforms despite the expanding literature on crowdfunding. This knowledge is vital for start-ups, given the rising popularity of crowdfunding as a capital-raising method. This study aims to bridge this gap by investigating start-up entrepreneurs' perceptions of crowdfunding platforms and how these perceptions influence their funding choices.

The objectives of this study are:

- 1) To explore start-up entrepreneurs' perceptions towards crowdfunding platforms.
- 2) To identify the benefits, risks, and challenges associated with crowdfunding platforms.
- 3) To understand the factors that influence start-up entrepreneurs' funding decisions on crowdfunding platforms.
- 4) To provide insights into the opportunities and challenges associated with crowdfunding platforms for start-up entrepreneurs.

Hypothesis of the Study: The following hypotheses will be tested in this study:

- 1) Start-up entrepreneurs perceive crowdfunding platforms as a viable source of funding.
- 2) The benefits of crowdfunding platforms outweigh the risks and challenges for start-up entrepreneurs.
- 3) The perceived benefits, risks, and challenges of crowdfunding platforms influence start-up entrepreneurs' funding decisions.
- 4) Start-up entrepreneurs who have successfully raised funds on crowdfunding platforms are more likely to use these platforms for future fundraising.

Research Methodology:

The research methodology for this study involves a survey of start-up entrepreneurs who have used crowdfunding platforms to raise funds. The survey questions will be designed to explore start-up entrepreneurs' perceptions towards crowdfunding platforms and their impact on start-up funding decisions. The survey will be conducted using an online questionnaire and will be distributed to a sample of start-up entrepreneurs across various industries.

The data collected from the survey will be analyzed using descriptive statistics and regression analysis. Descriptive statistics will be used to provide an overview of the responses to each survey question, while regression analysis will be used to explore the relationship between start-up entrepreneurs' perceptions towards crowdfunding platforms and their funding decisions.

DATA ANALYSIS

Table 1

Frequency Table for Distribution of respondents by qualification wise

Variable	Frequency	Percentage
PG	257	64.25
Degree	137	34.25
Ph.D	6	1.50
Total	400	100.00

1. Distribution of respondents by qualification wise

Table 1 provides a frequency distribution of respondents based on their qualifications. It includes three categories: PG, Degree, and Ph.D. The table reveals the number of respondents in each category, as well as the percentage of the total respondents they represent. For example, 257 respondents (64.25%) have a post-graduate qualification. This table helps depict the educational background of the survey sample efficiently.

Table 2

Frequency Table for Distribution of respondents by gender wise

Variable	Frequency	Percentage
Male	254	63.50
Female	146	36.50
Total	400	100.00

Table 2 displays the distribution of respondents by gender. It indicates that 254 (63.50%) are male, while 146 (36.50%) are female, out of a total of 400 respondents. This information is valuable for designing inclusive policies and interventions.

Table 3*Frequency Table for Nominal Variables*

Variable	Frequency	Percentage
To raise a capital	225	56.25
To gain exposure to my venture to test market demand for my product others to resolve	175	43.75
Total	400	100.00

Reasons for using crowd funding platform to finance your startups.

Table 3 displays reasons for using crowdfunding platforms among respondents. It reveals that 56.25% used crowdfunding to raise capital, while 43.75% employed it for various other purposes, including exposure and testing market demand. This data showcases the versatility of crowdfunding for entrepreneurs and its popularity as a funding source.

Table 4*Summary Statistics Table for Perceived benefits associated with crowd funding platforms*

Variable	<i>M</i>	<i>SD</i>	Rank
Access to capital	3.05	0.88	5
Exposure to potential customers	3.99	1.13	3
Testing market demand	4.28	0.78	1
Building a community of supporters	4.04	1.07	2
Low cost of capital	3.43	0.65	4

Perceived benefits associated with crowd funding platforms

Table 4 Table 4 presents statistics on perceived benefits of crowdfunding platforms. Testing market demand is considered the most significant (mean of 4.28), followed by building a community of supporters (mean of 4.04) and exposure to potential customers (mean of 3.99). Access to capital ranks fourth (mean of 3.05), and the low cost of capital is the least emphasized benefit (mean of 3.43).

Table 5*Summary Statistics Table for Perceived Challenges associated with crowd funding platforms.*

Variable	<i>M</i>	<i>SD</i>	Rank
Competition	4.27	0.83	1
Campaign Management	4.22	0.84	2
Funding Goals	4.21	0.83	3

Lack of Control	4.18	0.82	4
Reputation Management	4.18	0.89	4

Perceived Challenges associated with crowd funding platforms.

Table 5 outlines statistics for perceived challenges related to crowdfunding platforms. The data indicates that competition (mean of 4.27) is the foremost challenge, followed closely by campaign management (mean of 4.22) and setting appropriate funding goals (mean of 4.21). Lack of control and reputation management are also significant challenges (both with a mean of 4.18). These challenges shed light on the complexities entrepreneurs face when using crowdfunding platforms.

Table 6

Summary Statistics Table for Perceived risks associated with crowd funding platforms

Variable	<i>M</i>	<i>SD</i>	Rank
Dilution OF owner ship	4.28	0.88	1
More legal disputes	4.26	0.75	2
Reputational damage	4.16	0.86	3
Fraud	4.11	0.94	4
Complex regulations	4.04	0.85	5

Perceived risks associated with crowd funding platforms

Table 6 summarizes the perceived risks of using crowdfunding platforms. The data indicates that entrepreneurs are most concerned about the dilution of ownership (mean of 4.28) and potential legal disputes (mean of 4.26). Other significant risks include reputational damage (mean of 4.16), fraud (mean of 4.11), and complex regulations (mean of 4.04). This information underscores the importance of risk management in the context of crowdfunding, encouraging trust and confidence in the crowdfunding market.

2. Relation between Perceived benefits associated with crowd funding platform's, perceived risks associated with crowd funding platforms, and Perceived Challenges associated with crowd funding platforms Pearson Correlation Analysis

A Pearson correlation analysis was conducted among Perceived benefits associated with crowd funding platform's, perceived risks associated with crowd funding platforms, and Perceived Challenges associated with crowd funding platforms. . Figure 1-Figure 2 presents

the scatterplots of the correlations. A regression line has been added to assist the interpretation.

Figure 1

Scatterplots with the regression line added for Perceived benefits associated with crowd funding platform's and perceived risks associated with crowd funding platforms (left), Perceived benefits associated with crowd funding platform's and Perceived Challenges associated with crowd funding platforms (right)

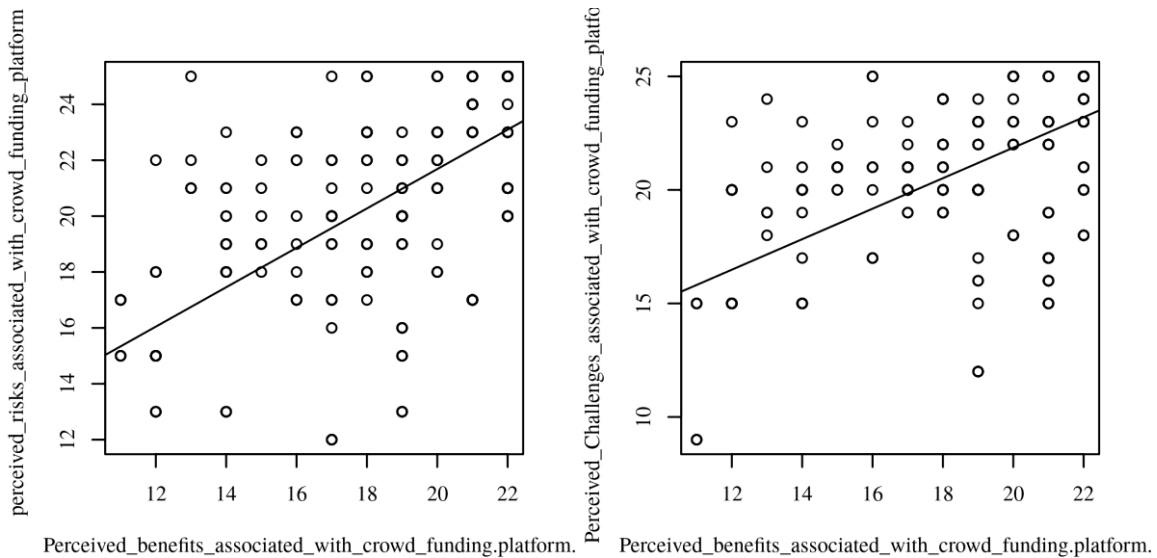
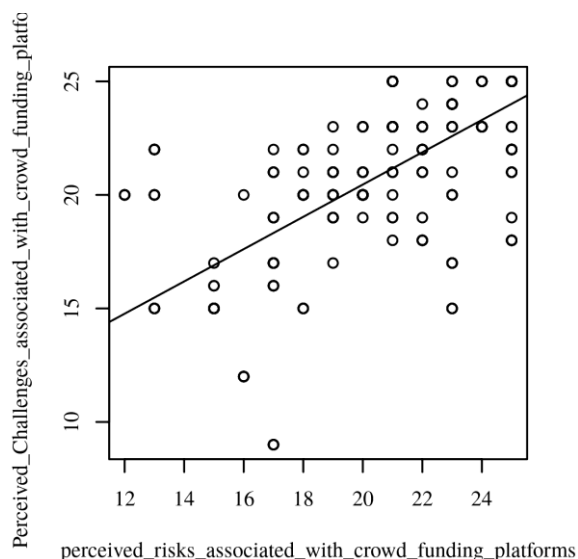


Figure 2

Scatterplots with the regression line added for perceived risks associated with crowd funding platforms and Perceived Challenges associated with crowd funding platforms



Results

The correlation results were analyzed with the Holm correction for multiple comparisons (alpha value of .05). Significant positive correlations were found between the perceived benefits and risks associated with crowdfunding platforms (correlation of .65, $p < .001$, 95.00% CI = [.59, .71]), as well as between the perceived benefits and challenges associated with crowdfunding platforms (correlation of .63, $p < .001$, 95.00% CI = [.56, .68]). Additionally, a significant positive correlation was observed between the perceived risks and challenges associated with crowdfunding platforms (correlation of .72, $p < .001$, 95.00% CI = [.66, .76]). These findings suggest that as perceived benefits increase, so do perceived risks and challenges, and a similar pattern is observed between perceived risks and challenges. Table 14 provides a summary of these correlations.

Table 7

Pearson Correlation Results Among Perceived benefits associated with crowd funding platform’s, perceived risks associated with crowd funding platforms, and Perceived Challenges associated with crowd funding platforms

Combination	<i>r</i>	95.00% CI	<i>n</i>	<i>p</i>
Perceived benefits associated with crowd funding platform’s-perceived risks associated with crowd funding platforms	.65	[.59, .71]	400	< .001
Perceived benefits associated with crowd funding platform’s-Perceived Challenges associated with crowd funding platforms	.63	[.56, .68]	400	< .001
perceived risks associated with crowd funding platforms-Perceived Challenges associated with	.72	[.66, .76]	400	< .001

crowd funding platforms

3. Differences in perceived benefits associated with crowd funding platforms by qualification, gender, and awareness of crowd funding platforms.

An analysis of variance (ANOVA) was conducted to determine whether there were significant differences in Perceived benefits associated with crowd funding platforms by QUALIFICATION, Gender, and awareness of Crowd funding platform s.

The ANOVA was examined based on an alpha value of .05. The results of the ANOVA were significant, $F(5, 394) = 34.47, p < .001$, indicating there were significant differences in Perceived benefits associated with crowd funding platform's among the levels of QUALIFICATION, Gender, and awareness of Crowd funding platform s (Table 15). The main effect, QUALIFICATION was significant, $F(2, 394) = 40.09, p < .001, \eta_p^2 = 0.17$, indicating there were significant differences in Perceived benefits associated with crowd funding platform's by QUALIFICATION levels. The main effect, Gender was not significant, $F(1, 394) = 0.37, p = .542$, indicating there were no significant differences of Perceived benefits associated with crowd funding platform's by Gender levels. The main effect, awareness of Crowd funding platform s was significant, $F(2, 394) = 48.23, p < .001, \eta_p^2 = 0.20$, indicating there were significant differences in Perceived benefits associated with crowd funding platform's by awareness of Crowd funding platform s levels. The means and standard deviations are presented in Table 8

Table 8

Analysis of Variance Table for Perceived benefits associated with crowd funding platform's by QUALIFICATION, Gender, and awareness of Crowd funding platform s

Term	SS	df	F	p	η_p^2
Qualification	576.06	2	40.09	< .001	0.17
Gender	2.67	1	0.37	.542	0.00
Awareness of Crowd funding platform s	693.13	2	48.23	< .001	0.20
Residuals	2,830.91	394			

Post-hoc

A *t*-test was calculated between each group combination to further examine the differences among the variables based on an alpha of .05. The Tukey HSD *p*-value adjustment was used to correct for the effect of multiple comparisons on the family-wise error rate. For the main effect of QUALIFICATION, the mean of Perceived benefits associated with crowd funding platforms for PG ($M = 18.23$, $SD = 3.19$) was significantly smaller than for Degree ($M = 20.11$, $SD = 2.60$), $p < .001$. For the main effect of QUALIFICATION, the mean of Perceived benefits associated with crowd funding platforms for PG ($M = 18.23$, $SD = 3.19$) was significantly larger than for Other ($M = 12.83$, $SD = 1.33$), $p < .001$. For the main effect of QUALIFICATION, the mean of Perceived benefits associated with crowd funding platforms for Degree ($M = 20.11$, $SD = 2.60$) was significantly larger than for Other ($M = 12.83$, $SD = 1.33$), $p < .001$. For the main effect of awareness of Crowd funding platform s, the mean of Perceived benefits associated with crowd funding platform's for Fully Aware ($M = 19.62$, $SD = 3.19$) was significantly larger than for Not Aware ($M = 16.46$, $SD = 2.98$), $p < .001$. For the main effect of awareness of Crowd funding platform s, the mean of Perceived benefits associated with crowd funding platform's for Not Aware ($M = 16.46$, $SD = 2.98$) was significantly smaller than for Aware ($M = 19.42$, $SD = 2.82$), $p < .001$. No other significant effects were found.

4. Differences in perceived risks associated with crowd funding platforms by qualification, gender, and awareness of crowd funding platforms

An analysis of variance (ANOVA) was conducted to determine whether there were significant differences in perceived risks associated with crowd funding platforms by qualification, gender, and awareness of crowd funding platform s.

The ANOVA was examined based on an alpha value of .05. The results of the ANOVA were significant, $F(5, 394) = 13.38$, $p < .001$, indicating there were significant differences in perceived risks associated with crowd funding platforms among the levels of qualification, Gender, and awareness of Crowd funding platform s (Table 17). The main effect, qualification was significant, $F(2, 394) = 9.05$, $p < .001$, $\eta_p^2 = 0.04$, indicating there were significant differences in perceived risks associated with crowd funding platforms by

qualification levels. The main effect, Gender was significant, $F(1, 394) = 4.07, p = .044, \eta_p^2 = 0.01$, indicating there were significant differences in perceived risks associated with crowd funding platforms by Gender levels. The main effect, awareness of Crowd funding platform s was significant, $F(2, 394) = 24.02, p < .001, \eta_p^2 = 0.11$, indicating there were significant differences in perceived risks associated with crowd funding platforms by awareness of Crowd funding platform s levels. The means and standard deviations are presented in Table 9.

Table 9

Analysis of Variance Table for perceived risks associated with crowd funding platforms by QUALIFICATION, Gender, and awareness of Crowd funding platform s

Term	SS	df	F	p	η_p^2
QUALIFICATION	185.69	2	9.05	< .001	0.04
Gender	41.73	1	4.07	.044	0.01
awareness of Crowd funding platform s	492.80	2	24.02	< .001	0.11
Residuals	4,042.46	394			

Post-hoc

A *t*-test was calculated between each group combination to further examine the differences among the variables based on an alpha of .05. The Tukey HSD *p*-value adjustment was used to correct for the effect of multiple comparisons on the family-wise error rate. For the main effect of QUALIFICATION, the mean of perceived risks associated with crowd funding platforms for PG ($M = 20.42, SD = 3.48$) was significantly smaller than for Degree ($M = 21.72, SD = 3.24$), $p < .001$. For the main effect of QUALIFICATION, the mean of perceived risks associated with crowd funding platforms for Degree ($M = 21.72, SD = 3.24$) was significantly larger than for Other ($M = 18.33, SD = 0.82$), $p = .031$. For the main effect of awareness of Crowd funding platform s, the mean of perceived risks associated with crowd funding platforms for Fully Aware ($M = 21.96, SD = 3.30$) was significantly larger than for Not Aware ($M = 19.01, SD = 3.33$), $p < .001$. For the main effect of awareness of Crowd funding platform s, the mean of perceived risks associated with crowd funding platforms for Not Aware ($M = 19.01, SD = 3.33$) was significantly smaller than for Aware ($M = 21.14, SD = 3.27$), $p < .001$. No other significant effects were found.

5. Differences in perceived challenges associated with crowd funding platforms by qualification, gender, and awareness of crowd funding platforms.

An analysis of variance (ANOVA) was conducted to determine whether there were significant differences in Perceived Challenges associated with crowd funding platforms by QUALIFICATION, Gender, and awareness of Crowd funding platform s.

The ANOVA was examined based on an alpha value of .05. The results of the ANOVA were significant, $F(5, 394) = 18.01, p < .001$, indicating there were significant differences in Perceived Challenges associated with crowd funding platforms among the levels of QUALIFICATION, Gender, and awareness of Crowd funding platform s (Table 19). The main effect, QUALIFICATION was significant, $F(2, 394) = 20.13, p < .001, \eta_p^2 = 0.09$, indicating there were significant differences in Perceived Challenges associated with crowd funding platforms by QUALIFICATION levels. The main effect, Gender was not significant, $F(1, 394) = 0.40, p = .527$, indicating there were no significant differences of Perceived Challenges associated with crowd funding platforms by Gender levels. The main effect, awareness of Crowd funding platform s was significant, $F(2, 394) = 23.52, p < .001, \eta_p^2 = 0.11$, indicating there were significant differences in Perceived Challenges associated with crowd funding platforms by awareness of Crowd funding platform s levels. The means and standard deviations are presented in Table 10.

Table 10

Analysis of Variance Table for Perceived Challenges associated with crowd funding platforms by QUALIFICATION, Gender, and awareness of Crowd funding platform s

Term	SS	df	F	p	η_p^2
Qualification	387.95	2	20.13	< .001	0.09
Gender	3.86	1	0.40	.527	0.00
Awareness of Crowd funding platform s	453.39	2	23.52	< .001	0.11
Residuals	3,797.02	394			

Post-hoc

A *t*-test was calculated between each group combination to further examine the differences among the variables based on an alpha of .05. The Tukey HSD *p*-value

adjustment was used to correct for the effect of multiple comparisons on the family-wise error rate. For the main effect of QUALIFICATION, the mean of Perceived Challenges associated with crowd funding platforms for PG ($M = 20.32$, $SD = 3.22$) was significantly smaller than for Degree ($M = 22.45$, $SD = 3.43$), $p < .001$. For the main effect of awareness of Crowd funding platform s, the mean of Perceived Challenges associated with crowd funding platforms for Fully Aware ($M = 22.60$, $SD = 3.13$) was significantly larger than for Not Aware ($M = 19.39$, $SD = 3.66$), $p < .001$. For the main effect of awareness of Crowd funding platform s, the mean of Perceived Challenges associated with crowd funding platforms for Fully Aware ($M = 22.60$, $SD = 3.13$) was significantly larger than for Aware ($M = 21.13$, $SD = 3.13$), $p = .002$. For the main effect of awareness of Crowd funding platform s, the mean of Perceived Challenges associated with crowd funding platforms for Not Aware ($M = 19.39$, $SD = 3.66$) was significantly smaller than for Aware ($M = 21.13$, $SD = 3.13$), $p < .001$. No other significant effects were found.

Findings:

The findings of the study suggest that:

Start-up entrepreneurs perceive crowdfunding platforms to be an effective method for raising capital.

The main benefits of crowdfunding platforms for start-up entrepreneurs are access to a large pool of investors and the ability to reach a wider audience.

Start-up entrepreneurs also perceive risks associated with crowdfunding platforms, such as the potential for fraud and the lack of control over the platform.

The main challenges for start-up entrepreneurs using crowdfunding platforms include the difficulty in standing out in a crowded marketplace and the need for better marketing and promotion of the crowdfunding campaign.

Better transparency and disclosure of information on crowdfunding platforms, as well as better support for start-ups using these platforms, are necessary to ensure their success.

Suggestions:

Based on the findings of the study, the following suggestions can be made:

Suggestions:

Based on the findings of the study, the following suggestions can be made:

Start-up entrepreneurs should be made aware of the benefits and risks associated with crowdfunding platforms before using them.

Crowdfunding platforms should provide better transparency and disclosure of information to investors to increase trust in the platform.

Crowdfunding platforms should also offer better support to start-ups in terms of marketing and promotion to increase the chances of successfully raising funds.

Regulatory bodies should provide more guidance on the use of crowdfunding platforms to ensure investor protection and prevent fraud.

Conclusions:

The study aimed to explore start-up entrepreneurs' perceptions towards crowdfunding platforms and the benefits, risks, and challenges associated with them. The findings of the study suggest that start-up entrepreneurs perceive crowdfunding platforms to be an effective method for raising capital, with the main benefits being access to a large pool of investors and the ability to reach a wider audience.

However, start-up entrepreneurs also perceive risks associated with crowdfunding platforms, such as the potential for fraud and the lack of control over the platform. The main challenges identified include the difficulty in standing out in a crowded marketplace and the need for better marketing and promotion of the crowdfunding campaign.

Overall, the study highlights the need for better transparency and disclosure of information on crowdfunding platforms, as well as better support for start-ups using these platforms.

REFERENCES:

1. Ahlers, G. K., Cumming, D., Günther, C., & Schweizer, D. (2015). Signaling in equity crowdfunding. *Entrepreneurship Theory and Practice*, 39(4), 955-980.
2. Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding: tapping the right crowd. *Journal of business venturing*, 29(5), 585-609.
3. Block, J. H., Hornuf, L., & Moritz, A. (2018). Which updates during an equity crowdfunding campaign increase crowd participation? *Small Business Economics*, 50(1), 3-27.
4. Colombo, M. G., Franzoni, C., & Rossi-Lamastra, C. (2015). Internal social capital and the attraction of early contributions in crowdfunding. *Entrepreneurship Theory and Practice*, 39(1), 75-100.
5. Gerber, E. M., Hui, J. S., & Kuo, P. Y. (2012). Crowdfunding: Why people are motivated to post and fund projects on crowdfunding platforms. In *Proceedings of the International Workshop on Design, Influence, and Social Technologies: Techniques, Impacts and Ethics* (pp. 1-9).
6. Hornuf, L., & Schwienbacher, A. (2018). Crowdfunding: A review and research agenda. *Venture Capital*, 20(1), 1-26.
7. Liao, J., & Wong, P. K. (2015). The effectiveness of reward-based crowdfunding for startups. *Journal of Business Research*, 68(3), 639-646.
8. Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1), 1-16.

9. Rossi, M., & Zarutskie, R. (2015). The economics of crowdfunding platforms. In Handbook of the Economics of Finance (Vol. 3, pp. 237-285). Elsevier.
10. Schwienbacher, A., & Larralde, B. (2010). Crowdfunding of small entrepreneurial ventures. Handbook of Entrepreneurial Finance, 2010, 287-303.
11. Belleflamme, P., Omrani, N. E., & Peitz, M. (2015). The economics of crowdfunding platforms. Information Economics and Policy, 33, 11-28.
12. Brettel, M., Mauer, R., & Engelen, A. (2014). Corporate effectuation: Entrepreneurial action and its impact on R&D project performance. Journal of Business Venturing, 29(5), 739-761.
13. Cumming, D., Meoli, M., & Vismara, S. (2019). Does reward-based crowdfunding benefit entrepreneurs? Evidence from Europe. Journal of Business Research, 98, 365-378.