

Crowdfunding Platform for Educational Help A Survey

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Abstract: *Crowd funding, the term itself have a deeper meaning. Crowd funding makes helps industry grow fast. It provides new investment opportunities and provides a new product for portfolio change of investors. Crowd funding is the new way for the young minds to start up a business. The goal of this idea has been focused on its issues & challenges, its welcoming in Indian environment and risk involved in the industry itself. The study already is expressive in nature. The lower data have been collected from different research papers, websites, & journals. The crowd funding is a use case of crowd sourcing. This concept was firstly executed in the early 2000 and has been growing fast all over the globe. Many organizations are raising funds to help local governments to obtain additional sources of funds that will be distributed to those in need. Trust is an important factor for the parties involved in raising these funds, both in terms of the funder, the service provider of fundraising platform and even the fundraiser. On this occasion, the author tries to analyse how to implement blockchain technology and smart contracts in the dominant schemes of crowd funding process.*

Keywords: Blockchain Technology, Algorithm, Web 3.0, Crowd funding, Education, Funding, Investors, Fund raise, Capital

I. INTRODUCTION

Crowd funding is the new way for the current generation to start up a business. It is simple as the name suggests “crowd” provides funds to your business. Now this may feel very simple process of collecting fund from the people who like your business but highlight a giant company which has to be stored out. Crowd can be the blessing or an emergency depending on whether it is with you or against you.^[2] Crowdfunding is part of the digital revolution, in quality a socialist, internet-based way, make use of elements of free trade and collective perception to pool people and communities around a common reason. By providing money and support to an idea of crowdfunding sites, people are making society awareness by deciding which idea is worthy ongoing and which is not very well for the current project, and they are doing so by conducting their own stuff and time, investing their money.^[5]

Crowd Funding is an internet-based way for businesses and other organisations to raise fund in the form of donations or investment from multiple individuals and charity. Crowd Funding embrace small and large scaled companies raising funds from investors using the internet (like social networking sites and specialist crowd funding websites). It is a term that describing the use of small amount of fund raised from a large number of individuals or organisations to fund a project, personal loan or a business and other needs through an online platform.^[2] Crowdfunding has become a popular medium for group of people and individuals to raise money from the public on online platforms like blockchain based fund raising or fund raising via the Internet. Compared with finances from conventional institutions, such as business forms, commercial banks, and venture capital, crowdfunding is a generous financial innovation that supply more opportunities for project fundraising and entrepreneurial (like innovative ideas and start-ups) without standard financial intermediaries (Hervé et al. 2019; Shneor and Vik 2020; Shneor et al. 2020).^[4]

II. LITERATURE SURVEY

Alexandra Moritz and Joern Hendrich Block in their paper [1] titled “Crowdfunding: A Literature Review and Research Directions” proposed that the scientific object on crowdfunding were recognize in the first time in a Google Scholar title keyword search for the word “crowdfunding” & “crowd investing”. The next step is, the search was proceeded with

based on the mention of cited in the object. Later, such as peer-to-peer online, specific object, P2P lending, social lending and person-to-person added were investigated.^[1]

Abhrajit Sarkar in their paper [2] titled “Crowd Funding in India: Issues & Challenges” proposed that, in less than a decade, crowd funding has earned traction in a number of developed economies including Netherlands, Italy, United Kingdom, Australia, and the United States. This method of raising funds is circulating across the developed globe and is now attracting considerable interest in every region of the world. This approach popularly started in the UK and US in an emerging method of raising capital through the use of online platforms and websites. [2] With the help of developed organisations and government crowd funding could become the most popular tool in the developing globe like India. In India crowd funding is a normal thing in the film industry. A successful story of crowd funding idea in India came out with the Bollywood film industry. Onir’s film, *I am a huge crowd funding project* which raised around Rs. 80 lakhs from the 450 donors through an online platform. Another massive funding article came from the reliance organisation founder Dhirubhai Ambani for growing his business in Gujarat. India is a huge market with global business and investment expenditure which has the probability for growing an in fact industry to a large scale through an online funding platform. But it is restricted only to micro financing class projects and time to time donation-reward crowd funding.^[2]

Agrawal, Ajay K, Catalini Christian & Goldfarb Avi in their paper [3] titled “The geography of crowd funding” proposed that they built their results in three steps. First, they document that investors’ tendency to invest in a week rises as the entrepreneur visibly conceals capital on the site. Next, they show that venture capitalists do not follow this structure. Rather, they are most likely to invest early in phase, before an entrepreneur has raised \$10,000. Finally, they show that this difference between remote and local investors is entirely explained by the group of investors they labelled Friends and Family (F&F). The results were so robust to multiple specifications, some of which appear in the paper and some in the appendix.^[3]

Lingfei Deng, Qiang Ye, DaPeng Xu, Wenjun Sun & Guangxin Jiang in their paper [4] titled “A literature review and integrated framework for the determinants of crowdfunding success” proposed that given the reputation of crowdfunding platforms among small entrepreneurs, it is essential to completely understand the determinants of crowdfunding success to promote capital resource allocation ability. To this end, following the guidelines for literature search processes and review approaches proposed by Vom Brocke et al. (2009), Farias et al, Leidner (2018) and Qazi et al. (2017). (2019), they conducted a literature review on the determinants of crowdfunding success and followed the way. First, they plan the review by setting our research selection criteria, search strategy, goal, and the analysis method of the selected literature.

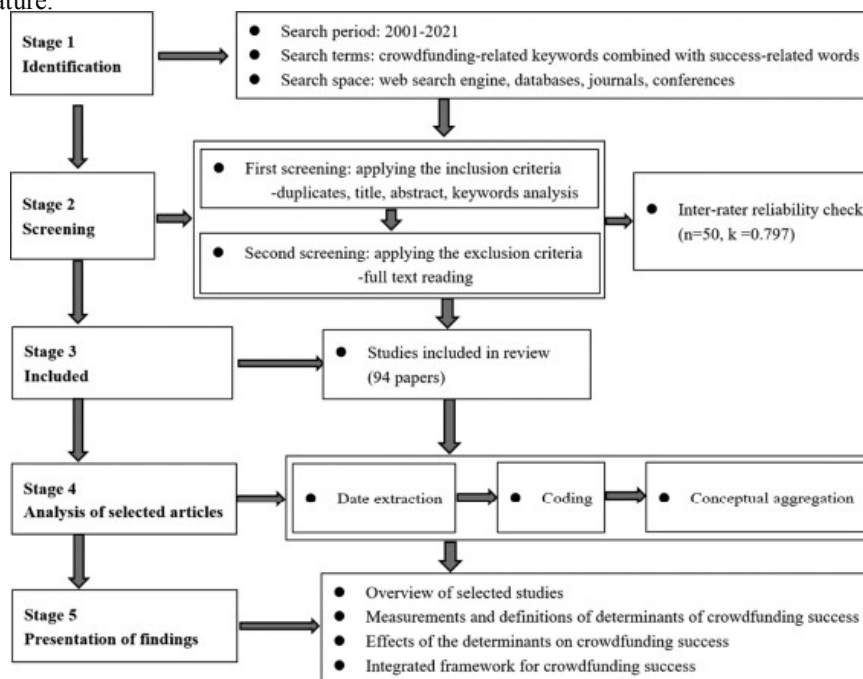


Fig. 1 (Courtesy) Research Methodology and Review Process.^[4]

After that, they review, report our findings, and constructed an integrated framework for research on crowdfunding achievement. Figure 1 presents the specific stages and detailed steps of their study.^[4]

Dennis Brüntje and Oliver Gajda in their paper [5] titled “Crowdfunding in Europe” proposed that in the last few years, crowdfunding has appeared as different source of funding for different types of projects. In the beginning, crowdfunding was basically used to finance people from different organisation (Agrawal, Catalini, & Goldfarb, 2013; Harzer, 2013; Meinshausen, Schiereck, & Stimeier, 2012). The authority of various crowdfunding online sources in the music sector (eg. Artist Share, Sella Band) made this form for financing interesting to musicians. continuously, other artistic and creative people (eg. film, journalism) has taken the idea. Funding of companies via the crowd has been discussed fully since 2010 and examine in practice and theory.^[5]

Dennis Brüntje and Oliver Gajda in their paper [5] titled “Crowdfunding in Europe” proposed that Crowdfunding is seen as a approach to deduct the funding gap in the arriv of new ventures (earlystage gap) (Hemer, Schneider, Dornbusch, & Frey, 2011, p. 30; Meinshausen et al., 2012; R€othler & Wenzlaff, 2011). Funding from venture competition and banks is generally available only in the development field of new plan (Berger & Udell, 1998; Robb & Robinson, 2014). In the early stage of a company’s life cycle (pre-seed/seed stage), funding is generally given by the founder, by his family and friends and, if possible, by business partner. If these funds are not sufficient, the venture has to face a funding space (Collins & Pierrakis, 2012). This situation has been irritated by the financial market emergency (Block & Sandner, 2009; Duygan-Bump, Levkov, & MontoriolGarriga, 2011; Fink, 2012; Mach, Carter, & Slattery, 2013).^[5]

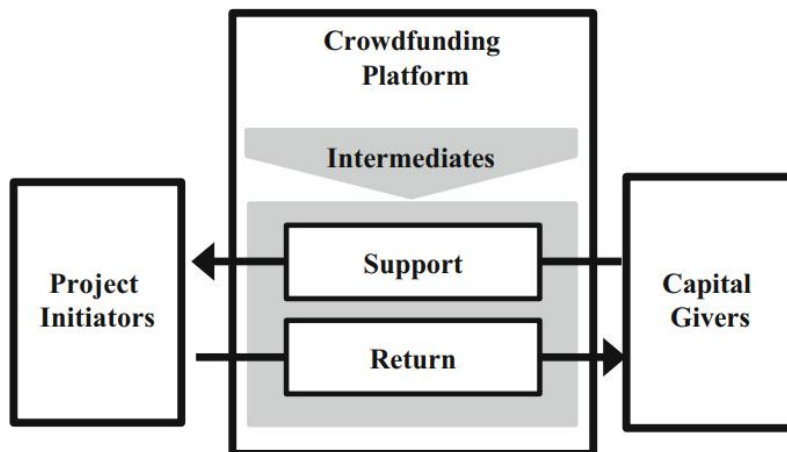


Fig. 2 (Courtesy)The Crowdfunding Principle (Haas, Blohm, & Leimeister, 2014)^[5]

III. COMPARISON BETWEEN LITERATURE PAPERS

Features	[1]	[2]	[3]	[5]	[6]
Purpose	Crowdfunding for early-stage financing	Individuals to start up a business	Musicians to raise financing to produce an album.	Crowdfunding for Europe.	For entrepreneurs who seek crowdfunding.
Launched	March, 2013	Aug, 2013	August 15, 2006	April, 2016	13 August, 2013
Crowdfunding type	Equity	Donation	Profit	Donation	Rewards
Focus On	Start-ups as the capital-seeking party	Issues & Challenges	Geographic distance between entrepreneur and investor	The relevance of crowdfunding for providing start-up capital	Exploratory insights into how crowdfunding works
Methodology	Venture financing	Portfolio diversification	Distance-related frictions	Digitisation CF-campaign	Dynamics of crowdfunding

IV. FUTURE SCOPE

The market size of crowdfunding worldwide is expected to grow with a rate of 15.9% between 2018-25. While the market value of the same in India is estimated to grow at 0.81% rate between 2020-24. The usage of internet increases especially for the mobile user: Crowdfunding typically takes place through the internet. Social media entrance among the social media users. The continuously like and share on social media platforms supports one raise funds by imminence after one's own network. However, due to lack of regulatory stance and trust on online fundraising, Indian crowdfunding segment witnessed a decline in their growth.

V. CONCLUSION

Crowd funding is an application which provides source of crowd. It is extensively moving in great extent in an upward direction of raising funds for individuals and ventures for student education. The overseas nations have already started implementation of crowd funding regulatory frameworks using latest technology stake like blockchain. In India this concept must be to further the development of more so that a blooming industry grows fast. Crowdfunding represents a unique way for founders to raise capital for a wide variety of projects. Due to its fast rise, the dynamics of crowdfunding have been largely unstudied. This paper offers some probing insights into how crowdfunding works. Projects generally succeed by small margins or fail by large ones.

Conventional crowdfunding methods have long suffered from lack of transparency and fraud. The aim to have a transparent, anti-fraudulent, decentralized platform has been achieved to a great extent. This paper has covered the weak points of general crowdfunding platforms to provide transparency to the process of crowdfunding and build trust among people, so that they may contribute their wealth to good causes without fear of fraud.

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