

# **ANALYSIS OF FUNDING ALTERNATIVES THROUGH FINANCIAL TECHNOLOGY SERVICES – FINTECH – THE PHENOMENON OF CROWDFUNDING**

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## **Abstract**

We pursue to understand and discover to which direction the global economy is heading, developments and innovations from the FinTech domain, considering that virtual environment has become a safe and easy way to make all payments, transactions, loans and, particularly, sales of products and services. It is extraordinary how, in a very short period of time, capital has been obtained for various investments through a platform that brings together many innovative ideas, which play an important role in society, leading to the development and simplification of economic processes.

This writing contains a brief overview of financial technology services. I have been pursuing the main objectives of this field, presenting them in a generalized way. During the documentary work I identified a considerable number of documents on this subject, having to sort them on subjective criteria.

I further developed the notion of crowdfunding, analysing the results of an on-line questionnaire, on the activities of two platforms: Indiegogo and Kickstarter. These platforms are internationally active and have been an effective solution in the last few years to raise funds for the implementation of innovative ideas for some people with potential, which will help us to synthesize the motivations of the supportive projects that have developed by obtaining the necessary capital using crowdfunding site.

**Keywords:** global economy, FinTech, financial technology services, investments, crowdfunding.

**JEL Classification:** G23, F63.

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## **Introduction**

This paper aims to monitor the financial system, in the foreground financial services system, FinTech system subsequently used as a basis for the concept of crowdfunding. FinTech is a contraction of the terms "Financial Technology" - financial technology that

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encourages a new way in which society members can perform payments, send money, borrowing and net investment, which leads to globalization.

„Globalization is characterized by increasing interdependence of countries worldwide, driven by the expansion, diversification and intensification of cross-border transactions of goods and services, flows and international factors, the rapid diffusion international technology, and also by integrating financial flows , capital worldwide.”

Crowdfunding site may be of interest because it introduces a new way to invest, to attract investors, to get up a start-up, thus contributing to business development and system investment, which produce default global economic development and social welfare. It was based on the model by which known Joseph Pulitzer was able to mobilize Americans to help raise the necessary funds to finance development pedestal that became the supporting surface of the Statue of Liberty, a gift from France to celebrate hundred years of independence of the United States.

### 1. Literature review

The industrial revolution is the most important step the company developed and caused a jump in the standard market. It begins in Britain in the eighteenth century industrialization economy, continuing with the development of trade and international cooperation between states, which significantly increased the quality of life and progress of mankind, the two complementing each other.

In recent decades we have witnessed a new revolution, the computer called knowledge revolution where science and technology are the engine for development. This has led to a recent economic and financial crisis with global consequences: Dotcom bubble (Internet bubble).

Banks in the financial industry were responsible for most innovations, the introduction of the credit card in 1950 and ATMs in 1970, which revolutionized the ways that you can transfer money and pay for goods and services. But analyzing the situation in 2016, we see that the story has changed. Significant development of the Internet and advanced technology including smart-phone sites, cloud computing<sup>2</sup>, Big Data<sup>3</sup>, social media facilitated financial management by consumers.

FinTech appeared with the financial crisis, when consumers have lost confidence in the banking system, this event start generating financial innovations. Companies FinTech have been noted by offering technology, trust and transparency of the services provided at low

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<sup>2</sup> *Cloud-computing* is a distributed set of computing, application, access to information and data storage, without the user having to know the location and configuration of the systems that provide these services.

<sup>3</sup> *Big data* - represents the volume, speed and variety of the internet.

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cost, power belonging to the people, technology enabling loan peer-to-peer<sup>4</sup> in a period where the banks went through a lack of liquidity and failure lending.

*FinTech - overview*

Financial Technology or FinTech is one of the most promising industries in the 2016. FinTech Revolution, led by a wave of start-ups with innovative new business ideas, new products and services, changes the way global finance. This term includes any new technology-FinTech financial sector, including investment innovations, crypto-currencies<sup>5</sup> like Bitcoin<sup>6</sup> payments online, mobile services, financing participatory automated counseling. FinTech provide important benefits - such as cost reduction, increased efficiency and more transparency - can be an effective tool for financial inclusion and can provide quality financial services to customers who did not have access to them in the past. It also allows cross-border financial flows and associated infrastructure, credit and investment through alternative channels.

FinTech it is growing rapidly, increasing the overall investment in 2016 to 2015 by 75%, from \$ 9.6 billion to \$ 22.3 billion (Susanne Chishti and Janos Barberis, 2016).

At the end of 2015 Forbes concluded:

„The banking industry is threatened to be replaced by FinTech start-ups, growing popularity of technology blockchain<sup>7</sup> dominated this millennium. The industry is constantly growing and evolving by the need to prepare against threats cybersecurity banks by meeting frequently with new threats and potential risks of fraud.”

„People need banking, but did not really need banks.” New services, more convenient and customer-centric landscape changes, customers become increasingly demanding. Time when financial institutions could offer service packages lack transparency, and yet have customers comes to an end. Although this statement does not apply to all sectors and all countries are likely in the near future to witness a financial revolution. In the past banks competing with each other, now the situation is changing.

Competitive pressure comes not only from other banks but also from thousands of start-ups FinTech and people with enough capital to choose the most interesting areas of banking that replace them with their business models by to attract millions of customers. A solution to this global problem is the technological cooperation with the banking sector. In this respect, at the beginning of 2015, the UK government announced initiative to introduce a

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<sup>4</sup>*Peer-to-peer*-decentralized model through which two individuals interact directly without the intervention of a third person to market goods and services.

<sup>5</sup>*Cripto-currency*- a virtual, digital, non-bank coin used as a means of payment

<sup>6</sup>*Bitcoin* - peer-to-peer digital coin, with which payments are made directly from one participant to another, without resorting to an intermediate node.

<sup>7</sup>*Blockchain* - database that records and supervises bitcoin transactions.

database API<sup>8</sup> that can be used both for banks and companies to collaborate FinTech benefit consumers. FinTech Global Entrepreneurs, researchers, investors, governments and consumers are turning to innovations FinTech through which to reinvent banking, finance and trade. Financial technology services there for decades, but now we notice that they have a very important role in society.

According G20<sup>9</sup>, 2.5 billion adults are not part of the financial system, access to traditional banks too expensive for this category. In this regard, FinTech can make a difference through highly developed mobile services that allow both mobile payments and transfer money through various international programs, such as M-Pesa<sup>10</sup>. Monetary economy is supplemented by digital mobile access to funds. This change is driven by traditional banks, but telecommunications companies conducting mobile transactions. It is abolished, reducing all-time and transaction costs for payments and economic services. Developing countries have countless new customers, but limited resources to manage. This produced negative results so far. Smart-phone sites are not accessible to the masses. The combination of new customers and limited resources boosts companies to develop cheaper solutions, but effective, ready to be tested in the local market, as subsequently be operated and tailored western. Technologies developed in Africa and Asia could be beneficial low income compared with fantastic new applications developed by start-ups in Silicon Valley, London or New York, for wealthy millennials.

In recent years, local communities in India, Pakistan, China, Thailand, Indonesia and Malaysia have seen a development skills in financial technologies by implementing programs (Susane Chishti, 2016), such as:

- Ezetap (India) - has 80% of mobile sales market, being present only in India, but with over one billion customers, more than Canada, USA and Europe combined.
- Wedlite (Indonesia) - Indonesian marriages finance this program, this funding is paid by monthly payment.
- Ola (India) - provides taxis, initially as an application to call a taxi. But because India, not everyone has a credit card, the initiators have developed online wallets to facilitate payment race. Later, it became a platform where you can order food delivery.

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<sup>8</sup>API - Application Programming Interface is a set of definitions of sub-programs, protocols and tools for application and software programming. An API can be for a web system, operating system, database system. For example, when it comes to the interface between application programs and the operating system, they set out in detail how the application programs can access the operating system services under which they run.

<sup>9</sup>G20 - is a group of ministers and governors of central banks of 20 economies - 19 of the largest national economies plus the European Union, representing two-thirds of the world's population

<sup>10</sup>M-Pesa - a bank telephony service that allows you to transfer money through your mobile.

- Blossom (Indonesia) - offering Islamic microfinance by crypto-currencies, Bitcoin.
- WeLend (Hong Cong) - is a start-up peer-to-peer, which registered a significant increase, reaching the beginning of 2016 to \$ 160 million.

Developing countries and Western companies offer customers a basis for investment and innovation. They can create technologies that will be seen later in Europe and USA. Analyzing FinTech countries whose services are developed, we see that many of them have a representative association / unit contributing to the development of their respective economies. For example, in the UK we have "Innovate Finance" in Australia "Stone & Chalk" in the Netherlands "Holland FinTech". During FinTech London to Singapore delegation led by Mayor of London, Boris Johnson, was launched directly on accelerating financial innovation, Startupbootcamp FinTech through which stakeholders are informed and help entrepreneurs to develop their ideas, thus accelerating the development FinTech.

## 2. Crowdfunding: concept, definition, objectives

Crowdfunding was derived from the concept of crowdsourcing. The term "crowdsourcing" was coined by Jeff Howe (2006) in an article which presents a new method that leverages the collective intelligence and creativity of an undefined group of people. Recent research in this area suggests that any common problem can benefit from crowdsourcing, considered as an alternative method to solve many difficulties and primarily the financing.

The notion of financing crowdfunding- participatory multifinancing - represents the collective effort of consumers who have become financial backers of projects via web platforms. Financing participatory provided similar funding reparations: the more bit (premiums) for compensation for the few that have experienced damage. If multifinancing main objective is to collect money. This is done generally through the use of specific social networks obviously via the Internet. Multifinancing is therefore subject crowdsourcing<sup>11</sup> acquires since the crowd can volunteer contributions to the development of a project, namely in the form of financial aid. In other words, rather than obtaining capital from a small group of investors, multifinancing addresses a wider audience, so that each individual contributes a small amount. However, the two types of funding can be combined.

Multifinancing is participatory process involving several categories of actors necessary and mandatory:

- proposes a project initiators, business model or product, and aimed at obtaining capital;
- crowd, great audience, decides to financially support these projects, accepting risk and expecting a benefit;

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<sup>11</sup> *Reward*: In this paper, the term refers to the reward received by donors or investors who finance successful projects, initiators showing their gratitude.

- platforms multifinancing third actor, who plays the role of intermediary between investors and host.

**The initiator** of a project, often called the founder, is a general term that includes users crowdfunding platforms to collect financial resources for an innovative idea, a project or to finance their activities. They may include: entrepreneurs, musicians, directors, designers, artists, writers, philanthropists, etc. A substantial part multifinancing activities are focused on creative projects as a consequence of the origin multifinanțării in music. This trend is confirmed by the fact that crowdfunding platforms based compensation, suitable for creative projects are currently the most popular and continues to grow in popularity. Subsequently other requirements multifinancing was adapted from other areas: scientific research, sports, journalism, software, medicine, technology, etc. Multifinancing is perfectly usable for creating intellectual property fields. Many initiators require public financial assistance because their projects would not find funding from traditional resources and bank loans, venture capital investors, promotion by government agencies and cultural and scientific foundations. This is due largely to the fact that the ideas initiators are understood in the wrong way, are considered too exotic or too complex, risky, possibly unprofitable or poorly presented. Using multifinancing initiators can bypass these barriers impassable in classical using crowdfunding platforms. Although raising capital is the main objective in launching projects multifinancing there are many other benefits to originators: extremely low probability of being exposed to compromise greater control over their business, or maintaining the creative vision as close to the original project. By resorting to public funding, the probability of directly addressing supporters interested to get early validation of the concept of the project and a better understanding of the target market. Multifinancing allow also establishing relationships much earlier and much stronger with customers and dedicated supporters, which eventually will become volunteer lawyers project.

**The crowd** consists of large number of people, often anonymous, to be addressed by the proposed project initiators. The term itself is not a concept but rather a classification vague, which sometimes refers to online communities of Internet users in general, or in the case described in people who have a financial interest, emotional, cultural, scientific, concerning a project proposed for multifinancing and the number of potential partners interested engaging in financial support to a project multifinancing. In other words, if the addressing is defined by the number of Internet users who are able to understand the message of a campaign multifinancing and also who can make a payment by means of e-payment is possible for all of them to participate in multifinancing . This really shows the potential size of the crowds to whom crowdfunding site

#### *Crowdfunding platforms*

In recent years, while developing multifinancing, there were hundreds of services called crowdfunding platform, acting as an intermediary between project developers and lot in order to facilitate transactions. There are actually very useful opinion that crowdfunding platforms are designed to allow removal of divergences due to the distance between the investors and financiers.

Most of the platforms is characterized by several common elements:

- provide a standardized format for the initiators in order to present the project in a manner sufficiently clear for the user who has access to the Internet;
- allow you to make small financial transactions in order to maintain participation to keep risks within certain limits;
- providing information on investment and beneficiaries: the aggregate value of the investment, minimum funding threshold proposed, the beneficiaries and their profile, as well as communication tools between investors.

All platforms operating under the same basic principle: the accumulation of investments from the crowd, to finance a project. In addition, some platforms provide advice, organizing public relations and establish arrangements with suppliers of micro payments. Thus, crowdfunding platform can offer experience and professionalism resulted from routine project developers, calling usually once or several times crowdfunding platforms. Therefore, all stakeholders are directly involved in the process, enjoying it: the initiators may get more funds, supporters made profit quality projects and platform multifinancing get more traffic earning more money, usually a percentage predetermined the amount collected for a project. The rapid emergence of such platforms is logical and essential for this new market to function properly. There is a set of rules in accordance with the legislation of the country of origin for each platform, establishing concisely what types of projects will be accepted, assuming the role of overseers of legality transactions. This can sometimes annoy users perceive the rules as too restrictive and imprecise platform.

However, policies vary from one site to another. Indiegogo, for example, is one of the less covered crowdfunding platforms. This relative openness is fundamental and basic. In view Indiegogo crowd to decide whether a project deserves to be held in full compliance with democratic principles governing the Internet: if there is demand, there will be funding. Kickstarter, on the other hand, is a crowdfunding platform known for its rather restrictive guidelines that ensure that potential donors can expect to find projects of a certain quality platform. In the last five years they have appeared a variety of platforms crowdfunding providing a wide range of services in various fields: music and film projects charity or collection of risk capital for start-ups, outlining the three platforms :

- models characterized by a high level of risk, whose activity is similar to that of venture capital;
- models characterized by a low to medium risk report, supported by a large number of customers, and providing emotional rewards including;
- models without risk or very low risk for customers who expect only the intangible rewards that are closer to charitable activities.

### 3. Research Methodology

In multifinancing environment marked by professionalism, transparency and consistent practice, potential donors, the general public and entrepreneurs will capitalize on investment opportunities, considering crowdfunding platforms as a viable solution for their needs. Following a survey of 230 crowdfunding platforms has revealed that most of them are reward based platforms, but did not identify any platform based on donations. 68% of

the platform have a multinational approach, and 55% using two or more languages. Thus, there is a clear trend towards cross-border operation.

The highest number of successful campaigns were conducted in Germany (24%), followed by Spain (17%) and France (16%). In total, 72% of funded campaigns have successfully exceeded its funding. The reasons why entrepreneurs choose multifinancing: easy access to finance (71.4% of respondents), followed by the difficulty or impossibility of obtaining funds from traditional donors - banks and professional investors; 57.1% of respondents believe multifinancing source alternative, as a side benefit of multifinancing marketing and association with an innovative form of financing a personal success. About 30% of respondents did not use existing predefined multifinancing campaigns, preferring to develop their own campaign. Without exception, sought funding under the ceiling of 250.000 Euro. Interesting and worth mentioning is that 86% of respondents expect to use multifinancing again in the next five years.

Most entrepreneurs participating in projects multifinancing (61.5%) are convinced that multifinancing should be regulated and supported at EU level through a highly regulated legal framework, flexible and transparent, and in that classification crowdfunding platforms in depending on the success rate, reliability and visibility across borders. Other activities that respondents consider important in order to stimulate activities multifinancing: organizing workshops and training sessions to explain the entrepreneurs functioning platforms of crowdfunding, permanent access to outreach to investors, granting labels multifinancing quality platforms.

#### *Comparison between Kickstarter and Indiegogo platforms crowdfunding*

The subject of our research is focused on multifinancing projects raise capital through crowdfunding platforms based reward. To achieve a representative sample, we chose two of the most popular platforms: Kickstarter and Indiegogo. Aimed at creating an overview to support donors regardless of the platform calling. The two platforms have different policies for promoting projects multifinancing, shall be addressed by different donors risk. These issues are expected to be reflected in the data presented. The table below (Table no.1) addresses the most important differences between the two platforms and the implications of this research study.

**Table no. 1. Comparison between platforms multifinancing  
Indiegogo and Kickstarter**

	<b>Indiegogo</b>	<b>Kickstarter</b>	<b>Implications</b>
<b>The financing model</b>	The initiators can choose between "All or Nothing" and "flexible funding". The last option allows you to keep any	"All or nothing": If the funding target is not reached, the campaign fails and accumulated funds shall be returned to the donors. Conclusion:	Funding method different on the two platforms differences between funded and unfunded projects structure Relativization failure /



	amount taken. Conclusion: the objective of financing acts more as an orientation and supporters face greater risks when they contribute because they are paid even when they do not achieve target funding.	initiators tend to establish financial goals at the minimum they need and donors will invest only if the project meets its stated financial achieve	success - Indiegogo projects failed flexible financing model - has not reached the required financing with flexible financing projects - ensuring unable exposed to promised reward
<b>Campaign duration</b>	a) Up to 60 days ("All or Nothing") b) Up to 20 days ("flexible funding")	Up to 60 days ("All or Nothing")	Indiegogo projects are exhibited online longer
<b>Perceived commission</b>	a) 4% for the whole funding b) 9% to fund "all or nothing" unfinished or "flexible funding"	5% for full funding	Flexible projects with failed funding are less likely to deliver the promised reward because they have to pay extra
<b>Additional charges</b>	3% credit card processing	3-5% (Amazon)	
<b>Addressability area</b>	International	SUA, Marea Britanie	Different populations - a possible influence on funding
<b>Focus</b>	Creativity Partnership Entrepreneurship Nonprofit	Creativity	They are not, only creative projects have participated in the study
<b>Popularity</b>	The second platform in the world	The most popular platform	

Source: Processing of information from bibliographic references

*Interpretation of survey results*

Data were collected using a questionnaire hosted by [www.soscisurvey.de](http://www.soscisurvey.de), online survey platform, the separate address of the originator crowdfunding supporters project, each group receiving a separate set of questions. As expected, it was difficult to complete the donor group because of multifinancing campaigners remain a largely anonymous and usually can not get their contact details. Delivery questionnaire through crowdfunding

platforms proved ineffective due to the restrictive policy platforms that prohibit sending too many messages in a short period of time. The survey was conducted via the social network

#### *Objectives*

- to assess the degree of novelty of activity multifinancing;
- establishment of the pleasure of participating in multifinancing and real desire to support it;  
establish the level of identification of the donors to the project financed and how they perceive they need helpTwitter. Finally, questionnaires were delivered by email, Facebook and Google Plus.
- ;
- assessing financing as a source of material rewards / spiritual;
- determination link between the desire to finance a project and the self-affirmation.

#### *Assumptions*

- funders want to interact with others who share their views and values ( "we have the same views, we are on the same side");
- donors demonstrate their commitment to innovative projects by supporting them ( "I consider myself a person open to innovation, this confirms my decisions");
- through project, donors solidarity with project promoters ( "my friend suggested this project, it makes sense to get involved");
- rewards matter both materially and emotionally;
- as the project develops, it becomes increasingly important that it be funded by others, not just family and friends;
- most popular rewards are products that have a high material value and therefore higher production costs and lower profit margins than other types of reward.

#### *Data collection*

Sampling strategy was influenced by projects with the highest rate financing Indiegogo and Kickstarter platfomele, which is predictable given that these projects have a maximum relevance subjective preferences. However, I believe that all projects, not just the financed should be reflected in the data collected. If Indiegogo, even projects that have reached financing from category "Most funded projects." This is due to flexible funding model that allows originators to retain funds raised even if the funding goal is not met. Platform Kickstarter projects unfunded receive nothing and therefore even projects that were very close to the threshold of financing are not indexed. The table below ( Table no.2) provides an overview of how the sample was collected.

**Table no. 2. Different methods of sampling**

	<i>Succes</i>	<i>Failure</i>
<b><i>Kickstarter</i></b>	Most projects included in "The funded projects"	Failed Kickstarter projects that appear on search results from their projects considered close to their deadline, unlikely to achieve the objective of financing.
<b><i>Indiegogo</i></b>	Sampling on creative projects falling in category The funded projects. Because flexible financing projects which were close to break-financing but have not achieved are considered unsuccessful campaigns are automatically included..	

The reason the measurements term "item" refers to a single question or a statement that must be evaluated, while a variable is a combination of elements that measure different characteristics of the same concept. Many of the variables presented below is based on existing models that have been established by other researchers.

The scales were checked for correlations between items, to total or Cronbach  $\alpha$  coefficient based on minimum common standard values. For the results to be reliable, Cronbach's coefficient  $\alpha$  must have a minimum value of 0.7; although some investigators believe that the coefficient  $\alpha > 0.6$  (or  $> 0.5$ ) is sufficient for research. If the variables are limited to only two elements, bivariate correlation is used to measure the relationship between them.

The following rules were applied: When the Pearson coefficient ( $r$ ) is greater than the value of 0.3 are acceptable internal consistency between elements, while values greater than 0.5 implies a strong correlation. However values above 0.8 means that the two elements are identical, and one of them is redundant. Motivation variables are adapted to different multifinancing studies and other research areas. All values were expressed on 7-point Likert scale, four meaning neutral, 1 is strongly disagree and 7 totally agree. A review of the questionnaires and scales used in the internal logic values are presented in the table below (Table no.3):

Table no. 3. The variables included in the questionnaire

<i>Variable</i>	<i>Items used</i>	<i>cronbach <math>\alpha</math></i>
<b><i>Intrinsic motivation</i></b>		
<b>News</b>	I was curious to know more details about multifinancing; It was also something different and new for me	r=0.272
<b>Pleasure</b>	Agree multifinancing supporting projects, not necessarily reward. Multifinancing investing in projects just for fun.	r=0.384
<b>Involvement</b>	Agree engagement with others multifinancing projects. I like to interact with the project initiators and supporters. I appreciate updated information.	0.779
<b>Identification</b>	Share generally the same values multifinancing platform users. I'm with the community on Kickstarter / Indiegogo. If I launch another project multifinancing I use the same platform. When supporting a project multifinancing feel they are a part of the project.	0.700
<b>Help for others</b>	I want to make a significant contribution. I like to help creative people presenting interesting ideas but are unlikely to get support from donors	r=0.311
<b><i>Extrinsic motivation</i></b>		
<b>Reward</b>	Reward is important to me. You contribute to projects multifinancing only if they get a reward. When financially support a project consider my action more like a gift than a way to get a reward (inverted scale).	0.842
<b>Consumer behavior</b>	My contribution gives me the right to receive a reward. I expect my reward will be delivered in time	r=0.366
<b>Personal profile</b>	I like to talk to others about the project that we	0.732

	supported. I am proud of the projects we support and I like to show in my profile on the platform, to be publicly visible. I mentioned that support the project in social networks (Facebook, Twitter, etc.)	
<b>Peer pressure</b>	If a project initiator is a friend or acquaintance would give priority to support the project. When a friend asks me to and I will support campaign under our friendship. I feel compelled to support the project of a friend or acquaintance	0.800
<b>Self-expressiveness</b>	Supporting a project is a part of how I express my personality. Can characterize a person know what projects support.	r=0.414

Source: own processing

For intrinsic motivation, elements of pleasure, engagement and Help others showed sufficient correlation values and, therefore, may be aggregated. Novelty variable was below the critical values of the Pearson correlation coefficient  $r$  (0.3) and therefore should not be linked. As expected, all values are joined positively.

*Conclusions drawn from the analysis of the questionnaire data*

- News variable is confirmed only partially due to the poor correlation according to Pearson coefficient ( $r = 0.272$ ,  $r \in [0.2, 0.4]$  - weak correlation);
- Variable plate are partially confirmed ( $r = 0.384$ ,  $r \in [0.4; 0.6]$  - reasonable correlation);
- Involvement variable and identification registers a good consistency ( $\alpha = 0.779$ ,  $\alpha = 0.700$ , respectively,  $\alpha \in [0.7; 0.9]$ ), which confirms the actual desire of donors to participate in activities multifinancing;
- Support for third-party variable confirms expectations. ( $R = 0.311$ ,  $r \in [0.2, 0.4]$  - reasonable correlation). To some extent this is due to the value of the variable reward points ( $\alpha = 0.842$ ,  $\alpha \in [0.7; 0.9]$ ), and consumer behavior (to some extent ( $r = 0.366$ ,  $r \in [0.2, 0.4]$  - reasonable correlation) . Donors are motivated when they receive a reward, although they would like action to support the project of crowdfunding is considered more of a donation.
- Variable personal Profile demonstrating a good correlation ( $\alpha = 0.732$ ,  $\alpha \in [0.7; 0.9]$ );

• The variable pressure exerted by the peer ( $\alpha = 0.800$ ,  $\alpha \in [0.7; 0.9]$ ) confirms the objectives B, C, respectively, supporting the hypothesis E;

• Self expressiveness recording the highest value of the Pearson coefficient ( $r = 0.414$ ,  $r \in [0.5; 0.7]$  - correlation major).

• It is noted that intrinsic motivation are more important to participate in crowdfunding than extrinsic motivations. Surprisingly, only 20% of people who participated in the survey are motivated by material rewards, emotional rewards of having a much larger share. This is largely due to cultural level of the participants in the questionnaire, and their desire to develop global economy.

#### *Measurement of emotional and material values*

To highlight how the supporters perceive emotional values and materials as a reward, Sweeney et al (2001) developed a scale value on the acquisition of goods to determine what levels of consumption control purchasing attitudes and consumer behavior. The scale is based on the theory of consumption value (Jagdish N. Sheth). The author distinguishes perceptible values: emotional quality / social performance and price / cash.

**Table no. 4. Measurement of emotional and material value**

Perceived value	The definition	Transformed into:
<b>Emotional</b>	"Utility derived from feelings or emotional states that a product generates"	Emotional value
<b>Social value</b>	"Utility derived from the product's ability to strengthen social status"	Ignored
<b>Functional value (price)</b>	"Utility derived from intrinsic value and long-term costs"	Material value
<b>Functional Value (Quality)</b>	"Utility derived from perceived quality and expected performance of the product"	Material value

Emotional value, which, as defined by Sweeney „is derived from the feelings or affective states that are generated by a product” can be easily implemented. Respondents were asked to rate whether their reward was material or emotional responses are rated on a scale of pairs of words seven points classification necessary for calculating Cronbach alpha.

Table no. 5. Building material and emotional values

Variable	Adapted from:	Items used	Cronbach's alpha
<i>Perceived emotional value</i>			
<b>Emotional</b>	Perceived emotional value Sweeney(2001)	„It's interesting” „I would like this.” :I'd like to get involved.”	0.921
<i>Perceived emotional/material value</i>			
<b>Material</b>	Perceived functional value price and quality	“Price is reasonable” “Provides real value for invested amount” “Has a steady quality.”	0.849
<i>Control question</i>			
<b>Perceived value</b>		Material-emotional	

Cronbach level is high in both cases, which indicates that both the emotional and the material plays an important role in deciding contribution to investment.

### *Results*

During two months, surveyed 116 initiators and sponsors of 119 projects exhibited on crowdfunding platforms. After removal of incomplete responses, as well as those that have been completed in too short a time to be filled honest remained initiators 108 and 107 donors. It should be noted that the strategy of recruiting respondents by means of initiators drew roughly an equal number of initiators and financiers. However, the number of donors attracted through Kickstarter platform is almost three times higher than those attracted by the platform Indiegogo, look interesting if we consider that both platforms multifinancing are equally represented in the sample creators. A possible explanation for this difference is that the projects that are funded on Kickstarter platform with larger amounts, and also have a larger number of donors than projects implemented through the platform Indiegogo, regarding the distribution of respondents.

### Conclusions

Crowdfunding phenomenon has grown in recent years. Some experts multifinanțării compares the evolution of the mobile telephony in the past decade. It is clear that progress will accelerate as more people see the potential of multifinanțării unsuspected. Major contributors such as Jack Ma, founder of Alibaba e-commerce giant profiled saw the possibility of multifinanțării unexplored. Thus, in 2014 Alibaba has launched a service multifinancing supporting projects in cinematography. In just two days, the service has attracted 240,000 users that contributed for between 16 and 160 US dollars. There are numerous other cases in which celebrities from various fields were used resounding own name to launch campaigns multifinancing. In general, small donors are guided landmarks identifiable in this case the name of celebrities, as was the case crowdfunding campaign Living History of the Dalai Lama, launched Indiegogo platform.

There are some noteworthy issues concerning multifinancing platforms:

Development multifinancing phenomenon has generated a real proliferation of platforms that offer services for the business community to manage those campaigns. At first glance, this is a positive thing because it stimulates competitiveness, but choosing a platform that does not fit neatly The campaign could generate serious problems. One of the most serious errors reported to date is the campaign launch before generating interest in the proposed project. Specialists recommend a preliminary period of at least three, four months before the start of the campaign itself

This paper is only a study of early funding through crowdfunding platforms. The economic, social, psychological studied a large number of specialists, but studying this phenomenon will continue, as it evolves.

The aim of this study was to contribute to the understanding of ways to raise capital online and influences material and emotional level consumer behavior, it plays the most important role in keeping the economy: no buyer there is no consumption, no load, there is no demand and no supply without demand.

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