Crowdfunding for Start-up Financing in Kenya, South Africa & Uganda

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ABSTRACT

Start-up firms across the globe face difficulties in securing capital from traditional financing models. Crowdfunding is alternative financing source, which has the capacity to bypass traditional methods unleashing a democratisation of capital for economic, social and cultural entrepreneurship. Building on the existing work of crowdfunding as an alternative financing source, it asks; to what extent is crowdfunding maturing into a substantial funding source for start-ups in each of the following developing nations; Kenya, South Africa and Uganda.

The theoretical review of a crowdfunding ecosystems characteristics, lead to a conceptual model of technological infrastructure, economic development and regulatory framework to formed. Data was collected through an extensive literature review, web searches and six semi-structured interviews were conducted with representative members of the Kenyan, South African and Ugandan crowdfunding ecosystems.

Results were split into two sections. Firstly, describing the current overview of each nations crowdfunding ecosystem in monetary and model terms, furthermore showing the effects of the conceptual model measures on the nations crowdfunding ecosystems. Secondly, focusing on areas for which SMEs can help further develop the nations crowdfunding ecosystem while improving their crowdfunding campaigns. Interview insights emphasised the importance of continued education and the importance of networking. Literature review recommended, SMEs target diaspora members of their nation and apply the correct crowdfunding model to their current placement in the product lifecycle.

The analysis of the results section showed that crowdfunding in South Africa is beginning to slowly mature into a a substantial funding source for local start-ups. Crowdfunding in Kenya is in its infancy in relation to maturing into a a substantial funding source for local start-ups. Whilst the Ugandan crowdfunding ecosystem is still very underdeveloped, exposing Uganda as being the least mature crowdfunding financing source for start-ups of the nations investigated.

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Keywords
Crowdfunding, Kenya, South Africa, Uganda, Technological Infrastructure, Economic Development, Regulations,

1. INTRODUCTION

Small and medium enterprises (SMEs) are financially more constrained than large firms and are less likely to have access to formal finance (Beck & Demirguc-Kunt, 2006). Namely a “financing gap or credit gap” for SMEs, meaning that there are a significant number of SMEs that could use funds productively if they were available, but cannot obtain finance from the formal traditional financial system. As the SME sector is characterised by wider variance of profitability and growth than larger enterprises, whilst exhibiting greater year-to-year volatility in earnings, resulting in the survival rate of SMEs being considerably lower than that of larger more developed firms, negatively affecting SME financing possibilities (OECD, 2006). External finance may be particularly important for innovative small firms, as they can lack the internal resources to successfully commercialise innovations. The financing constraint is more severe in less-developed countries, where financial markets are lesser developed, regulatory and legal frameworks are weak or at times absent, informational asymmetries are persistent, and risk management systems are not as robust.

Banks in developing economies, compared to those in developed economies tend to be less exposed to SMEs and charge them higher interest rates and fees. According to enterprise-level data collected by the World Bank, SMEs in Sub-Saharan Africa are more financially constrained than in any other developing region. Only 20% of SMEs in Sub-Saharan Africa have a line of credit from a financial institution compared, for example, with 44% of SMEs in Latin America and the Caribbean. Only 9% of SMEs in Sub-Saharan Africa investments are funded by banks (Calice, M. Chando & Sekioua, 2012).

African SMEs main sources of capital are their retained earnings, informal savings and loan associations, which are unpredictable, unsecure and have little scope for risk sharing because of their regional or sectoral focus. Access to formal finance is poor because of the high risk of default among SMEs and due to inadequate financial facilities. SMEs in Africa can rarely meet the conditions set by financial institutions to attain financial capital. SMEs are seen as too risky due to the lack of available information about their ability to repay loans and the limited guarantees (collateral) they can offer. The financial system in most of Africa is under-developed and thus provides few financial instruments. Capital markets are in their infancy, shareholding is rare and no long-term financing is available for SMEs (OECD, 2006).

SMEs and entrepreneurship are recognised globally to be a key source of dynamism and innovation in advanced industrialised countries, as well as in emerging and developing economies. They are responsible for most net job creation in OECD countries and make important contributions to innovation, productivity and economic growth of a nation. According to a recent International Finance Corporation (IFC) study, there are four main channels through which finance leads to job creation. Finance helps start new businesses, finance helps businesses make larger investments, finance provides businesses with liquidity and finance supports indirect job creation through supply and distribution chains (Stein, Pinar Ardic & Hommes, 2013). If the SME sector does not have access to external funds for investment, the capacity to raise investment per worker and thereby improve productivity and wages, is seriously impaired (OECD, 2006). For African economies, the contribution of the SME sector to job opportunities is even more important, as they account for a large percentage of employment and act as a means of improving the economic development of these developing nations.

Different alternative methods outside of the traditional bank funding exist for SMEs as a means of attaining start-up financing, such as; bootstrapping, friends or family, venture capitalists or angel investors (Forrest Wright, 2017). A new and promising alternative financing method has come to the forefront, namely crowdfunding. This is a novel method for funding a variety of new ventures, allowing individual founders of for-profit, cultural, or social projects to request funding from many individuals, often in return for various rewards. Crowdfunding is widely held to be an alternative digital economy which has the capacity to disrupt established funding practices in banking, finance and venture capital markets unleashing a democratisation of capital for economic, social and cultural entrepreneurship

1.1 Research Objective

This research aims to complement the limited existing research on crowdfunding as an alternative financing source for SMEs, with a focus on developing nations. The developing nations highlighted in this research are from the African continent. Africa was selected as it is currently one of the most underdeveloped continents in the world, in many aspects relating to business practices, financial development and economic well-being. Therefore, to provide the possibility for positive change and sustainable growth in the SME sector through crowdfunding research, accounted for a large motivation to conduct research and provide insights. The nations investigated in this research are Kenya, South Africa and Uganda. Kenya was selected because of the nation’s already somewhat established entrepreneurship culture and innovative nature. South Africa, due to its slightly more developed status it is likely to show interesting comparisons to the other nations in this research, whilst also having the most native crowdfunding platforms of any African nation. Uganda as it was shown to have some early involvement with crowdfunding, represented as the nation ranked second on African developing world crowdfunding league table (Allied Crowds, 2015a).

The objective of this research is to analyse the current state of development of the crowdfunding ecosystem in each nation and how this relates to SME financing possibilities. Ultimately, this research should provide useful contributions as to what are the key factors in a crowdfunding ecosystem and how SMEs can improve their chances of attaining start-up capital. These findings will form the basis for answering the research question needed to produce novel insights for both practical and theoretical implications in the financing of start-ups through crowdfunding.

1.2 Research Question

The leading research question in this research is; to what extent is crowdfunding maturing into a substantial funding source for start-ups in each of the following developing nations; Kenya, South Africa and Uganda.

The following sub questions will provide the structure to the systematic answering of the main research question. Each sub question targets an important characteristic of crowdfunding. Which will relate to the current state of development of the nation's crowdfunding ecosystem, which in turn allows for the extent of SME financing through crowdfunding to be examined and understood.

How does a nations technological infrastructure stimulate the crowdfunding ecosystem and effect an SMEs financing possibilities through crowdfunding?

How does a nations level of economic development stimulate the crowdfunding ecosystem and effect an SMEs financing possibilities through crowdfunding?

How do the current regulations in place surrounding crowdfunding activity stimulate the crowdfunding ecosystem and effect an SMEs financing possibilities through crowdfunding?

Lastly key findings from the literature review and interviews will be assembled and recommended to SMEs as a means of promoting and further developing the crowdfunding ecosystem in their nations, while also representing how SMEs can increase their chances of successfully attaining their financing requirements when creating, launching and conducting their SME financing crowdfunding campaign.

2. THEORY

This section reviews existing literature and research about crowdfunding, how the different models operate and could be utilised by SMEs for financing purposes. Furthermore, some of the key characteristics in analysing a nation's crowdfunding ecosystem are unearthed, discussed and analysed as to how the development of these characteristics contribute to describing each nations SMEs financing possibilities through crowdfunding campaigns.

2.1Crowdfunding

In the financial inclusion context, crowdfunding refers to a market-based financing technique where funds are raised from large numbers of individuals or legal entities in small amounts, bypassing traditional financial intermediaries, and using mobile phones and online web-based platforms to connect with borrowers, whether to fund a business, a specific project, or other needs. Crowdfunding refers to an open call to the public to raise funds for a specific project. Crowdfunding platforms are websites that enable interaction between fundraisers and the crowd. Financial promises can be made and collected through the platform. Three key components have been found in common amongst crowdfunding, raising funds in small amounts, from many to many and while using digital technology (Jenik, Nava & Lyman, 2017).

Crowdfunding operates on four different models, each model has its own unique characteristics, for an in-depth analysis of the characteristics of each model (see **appendix 1**). All four models follow the general crowdfunding process, an individual or business requesting funds, this is made public through a crowdfunding campaign listed on a crowdfunding platform, the last action in the process are the funders, who pledge funds to these campaigns and these are received by the requester. Research will be focused on each of the four crowdfunding models as they all have the potential to contribute to SME financing. Two of the models; Donation and Reward crowdfunding fall into the non-financial category, whereas; Debt and Equity crowdfunding are classified as financial. Debt and Equity based crowdfunding are also referred to as securities based crowdfunding. These categorisations are based on the expected benefits received by the funder, as will be explained below in each model description.

2.1.2 Donation based Crowdfunding

The donation based crowdfunding model permits individuals (donors) to send money to people or projects in need (beneficiaries). The individual donors expect no financial return on their investment, rather research shows donors generally donate for non-financial factors such as; helping others, being part of a community and supporting a cause (Gerber & Hui, n.d.). It is primarily utilised in the non-profit sector to support various charitable, environmental, political and social causes (Jenik, Nava & Lyman, 2017).

Two sub categories emerge within donation base crowdfunding. Firstly, are personal campaigns by individuals, households or small communities which raise funds for a cause of its own interest. For the African region, this normally relates to overcoming personal adversity or recovery aid to natural disasters. The second category are charity fundraisers, simply registered charities employing donation-based crowdfunding platforms as an added alternative source of securing funds for campaigns.

2.1.3 Rewards based Crowdfunding

Reward based crowdfunding allows funders (donors) to contribute to campaigns in exchange for a non-financial reward. Rewards are normally classified into three tiers; entry, mid-tier and upper-tier, relating to the monetary value of the donation. Entry and mid-tier rewards often take the form of tokens of appreciation (artist's auto-graph, mentioning the donor's name in the credits, T-shirt etc.). Upper-tier rewards are normally the pre-purchasing of a product or service (the actual invention), which allows companies to launch with orders already on the books, cash-flow secured and gathers an audience before a product launch (European Commission, 2019c).

There are two main categories of reward based crowdfunding, keep it all (KIA) and all or nothing (AON). KIA is where the entrepreneurial firm sets a fundraising goal in monetary terms and keeps the entire amount raised regardless of whether they meet their goal figure or not. KIA projects tend to be less successful, since the crowd bears the risk that an SME undertakes a project that is underfunded and hence more likely to fail. Entrepreneurs should use the KIA model for scalable projects; that is, projects that are still feasible with partial funding (J. Cumming, Leboeuf & Schwienbacher, 2014). AON is where the entrepreneurial firm sets a fundraising goal and keeps nothing unless the funders contribute enough to meet the fundraising goal. Through a large sample, evidence remains consistent with the view that the usage of AON is a credible signal to the crowd that the entrepreneur commits not to undertake the project if not enough is raised (J. Cumming, Leboeuf & Schwienbacher, 2014). This signal reduces the risk to the crowd, thereby enabling SMEs to utilise AON campaigns to set higher financing totals.

2.1.3 Debt based Crowdfunding

Debt based crowdfunding is a direct alternative to a bank loan with the difference that, instead of borrowing from a single source, companies can borrow directly from tens, sometimes hundreds, of individuals who are ready to lend. Crowd lenders (funders) often bid for loans by offering an interest rate at which they would lend. Borrowers (beneficiaries), then accept loan offers at the lowest interest rate. Crowdfunding platforms are used to match lenders with borrowers (European Commission, 2019b).

There are three different subcategories of debt based crowdfunding determined by who the donors and the beneficiaries are. Peer to peer lending (P2P) occurs when individual funders lend to individual fundraisers/entrepreneurs. If the project is successful the loan is transferred to the fundraiser and later paid back with an already previously agreed upon amount of interest to the funder(s). Peer to business lending (P2B) is where individual funders lend to business in need of financing. Cost, Flexibility and Speed are what make P2B lending a sustainable SME funding alternative (Savarese, 2015). Business to business lending (B2B) takes place when different businesses (funders) see an opportunity to lend funds for attractive rates of return to other businesses.

2.1.4 Equity based Crowdfunding

Equity crowdfunding consists of selling a stake in your business to several investors in return for their monetary investment (European Commission, 2019a). The existence of equity funding is well established, with private equity, venture capital and angel investing long playing a role in developing and financing companies. The main difference between equity crowdfunding and these traditional models is that, rather than establishing a one-to-one relationship, it is offered to a wide range of potential investors, some of whom may also be current or future customers. Equity crowdfunding does this by matching companies with would-be angels via various crowdfunding platforms. Equity based crowdfunding platforms are primarily used to fund start-ups, microenterprises, and SMEs (Afrikstart, 2016).

Equity crowdfunding may be an important mechanism that micro, small and medium enterprises (MSMEs) can use to bridge the funding gap that exists in many countries. The issues of limited access to finance and shortage of market-based financing are particularly pressing in countries with underdeveloped capital markets and lack of venture capital offerings (Stein, Goland & Schiff, 2010). Equity crowdfunding provides an opportunity for more traditional investors in businesses or projects, by reducing transaction costs and information asymmetries. It may pave the way for other market-based funding opportunities to grow over time (Jenik, Nava & Lyman, 2017).

2.2 Key Characteristics of a Crowdfunding Ecosystem

Throughout the literature review relevant characteristics to analyse a nation's crowdfunding ecosystem were identified. The most representative aspects identified from the literature were those of; current technological infrastructure in place, level of economic development and the regulatory framework surrounding crowdfunding activities.

2.2.1 Technological Infrastructure

Technological infrastructure has been dubbed the backbone of crowdfunding. The widespread adoption of information and communication technology has provided the infrastructure to reach millions of investors, individuals must have access to reliable broadband Internet or mobile data networks. Technology to facilitate ongoing communication between investors and entrepreneurs and enabling tools to systematise and streamline the business lifecycle must also be employed and allowed to operate freely. The general social acceptance of technology-enabled social networks, allowing online interaction between investors, creating networks of trust amongst members of the crowdfunding ecosystem who originally had no mutual connections. Together these technology related forces are enabling crowdfunding to emerge on a large scale, connecting would-be investors with potential investments (infoDev, 2013).

Due to the highly social nature of crowdfunding, it depends upon individuals using their social networks to raise capital for their businesses. Without the social network or access to this social network, there is no mechanism for SMEs to reach the crowd of potential funders for their crowdfunding campaigns. (infoDev, 2013). From the literature two major technological factors have been identified as playing the largest role in facilitating a crowdfunding ecosystem. Social media users and internet users were identified as two factors which facilitated important roles in the ability for a successful crowdfunding ecosystem to be developed.

2.2.2 Economic Development

A nations level of economic development represents the general wealth and availability of spending from households and consumers in that nation. Through an economic measure of Gross Domestic Product per capita (GDP) in combination with Purchasing Power Parity (PPP) was used to measure a nation's wealth. Giving a base overview through an aggregate measure of total economic production for a country (Allied Crowds, 2015a, infoDev, 2013, Afrikstart, 2016). GDP per capita represents the market value of all goods and services produced by the economy during the period measured. PPP was additionally accounted for in the GDP per capita calculation as it compares economic productivity and standards of living between countries while ensuring that irrelevant exchange rate variations do not distort comparisons. Many world development indicators use GDP per capita as a denominator to enable cross-country comparisons of socioeconomic and other data ("WDI - Economy", 2019).

Total level of economic development also encompasses social well-being measures, population size and urbanisation rates were identified as good measures of a nations development level. Population size acts as a broad measure for the potential native market that SMEs could reach and target through crowdfunding. Urbanisation, which essentially is a measure to describe what percentage of a population lives in a city, is another measure investigated in relation to a nation's economic development. Urbanisation is modestly positively correlated to economic development. Illustrated by the world bank, no country has grown to middle income without industrialising and urbanising. None has grown to high income without vibrant cities. The rush to cities in developing countries seems chaotic, but it is necessary (World Bank, 2009).

2.2.3 Regulatory Framework

Considering crowdfunding is involved with financial items there are necessary measures to be taken to provide safety and security for those involved, regulations plays a large role in creating a safe and trustful crowdfunding environment. A regulatory framework that leverages the transparency, speed, and scale that advances in technology and the internet can deliver to early-stage funding marketplaces: In the case of crowdfunding, it's important that regulators rethink investor protection given an array of new tools that now are available with the rise of the Internet and the social web. Protecting investors is critically important because if crowdfunding becomes rife with fraud, the market will collapse and the potential for SME financing will become obsolete (infoDev, 2013).

A regulated marketplace that facilitates capital formation while providing prudent investor protections through education and training as well as regulation: Regulators can utilise equity and debt based crowdfunding to provide better protection to investors than they could have ever done in an offline world. Driving capital formation online creates the opportunity to monitor and report on what both entrepreneurs and investors are doing on these online platforms in ways never possible. It also harnesses the power of the crowd for additional diligence and real-time monitoring of campaigns (infoDev, 2013).

3. METHODOLOGY

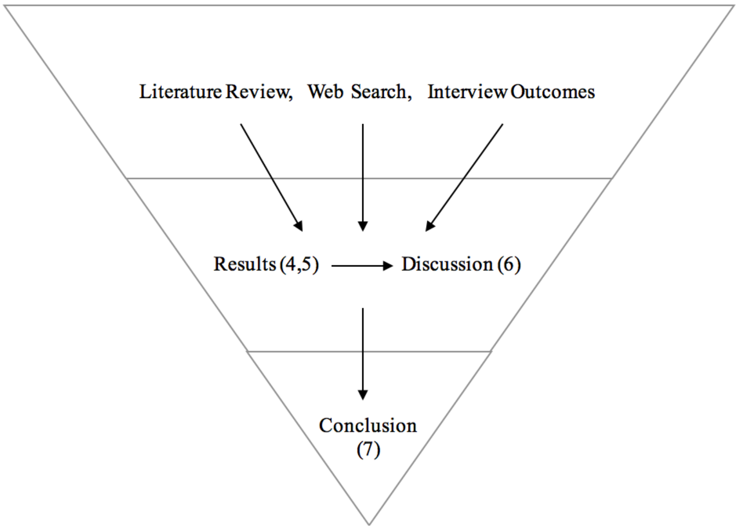
The research was exploratory in nature as crowdfunding is still a young and emerging field, considered in its infancy in the alternative financing sector.

The gathering of data was collected in a combination of qualitative and quantitative manners. Qualitative methods included literature review and semi-structured interviews. Web search was utilised as the quantitative method in this research. Much of the research was collected through a comprehensively conducted literature review, encompassing the many different aspects of crowdfunding, crowdfunding in developing nations, financing start-ups, SME financing opportunities in developing nations through crowdfunding, the impacts of technological infrastructure, economic development and regulatory frameworks on the crowdfunding ecosystem, as well as other related theoretical concepts.

Primary data was collected through six semi-structured interviews. The implemented semi-structure allowed a base questioning in areas of importance in relation to the interviewee whilst also providing the interviewee freedom to add to other areas of the emerging crowdfunding movement, complementing the explorative nature of this research. With each individual interview providing insights surrounding a certain topic of the crowdfunding ecosystem. Interviews were carried out with various debt, donation, equity and reward based crowdfunding platforms in South Africa and Uganda. Other interviews were conducted with; the African Crowdfunding Association (AFCA) to gather insights surrounding regulatory frameworks and Allied Crowds, a tech driven firm which has released various reports surrounding crowdfunding in developing nations. Interviewees were knowledgeable members of these organisation's such as directors, founders, marketing/public relations and lead researchers (see **appendix 2**).

Web search was utilised for the representative figures of the conceptual model (see **4.4.1 & 4.4.2**)

Figure 1. Field Research Representation



The model above represents how the field research was collected and applied to the following sections.

For the first results section (4), a current overview of each nations crowdfunding ecosystem will be given. Essentially a description of; the utilised crowdfunding models, the monetary totals raised through crowdfunding campaigns and a representation of the conceptual model factors perceived relevant to crowdfunding in this research.

Literature review provided insights on crowdfunding totals in each of the nations, the percentage of funds that were attained through which crowdfunding model, whilst analysing the impacts of; technological infrastructure, economic development and regulatory frameworks on crowdfunding efforts.

Interview insights covered the current crowdfunding ecosystem in relation to SME financing and the various aspects of the conceptual model features. A few examples of general interview questions asked to all interviewees are listed here for specifics (see **appendix 3**). To what extent are SMEs utilising crowdfunding as a financing source? How do the concepts of technological infrastructure and economic development effect a nation crowdfunding ecosystem and an SMEs financing possibilities through crowdfunding? In addition, the interview insights are used to strengthen or question the content from the literature review with practical insights and evidence from the current and relevant members involved in the crowdfunding scene in the nations investigated.

Web search was utilised in finding the figures which are represented in the conceptual model analysis (**4.4, 4.5**).

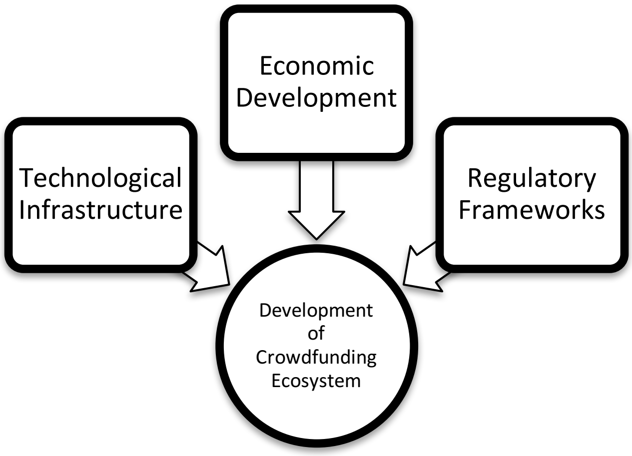
Regarding the second results section (5), this provides SMEs with areas of importance to address and focus their future efforts on to develop their nations crowdfunding ecosystem and through these development most likely improving SME financing possibilities through crowdfunding.

During the literature review concepts and ideas to improve the crowdfunding ecosystem of a nation and methods which increase SME success through crowdfunding will be highlighted and elaborated on.

Interview questions gathered information based on the future development of the crowdfunding ecosystem and key areas of importance to facilitate this from an SME perspective. Interview questions applied in each interview are listed here for specifics of each interview (see **appendix 3**). What barriers and challenges are faced in the crowdfunding ecosystem development and how to overcome these? What is the future of crowdfunding for SMEs in the nation investigated? Which areas are important for SMEs to focus on to improve their chances of creating and launching a successful crowdfunding camping?

3.1 Conceptual Model

Figure 2. Conceptual Model



The conceptual model highlights the most important aspects in relation to analysing a crowdfunding ecosystem and the possibilities of SME financing from this ecosystem, identified from the theory section. A nations technological infrastructure was evaluated on the two relevant metrics to crowdfunding, internet access and social media penetration. A nations level of economic development was inspected through an economic measure of GDP PPP and social well-being measures of total population and urbanisation. Regulatory frameworks were analysed through the current regulations present in the crowdfunding environment of the nations investigated. Investigation and research conducted on the factors identified through the conceptual model should provide a good understanding of each nations crowdfunding ecosystem, allowing for conclusions to be drawn surrounding SME financing possibilities through crowdfunding in the nations investigated.

4. CURRENT OVERVIEW OF CROWDFUNDING ECOSYSTEM

4.1 Kenya country Overview

4.1.1 SME Financing Constraints

Kenyan entrepreneurs are often unable to access and receive the crucial funding needed to begin or expand their business ventures. As of (2011), according to the International Finance Corporation (IFC), the credit gap in Kenya was estimated at $6.30b[1] ("IFC Enterprise Finance Gap", 2019). 52% of all MSEMs[2] highlighted access to finance as severe difficulty, 43% of MSEMs are completely unserved with credit and 7% are underserved once attaining a source of financing. Of the few MSMEs in Kenya that manage to secure financing, 40% of these MSMEs attain financing through a private commercial bank, with a further 6% procuring financing from a state-owned bank or government owned agency ("IFC Enterprise Finance Gap", 2019).

However, there are still a magnitude of problems surrounding the Kenyan banking system and the financing of MSMEs. Traditional bank financing to SMEs is constrained by several difficulties. Amongst Kenyan banks, the lack of adequate and quality information was the biggest SME obstacle to SME lending, cited by 100 percent of the banks in the survey conducted by (Calice, M. Chando & Sekioua, 2012). Lack of collateral was another SME related factor identified, which contributed to the difficulty of financing SMEs in Kenya. Macroeconomic problematic areas in relation to SME financing included, business regulations, the legal and contractual environment and the lack of a more proactive government attitude towards the segment of SME financing (Calice, M. Chando & Sekioua, 2012). With the many problematic factors addressed above which has created a misalignment between the banking sector and the financing of MSEMs, provides further reasoning as to why crowdfunding could thrive and become a sustainable financing source for Kenyan SMEs.

4.1.2 SME Benefits

Kenya has the largest number of MSME out of the countries investigated in this research, with 2,303,635 registered. This is a somewhat surprising finding as South Africa has a larger population and is generally considered as a more developed nation in a business and financial sense compared to Kenya. However, this finding represents that Kenya has developed an appetite for innovation and a strong entrepreneurial culture, essential characteristics for the emergence and continued success of crowdfunding in a nation. 72% of Kenyan start-ups are creating jobs with an average of 5.5 full time employment per venture (VC4A, 2018).

Another positive indication of the possibility for future crowdfunding success in Kenya was the relatively high percentage of MSMEs sourcing financing from non-bank financial institution as a source of financing (26%) and other sources of financing (28%). Representing that over 50% of all financing for MSMEs is an alternative financing source, outside of the traditional methods.

4.1.3 Crowdfunding Model Overview

In 2015[3], Kenyan Crowdfunding amounted to $22.0m (Allied Crowds, 2016). 21.7m of this was received from foreign crowdfunding platforms operating in Kenya (Afrikstart, 2016). Kenya received the most out of any African nation from foreign crowdfunding platforms by a substantial margin ($13.0m), with Rwanda receiving the second most with $8.7m (Afrikstart, 2016). M-Changa is the only active native Kenyan crowdfunding platform. M-Changa raised the sixth most out of any native African crowdfunding platform, while also recording the sixth largest traffic out of all the native African crowdfunding platforms with approximately 4,000 monthly visits (Afrikstart, 2016). An interesting observation is that 98.64% of the total crowdfunding funds within the Kenyan crowdfunding ecosystem were received from foreign crowdfunding platforms, where-as only 1.36% were raised by native Kenyan crowdfunding platforms.

4.1.4 Donation based Crowdfunding

Unsurprisingly, donation based crowdfunding accounts for the most out of the four models in Kenya with 63% ($13.86m) (Allied Crowds, 2016), although this is a relatively large monetary figure the contributions are largely targeted towards social causes rather than financing SMEs. As indicated by (Afrikstart, 2016) 65% of the crowdfunding projects listed on donations-based platforms are fundraising for various social causes, such as social welfare, local community initiatives, medical expenses and charity projects. When considering more specifically the fundraising dynamics in Kenya, Kenya's leading crowdfunding platform M-Changa, revealed figures showing that Kenyans donate about $700,000,000 (Afrikstart, 2016) annually to friends and family, directly or via self-help groups. If crowdfunding can tap into this donation market Kenya has already established, there is likely to be significant growth in the crowdfunding ecosystem.

4.1.5 Debt based Crowdfunding

Debt based crowdfunding is sector focused and generally fundraises for business and entrepreneurship projects (Afrikstart, 2016). Contributing a substantial 36% ($7.92m) to the overall Kenyan crowdfunding model (Allied Crowds, 2016). Most these funds were likely secured

[1] All figures stated in this report were in $USD unless otherwise mentioned

[2] MSME used instead of SME as World Bank only had figures with micro included

[3] 2015 was used as this was the most recent year with verifiable data surrounding crowdfunding totals in each nation

through Kiva a foreign crowdfunding platform which generated a total of $35.9m through loans for MSMEs in the African continent alone (Afrikstart, 2016).

4.1.6 Equity based Crowdfunding
Equity based crowdfunding represents a minimal 1% ($220,000) of the Kenyan crowdfunding model (Allied Crowds, 2016). This is predominately due to the lack of a regulatory framework which facilitates equity crowdfunding in Kenya. However, the Kenyan Government understands the importance and possibilities equity based crowdfunding provides entrepreneurs and is avidly co-operating with the African Crowdfunding Association on creating a regulatory framework to assist the launch of securities based crowdfunding in Kenya (**see 4.6**).

4.1.7 Reward based Crowdfunding

There is little reward based crowdfunding occurring in the Kenyan crowdfunding ecosystem ~0% (Allied Crowds, 2016).

4.2 South Africa Country Overview

4.2.1 SME Financing Constraints
South Africa has the largest credit gap of the three countries investigated in this research, at $13,428b. This figure corresponds to 41% of MSMEs which are unserved with credit. A further 6% are underserved once receiving initial credit ("IFC Enterprise Finance Gap", 2019). South African MSMEs still very much rely on traditional models of financing, with 91% of MSMEs procuring financing from a private commercial bank.

The South African SME access to finance report highlights a few pressing and problematic areas in relation to South African banks financing SMEs. In South Africa, six banks hold 90% of the assets. A highly-concentrated banking sector has been found to lower access to finance in SMEs. Banks face obstacles in lending to SMEs, some of these obstacles are; high failure rates, higher risks, high transactional costs, lack of collateral, lack of SME experience and poor financial literacy (finfind, 2017).

Furthermore, South Africa has struggled with two major economic issues over the past two decades. Firstly, sluggish economic growth in comparison to the rest of Africa and other developing markets. Secondly worryingly high unemployment rates; in Q3 2017 the youth (15-35 years old) unemployment rate was 36.6%, for youth (under 25 years old) unemployment rate was 67.4% (VC4A, 2018). The economic issues and banking difficulties warrant the further research of how crowdfunding could emerge as a genuine source of funding for SMEs and a means of closing the substantially large credit gap that South African SMEs face.

4.2.2 SME Benefits
South Africa has 2,213,146 MSMEs ("IFC Enterprise Finance Gap", 2019). 68% of South African start-up ventures are creating jobs with an average of 5.8 full time employees per venture (VC4A, 2018). South Africa has the most mature start-up ecosystem in Africa, driven by several factors; a strong effort from the private sector to organise through associations to engage with the government around policies and legislative changes to assist and stimulate the industry. SMEs are the backbone of the South Africa's economy, providing many job opportunities and contributing significantly to GDP.

For South Africa to resolve its high rate of unemployment a supportive environment needs to be created, to facilitate small business survival and growth, accommodating sustainable job creation. SME funding is a critical component of this growth (fin find, 2017).

4.2.3 Crowdfunding Model Overview
In 2015, the South African crowdfunding model amounted to $10.4m. Despite the relatively low total funding numbers, the crowdfunding market is more mature in South Africa, with more funding being raised within the nation when compared to Kenya and Uganda. A strong sign of the market's maturity is the eight-active native crowdfunding platforms currently active in the nation (see **appendix 4).** This points to a greater awareness of crowdfunding, and shows that the nation is on the way to building a strong national crowdfunding ecosystem (Allied Crowds, 2016).

Another positive finding from the South African crowdfunding model was that of the 4,939 projects launched over the African nation in 2015, South African platforms launched 4,581 of these (92.8%), to put this in perspective Kenya was second with 165 projects launched and Uganda wasn't represented in the top nine nations displayed (Afrikstart, 2016). This represents that the South African crowdfunding ecosystem has a larger number of native platforms who are launching significantly more projects, further evidence for a more developed crowdfunding ecosystem.

4.2.4 Donation based Crowdfunding
Donation based crowdfunding platforms account for 57% ($5.9m) of the crowdfunding total in South Africa (Allied Crowds, 2016). The main difference between South Africa's donation crowdfunding and Kenya and Uganda's is that more of the funds are raised from native platforms, this is important as these native platforms channel the funding directly to beneficiaries rather than indirectly as the case with foreign crowdfunding platforms.

4.2.5 Debt based Crowdfunding
Debt based crowdfunding in 2015 was reported at 3% ($312,000) of the total South African crowdfunding model (Allied Crowds, 2016). However, percentage and total wise this figure will have likely significantly increased for similar reason stated below in the equity section. Further reinforced by findings from (Cambridge Centre for Alternative Finance, 2017), the rapid growth and emergence of online peer-to-peer lending models in South Africa

suggests that this model likely dominates the national market there and potentially propel South Africa's position as the emerging market leader for both online consumer and business peer-to-peer lending in Africa.

4.2.6 Equity based Crowdfunding

Equity based crowdfunding accounted for 6% ($624,000) of the total crowdfunding model in South Africa (Allied Crowds, 2016).

Interestingly this figure is from 2015 and is representative of the equity total before the first native equity based crowdfunding platform was launched in South Africa, this being Uprise Africa in 2017. Therefor it is likely that this figure will have increased with the presence of a native equity crowdfunding platform. However, it is difficult to estimate exactly what this predicted growth has amounted to in monetary terms, because of the many SMEs problems with adhering to the due diligence procedures necessary with equity crowdfunding (Allied Crowds, 2016).

Another potentially limiting factor to the emergence and growth of Equity crowdfunding in South Africa were the tight requirements that constitute the criteria SMEs must meet in order to utilise equity crowdfunding through the Uprise Africa platform. Sabica Pardesi (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform) indicated a few components of the criteria, these being; the SME is situated in the growth stage of their product lifecycle, post revenue companies with cash flow history, 2+ years as operational and positive valuations.

The basis of such requirements ensures that only SMEs whose campaigns have the highest probability of realistically attaining their financing goals are launched on the platform. Giving Uprise Africa and the equity crowdfunding model in South Africa the possibility to gain creditability and trust in the South African crowdfunding ecosystem. Thus, Equity crowdfunding is an emerging field in the South African crowdfunding ecosystem and is showing promising growth, once it is more established and has earned credibility through success stories (Sabica Pardesi, Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform), there will be the possibility for more SMEs to create crowdfunding campaigns and source investment capital.

4.2.7 Reward based Crowdfunding

Another important sign of maturity in the South African crowdfunding ecosystem was the share of rewards based crowdfunding. In 2015, 34% ($3.5m) of crowdfunding activity in South Africa took place over rewards based platforms (Allied Crowds, 2016).

Rewards based platforms are subject to fewer regulations than debt and equity based platforms, as they do not involve any investment activity; however, they also require an advanced ecosystem to succeed, for two reasons. Firstly, rewards based campaigns are often used by entrepreneurs who are looking to test the market for their ideas and to increase their cash flow by offering pre-sales of products. This requires trust among backers that the potential logistical hurdles to delivering on a campaign promise can be overcome. Secondly, the success of rewards based campaigns is typically indicative of a healthier ecommerce ecosystem, which develops trust in ordering or pre-ordering products online. While ecommerce in South Africa is not as advanced as it is in more developed markets, it is ahead of the East African nations. In other words, while East African nations such as Kenya and Uganda first needs to cultivate ecommerce for rewards based crowdfunding to become viable, South Africa has already made progress towards building a foundation for rewards based crowdfunding to grow (Allied Crowds, 2016).

4.3 Uganda Country Overview

4.3.1 SME Financing Constraints

Uganda's credit gap in 2011 was $752m. 54% of MSMEs in Uganda identified access to finance as a major barrier ("IFC Enterprise Finance Gap", 2019), an interesting observation is that this percentage is the largest out of the nations investigated. 43% of MSMEs recorded being unserved with credit altogether and 5% were underserved with credit once receiving a form of financing. Of the MSMEs that secured financing, the sizeable majority were still securing financing through traditional models. With 71% of financing received from a private commercial bank.

Banks in Uganda appear to be facing similar challenges as those in Kenya, with the lack of reliable information from SMEs listed by all banks in a survey conducted by (Calice, M. Chando & Sekioua, 2012) as the main hindrance to SME lending. The issue of collateral is a significant aspect in Uganda with 50 percent of the banks (Calice, M. Chando & Sekioua, 2012) mentioning the lack of adequate guarantees as an obstacle to SME lending. The Bank of Uganda stipulates that all loans above a certain minimum must be adequately secured, with first class guarantees or a bond over property as the preferred security type.

A study by (Nanyondo, Tauringana & Mullineux, n.d.) investigated the relationship between quality of financial statements, information asymmetry, perceived risk and access to finance (ATF) by Ugandan SMEs. The results indicate that there was a positive and significant relationship between quality of financial statements and ATF. Meaning the better the quality of the financial statements from a SME the more opportunities to access finance. There was a negative relationship between information asymmetry and ATF. Indicating that the greater the information asymmetry of a SME, the lesser the possibilities of accessing financing (Nanyondo, Tauringana & Mullineux, n.d.)..

4.3.2 SME Benefits

There are many benefits derived from the 1,194,387 MSMEs in Uganda. SMEs constitute over 90% of the private sector, contributes approximately 75% of Uganda's Gross Domestic Product and employs more than 2.5m people (Nanyondo, Tauringana & Mullineux, n.d.). According to the Global Enterprise Monitor, Uganda is the most entrepreneurial country in the world, with 28% of adults owning or co-owning a new business. 25% of the MSMEs which secure financing from non-bank financial institutions ("IFC Enterprise Finance Gap", 2019).

4.3.3 Crowdfunding Model Overview

In 2015, Uganda crowdfunding models had a total figure of $7.5m. There are currently two native Uganda crowdfunding platforms operating. Firstly, Easypay which offers donation based crowdfunding. Secondly, Akkabo which tailors predominately towards donation based crowdfunding whilst also supporting rewards based crowdfunding. Akkabo is the more established platform, however still faced difficulties in securing resources and financing to really grow the crowdfunding platform natively, per Raymond Besiga (Founder & Director, Akkabo, Uganda Donation & Rewards Crowdfunding Platform).

4.3.4 Donation based Crowdfunding

Donation based crowdfunding accounts for 83% ($6.2m) of the Uganda crowdfunding total (Allied Crowds, 2016) indicates that the lion's share of this was channelled by donation based platforms located in foreign more developed countries rather than from native donation crowdfunding platforms. When analysing the totals of donation based crowdfunding, percentage wise Uganda (83%) clearly has the largest contribution from donation based crowdfunding in comparison to Kenya (63%) and South Africa (57%). This in addition to majority of the funds received through non-native platforms suggests that the crowdfunding ecosystem in Uganda is more underdeveloped.

4.3.5 Debt & Equity based Crowdfunding

Debt based crowdfunding amounted to 16% ($1.2m), whilst equity crowdfunding contributed 1% ($750,000) (Allied Crowds, 2016). As there is no regulatory framework or regulations currently in place for Uganda, it is no surprise this figure is minimal and hardly contributes to the crowdfunding ecosystem (see **4.4.3**). The clear absence of any native security based platforms represents that Uganda has yet to fully develop its crowdfunding ecosystem to accommodate all four models that crowdfunding encompasses.

4.3.6 Reward based Crowdfunding

There is little reward based crowdfunding occurring in the Kenyan crowdfunding ecosystem ~0% (Allied Crowds, 2016).

4.4 Results through Conceptual Model

4.4.1 Technological Infrastructure Measure

Table 1. Technological Infrastructure Measures[8]

	Global Average	*Kenya*	*South Africa*	*Uganda*
Social Media Users	3.48b (45%)[4]	8.20m (16%)	23.00m (40%)	2.50m (5.6%)
Growth Rate	9.00%	6.50%	28.00%	-11.00%
Internet Users[5]	4.38b[6] (57%)[7]	18.16m (35%)	30.63m (53%)	11.17m (26%)
Growth Rate	9.10%	0.00%	1.20%	0.00%

Given the developing nature of the nations investigated, only one of the figures in Table 1 is above the global average. Namely, South Africa's social media growth rate which is 19.00% higher than the global average. Both Kenya (16%) and Uganda (5.6%) have extremely low social media penetration rates. The issue surrounding social media appears to be twofold for Uganda, as the nation showed a negative growth rate for social media users of 11.00% between 2018 – 2019. Those who have access to social media in Kenya (2H 47M) and South Africa (2H 48M) are using it considerably daily ("Digital 2019: Kenya", 2019, "Digital 2019: South Africa", 2019).

An additional measure of social media was analysed, the number of people in each nations Facebook advertising audience. South Africa, again, had the largest figure with 23.00m people in the nations Facebook advertising audience. Kenya follows with 7.90m and Uganda has the fewest of the nations investigated with 2.40m ("Digital 2019: Kenya", 2019, "Digital 2019: South Africa", 2019, "Digital 2019: Uganda", 2019).

[4] (%) Represents penetration rate;
Percentage of users in country / Total Population of country

[5] Internet Users figures was calculated by using wearesocial's four sources and then dividing by four to find the average, this was done as some sources had rather higher figures th7btduikan others, so if this source was used alone a misrepresentation and a general inflation in the figures could have been represented.

[6] Total global figure, not average

[7] (%) Represents penetration rate;
Percentage of users in country / Total Population of country

[8] All figures for this section were sourced from ("Digital 2019: Kenya", 2019), ("Digital 2019: South Africa", 2019), ("Digital 2019: Uganda", 2019).

South Africa is the leader amongst the nations investigated in this research, having more members of the population classified as internet users than Kenya and Uganda combined. The penetration rate for South Africa is relatively close to the global average (4% difference), which is an encouraging finding considering its developing nation status. Regarding Kenya and Uganda, the number of internet users in each nation is considerably lower than the global average.

Internet access penetration rates indicate that all the nations investigated in this research fall below the global average. 40% of South African population, roughly only one third of the Kenyan population and one quarter of the Ugandan population are internet users. There appears to be a severe lack of growth for internet users in each of the nations investigated, with both Kenya and Uganda having 0% growth from 2018 - 2019, whilst South Africa recorded a lacklustre growth rate of 1.20%.

4.4.2 Economic Development

Table 2. Economic Development Measures

	Global Average	*Kenya*	*South Africa*	*Uganda*
GDP PPP [9] *(per capita)*	$15,843.52	$3,034.46	$13,180.00	$1,774.33
Population	7.68b[10]	51.58m	57.73m	44.99m
Urbanisation	56%	29%	67%	24%

The global average of GDP PPP, calculated at $15,843.52 is larger than the three nations investigated in this research. South Africa with $13,180.00 comes close to the global average and has the largest GDP PPP of the nations investigated in this research. Uganda's figure of $1,774.33 and to a slightly lesser extent Kenya's figure of $3034.46 clarifies and provides some reasoning as to their definition of a developing nation, as both of their GDP PPP figures are substantially lower than global average

South Africa boasts the largest population in this sample, having 6.15m more native inhabitations than Kenya and 12.74m more than Uganda.

South Africa's urbanisation rate (67%) is above the global average and has a profoundly greater urbanisation rate than both Kenya (29%) and Uganda's (24%).

4.4.3 Regulatory Framework

*U*nfortunately, to date there is little to no concrete information to be found online regarding the topic of regulatory framework for crowdfunding in the African nations focused on in this research. Thus, an interview was arranged with the African Crowdfunding Association (AFCA). Whose main mission is to lobby for crowdfunding legislation creation and reforms, increase public awareness, and to create a more cohesive industry structure in Africa that protects investors and democratises access to capital for all Africans ("About - African Crowd", 2019).

Valuable insights surrounding the regulatory frameworks in each of the nations investigated were provided by Mouhamadou Mbengue through a semi-structured interview (see **appendix 2**). Mouhamadou Mbengue serves as the African Crowdfunding Association's head of legal research.

Set regulations which are reinforced by a regulatory framework aren't currently in place for many African nations, including Kenya and Uganda. South Africa is an exception, having legislation in place which deals with the financial markets and the trade of securities, Section 95 of South African companies Act. This provides players in the South African crowdfunding ecosystem an understanding of how to comply in an ethical manner in relation to debt and equity based crowdfunding.

At present, there is no real regulatory framework present, let alone one that is unanimously agreed upon surrounding crowdfunding in Kenya, Uganda, South Africa and all other African nations. Mouhamadou Mbengue (Legal Researcher, African Crowdfunding Association) indicated there is a real need to create a regulatory framework which covers all areas of Crowdfunding and is applicable to all African nations. Emphasise especially on equity and debt based models as these are essentially obsolete in most African nations Reasoning for why AFCA is creating two documents.

The first, named the label project, will create a regulatory framework which will regulate securities based crowdfunding activities in all African nations. The framework should ideally be complete June 2019, per Mouhamadou Mbengue (Legal Researcher, African Crowdfunding Association).

The second document created by AFCA will be realised once the label project has been accepted and accredited by most African governments and bodies in charge of crowdfunding. The document encompasses good conduct for all stakeholders in crowdfunding and is largely targeted towards donation and rewards based crowdfunding, per Mouhamadou Mbengue (Legal Researcher, African Crowdfunding Association).

[9] Average of the most recent five years of data available (2013 – 2017), makes the measure more fair and accurate rather than using the most recent year alone Calculated by ("GDP per capita, PPP (current international $) | Data", 2019)

[10] Total global figure, not average

5. RECOMMENDATIONS FOR SMES

This second results section provides SMEs in the nations of Kenya, South Africa and Uganda with areas of importance to address and focus their future efforts on to develop their nations crowdfunding ecosystem and through this development most likely improving SME financing possibilities through crowdfunding.

From the interviews conducted (see **appendix 2**) two clear points of interest were continuously raised as areas for SMEs to focus on by interviewees. Firstly, was the importance of continued education surrounding crowdfunding; education of the general native population and education surrounding start-ups about the crowdfunding procedures/campaign tasks. Secondly, was the importance of a start-ups ability to network, this will be analysed based on network quantity and network quality.

Whilst conducting the extensive literature review two other concepts were consistently addressed as areas which start-ups should concentrate their efforts on to have a greater chance of successfully creating and running a crowdfunding campaign. Firstly, targeting the diaspora members of a nations population in crowdfunding activities and engaging them as a part of the nation's crowdfunding ecosystem. Secondly, ensuring that the recommended model of crowdfunding is employed at the appropriate stage of the product life cycle. The phases identified are the pre-start-up phase, the start-up phase and the growth stage.

5.1Education

"Education and awareness needs to be increased in developing nations surrounding all aspects of crowdfunding" Anton Root (Head of Research, Allied Crowds), Sabica Pardesi (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform) mentioned that education was one of the major problems as to why crowdfunding has not fully developed in South Africa like it has in other, more developed nations. Per the interview insights above, highlighted education surrounding the many different aspects of crowdfunding as a problematic area and one that needed urgent and on-going attention if the crowdfunding ecosystem in the nations investigated are to see sustainable growth and future development. Continued education surrounding many aspects of the crowdfunding ecosystem should be nurtured, SMEs can assist in these processes as suggested below.

The first area where further education should be focused on is the education of the general population as to; what crowdfunding is, how it occurs, how to partake, the differences across models and platforms and the benefits associated with this form of financing, for the funder and the beneficiary. Sabica Pardesi (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform) indicated general awareness and education around crowdfunding is slowly increasing in the nations investigated as marketing methods utilised by start-ups and crowdfunding platforms such as social media, newspaper advertisements and local media are exposing members of the general-public to the campaigns, subsequently leading to a greater understanding of crowdfunding in the public. To put this in perspective Zane Groenewald (Marketing & PR, Backabuddy, South African Donation Crowdfunding Platform) mentioned that in 2018, 179m people in South Africa were reached through online publications. As current marketing methods are showing promise as a way of educating the members of a nation about crowdfunding, SMEs should utilise all available marketing mediums and convey messages of trust surrounding crowdfunding in their advertising. As Anton Root (Head of Research, Allied Crowds) mentioned, trust is a major hindrance to crowdfunding growth especially in developing nations. Once this trust is earned start-ups creating crowdfunding campaigns for financing purposes are likely to see an increased target market.

Another area education addresses are the increases needed in education for SMEs about how to create and launch their crowdfunding campaigns, ensuring the greatest exposure and largest chance of successfully reaching their campaign target. Derek Whitehead (Director, Jumpstarter, South African Reward Crowdfunding Platform) mentioned a good baseline measure would be for start-ups to carefully read and apply many of the guidelines provided by crowdfunding platforms such as Jumpstarter, Backabuddy, and Uprise Africa. Entrepreneurs can also increase their level of education surrounding their crowdfunding campaigns by utilising services provided by the crowdfunding platforms. Supported by Zane Groenewald (Marketing & PR, Backabuddy, South African Donation Crowdfunding Platform) "we apply a very personal approach, start-ups can phone in for advice with their campaigns, gain assistance with media and posts surrounding marketing and much more". With this increased education and understanding of crowdfunding, SMEs are likely to provide their campaigns a substantially greater chance of succeeding and attaining their financing needs.

5.2 Networking

While crowdfunding does present an opportunity to overcome traditional barriers to capital, it is merely a new, technology-enabled way to do a very old and difficult thing, raising money from a network (infoDev, 2015). This shows the importance of a start-ups network and this will be analysed and given recommendations on over two areas, network quantity and network quality.

Regarding network quantity, entrepreneurs should spend a significant amount of time building a contact base that they can reasonably expect will contribute capital and promote their campaign. Zane Groenewald (Marketing & PR, Backabuddy, South African Donation Crowdfunding Platform) mentioned that increasing an SMEs network could be done over; social media platforms such as Facebook and seeking partnerships with individuals or marketing firms located in a more developed crowdfunding ecosystem. The larger an SMEs network the increased possibilities of contributions and exposure can be expect during the crowdfunding campaign, positively relating to the chances of a start-up conducting a successful financing crowdfunding campaign.

Regarding network quality, it is important that there are a few key members of the network who understand the product offered by the start-up and are passionate about the many benefits associated with this. Derek Whitehead (Director, Jumpstarter, South African Reward Crowdfunding Platform) indicated that, passionate and excited members of the network may work in many ways as advisors and evangelists, and may help the business create valuable connections to other in influential actors. This indicates that the stronger an SMEs network quality should contribute to a larger awareness of the crowdfunding campaign, possibly even creating a larger network quantity.

Raymond Besiga (Founder & Director, Akkabo, Uganda Donation/Rewards Crowdfunding Platform) summarised the importance and relevance of a quantity and quality network for SMEs, "The campaigns which raised significant totals were those with a bigger network, the entrepreneur initially messaged potential funders overseas, these people started to donate and then told their friends through word of mouth. Overseas networks generated the initial and most of the overall funding and then individual contributions from members of the native population followed".

5.3 Targeting diaspora members of a nation

A factor that influences the amount of money raised by the crowdfunding platforms of each country is the level of involvement of the Diaspora to fund local projects. In Kenya for instance, about 35% of the funds received by the crowdfunding platform M-Changa are from the members of the Kenyan Diaspora (Afrikstart, 2016). Crowdfunding can and should be used be used by SMEs to engage members of a country's diaspora. This can serve to reduce the effects of capital flight and brain drain, as backers from abroad can help to mentor entrepreneurs. Members of the diaspora can also play an important role in crowding in investment to MSMEs in developing nations, which may otherwise be perceived as highly risky by foreign investors. For project creators and entrepreneurs, crowdfunding platforms can create an avenue to find growth capital that so few have access to, especially in the developing world. Indeed, the diaspora's early involvement in funding projects can have a validating effect, encouraging other (non-diaspora) investors to fund projects in the developing world something that's often deemed to be risky (Allied Crowds, 2015b).

Despite the gains made thus far to recruit diaspora communities to crowdfunding ecosystem of a nation, there are still challenges. Namely, reaching and connecting with the diaspora communities, as members of the diaspora can be very close to each other, they may be difficult to find for those who are not a part of the community. If start-ups from Kenya, South Africa and Uganda can locate and tap into these diaspora communities through global marketing campaigns; social media, influencers, and or effective networking (as stated above in **5**.**2**). It would provide crowdfunding campaigns a greater chance of securing more financing, whilst likely providing growth to the nations crowdfunding ecosystem through mentorship, crowding in and validation.

5.4 Using the Correct Crowdfunding Model

For a crowdfunding campaign to have the highest possibility of succeeding, it is important for SMEs to understand which crowdfunding model to apply relating to their current placement in the product lifecycle. Entrepreneurs choose crowdfunding platforms based on both the amount of funding and the non-monetary benefits they hope to secure (infoDev, 2015). Below, three phases are addressed and for each a recommended crowdfunding model.

The pre-start-up phase is generally best paired with the donation crowdfunding model. In the pre-start-up stage of the crowdfunding life cycle, the entrepreneur has a concept and examines the feasibility of creating a business around this concept. Pre-start-up efforts focus on establishing and evolving a viable offering that contributes to the solution of a customer problem, as well as identifying the target market, competitors and contributing members in the supply chain. In this developmental phase, achieving problem/solution fit and creating a viable business plan are of key importance (Paschen, 2017). Funding needs received from crowdfunding cover the areas of research and development, product testing, generating the business plan, and preparing to launch the venture (MaRS, 2009a). At the pre- start-up stage, when the venture is yet to generated revenue, the entrepreneur is still developing the business plan, most likely has no concrete financial plan and no proven track record, equating to the risk of the project failure being the highest out of all three phases identified. Therefore, the founder is not recommended to promise tangible or monetary rewards as this could prove problematic in fulfilling these promises (Paschen, 2017).

Donation based crowdfunding is the most appropriate and recommended crowdfunding model to meet the needs of the pre-start-up phase on the following grounds. The individual funders expect no tangible or financial reward on their investment, reducing the risk for the start-up. Donation crowdfunding in comparison to other crowdfunding models, generally permits for greater operational flexibility as there are fewer conditions attached to the financial contributions made by the crowd. The standard characteristics of donation based crowdfunding projects, these being; total funding goals and individual financial contributions are relatively small, which assists in keeping the risk of the start-up disappointing crowd members minimal. Donation based crowdfunding can feasibly provide the necessary capital to move the venture to the next stage in the start-up life cycle, from the pre-start-up phase to the start-up phase, at which point founders should re-evaluate fundraising approaches.

Reward and debt based crowdfunding would be recommended for the start-up phase. As the venture enters the start-up stage, it has ascertained the feasibility of the idea and the credibility of the business model to deliver the offering to an attractive target market (MaRS, 2009b). Start-up phase efforts are largely focused on improving the prototype into a minimum viable product. Key concerns surround validating product and market fit, the following questions help clarify and answer these concerns for the start-up. Does the product or service deliver on customers' needs (product validation)? Are prospective customers and distribution partners willing to purchase the product when it is ready for commercial offering and at what price (market validation)? How can the start-up expand from that one key customer segment to a broader and sustainable sales base? (Churchill & Lewis, 1983). Resources in the start-up phase encompass the building of products for prospective customers to test, hire employees, manage day to day operations, establish the product in the market and execute the marketing plan for commercial launch (MaRS, 2009b). Having built a viable product whilst initial revenue has been generated indicates early traction, putting the start-up in a stronger position to credibly offer tangible rewards, without having the negative consequences of these rewards hindering the growth and long term success of the start-up as it would have in the pre-start-up phase.

For rewards based crowdfunding the tangible reward offered would be that of the presales product. As highlighted by (Paschen, 2017) a key goal in the start-up stage is to validate product/market fit, the reward model specifically in the case of the presales reward helps to achieve this goal by providing a real-life estimate of demand and customers willingness to pay. Another additional benefit of the reward based model is that it builds an initial group of excited early adopters, who are likely to spread the word about the product offered by the start-up, acting as a means of marketing through word of mouth or other social channels, creating a competitive advantage for the SME.

For debt based crowdfunding the tangible reward offered is monetary interest on the financial contribution of the individual funders. As the start-up stage requires substantially more funding than the pre-start-up stage (Hofstrand, 2013). Debt based platforms often require a higher minimum loan amount from each individual backer. Debt based crowdfunding aligns well with this need for higher capital amounts. Empowering start-ups to attain these larger financial requirements, promoting the growth and general long term future of the start-up.

The growth phase is best endorsed with equity based crowdfunding. A start-up normally enters the growth stage when it has efficient processes in place and is regarded as a profitable organisation. The venture is financially healthy, has sufficient size and market penetration, and has achieved product and market validation. Start-up activities in the growth phase focus on scaling operations, processes and systems while remaining profitable (Churchill & Lewis, 1983). As the start-up scales up through expansion and growth processes, funds raised at this stage are used to help support and sustain future growth.

Due to the large capital requirements that corresponds with scaling and growth procedures of a start-up in the growth phase equity based crowdfunding is most applicable model for start-ups to utilise, as generally the highest funding amount of all crowdfunding models occurs over equity based crowdfunding (Paschen, 2017). The venture has objectively verifiable information, such as financial data or information about its customer base to demonstrate past successes and the positive future. Thus, this information could be used in funding requests to prospective backers. The risk of failure for the venture is lower than in the previous two phases and therefor can offer monetary rewards more credibly. Equity crowdfunding fits well at this stage as growth means an opportunity for organisational change and a shift of power. The founder and the business have become reasonably separate; the start-up is decentralised and often organised by key functions (Churchill & Lewis, 1983). Hence, the founder is typically more open to the idea of giving up some ownership and control of the business an inherent requirement of equity crowdfunding.

5.5 Conclusion

If SMEs in Kenya, South Africa and Uganda can help contribute and implement the areas addressed in this recommendation section it would certainly contribute to the growth and acceleration of the nation's crowdfunding ecosystem, whilst increasing the SMEs probability of conducting a more successful crowdfunding campaign, positively influencing their financing chances through crowdfunding.

The continued exposure crowdfunding receives through increasing marketing methods conveying trust through all available social and advertising mediums, would see a greater number of the native population aware and educated about crowdfunding, increasing the likelihood of native population crowdfunding contributions in relation to SME financing campaigns.

SMEs who understand the importance and create a large and quality network, will receive the added benefits of having a larger overall market to target with their crowdfunding campaigns, whilst members within their network assisting in creating awareness for the campaign.

If diaspora members of the nation are successfully reached, they likely will provide important funding and a validating effect towards crowdfunding campaigns, while positively influencing the nations entrepreneurial system through mentorship and guidance. All beneficial to the further development of a nations crowdfunding ecosystem.

SMEs should understand at which lifecycle phase they are currently situated and apply the appropriate crowdfunding model to ensure the greatest probability at successfully securing their financing requirements through crowdfunding campaigns. SMEs located at the pre-start-up phase are recommended to utilise donation based crowdfunding, with an all or nothing pay out model whilst operating transparently and accountably. SMEs in the start-up phase are encouraged to implement reward/debt based crowdfunding, which will offer tangible rewards to their funders and keeping the crowd frequently updated. SMEs currently at the growth stage should opt for equity based crowdfunding, targeting a crowd that can empathise and attracting early investors.

6. DISCUSSION

This section aims to discuss the implications of the results presented before. Limitations in the research are addressed and implications for further research discussed.

6.1 Discussion through Conceptual Model

Overall it could be stated that the three characteristics of technological infrastructure (infoDev, 2013), level of economic development (Allied Crowds, 2015a, infoDev, 2013, Afrikstart, 2016, "WDI - Economy", 2019, World Bank, 2009) and regulatory framework (infoDev, 2013) proves to be a relevant and useful theoretical framework for this research in answering the various sub questions, allowing the main research question to be answered.

6.1.1 Technological Infrastructure Implications

Crowdfunding depends upon individuals using their social networks to raise capital for their businesses. Without the social network, there is no mechanism for reaching the crowd of potential funders (infoDev, 2013). It is essential to harness top social media experts, bloggers and tastemakers to communicate with local and diaspora audiences. The data clearly show that strong social media use is critical to success in crowdfunding (infoDev, 2013). The results from the interviews in this research support this. According to Zane Groenewald (Marketing & PR, Backabuddy, South African Donation Crowdfunding Platform) there needs to be a large and lasting emphasis on social media for the continued development of a crowdfunding ecosystem. For Backabuddy this social media emphasis has resulted in an increase of 1000 campaigns launched (800 (2016) - 1800 (2018)) and \$72m in funds received (\$32m (2016) - \$104m (2018)).

Facebook is the dominant social media platform in all but ten countries of the world. In a model analysing variables in crowdfunding, Facebook penetration was by the far the single most important variable in the model. This can be explained as crowdfunding is inherently a socially mediated transaction and utilises social media platforms for marketing, communication, and outreach. (infoDev, 2013). The importance of Facebook as a marketing platform was further reinforced from the interviews with; Sabica Pardesi, (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform), Zane Groenewald, (Marketing & PR, Backabuddy, South African Donation Crowdfunding Platform) and Derek Whitehead (Director, Jumpstarter, South African Reward Crowdfunding Platform). As interviewees mentioned Facebook was one of the most common and utilised mediums to increase awareness and expose crowdfunding campaigns to the public. Other social mediums mentioned were WhatsApp, LinkedIn and Twitter.

For crowdfunding to work, individuals must have access to reliable broadband Internet or mobile data networks (infoDev, 2013). Raymond Besiga (Founder & Director, Akkabo, Uganda Donation/Rewards Crowdfunding Platform) indicated that crowdfunding awareness, acceptance and growth in Uganda was slow due to the limited resources available in the nation, one of the many resources mentioned by Raymond Besiga was internet access.

Further insights surrounding the importance of internet access were revealed in an interview with Derek Whitehead (Director, Jumpstarter, South African Reward Crowdfunding Platform). Derek mentioned fibre broadband is becoming more standard in South Africa, increasing accessibility in technology, creating more connection with people in relation to crowdfunding. Supporting that for crowdfunding to work there must be reliable internet access.

A nations technological infrastructure stimulates the crowdfunding ecosystem in a variety of different ways; by providing a way of connecting would-be investors with potential investments, administering infrastructure to reach millions of investors, allowing ongoing communication between investors and entrepreneurs, creating trust amongst the crowdfunding ecosystem, acting as a medium for crowdfunding campaigns to be marketed to native and foreign audiences, increasing the awareness of crowdfunding.

Higher levels of internet and social media access were indicated to contribute to higher levels of alternative finance contribution per capita (Cambridge Centre for Alternative Finance, 2017a). Emphasising that the more developed a nations technological infrastructure measures, the greater the chance of SME financing possibilities through crowdfunding.

6*.1.2 Economic Development Implications*

Countries should craft culturally appropriate messages, distributed over both social media and traditional media, that suggest that CFI is a new and innovative way of putting money in the hands of local companies that will hire employees and help the domestic economy as well as the country as a whole. (infoDev, 2013). Results from an interview with

Derek Whitehead (Director, Jumpstarter, South African Reward Crowdfunding Platform) supported this research. Derek mentioned the only currency in which Jumpstarter payouts to successful campaigns is in South African Rand. This incentive the promotion of local projects and economic growth.

(infoDev, 2013) highlighted economic development as an important reason for individuals to participate in crowdfunding. Through crowdfunding, Africans have the power in their hands. The power to choose and fund social causes and economic initiatives they care about. The power to set and drive their own social and economic agenda. The power to be active and direct participants of the "African rising" narrative (Afrikstart, 2016). Interview insights strengthens the above research. While many interviewees expressed economic development as a motive for crowdfunding, social development measures of a nations development were more representative in the interview responses. For example, Raymond Besiga (Founder & Director, Akkabo, Uganda Donation/Rewards Crowdfunding Platform) specified that the majority of campaigns that raised a significant amount of funding ($300-400) was when the creator was related to non-profit and the campaign was for a social cause that would benefit many.

Other interview insights from Sabica Pardesi (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform) mentioned that, most of the South African population don't have a lot of disposable income. Resulting in the native investor market to be quite small as only middle to high class members of the population with a good income are those who invest in crowdfunding.

The more economically developed a nation the more stimulated the crowdfunding ecosystem, increasing an SMEs financing possibilities through crowdfunding. Further levels of economic development indicate that households and individuals in the nation will have more disposable income to invest in crowdfunding.

6.1.3 Regulatory Framework Implications

The presence of a regulatory framework that leverages the transparency, speed, and scale that advances in technology and the Internet can deliver to early-stage funding marketplaces through crowdfunding (infoDev, 2013). The results from the interviews in this research support this. Sabica Pardesi (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform) mentioned the regulatory framework currently in place in South Africa has allowed $35.8m (South African Rand) to been collected through crowdfunding campaigns on Uprise Africa to support South African SME financing. Confirming previous research that proposed, security based crowdfunding is sector focused and generally fundraise for business and entrepreneurship projects (Afrikstart, 2016).

Regulators can play a key role in facilitating crowdfunding market development. Engaged, open, proactive regulators have demonstrably stimulated crowdfunding market development (Cambridge Centre for Alternative Finance, 2017b). The importance of regulators for crowdfunding development was further reinforced by Mouhamadou Mbengue (Legal Researcher, African Crowdfunding Association List of active native crowdfunding). Mouhamadou implied that once AFCA becomes the regulating body for crowdfunding in Africa, the open and hands on approach implemented should result in; easier understanding of rules and regulations, more interaction amongst nations, increasing partnerships and networking, all contributing to the further development of the crowdfunding ecosystem in these nations.

Further insights from Sabica Pardesi (Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform), described the lengthy and problematic process (approximately 2 years) it took Uprise Africa to provide all the necessary documentation required by the governing authorities to become established and recognised as the first native equity crowdfunding platform in South Africa.

The presence of regulations stimulates the crowdfunding ecosystem as it plays a large role in creating a safe and trustful crowdfunding environment by protecting investors from fraud. Regulations allow debt and equity crowdfunding to take place on native crowdfunding platforms, positively effecting SME financing and crowdfunding development. However, too many regulations in place could have the reverse effect, impeding the crowdfunding development of a nation. Thus, those crowdfunding ecosystems that plan to implement a regulatory framework need to learn from the initial developed world experience to understand how crowdfunding functions, the "light touch" role that government and regulation should play (infoDev, 2013).

6.1.4 Answering of the Research Question

To what extent is crowdfunding maturing into a substantial funding source for start-ups in each of the following developing nations; Kenya, South Africa and Uganda.

Crowdfunding in South Africa is beginning to slowly mature into a a substantial funding source for local start-ups. South Africa has the most developed crowdfunding ecosystem, relating to the most mature crowdfunding financing source for start-ups of the nations investigated. This is due to a more mature ecommerce market, a more accommodating regulatory environment that has supported debt and equity-based crowdfunding and wider awareness of crowdfunding as a fundraising mechanism within the native population. The country's strong crowdfunding foundations are reflected in its eight active native platforms, compared with just two in Uganda and one in Kenya. Further indications of South Africa's crowdfunding ecosystems advancement in comparison to Kenya and Uganda is the presence of a regulatory framework for the securities based crowdfunding models, allowing for the only equity based crowdfunding platform from the countries investigated in this research to successfully launch and operate in South Africa.

Analysis through the conceptual model showed South Africa is relatively close for a developing nation to the global average on several measures; social media and internet penetration rates, and GDP PPP figures all just fell short of the global average. Where-as social media growth rate and urbanisation rate were both above the global averages. Suggesting that although more recent crowdfunding figures surrounding native totals raised through the four models are yet to be published, they are likely to be significantly higher than those of the Kenyan and Ugandan native crowdfunding ecosystem.

Crowdfunding in Kenya is in its infancy in relation to maturing into a a substantial funding source for local start-ups. Kenya has a lesser developed crowdfunding ecosystem than South Africa, but a more developed crowdfunding ecosystem than Uganda. Being the second most mature crowdfunding financing source for start-ups of the nations investigated. There is still a way to go for the crowdfunding ecosystem in Kenya to grow into a sustainable source of SME financing, this was represented by the figures from the conceptual model of; social media users, internet users, the corresponding penetration rates and growth rates to these both, GDP PPP and urbanisation rates all being less the global average. Meaning some of the most important characteristics to create and sustain a successful crowdfunding ecosystem are severally lacking in the Kenyan nation. Although there is currently no regulatory framework for security based crowdfunding this is likely to change soon, due to the Kenyan government likely acting as an early adopter of the AFCA regulatory framework. This should allow for native security based crowdfunding platforms to launch and potentially create an attentive native market for SME financing campaigns. Showing future promise for SME financing campaigns once these advancements come to fruition.

Kenya is showing promise in the crowdfunding ecosystem by having the largest crowdfunding total in 2015 from the nations investigated. However, efforts need to be focused on generating a larger amount of this figure from native crowdfunding platforms, as this is what helps the growth of a nations crowdfunding understanding, acceptance and utilisation. Home-grown platform M-Changa provides a good example for the possible emergence of other Kenyan crowdfunding platforms through its high monthly visitation rate, which means that more members of the native community could becoming educated surrounding crowdfunding protocols and activities. The Kenyan crowdfunding ecosystem is still in its infancy and will need drastic and continued development in the various areas analysed in this research if SMEs are to use crowdfunding campaigns as a sustainable source of financing anytime soon.

The Ugandan crowdfunding ecosystem is still very underdeveloped, certainly the most underdeveloped of the nations investigated in this research. Exposing Uganda as being the least mature crowdfunding financing source for start-ups of the nations investigated. Uganda has the largest improvements to make for the crowdfunding ecosystem to grow into a sustainable source of SME financing. This was shown through Uganda's figures from the conceptual model of; social media users, internet users, the corresponding penetration rates and growth rates to these both, GDP PPP and urbanisation rates all falling well below the global average. The better part of these figures will need to see radical increase if SME financing is to emerge and become a sustainable source of financing for SMEs in Uganda. For this to happen it would likely take long term planning from influential members of the Ugandan crowdfunding ecosystem, potentially a good place to start would be education surrounding crowdfunding (see **5.1**).

There are a few promising indications for the future development of native Ugandan crowdfunding. Raymond Besiga (Founder & Director, Akkabo, Uganda Donation/Rewards Crowdfunding Platform) is looking to plan strategic partnerships for Akkabo with members of local investor networks to pivot crowdfunding activities from charity type campaigns to SME financing campaigns. Another positive indication of future increased SME financing crowdfunding and the development of the crowdfunding ecosystem in Uganda, is the regulatory framework AFCA will provide, likely to be implemented late 2019 in Uganda (Mouhamadou Mbengue, Legal Researcher, African Crowdfunding Association). This should see security based crowdfunding emerge and evolve gradually into the Ugandan crowdfunding ecosystem, providing SMEs with a greater chance of securing financing through crowdfunding once these models are established. In summary, Uganda has the most improvements to make out of the three nations research to its crowdfunding ecosystem, if SMEs are to use crowdfunding as a method of investment capital.

In conclusion, acting under the assumption that the global average level for crowdfunding as a funding source for start-ups correlates to the global average figures of technological infrastructure and economic development measures (**4.4.1 & 4.4.2)** and the presence of a semi-developed regulatory framework, none of the nations investigated in this research are above or at the global average level.

6.2 Limitations

Due to crowdfunding's still relatively recent establishment, there wasn't an overwhelming number of literature to source from when making assumptions and drawing conclusions in this research paper. If more literature was available this would ensure a more insightful analysis to be conducted and more reliable conclusions to be drawn. As the nations investigated in this research are classified as developing nations, at times sourcing reliable and accurate data surrounding the many theoretical concepts proved challenging. This provided the limitation of referring to figures from 2015 rather than the most recent figures of which could likely show a considerably different crowdfunding ecosystem and models in the nations investigated, specifically South Africa. Another limitation of this research was the absence of a Kenyan crowdfunding platform being interviewed, presumably resulting in less Kenyan crowdfunding ecosystem specific insights to be present in this paper due to this absence. With the interviews conducted there are many forms of biases that could be reflecting in the interviewees responses.

6.3 Implications for further research

Due to the limitations of this research, this study aims to serve as a baseline for further studies to be conducted surrounding a similar topic field, theoretical basis and conceptual features. If further research is to provide fruitful findings aims should be focused on the following areas. Focusing future research around one of the three conceptual features, while expanding the number of measures that concept is analysed through. This would allow for a better understanding of the exact impact this concept has in relation to the crowdfunding ecosystem and thus the SMEs financing possibilities through crowdfunding in that nation.
Examining different nations either with a developing or a developed status. Addressing other nations with a similar framework would represent if the findings are specific to just the nations investigated in this research paper, to developing nations in general or to those with an already developed status. Future research should place a large emphasis on reporting with the most recently up to date available data to ensure accuracy and credibility of the future research findings. Another interesting area for future research could focus on the development of rewards based crowdfunding in Kenya and Uganda.

7. CONCLUSION

An important area to address for the future economic development of developing nations is the lack of access to investment capital by SMEs, also referred to as a financing or credit gap. For many developing economies including Kenya, South Africa and Uganda, the contribution of the SME sector to job opportunities is important, as they account for a large percentage of employment and act as a means of improving the economic development.

This study investigates the utilisation of crowdfunding in these developing nations by SMEs as a method of overcoming the financing gap to attain financial investment. Which has led to the following main research question: To what extent is crowdfunding maturing into a substantial funding source for start-ups in each of the following developing nations; Kenya, South Africa and Uganda.

To provide a comprehensive answer to this question a conceptual model covering; technological infrastructure, economic development and regulatory framework was used to analyse the characteristics of a crowdfunding ecosystem. Literature review, web search and six semi-structured interviews collected data and provided insights into the answering of various sub questions, ultimately allowing the lead research question to be answered.

Crowdfunding in South Africa is beginning to slowly mature into a a substantial funding source for local start-ups. Crowdfunding in Kenya is in its infancy in relation to maturing into a a substantial funding source for local start-ups. Kenya has a lesser developed crowdfunding ecosystem than South Africa, but a more developed crowdfunding ecosystem than Uganda. The Ugandan crowdfunding ecosystem is still very underdeveloped, certainly the most underdeveloped of the nations investigated in this research. Exposing Uganda as being the least mature crowdfunding financing source for start-ups of the nations investigated. All three nations investigated are below the global average for crowdfunding development based of the figures and findings in this research.

Local SMEs in the nations investigated in this research could attempt to help further develop their crowdfunding ecosystem through the exploration of further education, increased networking. Whilst improving their crowdfunding campaigns to increase financing possibilities by; applying the correct model of crowdfunding to their current stage in the product life cycle and targeting diaspora members of the nation.

8. ACKNOWLEDGEMENTS

I would like to extend my gratitude to my supervisor Jeroen Simpel for always lending a helping hand and providing helpful and insightful advice throughout the duration of my research project. I’d like to thank all the people who took the time to help me throughout my research project; the companies and interviewees who gave me the time of day to gather insightful findings, my friends and family who provided me with support and motivation to complete this work to the best of my abilities.

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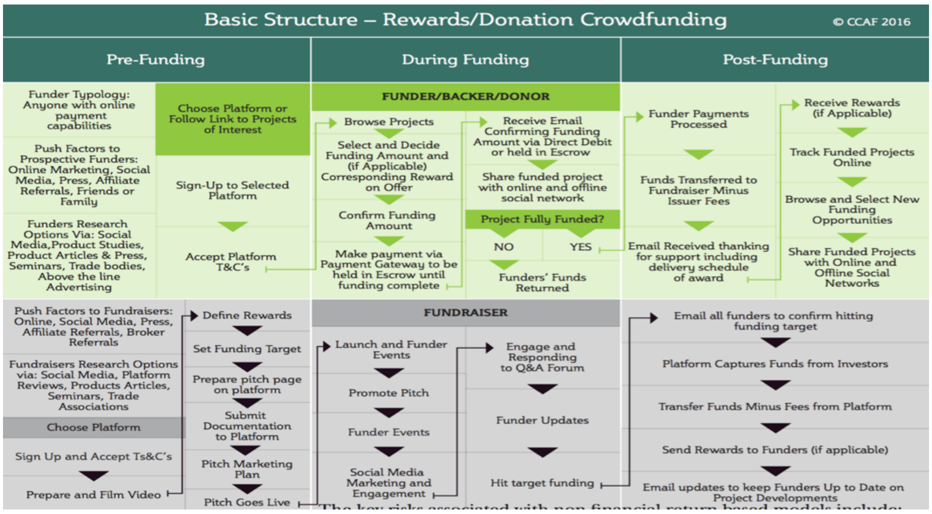
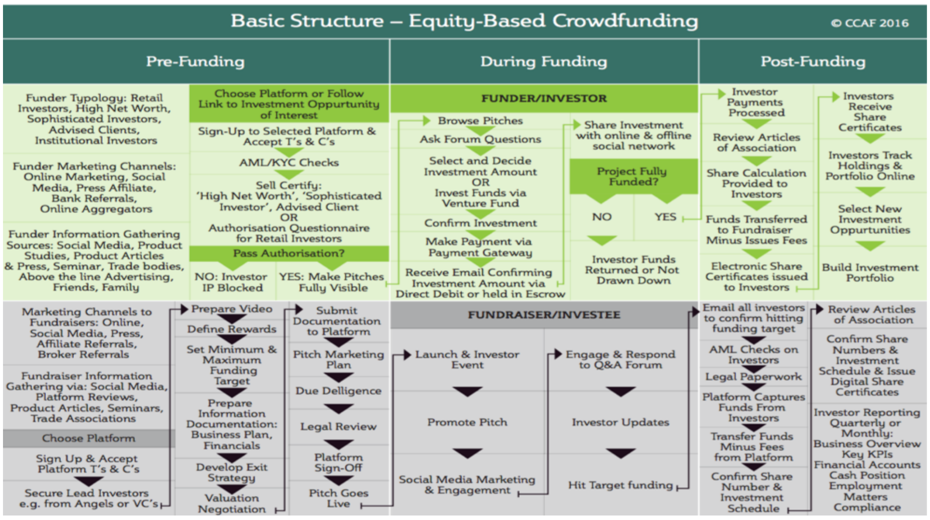
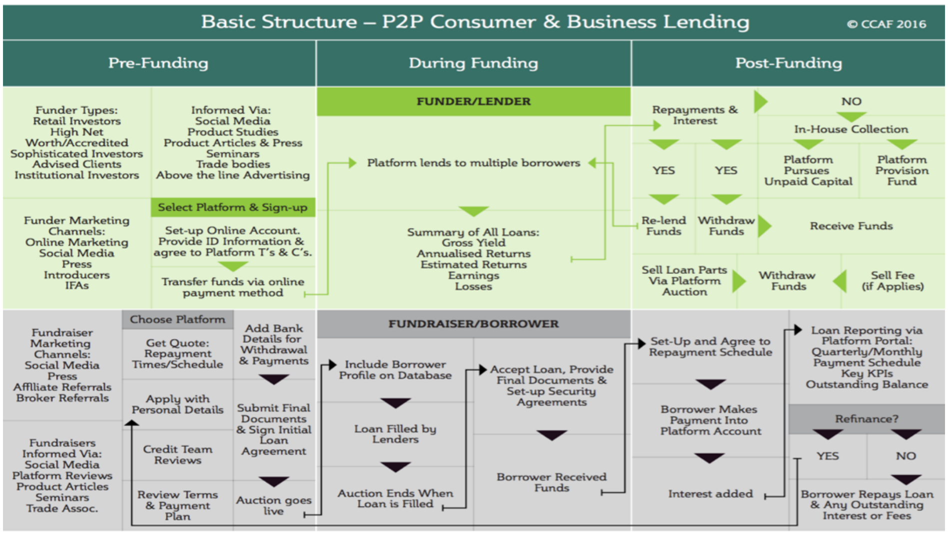
10. APPENDIX

Appendix 1. Processes of Crowdfunding models







Appendix 2. List of interviews and interviewees

Anton Root, Head of Research, Allied Crowds

Sabica Pardesi, Marketing & PR, Uprise Africa, South African Equity Crowdfunding Platform

Zane Groenewald, Marketing & PR, Backabuddy, South African Donation Crowdfunding Platform

Derek Whitehead, Director, Jumpstarter, South African Reward Crowdfunding Platform

Raymond Besiga, Founder & Director, Akkabo, Uganda Donation/Rewards Crowdfunding Platform

Mouhamadou Mbengue, Legal Researcher ,African Crowdfunding Association List of active native crowdfunding

Appendix 3. List of Interview Questions

Interview Questions for (4) Current Overview of Crowdfunding Ecosystem

- To what extent are SMEs utilising crowdfunding as a financing source?

- How do the concepts of technological infrastructure and economic development effect a nation crowdfunding ecosystem and an SMEs financing possibilities through crowdfunding?

- What are the current regulations in place in the nation?

- Are there any other insights you would like to share surrounding crowdfunding, the development of a crowdfunding ecosystem and SME financing through crowdfunding?

Interview Questions for (5) Recommendations for SMEs

- What barriers and challenges are faced in the crowdfunding ecosystem development and how to overcome these?

- What is the future of crowdfunding for SMEs in the nation investigated?

- Which areas are important for SMEs to focus on to improve their chances of creating and launching a successful crowdfunding camping?

Appendix 4. List of Active Native Crowdfunding Platforms

Country	Platform Name	Platform Type	Year Founded
Kenya	M-Changa	Donation	2012
South Africa	Backabuddy	Donation	2007
South Africa	Different.org	Donation	-
South Africa	Jumpstarter	Rewards	2012
South Africa	RainFin	Debt	2012
South Africa	theSunexchnage	Debt (Solar)	2015
South Africa	Thundafund	Rewards	2013
South Africa	Uprise Africa	Equity	2017
South Africa	Wealth Migrate	Equity (Real Estate)	2009
Uganda	Akkabo	Donation & Rewards	-
Uganda	Easypay	Donation	-