American University of Armenia

fundr.am
the Armenian crowfunding portal

Topic: Creating a customer base for Fundr.am

Course: Economic Development & Competitiveness

Instructor: Aleksandr Grigoryan

Group members: Anna Israelyan

Liana Davoyan

Lilit Manukyan

Lilit Tshzmachyan

Lilit Simonyan

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Table of Contents

INTRODUCTION

Collaboration on the web is an area of exponential growth. Crowdfunding, or collaborative funding via the web, is one of the standouts for growth in this evolving collaborative economy.

Crowdfunding is the practice of funding a project or venture by raising monetary contributions from a large number of people, today often performed via internet-mediated registries, but the concept can also be executed through mail-order subscriptions, benefit events, and other methods. Crowdfunding is a form of alternative finance, which has emerged outside of the traditional financial system.

The crowdfunding model is based on three types of actors: the project initiator who proposes the idea and/or project to be funded; individuals or groups who support the idea; and a moderating organization (the "platform") that brings the parties together to launch the idea. In 2013, over $5.1 billion have been raised via crowdfunding worldwide.

Nowadays the practice of crowdfunding is also seen in Armenia reality and market, presents by Fundr.am

FUNDR.AM

Fundr.am is a crowdfunding portal where people connect to give advice and raise funds, and to contribute to the development of Armenia. The portal's goal is to make the latter a community, a go-to venue for crowdfunding in Armenia.

Fundr.am connects people, who want to give, and people, who need support to do a project, start a business, create art, and make an event happen. They build a pipeline for projects to shorten the gap between the idea and the result by making the projects visible.

The team of Fundr.am tries to convert a contribution to an Armenian project into a transparent, accountable and effortless experience by screening applications, monitoring progress, and reporting the results online.

It is very easy to access. The primary objective is to connect inventors with a huge group of people who want to make Armenia a better place to live. So, the vision of the company is to make Armenia a better place to live, create, and do business.

The shareholder of Fundr.am is SEF International, a World vision microfinance, one of the pioneers of crowdfunding in Armenia. So Fundr.am is working both with donor organizations and people who seek funds.

According to the data provided by fundr.am, overall are only 172 users of the portal. They all are registered on the website and have their personal logins and passwords. 43 people and organizations are the beneficiaries of the fundr.am, they have sent their business ideas to get funding for their start-ups. But only few of those ideas were relevant and have been posted on the website. The business ideas are quite different from each other and represent different spheres of business world. And, unfortunately only 1 has succeeded and was able to collect required amount of money for starting the business.

PROBLEMS

Like every company, Fundr.am also needs customers, to properly operate. In Armenian market we can state that the Fundr.am does not have so many competitors (main ones are One Armenia and Boost Bloom), hence it should be easier for the company to find its market. However, there is another issue. There is a lack of information dissemination among potential beneficiaries so the company and the project itself is not known in the market. People are not aware of such an opportunity and hence they do not apply. So the company is not able to raise the brand awareness. There are enough investors, but lack of participants. Since now, only 12 groups applied for funding, however only one of it had the realistic project and business model.

Another great issue is that there is not separate team working in Fundr.am. This project is like a supplementary job of some SEF International team members. Which make both overall work and implementation of separate projects quite difficult.

We have conducted a sociological survey that will let us explore the usage of customers, their attitude, and awareness of the website. Survey was conducted via an on-line geostationary of 13 questions, consisted both strict and open ended questions. 240 people participated in the survey which is considered to be a representative amount of respondents. Survey was done both in Yerevan and in the other regions of Armenia, cooperating with International Organization of Armenia, and conducting field survey with their researcher. The survey results give us information about whether the market needs such a website or not, also reveal the characteristics of the demand of such a platform in Armenia, find out supply and demand relationship, and finally steps that will improve the value and the usage of the website in Armenia.

SURVEY RESULTS

The described survey has 240 observations. The target group of the survey were mainly people who are interested in creating something new, establishing new business or are already in the stage of the development of their projects.

Figure 1. Male/Female proportion

Նշեք Ձեր սեռը (240 responses)

● Իգական
● Արական

34.2%

65.8%
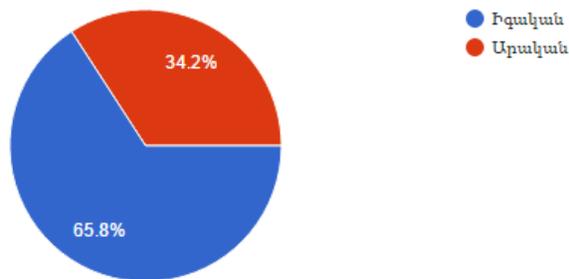
Firstly, the survey intended to find out the demographical features of the respondents. Out of 240 respondents 65.8% were females, and 34.2% were males.

Figure 2. Age of respondents

Նշեք ձեր տարիքը
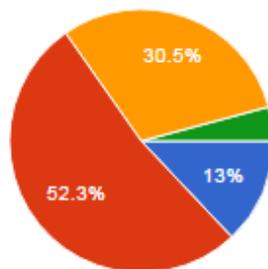
Մինչև 20	31	12.9%
20-25	125	52.1%
26-45	73	30.4%
46 և ավելի	10	4.2%

30.5%

13%

52.3%

The pie chart above indicates that the most interested people in the topic are young people of 20-25 years old, which comprise more than half (52.1%) of our respondents. The second large group are people of 26-45 years old, which comprise 30.4% of the survey participants. 12.9% of respondents were teenagers. Overall, we can obviously see from the chart that the target for Fundr.am are people under 45, particularly the first group. This is not surprising, since these are people who are young, energetic, full of new ideas and willingness to create something new, but

they are in the beginning stage of their career, so they cannot fund their projects by themselves and are looking for different fundraising opportunities.

Figure 3. Occupation of respondents

Նշեք Ձեր զբաղմունքը (240 responses)
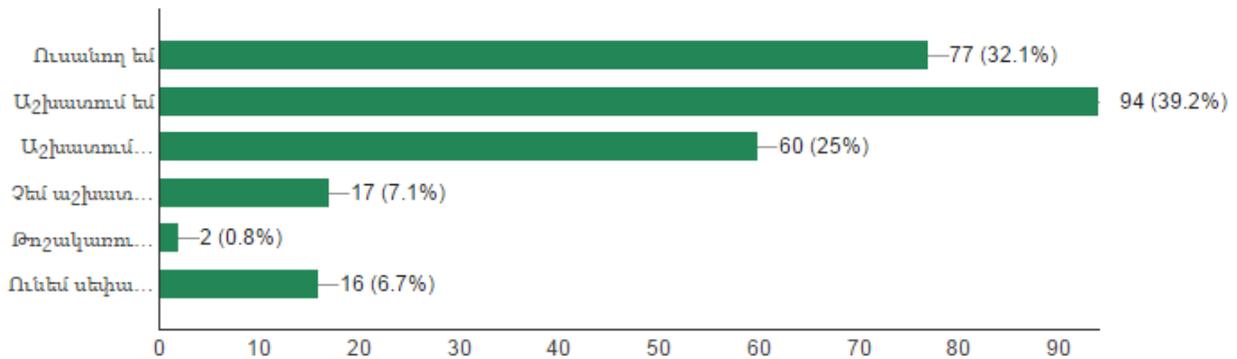
Considering the fact that the target people is youth, it is not surprising that they are either working or still studying or both of them. So the main group of responders and people who are interested in fundraising are occupied people, with both work and studies.

F*igure 4. Current occupation field*

Ձեր ներկայիս զբաղվածության (աշխատանքի/բիզնեսի) ոլորտը (212 responses)
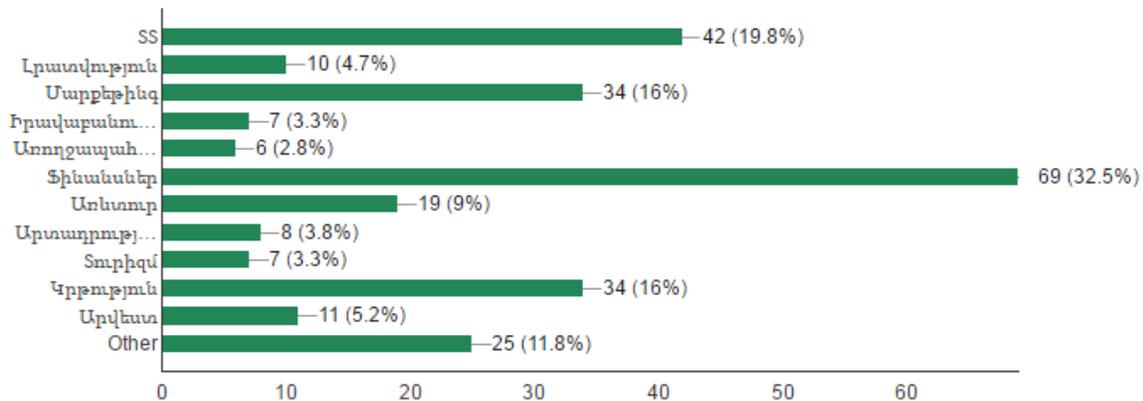
We can see from the chart above that the dominating fields of operation of our respondents are IT, Marketing, Finance and Education with proportions of19.8%, 16%, 32.5% and 16% respectively. So the most part of the people will definitely start their business in those spheres, spheres which are

currently developing in Armenia, and definitely need assistance.

Figure 5. Willingness to initiate a business (Yes/No)

### Եթե չունեք սեփական բիզնես, արդյո՞ք պատրաստվում եք սկսել

Այո	171	75%
Ոչ	56	24.6%

24.7%

75.3%
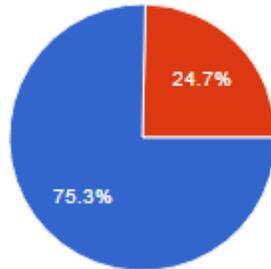
The participants of the survey were also asked about their willingness to start a business and invest some money in Armenia. About 75% of the survey participants stated that they are planning to start a business. It's quite a definite number, and it means that they can be potential beneficiaries of fundr.am.

Figure 6. Field of the future business

Նշեք ոլորտը, որում կցանկանաք ստեղծել բիզնես (216 responses)
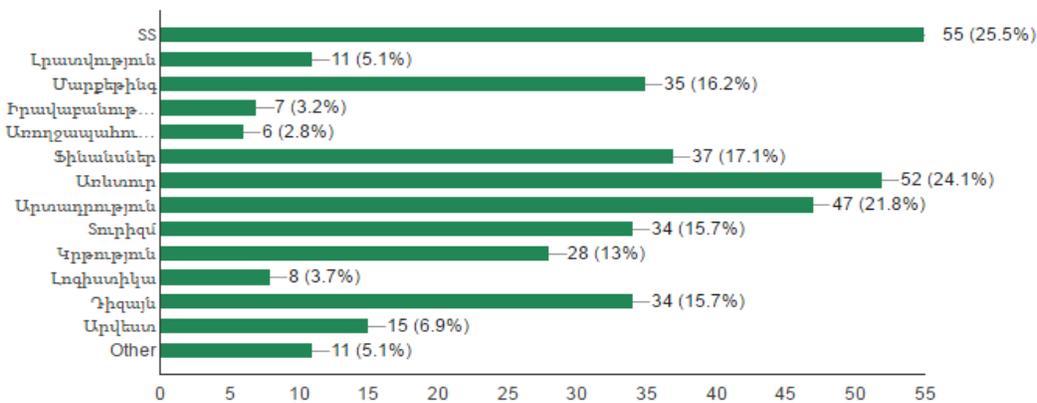
| Field	Value
SS	55 (25.5%)
Լրատվություն	11 (5.1%)
Մարքեթինգ	35 (16.2%)
Իրավաբանություն...	7 (3.2%)
Առողջապահու...	6 (2.8%)
Ֆինանսներ	37 (17.1%)
Առևտուր	52 (24.1%)
Արտադրություն	47 (21.8%)
Տուրիզմ	34 (15.7%)
Կրթություն	28 (13%)
Լոգիստիկա	8 (3.7%)
Դիզայն	34 (15.7%)
Արվեստ	15 (6.9%)
Other	11 (5.1%)

The main fields, within which participants are willing to start a business are IT (25,5%), trade (24,1%) and manufacturing (21,8%). Other common spheres include marketing (16,2%), finance (17,1%), tourism (15.7%), education (13%) and design (15,7%). People were relatively less interested in starting a business in the field of art (6,9%), logistics (3.7%) etc.

The main fields, within which participants are willing to start a business are IT (25,5%), trade (24,1%) and manufacturing (21,8%). Other common spheres include marketing (16,2%),

finance (17,1%), tourism (15.7%), education (13%) and design (15,7%). People were relatively less interested in starting a business in the field of art (6,9%), logistics (3.7%) etc.

Figure 7. Investment demand

Նախնական որքա՞ն գումար է անհրաժեշտ Ձեր բիզնեսը սկսելու/ առաջխաղացնելու համար

(218 responses)

Legend:
- Մինչ 1000$
- 1001-5000
- 5001-10000
- 10001-15000
- 15001$ և ավելի
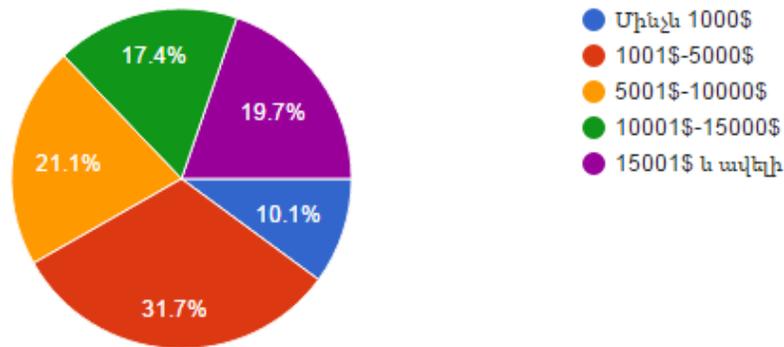
The pie chart above demonstrates the starting fund that the research participants need in order to establish their business. Most people need money for their businesses in the interval of 1001-5000 and 5001-10000 with proportions of 31,7% and 21,1% respectively. The demand for money less than 1000$ is not remarkable. As regards investments higher than 10000$, they comprise almost 40% of the overall demand.

Figure 8. Fundraising preferences

Ինչպե՞ս եք պատրաստվում ֆինանսավորել Ձեր բիզնեսը (209 responses)

Legend:
- Սեփական միջոցներով
- Վարկի միջոցով
- Անհատույց ֆինանսավորմամբ (crowdfunding)
- Միջազգային կազմակերպությունների ներդրումներով
- Other
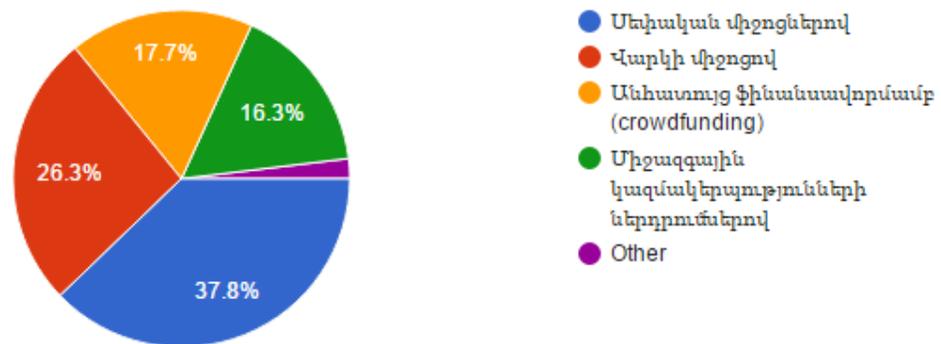
17.7% of the respondents are planning to finance their future business via crowdfunding. This is even more than expected since the notion of crowdfunding is not widely spread in Armenia. People are used to finance their activities via loans, the evidence of which is their willingness to apply for a loan (26.3%). 37.8% of the participants are planning to finance their initiatives via their own money. However, if the crowdfunding mechanism starts working effectively and obtains a common character, there is a high probability that more people will trust such portals and try it as a fundraising opportunity.

Figure 9. Awareness of crowdfunding organizations- yes/no

Տեղյա՞կ եք արդյոք, որ կան սկսնակ բիզնեսը անհատույց ֆինանսավորող կազմակերպություններ (crowdfunding)
(240 responses)

- Այո
- Ոչ
- ոչ

55.4%

44.2%
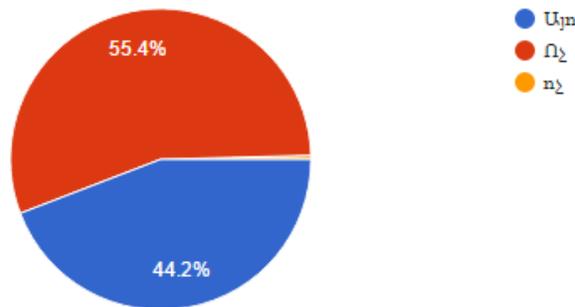
About half of the respondents are aware what crowdfunding is and about the existence of such type of organizations, the other half - are not.

But we can notice that the half of responders of not having notion about crowdfunding are people from villages, where there is a possibility and necessity of smell business and certainly funding of those business.

Figure 10. Awareness of crowdfunding organizations

Եթե այո, ապա՝ ո՞ր կազմակերպություններից եք տեղյակ (105 responses)

Indiegogo.com	65 (61.9%)
Kickstarter.com	66 (62.9%)
Fundr.am	36 (34.3%)
BoostBloom	4 (3.8%)
One Armenia	26 (24.8%)
Other	9 (8.6%)
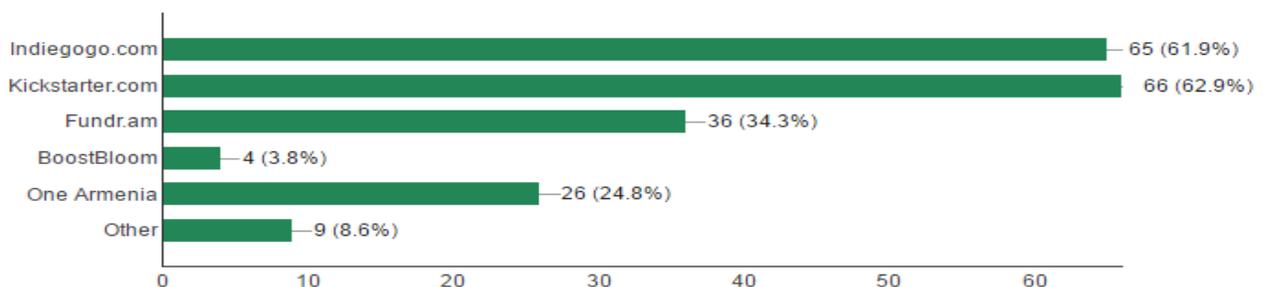
More than 60% of respondents know about the best practices of the successful websites in this field, such as Indiegogo and Kickstarter which are used to help bringing creative and valuable projects to life. As regards the platforms in Armenia, 24.8% of participants stated that they know One Armenia. Boost Bloom does not seem to be as known as One Armenia.

Figure 11. Applied/did not apply to a crowdfunding portal

Դիմե՞լ եք արդյոք այդ կազմակերպություններից որևէ մեկին (240 responses)
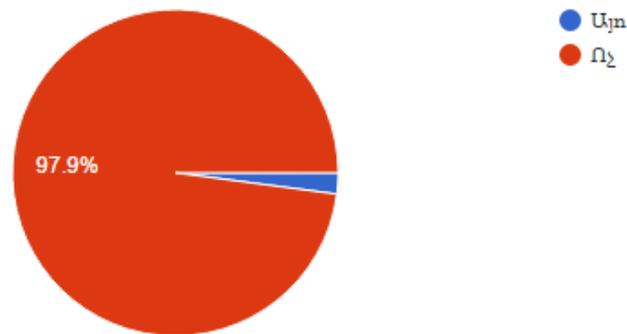
Only 2.1% of our respondents has ever applied to a crowdfunding portal to raise funds for their businesses. 1 person applied to Indiegogo. This occurred maybe because of lack of such practices and successful projects in Armenia, also because of lack of detailed information of such opportunity.

Figure 12. Reasons for not applying to fundr.am

Ի՞նչն կարող է խոչընդոտ հանդիսանալ, որ դիմեք Fundr.am-ին ներդրման համար
(197 responses)
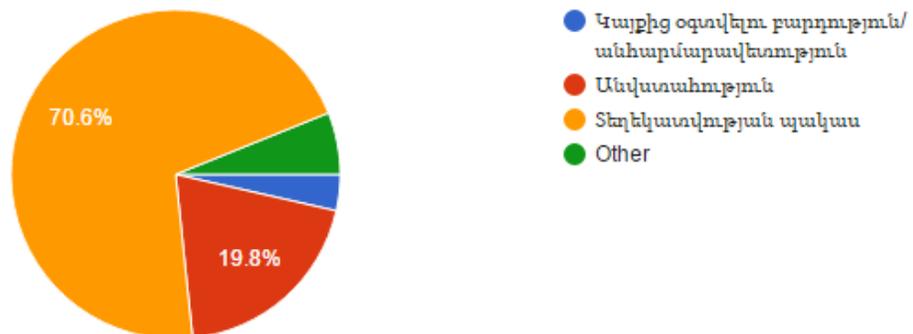
70,6% of respondents stated that the lack of information can be the reason why they can avoid applying to fundr.am to raise funds. Lack of trust is the other reason (19,8%). The website of fundr.am does not seem to be extremely comfortable and simple, but the survey results state that it is not a great obstacle.

MULTINOMIAL LOGISTIC REGRESSION: CROWDFUNDING DEMAND AND ITS DETERMINANTS RELATIVE TO OTHER INVESTMENT SOURCES

Above we have represented the descriptive statistics of our survey, which aimed to reveal the demand for crowdfunding in Armenia. Now we want to reveal the demand for crowdfunding as business fundraising source compared to alternative ways of raising money, such as loans, international investments, own resources and the demand determinants. According to our survey, the major sources from which people tend to obtain investments for their business purposes are the following ones: crowdfunding=1, international investments=2, loans=3, own resources=4 and those who do not know yet=5 (these are the categories of the response variable investment_source). In order to reveal the relationships between several factors and investment source choice a multinomial logistic regression has been implemented. Multinomial Logistic Regression is the linear regression analysis to conduct when the dependent variable is nominal with more than two levels. The data were collected from people who were interested in business (number of observations=231), were planning to initiate a business or develop an existing one and needed investments for their realization. The explanatory variables are gender (male, female), age (up to 20, 21-25, 26-45, 46 and more), occupation type (study, work, none), occupation field (education, finance, IT, marketing, other services, other), planning to create a new business (yes, no, do not know), the field of new business (education, finance, IT, manufacturing, tourism, trade, other services, other, do not know), the amount of investment needed (up to $1000, $1001-$5000, $5001-$10000, $10001-$15000, $15001 and more) and obstacles for applying to Fundr.am for crowdfunding purpose (lack of information, mistrust, non-user-friendly website and other) All these variables have been converted into dichotomous ones with binary values: 1 and 0 (1-when the response corresponds to the option, the indicator variable represents, 0-if does not correspond). We have chosen the most common categories as the reference groups to compare other categories

with them for explanatory variables. For the dependent variable we have chosen "crowdfunding" as the reference group, since it is the category under interest (although it is not the most common category). In this paper we are going to interpret the coefficients in terms of relative risk ratios (RRR).

The model contains all the indicator variables which contain at least 1 significant category.

Output 1: EducField - This is the relative risk ratio comparing Educational field representative to Finance field representatives (reference group, which has been omitted from the regression) for International Investments source selection relative to crowdfunding source selection given that the other variables in the model are held constant. For those in Educational field compared to Finance field representatives, the relative risk for International Investments source selection relative to crowdfunding source selection would be expected to increase by 12.7 times given the other variables in the model are held constant. In other words, we can state that *the likelihood of choosing International compared to crowdfunding choice for those in FinanceField is 12.7 times more than for those in Educational_Field.*

For International Investments source selection relative to crowdfunding source selection, the z test statistic for the predictor EducField is 2.02 with an associated p-value of 0.043. If we set our alpha level to 0.05, we would reject the null hypothesis and conclude that the difference between EducField and FinanceField has been found to be statistically different for International investments source selection relative to crowdfunding source selection, given that other variables are in the model.

Marketing_Field – Similarly, we can conclude from the regression results that *people in FinanceField tend to apply to international rather than crowdfunding companies for fundraising purposes 15 times more than those in Marketing_Field.*

NewBusEduc - This is the relative risk ratio comparing those who intend to create a business in educational field to those in IT field (reference group, which has been omitted from the regression) for International Investments source selection relative to crowdfunding source selection given that the other variables in the model are held constant. For those in NewBusEduc field compared to those in NewBusIT field, the relative risk for International Investments source selection relative to crowdfunding source selection would be expected to decrease by 0.04 times given the other

variables in the model are held constant. In other words, we can state that *the likelihood of choosing International compared to crowdfunding for those in IT field of new business would be expected to decrease by a factor of 0.04 times than for those in NewBusEduc.*

NewBusFinance - we can be 95% confident that *the likelihood of choosing International rather than crowdfunding for those in NewBusIT field would be expected to decrease by a factor of 0.32 times or 3.2% compared to those in NewBusFinance, other factors held constant.*

NewBusTourism - we can be 95% confident that *the likelihood of choosing International for those in NewBusIT field would be expected to decrease by a factor of 0.028 times or 2.8% compared to crowdfunding choice compared to those in NewBusTourism, other factors held constant.*

NewBusTrade - we can be 95% confident that the *likelihood of choosing International for those in NewBusIT field would be expected to decrease by a factor of 0.021 times or 2.1% compared to crowdfunding choice compared to those in NewBusTrade, other factors held constant.*

Similar conclusions can be made for the manufacturing field, other field, and other services field.

Investment_upto_$1000- This is the relative risk ratio comparing those who need investment up to $1000 for their business to those who need $1001-$5000 (reference group, which has been omitted from the regression) for International Investments source selection relative to crowdfunding source selection given that the other variables in the model are held constant. For those in first interval compared to those in the second one, the relative risk for International Investments source selection relative to crowdfunding source selection would be expected to increase given the other variables in the model are held constant. In other words, we can state that *those people who need up to $1000 investments are more prone to applying to international for investments rather than to crowdfunding compared to those who need $1001-$5000 investment amount. This can be explained by the fact that people do not expect to acquire high amounts of money from crowdfunding source and rely more on international organizations.*

ObstacleMistrust - This is the relative risk ratio comparing those who may refuse to apply to fundr.am for crowdfunding because of mistrust to those who will do that because of lack of information (reference group, which has been omitted from the regression) for International

Investments source selection relative to crowdfunding source selection given that the other variables in the model are held constant. For those in first category compared to those in the second one, the relative risk for International Investments source selection relative to crowdfunding source selection would be expected to increase by 7 times, given the other variables in the model are held constant. In other words, we can state that *the those who do not apply to fundr.am because of lack of information compared to mistrust are more likely to apply for international investments rather than crowdfunding.*

In the output 2 the loan choice has been compared to crowdfunding choice based on the characteristics of other independent variables. From this table we can estimate that

- ✓ *Males are less likely to choose crowdfunding as the source of fundraising than applying for loans.*
- ✓ *Young people of 20-25 years old are 9 times more likely to choose loans rather than crowdfunding compared to teenagers, which is logical, since at that age people can take more responsibility, can have resources to assure the banks that they will be able to return the loans. Crowdfunding does not require such strict conditions.*
- ✓ *Moreover, those people who need investment up to $1000 are 7 times more likely to apply for crowdfunding compared to loans, than those who need $1001-$5000.*

In the output 3 the own resources choice has been compared to crowdfunding choice based on the characteristics of other independent variables. From this table we can estimate that

- ✓ *Those who neither work nor study are significantly less likely to invest own money in the business, they will rather apply for crowdfunding, if necessary, compared to those who work. This is logical, in the sense that working people can gather some amount of money and invest in business, compared to those who does not have stable income.*
- ✓ *Those in the age group of 26-45 years old are more likely to invest own money in business rather than apply to crowdfunding. A possible explanation to this can be the fact that they already have acquired a certain amount of wealth which they can use for business investments.*
- ✓ *Moreover, those people who need investment up to $1000 are more likely to apply for crowdfunding compared to own resources, than those who need $1001-$5000.*

CONCLUSIONS

1. *This analysis implies that the main reason for not applying (low demand) to fundr.am is the lack of information. Hence, fundr.am needs to implement a marketing campaign in order to raise the awareness about such opportunity among the interested people.*

2. *The analysis suggests the characteristics of the main target people who are more likely to apply to fundr.am for fundraising purposes. Thus it can implement its marketing activities directed towards them. For instance, for advertisement in Facebook social media page it can choose the main characteristics of potential appliers and boost the effectiveness of ads by narrowing the segment. Or it can send specific mailing offers special to certain field representatives corresponding to the special requirements of investors.*

Output 1. The results of Multinomial Logistic Regression model: Base outcome – Crowdfunding, Reference group – International organisations' investments

Multinomial logistic regression				Number of obs	=	231
				LR chi2(116)	=	229.66
				Prob > chi2	=	0
Log likelihood = -241.76578				Pseudo R2	=	0.322
Crowdfunding	RRR	Std. Err.	z	P>z	[95% Conf.	Interval]
Compared to: International_Investments						
male	.3385674	.2402257	-1.53	0.127	.0842727	1.360201
age_26_45	3.161943	2.350142	1.55	0.121	.7367007	13.57116
age_46_more	2.903043	5.251937	0.59	0.556	.0837399	100.6409
age_up_to_20	.6633612	.7214661	-0.38	0.706	.0787028	5.59126
occup_none	.1632482	.2422258	-1.22	0.222	.0089093	2.991243
occup_study	1.058028	.8847478	0.07	0.946	.205448	5.448689
EducField	12.74445	16.02768	2.02	0.043	1.08351	149.9026
IT_Field	1.259074	1.635667	0.18	0.859	.0986855	16.06385
MarketingField	15.69326	18.94293	2.28	0.023	1.47316	167.177
OtherField	8.097684	8.190352	2.07	0.039	1.115368	58.78998
OtherServicesField	5.822639	6.94421	1.48	0.140	.5622867	60.29509
NewBusinesNo	.7028111	.5164701	-0.48	0.631	.1664646	2.967258
NewBusines_DontKnow	.0000237	3258.654	0	1.000	0	.
NewBus_Educ	.0403781	.0640627	-2.02	0.043	.0018016	0.9049758
NewBus_Finance	.0327339	.0543495	-2.06	0.039	.0012639	0.8477786
NewBus_Manufact	.0087324	.0168376	-2.46	0.014	.0001995	0.3822984
NewBus_Tourism	.0281292	.0373212	-2.69	0.007	.0020883	0.3788915
NewBus_Trade	.0219698	.030573	-2.74	0.006	.0014365	0.3360106
NewBus_DontKnow	.0142838	.	.	.	.	.
Other_BusField	.0141358	.0218964	-2.75	0.006	.0006789	0.2943291
OtherServices_BusField	.0114954	.0153598	-3.34	0.001	.0008379	0.1577155
invest_10001-15000	.6125955	.5844271	-0.51	0.607	.0944305	3.974068
invest_15001_more	.4171517	.3599848	-1.01	0.311	.0768673	2.263842
invest_5001_10000	1.17245	1.007744	0.19	0.853	.2175053	6.320026
invest_upto_1000	2.62e+09	4.77e+09	11.89	0.000	7.33e+07	93400000000
invest_DontKnow	1.534893	3.058556	0.22	0.830	.030896	76.25238
obstacle_mistrust	6.884208	5.797038	2.29	0.022	1.321527	35.86178
obstacle_website	1.013617	1.819203	0.01	0.994	.0300725	34.16481
obstacle_other	.9131044	.8229749	-0.1	0.920	.1560767	5.341985

Output 2. The results of Multinomial Logistic Regression model: Base outcome – Crowdfunding, Reference group – Loans

Multinomial logistic regression						
					Number of obs = 231	
					LR chi2(116) = 229.66	
					Prob > chi2 = 0	
Log likelihood = -241.76578					Pseudo R2 = 0.322	
Crowdfunding	RRR	Std. Err.	z	P>z	[95% Conf. Interval]	
Compared to Loans						
male	.257226	.1543346	-2.26	0.024	.0793592	.8337437
age_26_45	2.207013	1.395117	1.25	0.210	.6393454	7.618582
age_46_more	.3238399	.6546753	-0.56	0.577	.0061594	17.02632
age_up_to_20	9.364285	9.006728	2.33	0.020	1.421591	61.68431
occup_none	.4413557	.5130165	-0.7	0.482	.0452253	4.307207
occup_study	.370301	.2885023	-1.28	0.202	.0804233	1.705014
EducField	1.450722	1.701726	0.32	0.751	.1455818	14.45643
IT_Field	.7966381	.9048698	-0.2	0.841	.0859834	7.380868
MarketingField	.9380195	.8482256	-0.07	0.944	.1594018	5.519889
OtherField	1.190693	.9158141	0.23	0.820	.2636958	5.376458
OtherServicesField	.1530072	.155815	-1.84	0.065	.0207917	1.125988
NewBusinesNo	1.129062	.7909146	0.17	0.862	.2860526	4.456455
NewBusines_DontKnow	3.03e+21	.	.	.	.	.
NewBus_Educ	.1753656	.2701149	-1.13	0.258	.0085673	3.589601
NewBus_Finance	1.159034	1.583582	0.11	0.914	.0796349	16.86898
NewBus_Manufact	2.434348	3.368834	0.64	0.520	.1615941	36.67242
NewBus_Tourism	.1547105	.2162384	-1.34	0.182	.0099953	2.394648
NewBus_Trade	.7918834	1.019021	-0.18	0.856	.0635782	9.863117
NewBus_DontKnow	9.43e+09	4.38e+14	0	1.000	0	.
Other_BusField	.0738604	.1293138	-1.49	0.137	.0023886	2.283935
OtherServices_BusField	.7308711	.8994448	-0.25	0.799	.0655106	8.153987
invest_10001-15000	.8086235	.6173496	-0.28	0.781	.1810882	3.610792
invest_15001_more	.3390743	.2710525	-1.35	0.176	.0707706	1.624563
invest_5001_10000	.4456574	.3517433	-1.02	0.306	.09488	2.093281
invest_upto_1000	7.43e+09	1.15e+10	14.69	0.000	3.58e+08	1.54e+11
invest_DontKnow	3.71e-39	1.46e-30	0	1.000	0	.
obstacle_mistrust	.5040786	.3963144	-0.87	0.384	.1079619	2.353564
obstacle_website	.3908101	.6830847	-0.54	0.591	.0127109	12.01585
obstacle_other	1.40686	1.033325	0.46	0.642	.3334661	5.935402

Multinomial logistic regression						Number of obs = 231	
						LR chi2(116) = 229.66	
						Prob > chi2 = 0	
Log likelihood = -241.76578						Pseudo R2 = 0.322	
Crowdfunding	RRR	Std. Err.	z	P>z	[95% Conf. Interval]		
Compared to OwnResources							
male	.4309331	.2437505	-1.49	0.137	.1422136	1.305806	
age_26_45	1.151551	.7045122	0.23	0.818	.3471545	3.819824	
age_46_more	.4121587	.7075319	-0.52	0.606	.0142512	11.92007	
age_up_to_20	1.781926	1.632239	0.63	0.528	.2959315	10.72971	
occup_none	.050285	.07949	-1.89	0.059	.0022692	1.114319	
occup_study	.6457412	.4443718	-0.64	0.525	.1676091	2.487823	
EducField	3.389508	3.486233	1.19	0.235	.4514867	25.44652	
IT_Field	.6469843	.6899931	-0.41	0.683	.0800033	5.232144	
MarketingField	.7823766	.7308796	-0.26	0.793	.1253838	4.881915	
OtherField	1.289566	.9191889	0.36	0.721	.318945	5.214	
OtherServicesField	.359976	.3268364	-1.13	0.260	.0607343	2.1336	
NewBusinesNo	1.091949	.7061645	0.14	0.892	.3074179	3.878602	
NewBusines_DontKnow	1.18e+21	1.10e+21	52.12	0.000	1.91e+20	7.35e+21	
NewBus_Educ	.110863	.1510236	-1.61	0.106	.0076778	1.600809	
NewBus_Finance	.0582332	.0800111	-2.07	0.039	.0039413	.8604033	
NewBus_Manufact	.3692331	.4893863	-0.75	0.452	.0274857	4.960143	
NewBus_Tourism	.0567927	.0689412	-2.36	0.018	.0052603	.6131591	
NewBus_Trade	.1785419	.2141234	-1.44	0.151	.0170178	1.873169	
NewBus_DontKnow	3.02e+09	1.40e+14	0	1.000	0	.	
Other_BusField	.0957113	.1269668	-1.77	0.077	.0071088	1.288644	
OtherServices_BusField	.0985227	.1131219	-2.02	0.044	.0103801	.9351242	
invest_10001-15000	.3802309	.3041148	-1.21	0.227	.0792944	1.823275	
invest_15001_more	.6234434	.4280678	-0.69	0.491	.1623104	2.394682	
invest_5001_10000	.7064256	.5203388	-0.47	0.637	.1667587	2.992569	
invest_upto_1000	2.88e+10	4.25e+10	16.31	0.000	1.59e+09	5.19e+11	
invest_DontKnow	1.09e-21	.	.	.	.	.	
obstacle_mistrust	1.685922	1.171304	0.75	0.452	.4319767	6.579833	
obstacle_website	.2015513	.3628062	-0.89	0.374	.0059179	6.86447	
obstacle_other	.8022545	.5891394	-0.3	0.764	.1902078	3.383733	

Output 3. The results of Multinomial Logistic Regression model: Base outcome – Crowdfunding, Reference group – Own Resources

Note: This table reports results from Multinomial Logistic Regression model estimated on the dataset based on the survey, which aimed to reveal the demand for different crowdfunding sources. Dependent variable – Source of investment. Base outcome – Crowdfunding source for investments. Reference group – Own Resources. Explanatory variables - gender (male, female), age (up to 20, 21-25, 26-45, 46 and more), occupation type (study, work, none), occupation field (education, finance, IT, marketing, other services, other), planning to create a new business (yes, no, do not know), the field of new business (education, finance, IT, manufacturing, tourism, trade, other services, other, do not know), the amount of investment needed (up to $1000, $1001-$5000, $5001-$10000, $10001-$15000, $15001 and more) and obstacles for applying to Fundr.am for crowdfunding purpose (lack of information, mistrust, non-user-friendly website and other) All these variables have been converted into dichotomous ones with binary values: 1 and 0 (1-when the response corresponds to the option, the indicator variable represents, 0-if does not correspond). All the variables have their reference groups with which the comparisons are made.

Note that many categories have insignificant p-values even in 10% significance level, but they are present in the model, since at least one of the categories of the independent variables has a significant result in one of the comparisons.