

Crowdfunding as a Catapult for Innovation in the Middle East: Obstacles and Possibilities

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Abstract— Crowdfunding has been gaining in popularity as means for creators and entrepreneurs to get funding and launch their ideas and projects and is considered as an alternative financing model for start-up funding by many, where the market leading platform Kickstarter received about US\$480 million in 2013 alone. However, this increasing popularity has not yet gained foot in many developing countries that do not lack talent or innovative ideas, but that lack funding for innovation endeavors in business and development works. Many developing countries in the Middle East and North Africa in particular that are facing grim financial situations could greatly benefit from Crowdfunding towards creating a positive impact on deprived societies in the region.

This paper investigates the process of Crowdfunding and its impact on innovative projects and businesses in developing countries of the Middle East, and analyzes its potential for humanitarian and society development. The paper further contributes to this emerging field by and addressing obstacles and possibilities for campaigners on Crowdfunding platforms.

Keywords— Crowdfunding, entrepreneurship, startups, financing, social projects, validating business ideas, raising capital, Middle East

I. INTRODUCTION

Entrepreneurs never stop to amuse us, coming with new ways to challenge and change how we live, work, get educated, travel and even communicate with one another. The success of a few startups that started from home garages and reached billions of dollars in valuation, transforming industries in the process, has led to generations of aspiring entrepreneurs around the world. This was evident in the Middle East in the wake of the Arab Spring where vast numbers of skilled people found themselves without steady income and started seeking to launch and operate businesses and projects that could not only offer employment for themselves and those in the local community, but also contribute to their economy as a whole.

However, the journey towards such a success is full with obstacles and setbacks for budding entrepreneurs who may suffer sleepless nights and get their energy drained too soon if not planned carefully, especially if this kind of journey was initiated in countries where the economic and political environments are highly unstable. In many cases, entrepreneurs lack a proof of concept or follow a poor business model, but the issue of failed startups and projects is mostly related to insufficient funding [1]. Traditionally early-stage funding was offered by angel investors who are willing to take the high risk

of early-stage startups by providing a relatively small amount of cash while assisting the entrepreneurs with their expertise and connections, aiming to recollect their money within a couple of years [2]. Microfinance organizations offering small loans are also another destination for funding seekers who are expected to pay the amount back regardless of the success or failure of the business, making this method burdensome for entrepreneurs. After overcoming the initial risk and proving their concept profitable, entrepreneurs sought Venture Capitalists (VCs) to offer funding in return for shares in their businesses. While those methods are still widely adopted around the world, the global financial crisis that hit in 2008 has caused the number of available financing bodies and VCs to decline compared with a staggering increase for inspiring entrepreneurs [3].

An alternative financing model that has emerged in the recent years is Crowdfunding. **Kickstarter** which is one of the leading Crowdfunding platforms said that in 2013 alone it has raised USD \$480 million as pledges from 3 million people [5], not to mention the success that other Crowdfunding platforms have seen so far. While the idea of crowd co-financing relates back to the 17th century [4], the internet and its new applications like social networks have empowered the Crowdfunding model to suit today's market and needs of the entrepreneurs, capitalizing on the power of the crowd to provide, along many benefits, financing and marketing.

But despite the success that Crowdfunding has seen in the United States and Europe, it has gained little attention by governments, development organizations and the private sector in developing countries in general and in the Middle East (ME) and North Africa in particular. A World Bank report suggested that the potential of Crowdfunding could lead to significant humanitarian development in these countries by boosting innovation, creating jobs and generating wealth [11].

This is where this paper comes in to address the pros and cons of modern Crowdfunding platforms around the world and to analyze the current position and potential of Crowdfunding in the ME for innovative startups and projects. In particular, this paper is aimed at answering the following questions:

1. What Crowdfunding models and platforms are most used around the world and within the ME, and were they proven financially beneficial for entrepreneurs there?
2. What are the obstacles for Crowdfunding in the ME and how can they be alleviated by entrepreneurs and organizations and governments?

II. CROWDFUNDING FRAMEWORK AND LITERATURE REVIEW

As a modern model of financing creative projects and startups, Crowdfunding has many definitions. Lambert & Schwienbacher (2010) suggested that it is an open call through the Internet for the provision of financial resources in various forms to support initiatives for specific purposes in exchange for a reward and/or voting rights. Voorbraak (2011) and Griffin (2012) suggested other definitions that were summed up by Tomczak & Brem (2013) indicating that Crowdfunding is raising money from the general public, via a web-based platform [1, 6]. A recent act relating to Crowdfunding suggested the following legal definition: "Contributions from private individuals (a practice otherwise known as Crowdfunding) without having to make an initial public offering" [4].

A. Emergence of Crowdfunding Platforms

Brian Camelio was one of the first to implement his Crowdfunding platform **ArtistShare** in 2001 to support Musicians and artists, where its funded projects won 4 Grammy awards [7]. This success has led to the introduction of more specialized websites in the coming years like **Indiegogo** (2008) that introduced various categories for fundraising including Arts, Causes and Entrepreneurial. While **Indiegogo** does not share detailed statistics, the website indicates launching over 200,000 campaigns since it was started up to the moment of writing this paper [8]. While many additional platforms were launched during the past years including **Crowdfunder**, **AngelList** and **RocketHub** to mention a few, **Kickstarter** that was launched in 2009 dominates a significant stake in the Crowdfunding market with over \$1 billion pledged for over 60,000 successful campaigns on the website [9].

In the Middle East, many entrepreneurs were inspired by the concept of Crowdfunding that led to the birth of a number of localized platforms like one that is based in the United Arab Emirates (UAE), **Eureeca**, which was founded in 2011 to help connect crowds of investors with entrepreneurs. Other platforms followed like the Lebanese **Zoomaal** (2012) and the Egyptian **Yomken** (2012) each having different features and target audience.

B. The Crowdfunding Environment

Voorbak (2011) suggested three main stakeholders in any given Crowdfunding environment [10]:

1. The entrepreneur seeking funds who could be aspiring to launch a business, a social project, or an artistic endeavor.
2. Members of the online community referred to as „The Crowd“ who are willing to pledge payments for the project. People in this crowd tend to offer different kinds of support ranging from financial contributions to delivering valuable feedback and ideas that typically lead to developing the initial idea of the entrepreneur.
3. The online platform and infrastructure that facilitates Crowdfunding.

For a successful Crowdfunding environment to be in place, the technological infrastructure and internet accessibility needs to be established. This comes significantly important in

developing countries worldwide as indicated by a 2013 report by the World Bank's InfoDev program that suggested 4 enablers for a suitable environment [11]:

- Facilitation of necessary regulations supporting online Crowdfunding by the governments
- Strong social media and internet penetration to drive potential crowd funders online
- A regulated online marketplace with facilitators of transactions and protection
- Collaboration with entrepreneurial events and hubs to drive local entrepreneurs and investors towards online Crowdfunding platforms

C. Models of Crowdfunding

Crowdfunding encompass various models that differ according to the level of business, maturity of the intended idea for funding and, more profoundly, the type of relationship between the entrepreneur and the crowd. Literature in this field is still shallow but researchers agree on 2 basic models: Donation and investment based Crowdfunding [11, 12]. In addition, some studies have suggested further models like Feldmann et al. (2013) with their Internal Crowdfunding model [13] and De Buysere et al. (2012) with their Hybrid model [14].

1. Donation-based Crowdfunding

Also known as Patronage [12], this model is based on donors pledging small donations in return for minimum awards, perks, or just to show support for a certain project. Typically entrepreneurs show an initial prototype and ask for funds for further development or mass production. This model is usually associated with a very small risk from the entrepreneur's side, but many times it ends up raising a small capital.

Platforms following this model offer their services in two forms: **Fixed Funding**, also known as all-or-nothing model, where entrepreneurs get the funds only if people fully fund their requested amount within a certain amount of time (like **Kickstarter**), and **Flexible Funding** where entrepreneurs get whatever they raise (**Indiegogo** is one of the leading platforms for this category). Platforms dealing with this model usually incur a certain commission as a small percentage relative to the amount of funds raised, which is usually higher for flexible campaigns.

2. Crowdfunding Investing (CFI)

When entrepreneurs are in need for a serious investment after passing the initial prototype phase and they want an alternative for traditional VCs, many launch a Crowdfunding campaign to get a „Crowd“ of investors on board. Those investors provide cash in return for equity in the business (Equity Crowdfunding) or as a debt (Debt Crowdfunding). In rare cases, the crowd follows a royalty-based model where they get a percentage of revenue (Royalty-based Crowdfunding) [11].

Being riskier and less common than the Donation-based model, CFI offers a significant capital for entrepreneurs to develop their startups [12] and a long-term relation between entrepreneurs and investors. **Eurecca** is an example for a platform following this model.

3. Internal Crowdfunding

The technology giant **IBM** has come up with the model of Internal Crowdfunding in which employees are given a number of points or funds and are asked to spend them on projects that they find useful within the company. Pledges can be in funds or via offering time and effort to help realize the project, whereas the funding seeker defines what givebacks are offered for funders [13].

4. Hybrid Crowdfunding

A model in which platforms offer more than one approach at the same time, by supporting a part of requested capital as a loan and another part as pledges for the production of the product or service at hand.

Figure 1 summarizes the framework of Crowdfunding with its stakeholders and its different models.

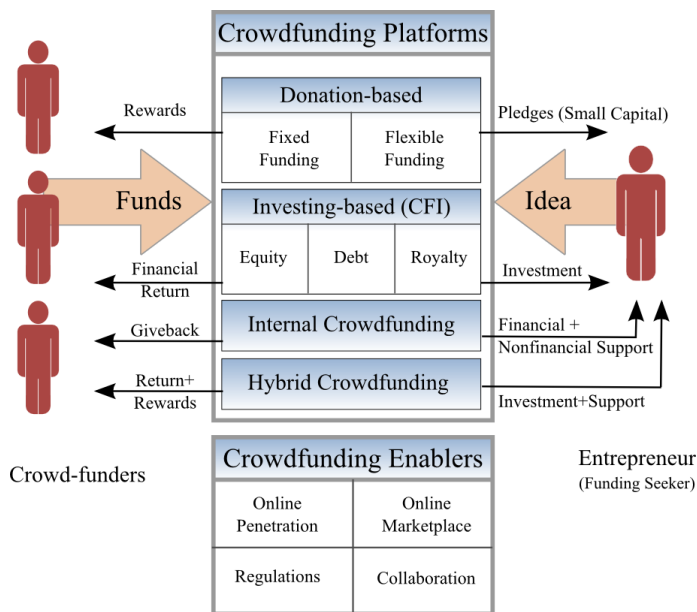


Fig. 1. The Crowdfunding Framework based on related literature

D. Features of Crowdfunding

Within the domain of little related literature there have been attempts by some to identify the features and limitations of Crowdfunding [22]. Crowdfunding is said to disrupt traditional funding cycle by merging the social web with entrepreneurial finance, as well as being a validation tools for products or services [11]. De Buysere et al. (2012) suggested a number of benefits that project owners gain with Crowdfunding [14]:

- Raising capital
- Gaining valuable feedback before releasing the product or service to the market

- Understanding if the proposed idea has a mass appeal and getting a "Proof of concept".
- Building early connections with customers
- Support Marketing for the product or service

In the same time, funders gain a number of benefits as well:

- Social return as they see the project they have supported realized
- Material return by getting a reward (Donation-based model)
- Financial return if they invested in the project (CFI model)

E. Limitations of Crowdfunding

Despite these great benefits, current Crowdfunding models and platforms still enroll a number of risks for entrepreneurs like losing the confidentiality of the idea when shared online, not to mention the marketing and promotion effort needed to get campaigns successful [1].

As for funders, there is the risk of non-fulfillment of projects after making pledges or investments for entrepreneurs who might not have the knowledge or skills to launch the claimed idea or project [4], the risk of fraud projects [12] in addition to legal threats like Money laundry and some legal issues relating to crowd-fundraising [11].

In April 2012, the American administration signed the JOBS act that organizes the work of Crowdfunding in the country among other topics. The act imposes a ceiling of \$1 million to be raised via Crowdfunding, and it allows non-accredited investors to invest in ideas via Crowdfunding platforms [24]. The act has since received mixed views, but it has not yet been fully implemented to determine its impact [4].

Developing countries face many operational and technical issues that lessen the impact of Crowdfunding, like lacking a reliable internet infrastructure or mobile networks and lacking a critical mass of online audience who are willing to enroll in a Crowdfunding ecosystem [11].

One of the main obstacles for the Middle East in particular is having a solid online money exchange mechanism. Major online payment websites like **Paypal** do not operate in many countries in the region while offering restricted services for others [31]. **Zoomaal** Crowdfunding platform had identified the problem and tried to propose a geographically-limited offline solution that is yet to be adopted on a meaningful scale [29], while this remains an issue for many other international platforms.

III. THE GLOBAL IMPACT OF CROWDFUNDING

The past few years have witnessed astounding successes - and failures- for tens of Crowdfunding campaigns where entrepreneurs are putting up their ideas online everyday to benefit.

A. Examples of Successful Crowdfunding Campaigns

- Oculus Rift

Oculus Rift is a virtual reality (VR) headset for computer games that offers a full head tracking and 3D support, promising to offer a light-weight and affordable gaming experience. After it was launched on **Kickstarter** with a target of \$250,000 it closed on September 2012 with \$2.4 million raised. The team behind the project offered a variety of rewards and perks ranging from branded shirts to VR packs and development kits [15]. It has since worked on developing its prototype.

After nearly 1.5 years, **Facebook** acquired the company behind the device for a reported \$2 billion as they indicated seeing the virtual reality as the future of computing [16].

- Star Citizen

Star Citizen promises to bring a vast 3D space simulation game to players where they can customize and choose the way they play the game. After the team behind the game raised over \$2 million [17], they went other places to continue their fundraising effort, becoming the most Crowdfunded campaign so far [18]. Up to the time of writing this paper, the game has raised over \$43.7 million on its own website [19].

- Gosnell Movie

The Gosnell horror movie Crowdfunding campaign proves that not only technology projects meet success. The campaign that lasted for about 7 weeks on **Indiegogo** raised more than \$2.2 million by May, 2014 [20].

- Harir

The Jordan-based fashion shopping website, Harir, aims to differentiate by offering local and international products on its websites for regional customers. It has successfully completed a Crowd-investing round on **Eureeca** raising over \$101,000 by February, 2014 [21].

B. Examples of Unsuccessful Crowdfunding Campaigns

For every successful crowd fundraising campaign, there is plenty of failed attempts. A study suggests that the rate of projects that get funded via **Kickstarter** is about 44% [22]. Failure usually relates to various reasons of inadequate business model to a weak presentation of the project or product. A bold example of an unsuccessful endeavor is the Ubuntu Edge campaign.

The team behind **Ubuntu**, a popular Linux Operating system distribution, aimed to raise \$32 with their Crowdfunding campaign to develop and mass produce a Linux-powered Smartphone. While the campaign has raised over \$12.8 million from 27,000 supporters, it failed on August 2013 as it was following a fixed-funding model on **Indiegogo** [23], which also supports flexible funding model that the team

did not choose, meaning that they did not get any amount of their raised capital.

IV. ANALYSIS OF CROWDFUNDING MARKET IN THE MIDDLE EAST

In the Middle East, Crowdfunding has gained momentum amongst entrepreneurs in the recent years, and while there are some good results so far, more engagement is required to create a visible improvement over the existing financing methods for new ventures and projects within the region.

In order to address and analyze the environment of Crowdfunding in the ME, the author has collected data on about 255 ME-based Crowdfunding campaigns and 419 campaigns based in other countries worldwide for comparison.

A. Domain of Data Collection

Data was collected directly by surveying publicly available campaigns on online regional and international Crowdfunding platforms that allowed ME-based entrepreneurs to participate. While **Indiegogo** provides open access for entrepreneurs and funding seekers from a variety of locations including ME countries, **Kickstarter** only accepts campaigns from 6 selected locations that do not yet include ME countries, and was therefore excluded from the data collection [25]. As such, **Indiegogo** was selected for data collection as an international platform in addition to regional platforms including **Zoomaal** and **Eureeca**.

Surveyed data included a significant number of all existing online ME-based Crowdfunding campaigns at the time of writing this paper, but many new campaigns might soon improve the results found, as an increased momentum for launching new campaigns was noticed during the data collection process. Collected quantitative data included basic unique characteristics for each campaign including the number of funders, target amount requested, raised capital and number of campaign members. Qualitative data was also identified for each campaign indicating the platform used, country of origin, category, type of funding (fixed, flexible) and success status according to a set criteria. Campaigns were treated on an equal footing during data collection regardless of their qualitative or quantitative characteristics. All surveyed campaigns were finished between May, 2010 and May, 2014.

B. Criteria of Data Collection

Campaigns were classified into three main categories:

- **Successful:** Campaigns that raised or exceeded their initial target were considered successful regardless of their model.
- **Partially successful:** Campaigns following a flexible funding model that managed to raise and get an amount less than the target were considered partially successful
- **Failed:** Campaigns that did not get any funds were considered failed. These either did not meet the target within a fixed funding model, or they did not manage to raise any capital using a flexible model.

Data collected from each Crowdfunding platform were treated separately to make the results as transparent as possible, and then these collective results were compared across different platforms running in different contexts. To better understand how the findings fit the international Crowdfunding ecosystem, results were compared against a sample of Crowdfunding campaigns from selected developed and developing countries around the world. Amounts raised by different campaigns were adjusted according to the American Dollar price (USD) on the same date [27].

C. ME-based Crowdfunding campaigns on Indiegogo

Analysis of campaigns on **Indiegogo** platform was conducted with publicly available data on a Country specific basis according to the criteria laid down in section B. Due to the fact that Country searches on the website did not yield all the results for every chosen country, the author included all campaigns available under „Most Funded Campaigns“ as specified by **Indiegogo** algorithm for every country [26].

Collected data showed that this was the leading platform for ME-based projects with a total of 204 campaigns recorded from 15 ME countries by the time of writing this paper. Results showed that Palestine leads the number of Crowdfunding campaigns with 63 finished campaigns, followed by the United Arab Emirates (UAE) with 35 campaigns, and Egypt with 28 campaigns as seen in Figure 2.

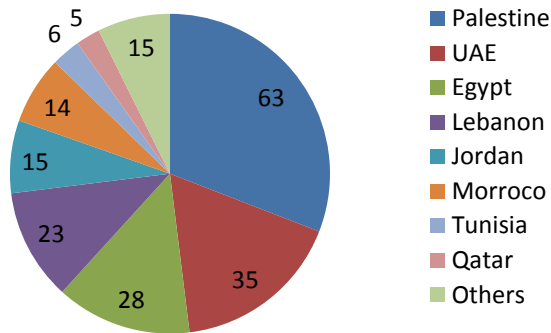


Fig. 2. ME-based campaigns on Indiegogo by country on Indiegogo

Out of all the 204 surveyed ME-campaigns on the website, 9 have followed fixed funding model while the remaining 195 followed a flexible model. The data showed that 69 campaigns were “Successful” (34%), 131 were “Partially Successful” (64%) and 4 were “Failed” (2%) as per the criteria in section B.

After collecting financial data on each of the 200 successful and partially successful campaigns, it turns out that they have collectively raised a total of \$1,033,054, whereas the total requested amount of the selected campaigns is \$5,407,125. Results in a country-specific basis concluded that campaigns from Palestine were by far the top fundraises with about \$388,200 followed by Lebanon (which was forth by the number of campaigns) that raised about \$194,300 and Egypt came in third with about \$140,400. Detailed results per country are indicated in Figure 3.

Data on each campaign was collected within the domain of selected campaigns with the aim to find relations and correlations of data for each country. Data included number of

funders, number of group members, funds requested and collected, and the category of each. Table 1 summarizes average values of the findings for available ME countries [26].

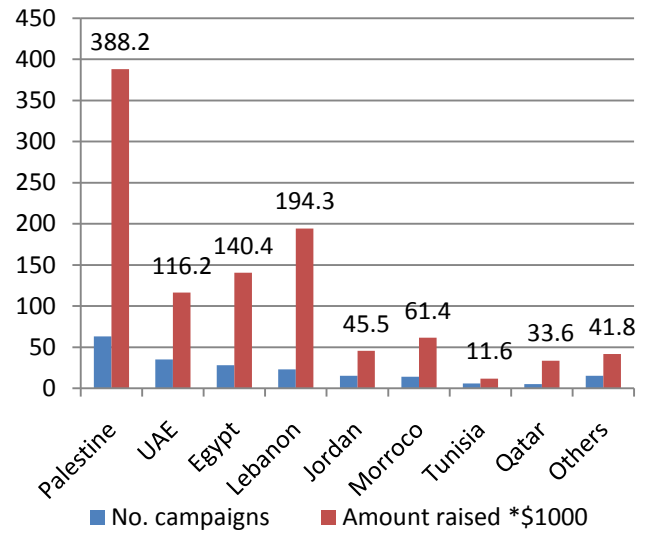


Fig. 3. Number of Campaigns against amount raised per ME country on Indiegogo

Country	Average values per ME country			
	Funders per project	Members per project	Target funding(\$)	Realized funding (\$)
Palestine	56	2	25,885	6,162
UAE	33	3	50,214	3,523
Egypt	65	3	24,923	5,200
Lebanon	76	2	19,622	8,446
Jordan	33	3	19,027	3,251
Morocco	41	2	7,355	4,383
Tunisia	32	8	36,167	1,940
Qatar	37	4	15,722	6,723
Iraq	25	3	13,875	5,016
Kuwait	24	1	21,500	5,485
Oman	42	2	29,071	1,417
Yemen	33	2	6,750	1,359
Libya	24	2	2,300	1,813
Saudi Arabia	7	1	5,250	545
Algeria	19	1	500	515

Table 1. Average values of ME-based campaigns on Indiegogo

From table 1 it can be noted that some ME countries on **Indiegogo** are more effective in reaching their requested funds than others. Campaigns from Lebanon (raising and average of \$8,446 that equals 43% of the target amount) for instance were more effective than campaigns from Palestine (raising 24% of the target) and Egypt (21%).

As for the relation between the average number of funders per project and the average of raised amounts, it was found that

Lebanese campaigns that had an average of 76 funders raised the highest average. While Egypt got an average of 65 funders per project, other countries including Palestine, Qatar and Kuwait raised a higher average with lesser average of funders. Average number of members per project was not found relevant to the raised funds.

Regarding categories of surveyed campaigns (as specified by **Indiegogo**), Community gained the first place (43 campaigns raised \$260,400) followed by Film (35 campaigns raised \$180,400) and then Education (30 campaigns raised \$140,600). Interestingly, Technology that came at the 12th place having only 4 campaigns raised over \$69,300 making it the fourth top grossing category. Further details can be found in Figure 4.

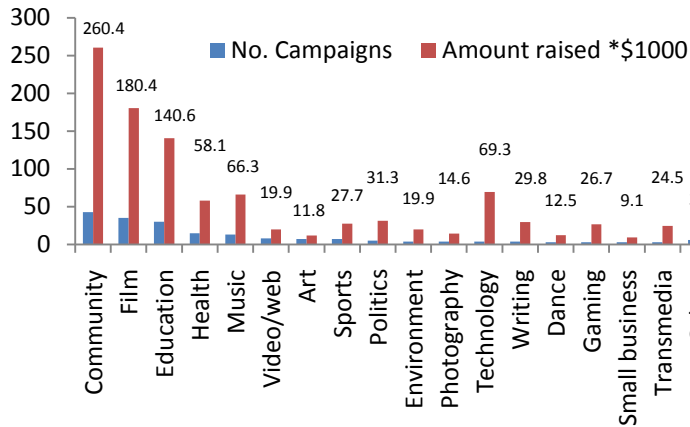


Fig. 4. Number of Campaigns against amounts raised for each category in the ME on Indiegogo

Collected data showed an increase in the number of Crowdfunding campaigns through recent years. Figure 5 clarifies the increase over the years.

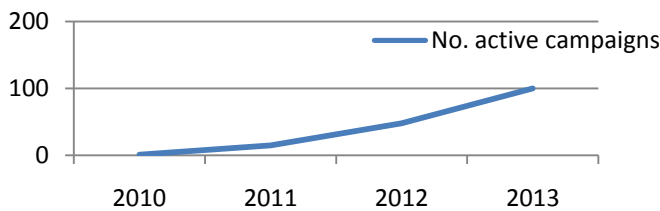


Fig. 5. Number of of ME-based Crowdfunding campaigns over time

D. International campaigns on Indiegogo- comparison between ME and the world

Data was then collected from outside the ME from 9 developed and developing countries on **Indiegogo**. Countries were chosen to resemble a global sample with 2 countries from North America, 2 from Latin America, 2 from Europe, 2 from East and South Asia in addition to Australia, resulting in 419 campaigns.

Data from these countries was collected on a country basis up to the limit that reached (or exceeded) funding realized by ME campaigns in total, thus comparing the effectiveness of different regions on **Indiegogo**. While some countries reached and exceeded the raised amount by ME campaigns altogether

in just 1 campaign (including the United States and Germany), other countries did not make the mark like Brazil, China and Mexico even after collecting all campaigns available under „Most funded“ as classified by **Indiegogo**. Figure 6 shows the comparison results.

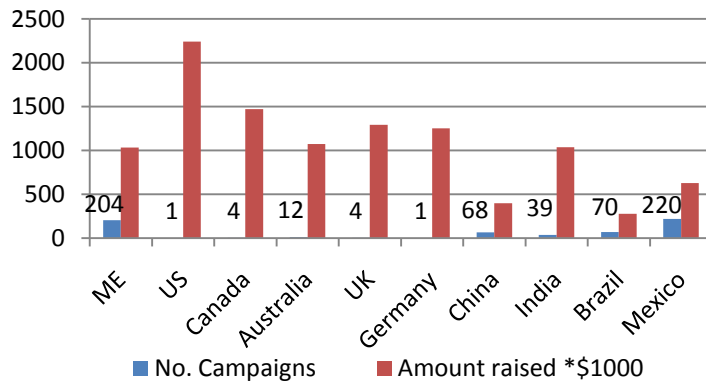


Fig. 6. Number of campaigns against amount raised per region/country

In order to gain a clear understanding on the categories with the highest amount of campaigns against funds raised on the platform, data was collected and summarized for the top categories in terms of number of campaigns and amounts raised for the 419 campaigns. Results were split into two regions: Developed countries (US, Canada, Australia, UK and Germany) and Developing countries (China, India Brazil and Mexico) as specified by the UN [28].

For developed countries, Technology was the category with the highest number of campaigns raising \$1.5 million while Film was the top grossing category raising \$2.3 million (Fig 7).

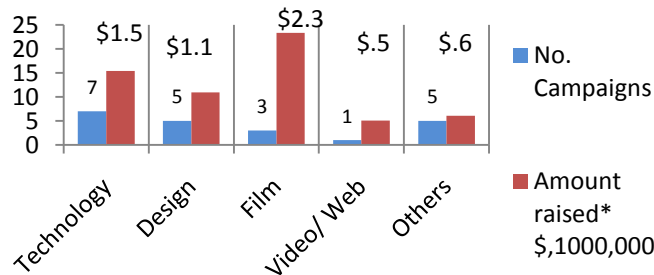


Fig. 7. Top crowdfunding categories for developed countries on Indiegogo.

As for developing countries, Film was the category with the highest number of campaigns raising \$384,000, but Technology that came in forth by the number of campaigns raised a staggering \$2 million, dominating the top place for funds raised (Figure 8).

E. Campaigns on Regional Crowdfunding platforms

To have a clear picture on ME Crowdfunding map, data was collected from regional websites according to the criteria specified in section B. Platforms that were found to have very low participation and return rates (less than \$1,000 total raised for all campaigns) were excluded.

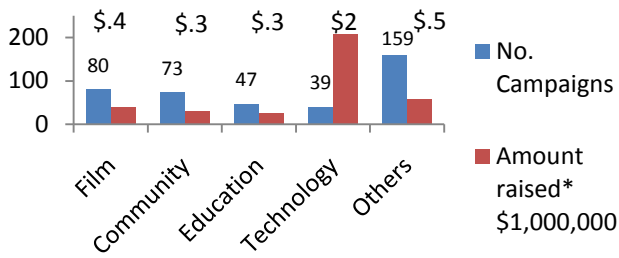


Fig. 8. Top crowdfunding categories for developing countries on Indiegogo.

Zoomaal:

This platform only allows fixed-funding model as they indicate on their website [29]. With 21 “Successful” campaigns and 16 “Failed” ones (56% success rate), this platform becomes the leader in the region in terms of the number campaigns. Out of its successful campaigns, 19 ME-based campaigns raised a total of \$245,894. Being Lebanese-based, it is understandable that the Lebanon has the highest number of campaigns and funds raised per campaign with a total of \$175,631 raised, followed by UAE with \$22,726 and Morocco with \$20,655. Figure 9 compares ME countries on the website by the number of campaigns whereas table 2 summarizes average values of the findings for all these countries [26]. On this platform, the average number of funders was found positively relevant to amount of funds raised.

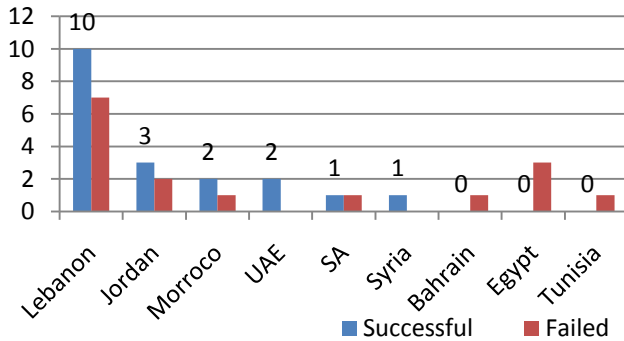


Fig. 9. Number of successful and unsuccessful ME campaigns on Zoomaal

Country	Average values per ME country	
	Funders per project	Realized funding (\$)
Lebanon	88	10,331
Jordan	14	3,476
Morocco	33	6,885
United Arab Emirates	43	11,363
Saudi Arabia	17	2,500
Syria	26	4,500

^b Table 2. Average values of ME-based campaigns on Zoomaal

Eureeca:

This platform follows Investing-based model where the crowd invests in a business in return for equity that is pre-determined by the entrepreneur, and where negotiations are

allowed on the amount of investment and price per share. The platform has only 7 successful campaigns from 2 countries that collectively raised \$672,900 in investment, and the website does not share data relating to failed campaigns [30]. The UAE comes first with \$456,233 raised for 4 businesses followed by Jordan with \$402,243 raised for 3 businesses. These campaigns in total have an average of 30 funders per business. All of surveyed campaigns were under Technology category.

V. CONCLUSION AND CALL FOR ACTION

Relating to the results found in the previous chapter, it is clear that many ME countries including Palestine, UAE, Lebanon and Jordan, in addition to North African ME countries including Egypt and Morocco have a significant potential for running successful Crowdfunding environments that could lead the development of local projects despite grim political and economic conditions in many of these places. While ME campaigns currently tend to clearly focus on basics and social necessities including Community, Education and Health, the potential for Technology, Design and Film and the prospects these bring to help develop the local economy is evident from the results. Crowdfunding platforms of **Indiegogo**, **Zoomaal** and **Eureeca** were found the leaders within ME at the time.

Within the domain of surveyed campaigns \$1,951,848 was raised by ME countries via 3 different platforms within the last 4 years. Social and cultural elements played a significant role in that ME campaigns received lower contribution rates as opposed to similar campaigns in developed countries and some developing countries like India, but were better positioned than other developing countries like Brazil, China and Mexico.

Technology as an industry was proven significant within the results of ME campaigns, and even more evident for other surveyed developing countries, which brings forward a hot topic in the region for entrepreneurs to focus on.

A. Overcoming Obstacles related to Crowdfunding in the ME for Entrepreneurs

As a modern financing model that was proven by the raised amounts within the ME and around the world, Crowdfunding offers a great opportunity for entrepreneurs to raise funding and work on projects that most interest them and benefit their societies. According to the results found in this research, potential Crowdfunding seekers should consider the following:

- Being realistic and practical when setting the target and the model used, which could increase credibility of the campaigns and therefore increase raised funds (as can be seen with Lebanon across different platforms)
- Having a large quantity of campaigns for a country serves future campaigns as can be the case for Palestine. Countries with the most political and financial instability within the region are already leading in terms of number of campaigns and funds raised and could continue to benefit on a larger scale
- Overall, the higher the number of funders, the greater financial contribution is made to the campaigns. This leads us to realize that most ME campaigns funders contribute with relatively small amounts, and thus it is

essential for entrepreneurs to reach out for potential funders online capitalizing on the power provided by social networks to promote their campaigns.

- Campaigns within the categories of Community, Film and Education are already gaining significant partition of ME Crowdfunds raised, but other emerging categories like Technology, Music and Gaming present lots of potential.

B. Overcoming Obstacles related to Crowdfunding in the ME for Organizations and Governments.

Governmental and Non-governmental organization within the ME should act soon to empower entrepreneurs towards realizing the maximum benefit of the Crowdfunding power. According to the results found, these organizations should focus on:

- Promoting Crowdfunding for local communities by encouraging entrepreneurs to participate in local and global Crowdfunding platforms
- Lobbying for legal acts that facilitate Crowdfunding and organize its process, and preventing fraud.
- Creating alternative methods for online payments and facilitating internationally recognized money exchange platforms to work within ME countries.

C. Future Work

While this paper addresses the environment and potential for Crowdfunding within the ME and other developing countries, further research is required to understand the social, financial and cultural aspects of modern Crowdfunding models and platforms for the region. Future work of the author will focus on practical research to identify drivers and attitude for the „Crowd“ towards contributing to Crowdfunded campaigns, aiming to develop a „formula for success“ that can guide entrepreneurs for a successful Crowdfunding.

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