



A 'chance' or a 'dream'? Crowdfunding: the alternative source of finance for new venture creation

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In recent years crowdfunding has emerged as a novel way for entrepreneurs to secure funds without having to seek out venture capital or other traditional sources of venture investment. Crowdfunding refers to the use of a crowd (crowdfunders) to raise funds via online platforms, in which individuals who are interested in the new project each pledge a relatively small amount of capital to support the project. The ease of use and wide accessibility of crowdfunding has made it grow rapidly in the last few years. While it seems an ideal alternative source of finance for new venture creation, there are certain crucial issues in

this rapidly growing industry that has made some dreams go sour. My research is aimed at addressing these issues by developing a mechanism to evaluate entrepreneurial projects before they are listed on crowdfunding platforms. It is also aimed to help entrepreneurs, particularly the nascent entrepreneurs, to foresee whether it is a real 'chance' or just a sweet 'dream' for them to seek seed capital to fund their new projects using those crowdfunding platforms.