

Crowdfunding in the Dutch automotive business

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ABSTRACT,

Many small and medium entrepreneurs (SMEs) in the Dutch automotive industry choose to finance their business by lending from banks. Banks are losing more and more trust in investing in this business (BOVAG). One of the main reasons for this development is called Digitalization. In recent years, an alternative financing option emerged, which is called Crowdfunding. In this paper, the financing problems among small and medium car dealers in the Dutch automotive industry will be identified and discussed. Through interviews with some of these SMEs the financing problems will be elaborated more in detail, which lead to some conclusions. The interviews made clear that equity crowdfunding is the form of crowdfunding that the interviewees think would have the best chances to succeed in the Dutch automotive industry, and this form has the following two advantages which differentiates the form of other forms of crowdfunding: (1) money which is invested in the company via equity crowdfunding, stays within the company. The money can be used immediately for doing business and does not have to be paid back in the form of donations or rewards. (2) The chance for the entrepreneur to grow together with the investor(s), to increase the Return On Investment. Equity crowdfunding is thus a very interesting opportunity for entrepreneurs to attract external financing for their company.

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Crowdfunding, SMEs, Car Dealers, Banks, Financing

1. INTRODUCTION

In the Dutch automotive industry, banks are losing more and more trust in investing in the small and medium entrepreneurs (SMEs¹) in this branch. The automotive industry involves all those organizations and operations that are active in the manufacture and sales of motor vehicles, excluding the tires, batteries and fuels (Binder et al., n.d.). The focus of this paper will be on the small and medium car dealers in the Dutch automotive industry.

Smaller businesses have (a) lower fixed to total assets ratios; (b) a higher proportion of trade debt in total assets; (c) a much higher proportion of current liabilities to total assets; (d) are heavily reliant on retained profits to fund investment flows; (e) obtain the vast majority of additional finance from banks; (f) are financially more risky, as reflected in their relatively high debt-equity ratio and in their higher failure rates (Cressy & Olofsson, 1997. Hughes, 1997).

Dutch SME car dealers usually have a business model in which the value proposition is created for customers via selling cars, and providing them with aftersales services. The banks are cautious of financing small and medium car dealers on the short term in the form of trading stock (cars to be sold) and on the long term (buildings, showrooms) because of some of the following reasons, provided by BOVAG, which is a branch organization with around 9000 entrepreneurs that do business in mobility:

-The automotive market is changing. Cars have a longer endurance, and thus have to go less to their garage. This causes less incomes out of repairs.

-Less people come visit the showrooms to look for new cars. Instead, the internet is a very upcoming market to buy cars and other vehicles. Still, there are a lot of people who want to 'feel' the car and go to the showrooms. But because the revenues of showrooms decline, the values of the showrooms decline too, which causes banks to have less interest in financing these.

-The increasing development of electric cars, instead of cars driving on fuels. These cars also have a longer endurance which basically causes showrooms to diminish. Showrooms most of the time offer their customers aftersales services in the form of for example reparations. In order to save these showrooms, external financing is needed.

One of the main reasons for the problems mentioned above is Digitalization. Digitalization of the automotive world has been a living process due to the co-development of tools and techniques, equipment and infrastructure. The customer interface experiences of buying a new vehicle and after sales services are simulated (Jaura, 2016). Digitalization is creating opportunities that will change our understanding of mobility. For example, the automobile as part of the networked world will not only offer new possibilities for informing and entertaining customers but also lead the way by increasing the automation of comfort and assistance functions, moving toward autonomous vehicles. With the focus on autonomous systems, less showrooms will be needed (Vögel et al, 2018). Though, many car dealers want their showrooms to exist and because of the banks losing trust in investing in these showrooms, the car dealers have to search for alternative financing options.

In recent years, an alternative funding channel for entrepreneurs called crowdfunding emerged. The crowd provides financial resources to the entrepreneur in return for equity stakes, interest payment, the future product/service, or a non-monetary reward.

The connection between the funders and the entrepreneurs usually facilitated by an online platform (Crosetto & Regner, 2014). The goal of this paper is to investigate how crowdfunding can be a suitable alternative financing option for small and medium car dealers in the Dutch automotive industry. Therefore, the research question of this paper will be:

How can crowdfunding solve the financing problem for small and medium car dealers in the Dutch automotive industry?

To answer this question this paper provides a qualitative research where (1) first, the financing problems of SME companies in general and Dutch SME car companies will be found out via a literature review, and (2) second, the alternative financing option of crowdfunding will be investigated by gaining new information via semi-structured interviews. This data will then be compared to and analysed by existing secondary data gained from the literature review.

After this introduction, the second part of the paper consists of a literature review which provides information about the financial situation for Dutch SMEs in general and applied to car dealers, together with the alternative financing option crowdfunding. After that, the methodology of the research will be explained, followed by an elaboration about the results of the interviews held with directors of different small and medium car dealers in the Dutch automotive industry. After elaborating on the results, these results will be discussed with the existing literature, to conclude with an answer to the research question.

2. LITERATURE REVIEW

2.1 Financing issues of small firms

Small firms are known to encounter problems when approaching external funders for providing financing to support working capital or other investments, also called a "finance gap" (Tucker & Lean, 2003). Binks & Ennew (1996) see this problem as a principal-agent relationship, in which the small firm is the agent of the funder, and thus generates returns from the investments made out of the funder's money. (Tucker & Lean, 2003). Next to this principal-agent framework, information asymmetry exists which creates the finance gap. In a perfect market, with perfect information available to both parties, the principal-agent relationship does not suffer from the information asymmetry. Information between banks and firms is distributed asymmetrically, which gives the bank incomplete information about the quality of a certain project and the management of the firm. This gives rise to adverse selection, which means that the sellers have information that buyers do not have (Stiglitz & Weiss, 1983). Banks providing loans are concerned about the interest rate they receive on the loan, and the riskiness of the loan. The expected return to the bank depends on the probability of repayment, so the bank would like to be able to identify borrowers which are more likely to repay the loan. (Stiglitz & Weiss, 1983).

Recent research confirms the importance of external financing, especially in the form of bank credit, as a source of capital for new or small firms. According to Robb & Robinson (2014), outside borrowing was the second most common source of start-up capital, after owner equity.

¹ Currently the SME Department of the World Bank works with the following definitions: micro enterprise up to 10 employees, total assets of up to \$10,000 and total annual sales of up to \$100,000; small

enterprise- up to 50 employees, total assets and total sales of up to \$3 million; medium enterprise – up to 300 employees, total assets and total sales of up to \$15 million.

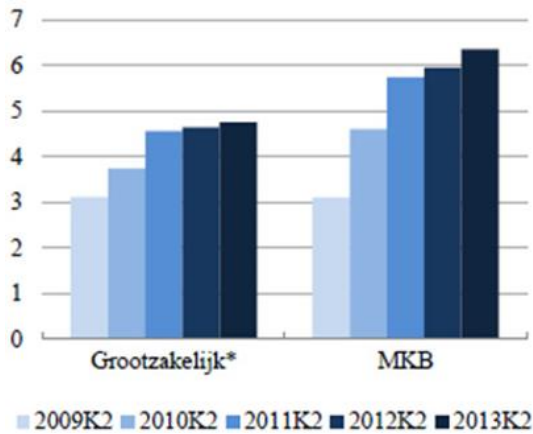


Figure 1: increasing problem loans, expressed in % of total loan volume. (DNB (The Dutch Bank), 2009-2013)

Because of persistent weak expenditures the equilibrium from many SMEs has weakened. This is the reason banks see SME financing as riskier than before. In figure 1, you can see the payment arrears from the bigger Dutch companies on the left, and the Dutch SMEs on the right.

In a study of McKinsey (2014), five causes of the weakened position of Dutch SMEs were identified. The first reason is that these companies are more sensitive to the conjuncture. Secondly, the important sectors among the SMEs have to deal with structural changes in which they do not manage to respond well and fast to it. Many dealers are being pushed aside by the bigger chain stores. The third reason is that it is hard for entrepreneurs to acquire extra capital, for example for their trading stock. Banks do not want to invest in working capital if the SMEs do not meet the collateral requirements. Fourthly, small businesses that grow, do not have the skills and capacity to work with this growth and adapt to new challenges and circumstances. The fifth and last cause that McKinsey mentions is that some legitimations and regulations are unfavorable for SMEs, like for example the health insurance act. This situation can be a reason for entrepreneurs to not hire new employees because of the risks it brings them.

As can be seen in Appendix A, extra working capital is by far the most used goal for external financing. Working capital can be stated as capital in current use in the operation of the business: the excess of current assets over current liabilities; net current assets (Kohler, 1952).

2.2 (Financial) problems of Dutch SME car dealers

To start off the five causes of the weakened position of Dutch SMEs McKinsey found out will be applied to car dealers and evaluated after. These causes were found for Dutch SMEs in general. The first cause is that SME companies are more sensitive to the conjuncture. In my opinion, this one really applies to car dealers, because in a crisis, the first products people stop buying are expensive goods, which are in this case the cars. A great example of this, could be the crisis caused by COVID-19. This causes revenues of expensive goods like cars to decline, which could be catastrophic for SME car companies. The second cause was that the important sectors of the Dutch SMEs are not able to respond well to structural changes, but according to MKB Nederland (the Dutch organization for SMEs) the Dutch automotive industry does not belong to the important sectors.

The third cause is actually the one where this paper is about, because it is about the fact that it is hard for entrepreneurs to acquire extra working capital. Fourthly, it was said that small businesses that grow, do not have the skills and capacity to work with this growth and adapt to new challenges and circumstances. Together with the last cause, which is that some legitimations and regulations are unfavorable for SMEs, we can say these two are both more unfavorable for SME companies than for bigger and universal companies.

2.2.1 Working Capital financing problems

As could be seen in Appendix A and as was explained there, the biggest part of the needed financing consists of extra working capital. In this case, the extra working capital is meant for extra trading stock, so for car dealers this means basically the cars. For banks this is a pretty risky place, even more when cashflows are not resistant. SMEs in the Dutch automotive industry also choose to finance their company with the help of banks. As provided by BOVAG, and as can be seen in Appendix C, 25% of the SMEs in the Dutch automotive industry are in need of bank financing, but they do not get it. In Appendix C, the 'expected availability' can be found on the y-axis, and the 'need' can be found on the x-axis. The Dutch automotive industry can be found in the right bottom named 'autosector'. The reason that the expected availability of bank financing is lower than other sectors, is that most of the time car dealers need external financing, they need huge amounts of money (EIM²). According to the SER³, banks only provide regular and less risky loans. Working capital is one of the most important ratios for companies as this ratio provides banks with an indication of the current financial state of the company. Nevertheless, it is hard and relatively expensive for banks to rate the credibility of smaller or start-up companies, because they have not shown consistent results over the years yet. This makes it risky for banks to decide whether they provide a company with a loan or not. Next to this first problem mentioned, the need for extra working capital is more volatile at smaller companies than at bigger companies. The reason for this is that small and speculative companies have not yet been established very well. SME businesses more often have a shortage on their liquidity than bigger universal companies. Most entrepreneurs in the Dutch SME business fix this problem by postponing costs, or collect your money faster. When a company does not have any debtors, the company has to look for an alternative financing option. A last reason for the need for extra working capital is the relationship between working capital and payment terms which were mentioned in the second reason. When a buyer of a car lets the SME company wait very long for the money, the trade receivables rise. The SME company should accommodate this within the working capital and if needed search for extra working capital. Because of these reasons, banks are withholding from investing in these SMEs. Banks look for less uncertain situations at the moment that these smaller businesses are, because of price reductions of their fixed assets, less able to pay for collateral requirements (SER, 2014). For car dealers, it is really important to have a sufficient collateral in the form of a company building and enough trading stock in the form of cars, which can be seen in the balance sheet in Appendix D. Many car companies want to have more trading stock to create more supply and demand, which creates a better result. Though, it is hard for SME car dealers to acquire trading stock because these investments are requiring huge amounts of financing. Without the help of banks, it makes it even harder to get trading stock.

² Economic Institute for the Dutch SMEs

³ Sociaal Economische Raad. This organisation provides the Dutch government and parliament with the head guidelines for implementing social-economic policies.

2.2.2 Fixed Assets financing problems

In addition to the reasons mentioned above, Rabobank (Dutch bank) expects the amount of car reparations to shrink because of improved techniques, connectivity, digitalization of the aftersales environment, and the upcoming electric cars. Declined sales of passenger cars as a consequence of the economic crisis forced car dealers to concentrate more on the maintenance of cars for their turnover. The aftermarket developed into a competitive market where different kinds of car companies fight for the hearts of the consumers (RAI, 2016). Technological developments cause a decrease in after sales services, which then creates this competitiveness mentioned above because the same amount of car companies have to fight for less amounts of services. Next to this, they expect the amount of showrooms to shrink because of overcapacity on the market and the scaling up of universal showrooms. The goal of scaling up is to help the customers better and faster (Peeters, 2018). In 2015, the amount of showrooms in the Netherlands was around 2100, and the Rabobank expects this amount to decline to between 800 and 1.000.

2.2.3 Impact of the external environment

An important structural development that Dutch SMEs have to deal with, are the technological developments which put pressure on current business models. Companies that sell cars out of their showroom, should also update the online showrooms, where people can look for new cars when they are at home. The future of many showrooms is insecure. Since banks find this too risky to invest in, these companies should search for other financing options (SER, 2014). As already mentioned in the introduction, the focus of this paper will be on one alternative financing option, called Crowdfunding.

2.3 Crowdfunding

Lambert & Schwiendacher (2010) provided the first academic definition of crowdfunding:

An open call, essentially through the Internet, for the provision of financial resources either in form of donations or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes.

In recent years, crowdfunding has emerged as a new relevant financing mechanism. It is a part of a broader phenomenon, crowdsourcing, in which an organization outsources an activity to a large group of people (Chiu et al, 2014). Crowdfunding originated in the creative industries like music and movies, but nowadays entrepreneurs from other businesses have adopted it to finance their business or projects. According to Hemer (2011), there are four forms of crowdfunding: crowd lending, crowd equity, crowd donations, and crowd pre-selling. The first two can be seen as traditional forms of financing instruments, called bank loans and venture capital. With 'crowd equity', the crowd takes an equity stake in the business in much the way venture capital works. In return for the funding, the investors get either shares, dividends or voting rights (Hemer, 2011). It differs from rewards-based crowdfunding in four important aspects: (1) a much higher average amount pledged; (2) much higher average campaign goal; (3) the existence of valuation of each of the projects; (4) the clear goal of the backers to obtain a positive monetary return on their investment (Vulkan et al. 2016). Crowd donations are payments given to the entrepreneurs without any expectations from the funders back. The last one, crowd pre-selling, contains that the entrepreneur promises the funder to provide the funder with early versions of the product or service for a specified price.

According to Mollick (2014), the personal network of the entrepreneur is a very positive determinant of project success. SME companies usually use crowdfunding to finance their

expansion, or reach out to new target groups (Multiraedt, 2019). A brochure provided by BOVAG called 'Stoppen of Doorgaan?' stated that crowdfunding is a growing but perfect way of financing SME companies in general. Financing via crowdfunding is growing enormously as a fulfilment of a part of the needed financing. Via platforms, it is the idea to attract many (small) investors to put their money into your company through a loan which has to be paid back in for example five years.

Then, the duration of crowdfunding campaigns. This is an important parameter for decisions and is usually set between 30 and 90 days (Angerer et al. 2018). Mollick (2014) and Clauss et al. (2017) report a negative correlation between duration and success, because longer duration would send a negative signal of lack of confidence to potential investors. Cordova et al. (2015) and Burch et al. (2013) identify a positive correlation, because crowdfunding would have reinforcement characteristics in that contributions generate additional contributions. Some platforms themselves formulate recommendations for the duration, for example a maximum of 40 days in order to create excitement and a sense of urgency. Next to this, Angerer et al. (2018) conclude that the optimal choice depends on the targeted capital and that equity-based crowdfunding is more suitable for large projects.

In the next two parts, the benefits and limitations of crowdfunding are being elaborated. These benefits and limitations will be discussed and applied to car dealers in part 2.4.

2.3.1 Benefits crowdfunding

The benefits of crowdfunding can be viewed in the form of a framework (Appendix F). The four benefits are retrieved from the business angel framework and these benefits are explained as followed:

-Helping to overcome funding difficulties (Collins & Pierrakis, 2012). This is the most important benefit and goal of crowdfunding. Crowdfunding can help entrepreneurs to fill the so called 'funding gap' which they need to fill in order to save their business or project.

-Provision of contacts (Belleflamme et al. 2012). Different members of the crowd offer their own unique networks and ideas. Online crowdfunding means public exposure, awareness and publicity. This benefit can be combined with the benefit mentioned below, because personal contacts are important to create a social network which can provide the entrepreneur with more reach ableness to new potential investors which can provide the company with further funding.

-Facilitation of further funding (Van Wingerden & Ryan, 2011). It is important to not how the novelty of crowdfunding, and its publicity, can have an effect on the certification effect of BA and VC investment, an impact that can be termed as compound crowdfunding (Green et al. 2015). This means that after finishing a crowdfunding campaign, a sort of hype could be created which is called a bandwagon effect.

-Involvement (Collins & Pierrakis, 2012). This benefit can be seen as a form of community development and engagement, ranging from the sharing of contacts mentioned above, through voluntary work to actively developing the business in previously unforeseen ways (Green et al. 2015).

Appendix F has one additional benefit of crowdfunding that adds up to the original business angel framework, which is limited/no loss of control and ownership. The business angel framework consists of just the four benefits mentioned in Appendix F. This benefit raised out of crowd funders being not professional and tend to require less information and spend less time on negotiating detailed contracts.

2.3.2 Limitations crowdfunding

These benefits are complemented with some limitations of crowdfunding based on current literature (Macht & Weatherson, 2014). The following limitations are given:

-Intellectual Property (IP) issues because entrepreneurs have to disclose information on a crowdfunding platform to show crowdfunders their ideas (Schwienbacher & Larralde, 2012).

-‘All-or-nothing’ approach: if entrepreneurs do not meet the fundraising target, they get nothing.

-Large number of investors means more transaction costs and managing many shareholders tends to be time-consuming and challenging (Lambert & Schwienbacher, 2010. Collins & Pierrakis, 2012).

-The large amount of crowdfunding platforms makes it complicated and time-consuming for entrepreneurs to choose one (Avery, 2012).

-Many crowdfunders do not have sufficient experience and skills to support entrepreneurs in running their business, while at the same time not having the understanding required to support them emotionally (Mason & Harrison, 2008. Macht, 2009).

-By giving away free products or services to investors, businesses effectively reduce their sales opportunities, as these investors could be potential customers.

2.4 Crowdfunding as a solution for Dutch SME car dealers

As mentioned in part 2.2.1, trading stock for car dealers requires a huge amount of financing. Since Angerer et al (2018) stated that equity crowdfunding is more suitable for larger projects, this type of crowdfunding would fit very well in the Dutch automotive sector. Crowdfunding in the form of bank loans is not preferable since the problem investigated in this study is the hesitant attitude of banks against Dutch SME car companies. Crowd donations are also not seen as very favourable in the Dutch automotive industry, because of the huge amounts of financing that are needed. It is not expected that investors would donate these amounts of financing. Lastly, crowd pre-selling: Although these type of campaigns have proved extremely popular among entrepreneurs (The World Bank, 2013), it is not preferable for car companies since they do not come up with a new product to give to their investors, and next to this it seems a bit unrealistic to provide investors with expensive goods like cars.

Now, the benefits and limitations of crowdfunding will be discussed and applied to car dealers, and some statements will be formulated out of the literature to be answered through the interviews, to find out the different opinions of different car dealers.

The first (and probably most important) benefit of crowdfunding mentioned in part 2.4 is the help to overcome funding difficulties. For car dealers, this will be a very good alternative financing option instead of the financing from banks if it can actually fill the ‘funding gap’. When applying the funding gap to car dealers, this funding gap consists of the difference between the desired trading stock and the actual trading stock they have at the moment. According to BOVAG, many car dealers want to do more trading in order to create better results which then helps the car company to stay in business.

The other three benefits can sort of being combined with each other, because they strengthen each other, which can be seen in Figure 2. Provision of contacts means that the investors which help to overcome funding difficulties do not only bring money into the firm, but also knowledge and networks. These networks can be useful for further funding, but more investors also bring more knowledge and opinions. Involvement means the engagement of these investors and contacts into the company, in the form of ideas, and again, use their knowledge to help the company in doing business.

Then the limitations of crowdfunding. According to FM⁴ the limitations regarding IP rights, the large number of investors and the large number of different platforms are misconceptions about crowdfunding. A crowdfunding platform criticizes potential partners surrounding IP rights and confidential data. It is important for a car dealer to search for the right crowdfunding platform or company which supports you with making the right choices. Nevertheless, IP rights will probably not be a problem for car dealers as they do not sell something which is confidential or innovative. The all or nothing approach only holds for the reward-based crowdfunding campaigns as these have an ‘all-or-nothing’ approach or a ‘keep-it-all’ approach (Cumming et al. 2015). Since the literature states that equity crowdfunding is most suitable for car dealers, the focus will not be on this limitation and on reward-based crowdfunding. The last limitation is one that does not hold for car dealers, as they do not give away cars to their investors because investors will probably buy cars at their own invested company as the money stays within the company then.

Out of the literature described in this second chapter, some statements will be formulated which will be discussed together with the results of the interviews. The reason for creating these statements in particular is to find out whether the literature can be confirmed by the interviewees or whether there are misconceptions or inconsistencies between the literature and the interviews. Eventually, the outcomes of the statements can be used to answer the research question. The statements taken out of the literature will be as followed:

Statements regarding the financing difficulties:

1. The needed financing for Dutch SME car dealers is usually meant to finance working capital, such as trading stock.
2. Financing trading stock for Dutch SME car dealers is risky for banks.

Statements regarding Crowdfunding as a financing solution:

1. Equity-based crowdfunding is a good alternative financing option to decrease the volatility of Dutch SME car dealers.
2. Crowdfunding is a good alternative financing option to grow the working capital of Dutch SME car dealers, and hereby filling up the liquidity shortages.

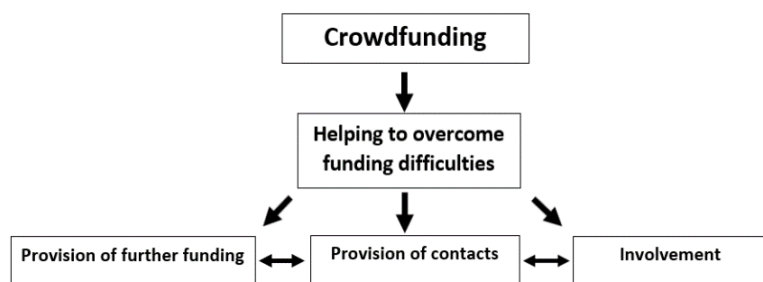


Figure 2: Revised Framework Crowdfunding

⁴ Financial Management: an online platform for financials, CFO's and controllers.

3. METHODOLOGY

This part of the paper explains in what way the research question will be answered, the methods used for these answers, and the reasons why the methods are suitable for this research.

3.1 Research type

This paper is based on qualitative research. According to Hammersley (2013) there is a very large methodological literature dealing with qualitative inquiry, but here are two examples of the definition of qualitative research:

Qualitative research is a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data (Bryman, 2008).

Qualitative research is an umbrella term for an array of attitudes towards and strategies for conducting inquiry that are aimed at discovering how human beings understand, experience, interpret, and produce the social world (Sandelowski, 2004).

The goal of this thesis is to first investigate the financing problems of Dutch SME car dealers, and then figure out how crowdfunding can be a suitable alternative financing option and solve these problems in the Dutch automotive business. The type of research is preferred because knowledge will be discovered, instead of data (Stake, 1995; Punch, 2014). Qualitative interviewers try to be interactive and sensitive to the language and concepts used by the interviewee, and they try to keep the agenda flexible (Britten, 1995). The qualitative researcher relies on the participants to offer in-depth responses to questions about how they have constructed or understood their experience. This interpretive approach is also called “thick-descriptive” because of the richness and detail to the discussion (Jackson, Drummond & Camara, 2007). The study is mainly exploratory. This type can help in determining the research design, sampling methodology and data collection method. Exploratory research tends to tackle problems on which little or no previous research has been done (Singh, 2007), which is in this case the possibility of crowdfunding as an alternative financing option for Dutch SME car dealers.

3.2 Units of analysis

One of the most important ideas in a research project is the unit of analysis. The unit of analysis is the major entity that you are analyzing in your study (William, 2020). In this paper, the units of analysis are the small and medium car dealers in the Dutch automotive industry. 6 Interviews are conducted with directors and employees of Dutch car dealers, in which will be find out the current financing structures, possible financing problems, and their opinions about crowdfunding in their industry. The several different car dealers will be selected based on their size, because small and medium car dealers are the subject of this thesis. This because BOVAG explained that the financing issues only hold for these sizes of car companies. Directors and managers are chosen to be interviewed because I think they should know most about their company and can provide me with the most useful information about their way(s) of financing. As this study is focused on the Dutch automotive industry, only Dutch car companies were interviewed. Next to this, the interviewed companies are all located in the East of the Netherlands. The reasons for this are firstly the time distances, but next to this, this study was halfway confronted with COVID-19, which made it harder to move across the land. This also made it harder to contact companies because they had to struggle with transformations in the company. A conversation with BOVAG helped me to identify 6 Dutch SME car companies which were willing to participate in this study. It was tried to find 6 companies which were different in the way they are financed. In spite of 2 companies which did not want to participate in the

study, 6 different companies were found. In appendix E, a brief summary of the six interviewed companies and the interviewees can be found. Since three of the six companies mentioned they wanted to stay anonymous, the company names are not mentioned. Alternatively, the companies are labeled from company 1 to 6. In the results part, the quotes are labeled with C1 to C6, respectively meaning company 1 to company 6. Company 1 is a company which is focused on exclusivity of expensive cars, and half of this company is financed through crowdfunding. The second company is a company which has, according to its owner, the advantage that the whole company is financed without external money. Thirdly, an interview was held with a company which was acquired by the current director. This company does not need external financing, but when needed, they could actually get bank financing. Company 4 is a company which just built a new showroom which was completely financed by the bank. The fifth company which was interviewed, did not have any interest in crowdfunding because they did not want to be dependent on a third party anymore. Lastly, a family-owned company was interviewed, which is totally financed internally and all loans have been paid off.

3.3 Data collection

As mentioned in the previous part 3.2, interviews are conducted among some different car companies in the Netherlands. These interviews are the main source of information to answer the research question. The questions asked during the interviews are created with the help of the literature review (Appendix H). This review will mainly be used as input for the interviews. There are three types of interviews common, which are: (1) Structured; (2) Semi-structured; and (3) narrative interview (Stuckey, 2013). For this research, semi-structured interviews will be conducted, which can be explained as followed:

In a semi-structured interview, the researcher sets the outline for the topics covered, but the interviewee's responses determine the way, in which the interview is directed (Stuckey, 2013).

Semi-structured interviews are the most commonly used type of interviews used in qualitative research (Rise, 2013). This type of interview should provide the interviewer with a clear set of instructions, and provide reliable, comparable qualitative data. Good questions in qualitative interviews should be open ended, neutral, sensitive, and clear to the interviewee (Britten, 1995). These semi-structured interviews are preferred over structured interviews to allow more flexibility and responsiveness by giving interviewees the freedom to answer in their own words (Jackson, Drummond & Camara, 2007). The main purposes of the interviews are to understand the current financing problems, and next to this, collect opinions of different car dealers on the use of crowdfunding. The interviews are all individual, while interviews in a group setting (focus groups) may be more time saving (Qu & Domay, 2011). The first reason is that during individual interviews, the interviewer can take an active role and thus make it an interactive interview. Next to this, sensitive questions will be asked which can make interviewees reluctant to discuss the answers in public (Qu & Domay, 2011; Doyle, 2004). These sensitive questions also mean that the interviewees are promised anonymity. Two of the six interviews were held online because of the time and distances, one via both e-mail and later face to face, and three were held face-to-face. The interviews vary in length, lasting from 45 to 75 minutes. Each interview was adapted to the several different directors or employees of different companies so that they could answer the questions in a sufficient way. Face-to-face interviews allowed the questions to be asked clearly to confirm that the respondents understood the significance.

3.4 Operationalization

Before the interviews, a short introduction about the research will be explained shortly in detail. The interviews will start with a short introduction about every person that will be interviewed. Then the first main part of the interview will be about a deeper insight into the current financing structure of the company that the interview is about. Firstly, the interviewee introduces the current financing structure of the company. After this, the financing difficulties and problems with bank financing found and heard from external resources will be presented and commented on. Lastly, other current problems which are not mentioned will be discussed and elaborated on. After talking about the current situation, crowdfunding will be explained if needed, and some statements from the literature review of this kind of financing will be discussed after and elaborated on. Based on all these answers, a start can be made on a discussion on how crowdfunding can solve the financing problem for SMEs in the Dutch automotive industry.

3.5 Data analysis

The qualitative research will be analyzed based on an inductive analysis, which means the researcher begins with an area of study and allows the theory to emerge from the data (Strauss & Corbin, 1998).

For the interviews, the interviewees are asked permission to record these, in order to not miss any information. Next to this, writing notes at the time can interfere the process of interviewing, and notes written afterwards are likely to miss out some details (Britten, 1995). In case of technical failure, some short keynotes will be taken during the interviews as a back-up. After the interviews, transcriptions will be made, although it is very time-consuming to transcribe interviews after interviewing (Britten, 1995). The questions will be presented in the results part together with some quotes made by the interviewees that will be picked to support the information provided here. All in all, the interviews gave me some very different insights and answers. With these answers and insights, a discussion and conclusion can be derived on the possibility of crowdfunding in the Dutch SME automotive industry. In the next chapter, the results of the interviews will be described.

4. RESULTS

In this part of the paper, the results of the interviews will be showed and elaborated on, together with the secondary data which was gathered before the interviews. Some quotes of directors or employees will be picked out of the interviews, to support some of the described findings.

4.1 How are Dutch SME car dealers financed?

The interviews started with questions about the current financing structure. The first thing which was to be found out was if the interviewed company was financed internally or externally. Four of the six interviewed companies was financed externally, one of the companies started with external money but was paid off already, and the last interviewed company was a family-owned company which was totally financed internally. One of the companies which was financed externally was financed via crowdfunding, one via the bank (after some years), one via a business relation, and one via the bank together with an investor.

Half of the trading stock is financed by the bank, the other half by my business relation (C1).

This company is not financed externally because I had to use my house as collateral in exchange for a bank loan. I sold all of my private properties to start this company. After some years, I

searched for a business relation in order to secure the company's continuity (C2).

Five of the six interviewees mentioned about the difficulties surrounding their trading stock. To do business, a company needs trading stock. As cars are expensive goods to buy in, and next to this do not grow in their worth, banks are reserved in financing trading stock of car dealers. This will be elaborated in part 4.2.

I would love to have more trading stock, which means more trading and commerce, which then means more results (C4).

When you ask a bank to finance 30 cars which are worth 20.000 euros each, a bank will give you a third of the needed budget, in order to have more certainty. This is a reason many entrepreneurs have to look for alternative financing options (C6).

4.1.1 Financial situation of different Dutch SME car dealers

The financial situation so far is fine, but looking at the future, the business model should change towards a more personal approach, in which the company should build a relationship with the customer. Some expect that mostly the bigger showrooms stay in business, but some people still value the feelings and emotions of seeing a car and get some personal advices, instead of just being a number.

Another interesting thing that stood out was the fact four interviewees stated that cars are luxury products, which means the demand for these increase more than proportionally as income rises.

Dutch SME car dealers are really sensitive to the economy, as a car is a luxury good. The first goods people start to economize on in times of a bad economy are luxury goods (C3).

A present example of car companies being more sensitive to the conjuncture is the COVID-19 crisis, which made the sales of cars sinking enormously (C5).

These quotes actually state a very important risk for banks to invest in car dealers. As mentioned in the first part of the results, the most important for car dealers to get financing for is their trading stock. As more than 80% of the interviewees mentioned this, we can state banks are cautious in financing this. The problem will also apply to bigger companies, but according to the interviewees, these companies could accommodate this problem easier than SME car dealers. This statement is confirmed by the Dutch Bank, which states that SMEs are generally less shock resistant than big companies. The production of small and medium companies swings more over time than the bigger companies. The main reason for this is that bigger companies usually work more internationally, while SME companies work closer to their home country (DNB, 2003).

4.2 Banks & Dutch SME car dealers

Out of the interviews held, all six interviewees pointed out that banks are actually not very willing to providing loans to Dutch SME car dealers, unless they put a big part of their own money at stake (Figure 3). The quotes below make this very clear. Banks want entrepreneurs from start-ups or SMEs to invest in their company themselves or find investors first before they provide loans.

For the bank to finance (a part) of your company, you have to find as many investors as you can, because more investors means there are more people that want to secure the company's continuity. This means less risks for banks (C1).

I first saw the bank as a confidential person, but this has changed to just a supplier of money (C1).

Banks are risk averse. If they so to speak invest 1 euro, they want to be sure they get 4 euros back. (C2).

Cars do not grow in their value so this makes it quite risky for banks to finance trading stock for car dealers (C5).

As we in this branch all know, banks are not very willing to finance car companies (C6).

All interviewees actually confirmed that banks lost trust in investing in the Dutch automotive branch. This holds especially for small companies and start-ups, as these have to show they have reasons for existence. SME companies that already exist for many years have more trust from banks which results in the following:

We just built a new showroom which is completely financed by the bank. How? We built a trust relationship with the bank (C4).

The quote above shows this company already showed some years that they book good results and can keep improving. To gain a banks' trust, the company has to show its certainties, key ratios and plans for the future. The future of the automotive world is changing with better technologies and towards a more digitalized world. This can cause people to visit the showrooms less, but four of the six interviewees mentioned that they still believe people will still go to showrooms to feel the car they want to buy. When banks do not see this happening, the car companies have to find alternative financing options. This was a great opportunity to introduce crowdfunding to the interviewees, together with the different forms of crowdfunding.

4.3 Crowdfunding & Dutch SME car dealers

After introducing crowdfunding to the interviewees, firstly, the reasons for using crowdfunding as an alternative financing option will be elaborated. After this, the factors that should be attended to secure successful crowdfunding campaigns are being described.

4.3.1 Why go for Crowdfunding?

As stated in part 4.2, banks do not have a lot of confidence in financing Dutch SME car dealers. Thus, these entrepreneurs have to search for other financing options. The interviews focused on crowdfunding as a solution. One thing became clear very fast: There is one form of crowdfunding that, according to the interviewees, has the best chances to succeed in the Dutch automotive business: Equity crowdfunding (Figure 3). With this type of crowdfunding, the crowd takes an equity stake in the business. Although this type is more difficult because of the contracts associated, the levels of investments are higher. This is preferable for car dealers because for them to do business, they need trading stock in the form of cars, which require high amounts of financing. One of the interviewed companies was already financed with the help of a crowd funder, which invested in the company. Because of these investments, the bank had enough certainty to invest in the other half of the company. According to the interviewee, crowdfunding can be a fantastic solution to finance the working capital of Dutch SME car companies. For investors it is interesting to invest in a company, because with the investments made, business can be done. With this business, results can be created in order to create a return on investment. The higher the returns on investment, the more investors earn.

4.3.2 What factors should be attended to secure a successful crowdfunding campaign?

During the interviews, another thing became clear very fast: the network is very important and positive determinant for crowdfunding success. Looking at projects on crowdfunding platforms, a successful project or campaign almost always earns a big part of the needed funding in the first week. If not so, the

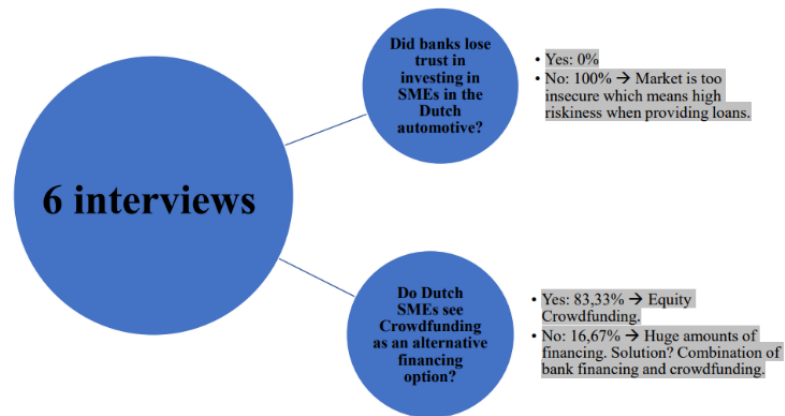


Figure 3: Short summary interviews

network of the entrepreneur is not sufficient enough to reach the needed funding. One of the interviewees mentioned that he never invests in a crowdfunding project if only 3 to 4 % of the needed funding is raised.

Crowdfunding can be a lot easier and successful, if the social network of the entrepreneur is sufficient (C1).

Crowdfunding always starts with your own social network (C2).

The social network is really important for not only Crowdfunding, but for the company at all. Without Facebook, Autoscout, Marktplaats and Instagram you are nothing (C3).

Next to this, another interviewee mentioned that more investors are better than just one investor who puts all his money at stake. More investors bring more knowledge, which is another possible advantage of crowdfunding according to all of the interviewees. Though, more different funders of financing means more different opinions which can cause conflicts. This is something you have to find sort of a balance in.

I prefer to have 10 investors with 10.000 euros, over 1 investor with 100.000 euros. Why? Investors prefer to buy products from the company they invested in, and next to this, they can bring knowledge. With more persons you know more than one (C1).

Although actually all interviewees find crowdfunding a very interesting alternative financing option, some have their doubts about the huge amounts of money needed in the automotive industry.

Crowdfunding in the Dutch automotive industry is usually pretty hard because the amounts of funding that are needed are huge. A combination of half bank financing and the other half by investors is a solution for this (C2).

As mentioned in the literature review and by all of the interviewees, equity crowdfunding can be a great solution for solving and financing these huge amounts of financing issues. This will also be discussed in the next part of the thesis.

5. DISCUSSION

This research provides new additional insights into the current literature on crowdfunding as an alternative financing option for Dutch SME car dealers. It is tried to decrease the knowledge gap of crowdfunding as an alternative financing option for Dutch SME car dealers, by first doing a literature review, after which six semi-structured interviews with managers and/or employees of Dutch small and medium car companies were held. In this part, we will start with a discussion of the statements. This will be done by comparing the literature to the results of the interviews. After this, the practical and the theoretical implications will be explained, after which a conclusion will be made. This conclusion will consist of a short summary of the thesis, together with the answer to the research question.

5.1 Discussion of the statements

The statements mentioned in part 2.4 will be discussed below. First, the statements regarding the financing difficulties will be elaborated on:

1. The needed financing for Dutch SME car dealers is usually meant to finance working capital, such as trading stock.

This first statement which was took out of the literature, was actually confirmed by all interviewees. For car companies it is harder to do business because cars are expensive goods which are thus expensive to buy in as trading stock. In appendix D, you can see again see the balance sheet of a typical car dealer. The problem for car dealers is that the long-term liabilities are actually hard to get from banks. The inventory on this balance sheet is 250.000. Banks do not have the trust to finance this 250.000 for small car dealers, so the company will probably not get the long-term loan via banks. This is a reason for SME car dealers to search for alternative financing options.

Next to financing the trading stock, many interviewees mentioned that they needed financing for the company buildings, but the main problem of financing is the trading stock, so this first statement can be confirmed.

2. Financing trading stock for Dutch SME car dealers is risky for banks.

All interviewees found the questions about this part very interesting, because they all encounter the problem of banks financing their company. Though, five of the six interviewees mentioned they needed this financing for trading stock. The problem is, banks are risk averse and they look for certainties. As a small company or a start-up, you have to find investors or put your own money at stake to win the confidence of banks. Next to this, banks prefer financing companies that showed their rights to existence and are already longer active in the business. This shows the banks they have less risks at stake.

After discussing the current financial situation and problems, two statements regarding crowdfunding as a financing solution will be discussed:

1. Equity crowdfunding is a good alternative financing option to decrease the volatility of Dutch SME car dealers.

When a company wants a bank to finance their company or investment, the bank wants to see the financial ratios, under which the cash flows. Small car dealers and start-up car dealers have very volatile cash flows, because of their uncertain situation. It is hard for these companies to buy in trading stock, because banks find this too risky.

According to the interviewees, equity crowdfunding can be a seen as the best alternative financing option (out of the four types of crowdfunding) to decrease the volatility of Dutch SME car dealers and start-ups. This can be explained as followed: A small car dealer wants to buy trading stock to do business and create

results. The entrepreneur wants to finance this trading stock via crowdfunding. When successful, banks see less risks, which makes them less withholding from financing the company. Following the benefits of crowdfunding, the first benefit is the most important; crowdfunding can help a company to overcome its funding difficulties. Next to this, an entrepreneur can be provided with contacts, and these contacts may lead to further funding. In the next statement, the most suitable form of crowdfunding for Dutch SME car dealers will be elaborated.

2. Crowdfunding is a good alternative financing option to grow the working capital of Dutch SME car dealers, and hereby filling up the liquidity shortages.

Out of the interviews and can be seen in the results, one form of crowdfunding got the most attention from the interviewees: Equity crowdfunding. Five of the interviewees indicated that they financed their company building or trading stock by external investors which acquired shares of the company. Equity crowdfunding brings many advantages with it: the high accessibility and the use of online platforms makes it possible for entrepreneurs that do not get the traditional bank financing, to scale up. Next to this, equity crowdfunding is the only type of crowdfunding that is suited best for larger project, which comes together with a longer duration of a project. The biggest two advantages of this form of crowdfunding are the most important and interesting ones: (1) investing in your own company which means the invested money stays in the company and does not have to paid back in the form of a loan or reward. The second (2) advantage is the chance to grow together. Shares give investors the opportunity to grow with their investments and with successes get a higher Return On Investment. Other forms of crowdfunding were also discussed, but most participants pointed out that the automotive industry needs huge amounts of financing which is probably hard to gather via crowdfunding platforms in the form of donations or rewards. What is most favourable for car dealers, are the investors which bring money and knowledge to the company, so the company can stay in business. This also applies to one of the benefits of crowdfunding, namely 'Involvement' of the crowd. This means the investors can get the opportunity to be involved in the way the company does business, and work together to get the best results for the company. The limitations of equity crowdfunding, (1) administrative mess and (2) risky and insecure, are two misconceptions which can be denied. When choosing for the right crowdfunding platform, this platform will help the entrepreneur in choosing the right investors and making the right choices.

5.2 Practical Implications

This study can be valuable to several different parties. Firstly, it can be valuable for SME car companies or start-up car companies which are in need of external financing and where the bank does not have enough trust to invest in the company. It can help entrepreneurs in providing benefits, limitations and success factors of crowdfunding which they need to take into account before starting a crowdfunding campaign. Secondly, these SME companies can show banks what crowdfunding is, and what it can mean in the Dutch automotive industry. This paper shows both the banks and the entrepreneurs the suggestions of using both crowdfunding and bank financing to finance SME car dealers.

5.3 Theoretical Implications

As a result of this research, there are four theoretical implications that need to be mentioned.

Firstly, the benefits and limitations of crowdfunding. The literature found can not be fully supported. The benefit framework which can be found in Appendix F is being revised and thus changed to an other overview. Then the limitations mentioned by Macht & Weatherston (2014), are not backed by the FM. Problems regarding IP rights, the large number of investors and the large number of different platforms are misconceptions about crowdfunding. A crowdfunding platform criticizes potential partners. Next to this, it is important for the car dealer to search for the right crowdfunding platform which supports them making the right choices.

The second implication that can be concluded out of this research is that this supports the literature of Mollick (2014) which suggests that the personal network of the entrepreneur is a positive determinant of crowdfunding project success. This study confirms and elaborates on this finding in the way that the network of an entrepreneur does not only bring money, but also knowledge to the company.

Furthermore, small firms are known to encounter problems when approaching external funders for providing financing to support working capital or other investments. This so called finance gap can also be supported by both the literature review and the interviews. The interviews showed the trust issues among banks in financing SME car companies in the Netherlands. The literature shows there is a principal-agent relationship, together with information asymmetry which can be seen in Appendix B. The trust issues mentioned in the interviews can be applied to the information asymmetry as there is information of car companies that banks do not know.

Finally, equity crowdfunding can be a very good solution for the findings mentioned above. It was already made clear by the literature review that equity crowdfunding is best suitable for larger projects, and the interviews confirmed this later on. Together with a long duration of the project, it can be very successful for Dutch SME car dealers. Investors take their stake into the company and thus finance the company. This makes it interesting for banks to eventually provide a loan to the company which is searching for external financing.

5.4 Limitations and suggestions for future research

During this study, it is tried to make it a reliable and valid research. Nevertheless, it has some limitations.

Firstly, it could be that some of the literature found is outdated and not that relevant anymore. Though, it is tried to make it as relevant as possible.

Next to this, I had interviews with six different car companies. Although these interviews provided me with really interesting and different kinds of information, it could be that if the sample was bigger, the outcomes were different. This would be a suggestion for future studies. This limitation can also be accounted to the timing of the study, because of COVID-19 that came up during this study. This made it hard for the research to reach out to different car companies. This was also the reason all of the interviewed companies were located in the East of the Netherlands, within 75 kilometers from the University of Twente.

Although the interviews provided me with all the information which was needed to get a sufficient answer on the research question, some questions were not adding that much value to the

results. It was a good learning moment for me in preparing an interview.

Then, I only had interviews with directors of car companies, and not with banks because they were hard to reach. Although the interviewees told me banks were very interested in crowdfunding, I could not say whether banks think crowdfunding is a good alternative financing option for car companies.

The last limitation is that some of the interviews were held by phone and one time even via e-mail, which made it harder to ask extra questions which popped up. This could also lead to participants not understanding a question or interpret it in a wrong way.

6. CONCLUSION

The goal of this research was to investigate and find an answer to the following research problem: How can crowdfunding solve the financing problem for small and medium car dealers in the Dutch automotive industry? Through a literature review, the financing problems for small firms in general were identified. Via interviews, these financial problems and the trust issues of banks against Dutch SME car dealers were determined and discussed with the literature review. SME companies are known to encounter problems when approaching a bank for external financing. Banks see investing in car dealers as risky because of the following reasons: high sensitivity for the conjuncture, overcapacity of the market, volatility (of cashflows) and often a low liquidity because of high investments in trading stock. To gain trust from banks, a company needs to show its rights of existence. Because of this reason, companies that already exists for many years get bank financing easier because they already showed they can stay in business with their current business model. Another way of gaining the confidence of banks, is to find investors which put their money at stake in the company. This links perfectly to the main subject of this research, namely crowdfunding. Crowdfunding is a way of financing in which the entrepreneur via an open call asks for financial resources in the form of donations or in exchange for rewards or voting rights. This way of financing is meant for specific purposes or innovations an entrepreneur or a company has. Although there are different forms of crowdfunding, one form got the attention from the interviewees because of the business car dealers are in. For these companies to finance trading stock, large amounts of investments are needed. This is why they indicated that equity crowdfunding fits best in their branch. In a world where SME companies and start-ups grow strongly, the expectations are that equity crowdfunding campaigns will increase. Next to this, the two most important advantages which differentiate equity crowdfunding from the other three forms of crowdfunding are two things to keep in mind for car dealers: (1) money which is invested in the company via equity crowdfunding, stays within the company. The money can be used immediately for doing business and does not have to be paid back in the form of donations or rewards. (2) The chance for the entrepreneur to grow together with the investor(s), to increase the Return On Investment. Besides, equity crowdfunding causes a close cooperation between the both parties. Then, when a car dealer can show the bank it has a better liquidity and found some investors to do business, a bank has more interest in financing in the company. Because the banks being risk-averse, it is a great chance for them to invest in companies which have investors as a back-up. Investors who put their money into a certain car company, will not let the company down very easily, because their money is into the company.

In the end, crowdfunding can solve the financing problem if entrepreneurs which look for financing, search for the right investors to invest in the company. The form of crowdfunding with the most chances to succeed among Dutch SME car dealers is equity crowdfunding. By attracting investors to take their stake into the business and doing business with them, banks will be more willing to finance the car dealer. This summary makes it very interesting for Dutch SME car dealers to start with equity crowdfunding, because it can be a great opportunity to grow their trading stock and thus get better results.

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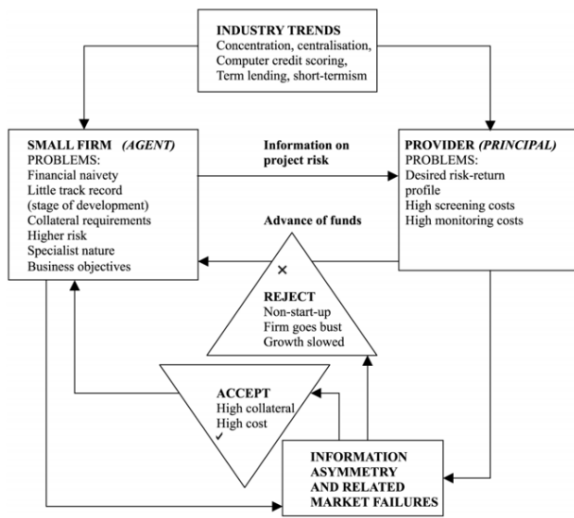
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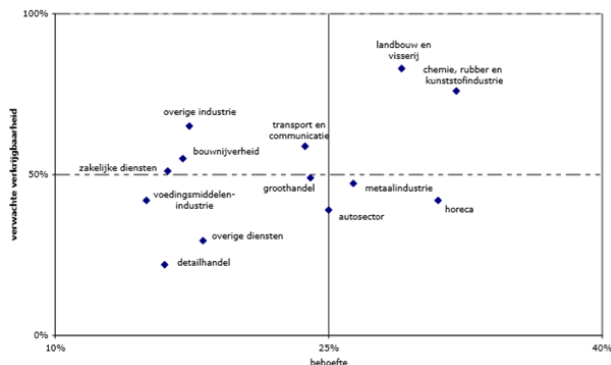
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financieringsdoel	percentage van de bedrijven die financiering zochten		
	december 2009	juli 2010	december 2010
aantal bedrijven	160	345	119
aanschaf bedrijfsmiddelen (anders dan huisvesting)	31%	13%	21%
herfinanciering	36%	8%	26%
groei*	22%	-	-
extra werkkapitaal	-	45%	47%
overname van een bedrijf(sdeel)	4%	4%	9%
huisvesting	11%	16%	14%
herstructurering balans	20%	4%	10%
innovatie	11%	8%	7%
export	2%	0%	1%
start van een nieuw bedrijf	2%	2%	4%
investeringen	-	12%	25%
overige doelen	19%	12%	5%

Appendix A: Goal of the external financing. (EIM, 2009)



Appendix B: Information asymmetry in small firm lending. (Tucker & Lean, 2003).



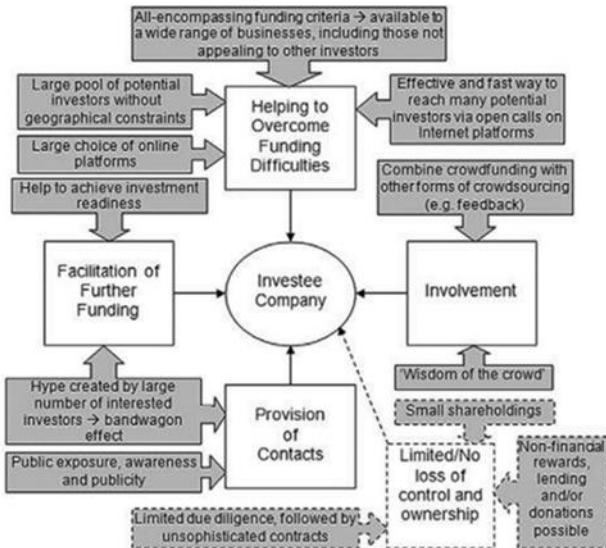
Appendix C: Buffering Capacity of Dutch SMEs (EIM, 2010)

ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash	50.000	Accounts payable	50.000
Accounts receivable	100.000		
		Current portion of long-term notes	100.000
Inventory	250.000		
Prepaid expenses	0		
Total Current Assets	400.000	Total Current Liabilities	150.000
Fixed Assets		Long-term Liabilities	
Long-term investments	50.000	Mortgage	500.000
		Other long-term liabilities	400.000
Buildings	500.000	Total Long-Term Liabilities	900.000
Plant and equipment	250.000	Equity	250.000
Furniture and fixtures	100.000		
Total Net Fixed Assets	900.000	Total Equity	250.000
TOTAL ASSETS	1.300.000	TOTAL LIABILITIES & EQUITY	1.300.000

Appendix D: Balance sheet of a typical car dealer

Company	Function of interviewee	Size	Business	Financing structure
1	Director	Small regarding employees (8 to 10), Medium regarding turnover (4 to 5 million a year).	Selling exclusive cars, together with full sales services and aftersales services.	Both internal and external (investors)
2	Director	Small regarding employees (5 to 10), Medium regarding turnover (3.5 to 4 million a year).	Selling middle class cars with a personal approach.	Internal (Started external)
3	Director	Small regarding employees (10 to 15), Medium regarding turnover (around 8 million a year).	Selling new and used cars, all different kinds of brands. Specialist in services.	Mostly internal
4	Director	Medium regarding both employees (15 to 20) and turnover (between 5 and 6 million a year).	Selling premium cars with both sales and aftersales services.	External (Bank)
5	Employee	Small regarding employees (10 to 15), Medium regarding turnover (between 4 and 5 million a year).	Selling premium cars with a personal approach.	External, but want to go fully internal
6	Director	Small regarding employees (less than 10), Medium regarding turnover (between 4 and 5 million a year).	Family-owned company which has the advantage of personal contacts with its customers.	Internal

Appendix E: Brief summary interviewed companies



Appendix F: Framework of crowdfunding benefits (Macht & Weatherston, 2014)

Introduction questions

1. What is your function in this company?
2. How long have you been working in this branch?
3. Does [company's name] belong to the small or medium business in the Dutch SME car business?

Questions about financing structure and crowdfunding

4. Is this company being financed internally or externally?
 When external:
 - Which type of external financing is being used?
 When internal:
 - Does this company have the need for external financing? If yes, why?
5. How do you see obtaining external money?
6. Out of several documentation I found out that banks have less or do not have any trust in financing Dutch SME car companies. How do you experience this?
7. How do you experience Dutch SME car companies being sensitive to the conjuncture?
8. Do you have any experience(s) with crowdfunding?
9. How do you see crowdfunding as an alternative financing option in the Dutch automotive business in stead of financing by banks? And what type of crowdfunding do you think would be most applicable in the Dutch automotive business?
10. To what extend do you think crowdfunding is applicable to [company's name]?
11. According to previous research, a success factor of crowdfunding is the social network of the entrepreneur / the company. How do you / does the company experience this?
12. According to BOVAG the current business model of car dealers is going towards its end. How do you experience this? And how do you think you will shape your business model to save your company's future?

Appendix G: Interview Questions Template (translated from Dutch)