



Crowdfunding: Analysis and Review of financial Support

Abhishek Kumar Patel¹, Dr C.M Tyagi²

¹UG Student, ²Supervise

Raj Kumar Goel Institute Of Technology

¹sabhishek221201@gmail.com

ABSTRACT –

Crowdfunding is an innovative platform harnesses the power of the crowd, breaking down traditional barriers to fundraising by providing a space where creators can articulate their visions and mobilize a diverse network of backers. A crowd fundraising web app serves as the digital epicentre for connecting passionate campaigners with a global community of potential donors, enabling them to collectively bring dreams, projects, and initiatives to fruition. It is usually done via Internet-based platforms that act as a bridge between the crowd and the projects. Over the past few years, academics have explored this topic, both empirically and theoretically. So, till the end this had grown to its extent and emphasising a literature on crowdfunding webapp to seek (1) Theories and various ideas on crowdfunding (2) Different models for crowdfund raising (3) implementing and bringing a change in the fundraising with the use of latest technology.

Keywords: Crowdfunding, Future research, models.

I. INTRODUCTION

Crowdfunding starts from the general concept of crowdsourcing, which uses the services of the crowd to get feedback, new ideas and solutions, and business support. The emergence of crowdfunding has changed the way people, organizations, and causes raise money.

Since the early days of fundraising theory, private parties have raised money to support high-risk products in order to achieve good results. For hundreds of years, authors have funded their work through a subscription model.

In 1885, France planned to send the statue to New York, but the first one failed. They can't find enough money to get together. This almost caused the statue to be moved because other cities were willing to pay to have the statue built in their city. This was supported by thousands of people. In the end, they raised \$101,091, enough to reach their final goal of

\$250,000 in less than five months. Crowdfunding for Character Freedom is what we today call a tier-based subscription model; The rewards you receive for your support vary depending on the size of your donation.

As technology continues to advance, these platforms will play a key role in shaping the future of fundraising, fostering collaboration and creating Good for the World. These benefits include not only fundraising but also providing sponsorships, reducing costs, global reach, transparency and new incentives. As we embark on this transformational journey, we invite everyone who wants to participate in an efficient, transparent and inclusive future of finance.

In recent years, crowdfunding has become a rapidly growing business and by 2020 the global market will exceed US\$12 billion. Forecasts show that the increase will continue in the coming years as the number of platforms in various categories increases. This growth is driven by the increasing number of people and businesses using crowdfunding as financial support.

The spread of the COVID-19 pandemic into 2020 has had a major impact on the global economy, especially affecting small businesses. and small businesses. Many people tried to survive the recession, and unfortunately a significant number did not. However, in these challenges, crowdfunding has become a method for some businesses, with crowdfunding projects supported by individuals uniting during this difficult time.

II. BACKGROUND AND LITERATURE WORKS

Meshari Al-Daihani, Saeed A. Bin-Nashwan [1], proposed that fundraising sometimes built a strong relationship with the public and society. Also describes the lack of tech and transparency during the fundraising campaigns. Organized campaigns through various platform such as awareness campaign, websites and general meetings.

Yung-Ming, Jhih-Dong, Chin-Yu, [2], fundraising is not only public or for public services, It also includes the private organisations and individuals willing to share the organization goals and results. Proposed different environment and work composition under the organization.

Abhishek Bhati, Ruth K. Hansen [3], describes the theoretical dimensions of fundraising at higher education from fundraising models and their applications. Involving various technology designs and methods to publish and aware crowdfunding for the particular pandemic or other cases.

Abrol, A [4], introduces the technology of tokenization and blockchain to better way of transparency and security. Claiming hypothesis of fundraising as amount of donation depending on potential financial resources and shows a positive relation between corporate philanthropy and finance. Compare tokenization and encryption by analyzing security, functionality, and impact on data protection in-depth.

Daniel Kievich [5], with the introducing of technology first web based online donation website. It resolves and introduced different ways of donation including volunteer work, large donation, small donation, and donation against donation. Integrated different payment and transaction modes for better transparency and trustability.

Genevieve G. Shaker [6], provides new information from major donors' point of view. It includes a new structure for delineating fundraiser characteristics and behaviours within the relational context and organization. Provides new information from major donors' point of view. It includes a new structure for delineating fundraiser characteristics and behaviors within the relational context.

Laila Kundzina, Baiba Rivza, Liva Grinevica, Peteris Rivza [7], description of the project is prepared at the beginning or early stage of the process. Literature of empirical studies and conclude that project funding success is related to the number of updates. Developing a cost estimation for a crowdfunding platform .Promoting the benefits of entrepreneurship.

Montserrat Prats López, Auke Rijpma, Jolien Reijerink[8], crowdfunding did not depend on a single individual, it requires a team to manage and work over it. This enhance and improves the management and project building. A strategic design of volunteer recruitment methods and the development of engagement instruments is undertaken. Implementation of these strategies is meticulously tracked, allowing for real-time analysis of their effectiveness

III. PROBLEMS IN EXISTING APPROACHES

While the conceptual thinking and launching crowdfunding, different problems approaches occurs either it may be payment related or technology based.

Trust insufficient:

The importance of credibility is still recognized among crowdfunding platforms. The absence of adequate verification mechanisms can lead to an environment where users are hesitant to contribute due to concerns about scams or fraud.

Due diligence omissions:

The lack of due diligence is a significant risk associated with campaigns. Several sites may be inadequately scrutinized, leading to an elevated chance of poorly executed or counterfeit undertakings in the future.

Problems with accountability:

Managing the accountability of project deliverables poses a challenge. A lack of clarity in project details may cause confusion between creators and supporters regarding the end result.

Economic Barriers:

Crowdfunding platforms' high fees can have a significant impact on the funds raised for projects. Architects who navigate intricate fee structures encounter obstacles in optimizing the utilization of their resources.

Global regulatory challenges:

The existence of different international laws creates challenges for crowdfunding websites. Various regulatory frameworks present difficulties for platform operators in following through with the legal.

Checking the right platform:

A better platform is completely trustable and authenticate, which used to be lacking in existing platform. The platform were not using blockchain and decentralized technology which provide best transparency.



Fig 1 Problem Approaches

IV. METHODOLOGY

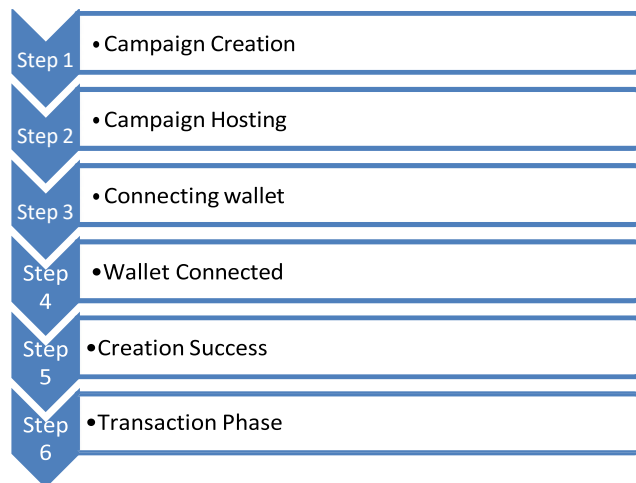


Fig 2 Proposed methodology

Campaign Creation:

A new user initiate a campaign by connecting their MetaMask wallet to the web application. After wallet connection, they can create a unique campaign by entering details such as Title of the campaign, Campaign Photograph, Campaign details, Reason of the campaign and Fundraising Goal.

When the user clicks the "Create Campaign" button, a new campaign is generated with associated details been provided. After a brief processing period, the transaction is completed, and a new campaign is added to the blockchain with the contract address.

The campaign is then displayed on the website's homepage, accessible to other users. Post-creation, an E Wallet like MetaMask is essential to manage transactions associated with it.

Campaign Hosting:

After creation, the web app need to be hosted for public view and for the purpose of receiving donation. Hosting can be done by the user on different platform .

Connecting Wallet:

A wallet need to be connected where the donation amount will be obtained. This wallet is secured with solidity and blockchain technology for better transparency and visualization during transaction

Wallet Connected:

Wallet successfully connected with the campaign and the campaign is ready for the public welfare.

Transaction phase:

Approvers, contributors exceeding a specific amount, have the privilege to approve or reject withdrawal requests. This process ensures that funds are utilized as agreed upon by the investor community. A minimum approval from at least half of the approvers is required for fund withdrawal. Once approved, funds are transferred to the designated address..

Along with all these methodology, the campaign is detailed and with correct information claiming transparency and trust ability. To ensure this, decentralized blockchain technology is used with solidity and smart contracts.

V. RESULTS AND DISCUSSION

- Crowdfunding have seen and implemented to upgrade and raise more funds through different platforms either social media or social marketing. It covered a number of successful projects across different domains, from creative endeavours to innovative tech startups.

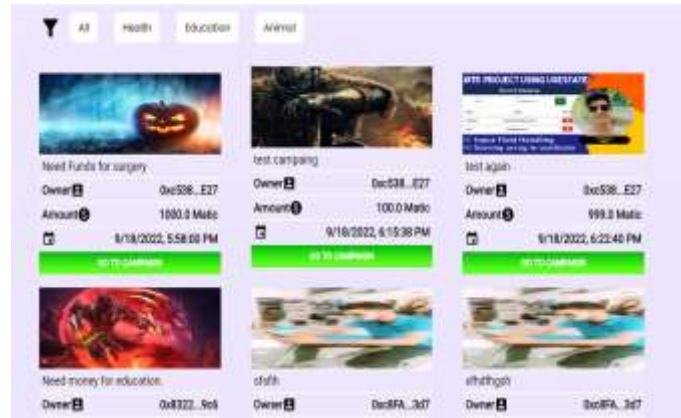


Fig 3 Dashboard

Dashboard is the home page of the web app, where all the campaign will be listed and details will be displayed. It have different sections including filter, different category, and create option. Dashboard is the first view of web page.

Crowdfunding had dominated many of the time as successful during various incident and pandemic which brought together the humanity and the ease to help the needy ones.



Fig 4 Create campaign

Creating a campaign includes the detailing of the campaign program. It creates and display all the essential information for the campaign which is publicly visible.



Fig 5 Success Campaign

When the wallet is connected and the campaign started successfully. It is ready to accept donation from the society and social organization.

With the success result of crowdfunding there is also some circumstances which often need to work upon. While doing the crowdfunding, there are some discussions which really might to understand and these discussions help in better planning of the campaign.

It includes:

- Determine the risk of failures.
- Challenges to be faced

- Need of attraction of communities and organisation
- Securing the funds

VI. CONCLUSION AND FUTURE WORK

Conclusion:

Crowdfunding had really helped to overcome the financial issues and other problems such as social works including meals, health, education etc. Crowdfunding campaigns have shown their ability to streamline capital flow and promote creativity as well as cultivate engaged communities.

Success stories of crowdfunding demonstrated the viability of this model at various sector via a wide range from technology to business. The ease of raising funds and the global reach provided by crowdfunding platforms have opened up new ideas and new avenues for creators.

Future work:

Since crowdfunding is gradually growing and improving with the ease of latest technology to perform safe and better fundraising. Future related works to be mentioned are as:

- *Integration of blockchain technologies* Implementing smart contracts and solidity for transparency .
- *Improving the efficiency to adapt with the ecosystem* Crowd fundraising campaign should be well diversified in order to attract givers.
- *Crowdfunding linking with artificial intelligence and machine learning technology.* Involvement of high tech such as machine learning and other frameworks.
- Improving environmental and social responsibility
- Allowing backers to receive tokens representing a share of the project or future profits

REFERENCES

- [1] Abhrajit Sarkar (2016), "Crowd Funding in India: Issues & Challenges". Retrieved from <https://deliverypdf.ssrn.com/delivery.php?>
- [2] Abrol, A. (2022). "Tokenization Vs Encryption – A Detailed Comparison - Blockchain Council." Retrieved from <https://www.blockchain-council.org/blockchain/tokenization-vs-encryption/>
- [3] Daniel Kievich. (2022). "Successful Payment Integration for Your Website– Forbytes." Retrieved from <http://www.charitywatch.org/azlist.html>
- [4] Ankita A. Malve, Shweta M. Barhate, Satish J. Sharma. (2022). "TRUSTED CROWDFUNDING USING SMART CONTRACT." *International Journal of Emerging Technologies and Innovative Research*. Retrieved from <http://www.jetir.org/papers/JETIRFM06067.pdf>
- [5] K VIDYA, Hussain Imthiaz Hussain (2022), "Security Enhanced Crowdfunding Using Blockchain and Lattice Based Cryptosystem", Retrieved from <https://www.researchsquare.com/article/rs-2020457/v1>
- [6] Genevieve G. Shaker. (2023). "A thematic analysis of fundraiser characteristics in high-quality major donor fundraising relationships in US higher education." Retrieved from <https://www.paddle.com/alternatives/stripevs-paypal>
- [7] Laila Kundzina, Baiba Rivza, Liva Grinevica, Peteris Rivza. (2023). "General Fundraising trends among University Patrons and Entrepreneurs to Promote the Sustainability of Universities." *MDPI*. Retrieved from <https://www.mdpi.com/1911-8074/13/4/81>
- [8] Montserrat Prat s López, Auke Rijpma, Jolien Reijerink. (2023). "Behind the Crowdsourcing Platform: Assessing Volunteer Recruitment and Engagement Instruments." Retrieved from <https://journals.sagepub.com/doi/10.1177/08997640231212839>
- [9] Beatrice Martin, Christian Schlereth. (2023). "When a Crisis Has a Silver Lining: Social Media P2p Fundraising at the Start of COVID-19." *Arnova*. Retrieved from <https://journals.sagepub.com/doi/full/10.1177/08997640231213098>
- [10] Steven Dresner. (2014). *Crowdfunding: A Guide to Raising Capital on the Internet*. [E-book]. Retrieved from Pdfdrive
- [11] Menon, Arjun, Kadam, Kaustubh, Kumar, Pranav, Shah, Subash Kumar. (2023). "Decentralized Using Blockchain." Retrieved from <https://ssrn.com/abstract=4324640>
- [12] Deepu George (2023), "An Exclusive Guide to Crowdfunding Platform Development" Retrieved from <https://www.fortunesofit.com/guide-to-crowdfunding-platform-development/>
- [13] Rupali Jadhav , Sakshi Gawali, Ankita Khutwad (2023), "Fund Future: Empowering the Crowdfunding" Retrieved from <https://www.ijraset.com/best-journal/fund-future-empowering-the-crowdfunding>