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The Future of Crowdfunding Research and Practice

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Introduction

As fifteen years of online crowdfunding practice, as well as a decade of crowdfunding research, draw to a close, it is high time for reflection on its future. Though thousands of platforms report operations in some 170 countries and jurisdictions (Ziegler et al. 2020), the online manifestations of crowdfunding remain relatively new phenomena. When viewed through the industry life cycle lens (Peltoniemi 2011), most national markets may be characterized as positioned at the introduction stage with few players and a lack of public awareness. However, some of the forerunners may already be positioned at the growth stage, characterized by a growing number of players as well as increasing public awareness and use. For the time being, even slowing markets enjoy strong double-digit growth and/or multibillion dollar volumes, while experiencing course adjustments rather than maturation thanks to regulatory amendments and further technological development (Ziegler et al. 2020).

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As the crowdfunding industry evolves from an introductory stage into a growth stage, concerns are gradually shifting from proof of concept and early adoption into responsible growth, scalability, and competition. Such growth may bring new dilemmas, temptations, and opportunities that must be considered carefully by all industry stakeholders.

In this chapter, we discuss eight dilemmas and trends we expect to influence all stakeholders of the crowdfunding industry in the near future. Such discussion of practical aspects will be followed by suggestions of opportunities for future research examining related questions. Such an approach ensures research relevance in terms of both addressing issues of real concern and outlining solutions for related problems and dilemmas.

Idealism vs. Pragmatism

The first dilemma is ideological in nature and may reflect a tension between idealist objectives and pragmatist considerations. Many platforms are expected to face growing pressures regarding converting from grassroots ideologies propagating the democratization of finance and fairer re-allocation of resources in society through a crowd economy (Bruntje and Gajda 2016), towards more corporate IT and financial organizations providing professional financial intermediation services. Simply put, platform management must strike a balance between hyper-professionalism that may lead to a regression to old habits of traditional financial institutions, and hyper-idealism that may be marked by amateurism unlikely to survive intensifying competition and deep pocket investment interventions by powerful commercial entities.

In this respect, crowdfunding platforms may serve as fascinating playgrounds for developing new models of capitalism. Such models may facilitate the creation of free enterprise and capital accumulation for all while providing individuals with opportunities to reduce social inequalities and overcome certain discrimination patterns (Greenberg 2019). Here, more ventures can be established and value-creating projects executed. At the same time, more people can reap benefits from financially supporting such activities in terms of healthy interests paid on the money they have lent out, or as dividends and other income streams from equity holdings in a portfolio of start-ups (some of which are likely to succeed in the long term).

Accordingly, platform growth strategies are likely to do best when maximizing the original social objectives that brought them to fame in the first place and professionalizing their operations. Here, platform management has opportunities to create more responsible and sustainable versions of professionalism. Such efforts may imply selectively adopting best practice from traditional financial institutions and large IT companies while shedding bad practices that have led to economic crises (e.g. corporate greed, corruption), as well as information crises (e.g. fake news, violation of privacy).

Opportunities for Research

In order to better understand this dilemma and its implications, researchers are encouraged to capture platform management decision processes and the considerations that influence their decision making. Such work may reflect the extent to which ideology vs. pragmatism influences decisions, as well as the creative solutions emerging from such tensions. Finally, different configurations of relative weights assigned to different considerations, as well as the implications of the different solutions implemented, may be correlated with platform performance indicators. This will allow tracking of platform growth trajectories, as well as their long-term survivability.

Tight vs. Loose Collaboration with Traditional Financial Institutions

Closely linked to the above ideological dilemma is the strategic dilemma between tighter versus looser collaborations with traditional financial institutions. While still representing relatively small volumes and only a small fraction of the financial industry (Wales 2017), recent regulatory amendments, fast growth in the industry, and increasing public interest have attracted the attention of traditional financial institutions. For the time being, crowdfunding is far from threatening traditional finance; however, some claim that seeds of a looming threat are present (Hollas 2013). It remains to be seen whether FinTech in general, and crowdfunding in particular, may lead to similar dramatic industry reconfigurations triggered by digitalization, like those evident in the retail, entertainment, and travel industries. Nevertheless, the dynamic of disintermediation followed by reintermediation (Chircu and Kauffman 1999; Sen and King 2003) via online platforms, which often offer better terms for users, may not escape the financial industry as well.

Hence, the prevailing approach suggests that crowdfunding platforms, as part of FinTech firms, may both complement existing financing channels and fill underserved segments from which traditional institutions have either withdrawn or deemed less profitable (Haddad and Hornuf 2019). Such a non-rivalrous view opens opportunities for collaboration rather than competition between traditional and new players. Here, evidence suggests that a substantial part of what is labelled as crowdfunding actually comes from traditional financial institutions, and accounts for as much as half of recorded volumes (Ziegler et al. 2020). Furthermore, the same study shows that close to 20% of global platforms overseeing business crowd-financing (e.g. P2P business lending, balance sheet business lending, equity crowdfunding, and debt-based securities) are partially or fully owned by traditional financial institutions (ibid.). Other dominant forms of collaboration such as referral agreements and joint marketing are reported by half of all global platforms across crowdfunding models (ibid.).

Such realities reflect that the crowdfunding industry may enjoy the benefits of collaboration with traditional financial institutions in terms of enhanced legitimacy, trust-facilitation, and timely injection of badly needed funding for their operations. However, at the same time, such relations may imply increasing dependency on, as well as a heavy influence by, traditional institutions. Such interventions may be benevolent at times but may also carry risks. One risk is that traditional institutions view these collaborations as low tuition fees for them to be learning at the expense of new players' mistakes, while building own platforms in parallel which will compete with them in the future. Another risk may be that such institutions devote resources to strategically neutralize new prospective competitors by limiting industry growth from within.

Regardless of the level of benevolence behind collaborative relations, greater influence by traditional institutions is likely to be accompanied by limitations of the dynamism that characterize nimble, young, and ambitious start-ups, as well as ideological compromises that may restrain access to finance and related investment opportunities. Here, again, platform management is tasked with harvesting the good from such collaborations (e.g. public legitimacy, trust-facilitation, integration of complementary banking and payment solutions) while limiting the negative aspects of such collaborations (e.g. excessive operational limitations, restriction of innovation, risk aversion, and abuse of information for new forms of discrimination).

Opportunities for Research

This reality serves as fertile ground for new research on the extent to which crowdfunding platforms cooperate and/or compete with traditional financial institutions. It also raises questions about the influences that different collaborative modes may have on platform operations, innovation, performance, growth, and long-term survivability. In this spirit, researchers are encouraged to examine how such collaborations manifest themselves organizationally and practically, and how they facilitate information flows, as well as decision-making processes. Finally, it is interesting to explore the motivations and drivers behind such collaborative arrangements and measure the extent to which such motivations are satisfied through actual collaborative activities. These suggestions echo earlier calls for research on relations between traditional finance and crowdfunding platforms (e.g. Gomber et al. 2017; Shneor and Maehle 2020).

Financial vs. Socio-Economic Measures of Value Creation

Directly emerging from the previous dilemmas are the considerations of how to measure performance in the crowdfunding industry context. The closer the industry grows to the financial industry, the more it uses pure financial indicators to evaluate its performance and development. While these may provide important indicators about firm health, when compared to the ideological backbone that has shaped its emergence, questions arise as to whether the industry should not be evaluated on delivering socio-economic benefits as well. Here, for example, a purely financial measure will be how much money was raised, but a socio-economic measure would be how much money was raised by and for different social groups with differing financial capacities (e.g. high income vs. low income, banked vs. underbanked) and in different locations (served or underserved by existing financial institutions, urban vs. rural).

Such distinctions can be viewed through the difference between efficient and effective fundraising. While efficient implies maximum productivity with minimum waste, effective implies success in producing a desired result. When brought into the context of crowdfunding, efficient may relate to maximum funding raised in the cheapest and quickest way possible. However, effective crowdfunding may relate to raising enough funds from people who need to enter and diversify their investments, while supporting value creation activities by people who can best deliver them. In this respect, a million dollars can be raised quickly and at minimum cost from a single rich investor that invests in line with traditional investment considerations, and hence is efficient. However, the same amount can be raised more effectively from multiple less well-off small contributors that can use the opportunity to build their capital base while funding projects by capable people who may otherwise face discrimination in traditional channels, or be underestimated by experts specializing in certain industries and product categories.

Accordingly, to convey their value, platforms should indeed use financial performance indicators such as turnover, return on investment, default rates, and costs per successful campaign. However, such indicators need to come in addition to other measures of their value-creation capacities in terms of number of new ventures established, number of workplaces created, number of women and minorities entering the workforce or starting up businesses, access to finance to underserved markets provided, levels of returns on investment to retail investors vs. those gained via other investment products, and contributions to regional development where resources are more limited, to name a few.

Opportunities for Research

Interestingly, thus far most research has focused on crowdfunding performance in terms of campaign success rates (i.e. reaching minimum goal sum) and total amounts raised (Kaartemo 2017; Shneor and Vik 2020) mostly at the campaign rather than the platform level. Accordingly, future research is needed in assessing the performance of platforms, as well as the drivers of such performance, in terms of both financial and socio-economic outcomes and value creation. In addition, such studies should examine whether delivery of socio-economic value is positively associated with financial performance, or whether one comes at the expense of the other within certain ranges of scale and scope of activities.

Quantity vs. Quality as Strategic Focus

An additional dilemma intertwined with those mentioned above relates to platform strategic focus on quantity versus quality of the crowdfunding campaigns it approves for publication. Bootstrapped and resource-constrained platforms may often be tempted to approve more campaigns, aiming to raise more funds, rather than filter them based on strict quality measures. Such compromises may be necessary to an extent, but if employed excessively can lead to the tarnishing of platform image at best, and of the industry image at worst. As a result, what seems like a good strategy to get volumes going at early stages may turn into long-term reputational damage that will make it more difficult to recruit future fundraisers and backers.

A study of Canadian crowdfunding platforms including both investment and non-investment models (Cumming et al. 2019) found that platform due diligence efforts were associated with a higher percentage of successful campaigns, more fund contributors, and larger amounts of capital raised on platforms. A study by Wessel et al. (2017) based on reward crowdfunding on Kickstarter showed that increasing platform openness for third-party offerings, by relaxing platform pre-screening procedures, can destabilize a platform's ecosystem, leading to lower success rates, lower-quality information provided by campaigners, and greater uncertainty for backers. While platform income may increase in the short term, its long-term performance remains uncertain.

Furthermore, Cumming et al. (2019) found that due diligence was associated with legislation requirement, platform size, and type or complexity of crowdfunding campaigns. Such findings are also supported on a global basis (Ziegler et al. 2020), showing that onboarding rates (i.e. campaign approvals for publication by platforms) are significantly lower in investment models which are characterized by higher-legal compliance requirements and involve higher volumes on average than in non-investment models which face lighter legal compliance requirements and involve lower sums of funds raised.

Opportunities for Research

Future research should comparatively examine the long-term performance of platforms with different levels of campaign screening procedures and thresholds. Such analyses should consider minimal thresholds across campaigns, in addition to quality thresholds specific to certain crowdfunding models, sectors, and industries, as well as levels of target funding goals. Furthermore, studies classifying screening procedures and strategies may help identify the relative advantages and disadvantages of each. Additionally, it could be interesting to explore the extent to which external requirements such as national legislation and industry codes of conduct impact screening efforts, and to what extent these are driven by quality demands from the crowd.

Domestic vs. International Growth

As the number of platforms launching their operations continues to grow, so does the competition in the industry. In parallel, regulatory compliance, technological developments, and customer service costs continue to increase while quickly devouring the limited resource base of most young crowdfunding platforms. Under such conditions, platforms are pressured to achieve scale quickly for survival. And while some countries may be large enough for scaling based on domestic early adopters (e.g. the US, China, Japan, Germany, the UK), others may not have the opportunity for quick domestic growth and may need to rely on early international expansion. Such a strategy of internationalization is often referred to as the born global approach (for a recent detailed review see Øyna and Alon 2018), and when considering Internet-based companies it is referred to as Internet-enabled internationalization (Shneor and Flåten 2008), which may use online communities as drivers of international expansion (Shneor 2012).

Indeed, recent research by Ziegler et al. (2020) shows that substantial volumes of crowdfunding activities occur across borders. This study identifies P2P consumer lending as the most internationalized model with close to 50% of transactions associated with both inflows and outflows occurring across borders. This is followed by balance sheet business lending where a third of outflow volumes and a fifth of inflow volumes involve cross-border transactions. Invoice trading exhibits the opposite trend, where close to a third of inflows and a quarter of outflows originate internationally. Both equity crowdfunding and P2P business lending exhibit lower levels of cross-border transactions, accounting for around 10% of outflows and inflows. In the non-investment models, a fifth of outflows in reward crowdfunding volumes and a tenth of inflows in donation crowdfunding occur across borders. Furthermore, the study shows that while some regions depend heavily on cross-border transactions (e.g. Africa), some are dependent to a considerable degree (e.g. Europe, Canada, and Latin America), and others are less dependent on them (e.g. the US, the UK, and Asia-Pacific), or less successful in attracting them (e.g. the Middle East).

These dependencies on international scope of operations are likely to increase in the future thanks to regulatory harmonization efforts such as the European Crowdfunding Service Provider regime (European Parliament 2019), which makes international expansion of investment platforms easier, as well as by increasing domestic competition from both local and international actors entering the various European national markets (Ziegler et al. 2020).

Accordingly, while some platforms may specialize in greater localization and being recognized domestically as a local champion, such a market position may only be enjoyed by few platforms in each country and may be reserved for countries with relatively large domestic markets only. However, current modes of operation suggest a standard global approach, or limited local adjustments via glocalization efforts, as the preferred strategy for most internationally active platforms (ibid.). Heavy localization investments of international platforms in certain foreign markets remain rare and are more likely to emerge in heavily regulated markets, where legal compliance forces platforms to invest in such adjustments.

Opportunities for Research

Research into the internationalization strategies adopted by crowdfunding platforms is needed for identifying relevant patterns, drivers, and barriers by model and country of destination. In particular, unique aspects associated with Internet- and online community-enabled internationalization efforts may be of concern, as they represent new channels for international growth of firms in general, and SMEs in particular. Furthermore, understanding national market preferences and dependence on international backing and investment should be analysed in terms of policies created for supporting or inhibiting it. And, finally, the differences between attracting international backers versus fundraisers should be discussed, as the two may pose a different set of requirements and validation procedures. Such calls echo earlier suggestions for future research, highlighting the international scope and scale of crowdfunding platforms (Shneor and Maehle 2020).

Crowd Wisdom vs. Crowd Madness

Proponents of crowdfunding often refer to the value-creation potential that relies on the "wisdom of the crowd" (Schwienbacher and Larralde 2012), which to be effective requires independent, diverse, and decentralized aggregate judgement (Surowiecki 2004). Such assumption builds on the notion of "collective intelligence" (Lévy 1997), where no one knows everything, everyone knows something, and since knowledge resides in wider humanity, tapping into it via online communities provides opportunities for value creation. According to Surowiecki (2004), when averaging the opinions of many diverse, independent, and decentralized people, the errors of multiple individuals will cancel each other out, and an optimal solution will be arrived at. Others suggest that the 'wisdom of crowds' is derived not from averaging solutions but from aggregating them, and that the diversity within the crowd enhances such aggregation towards efficient problem solving (Brabham 2010). Indeed, some research finds support for these assumptions, showing significant agreement between the funding decisions of crowds and experts in the cultural sector (Mollick and Nanda 2015).

However, evidence about situations best described as the "madness of the crowd" and the "tyranny of the majority" is also abundant in human experiences. The madness of the crowd refers to situations where groups of people can be collectively misguided and even illogical and delusional (Mackay 2006). Such situations are exacerbated by herding behaviours and information cascades, where later decisions are based on earlier ones made by others (Shiller 2015). These tend to create crowd bubbles in which irrational decisions are taken by otherwise rational actors (Heminway 2014). Under such conditions, a critical mass of misinformed individuals may cause a cascade of bad decisions by a herd following them.

Furthermore, the tyranny of the majority (Guinier 1995), as adopted from political science, relates to situations where decisions made by majority groups do not account for the needs of minorities, or come at the expense of and even directly hurt minority groups. Under such conditions, a threat to being locked into an existing line of thinking coming up with the same results is more likely than massive embracing of irregular, innovative, or abnormal suggestions that overthrow the existing order. After all, innovators and early adopters are, by definition, a minority in the greater public (Rogers 1958).

Such concerns may be further exacerbated by the growth of cyberbullying, where individuals may face aggressive behaviour via online channels against which they cannot easily defend themselves (Menesini and

Nocentini 2009). Underlying such behaviour are intentional harm, power imbalance, and repetition of victimization (Grigg 2010). In the context of crowdfunding, individuals may be bullied into financially contributing to a campaign or bullied should they fail to contribute to a campaign. In other cases, fundraisers may be bullied into cancelling their campaign efforts by groups and individuals with opposing ideologies and belief systems. These situations raise concern for the well-being of affected individuals.

Crowd madness, tyranny of the majority, and cyberbullying are all phenomena to which crowdfunding platforms have dedicated limited attention thus far, outside of regulatory compliance issues that may address them. While responsibility indeed lies with regulators as well as the public, crowdfunding platforms should also develop relevant policies and practices to mitigate and address such problems when they arise. Though most platforms may be reluctant to adopt policing responsibilities of their crowds, such actions may be necessary for ensuring safe communications and transactions through their system, the well-being of their users, and by extension, the long-term well-being of the platform and the community as a whole.

Opportunities for Research

Researchers are encouraged to examine the types of harmful crowd dynamics, their extent, and the factors triggering them. In parallel, research should also investigate the strategies used by platforms and regulators to mitigate harmful dynamics in the crowdfunding market. Such work should identify the various strategies used to address the different manifestations of harmful dynamics and their relative effectiveness. Furthermore, comparative analyses of related platform policies and their associations with customer satisfaction, safety, campaign performance, and platform performance and reputation may highlight the benefits of various approaches to addressing these concerns.

Technology vs. Community Innovation

As the industry grows, competition within it intensifies, leading crowdfunding platforms to invest in innovations that may enhance the attractiveness of their services and help them achieve the scale required for survival and growth. Such efforts translate into research and development (R&D) efforts, where some are directed towards process efficiency, as in streamlining and automation of processes, and other efforts are dedicated to the improvement of service quality and customer experience with related support tools.

The recent Cambridge Centre for Alternative Finance (CCAF) global industry report (Ziegler et al. 2020) presents interesting findings in this respect concerning innovation investments of platforms in 2018. First, crowdlending platforms' R&D efforts are mostly directed towards customer verification and streamlining of processes; however, while P2P lending platforms also invest in payment systems, balance sheet lending platforms invest the most in artificial intelligence solutions. This difference can be explained by the fact that balance sheet platforms don't only intermediate but also manage the investments on behalf of investors, which are mostly institutional and involve higher sums and more frequent transactions. Interestingly, platforms offering equity model services present the most diversified R&D investments. Such efforts mostly follow R&D patterns of P2P crowdlending platforms, but unlike the latter they invest more in communications and social media promotional support tools, as well as customer relationship management. Non-investment platforms are those investing most of their R&D efforts in communications and social media promotional tools, with additional efforts towards process streamlining, customer verification, and payment solutions.

This depiction of reality may cause both comfort and distress. Achieving operational efficiencies may be critical for the viability and profitability of platforms, and by extension their survival. A focus on extensive automation and website functionalities may risk the neglect of the "community" in crowdfunding communities. In such a scenario, platforms may become a new form of e-commerce website, rather than a space for social networking, engagement, co-creation, and mutual support around projects of common interest. While platforms are unlikely to compete with or replace existing popular social and professional networking sites (e.g. Facebook, Instagram, LinkedIn), they may serve as spaces for the formation of supportive virtual communities with common interests and objectives. Neutralizing this dimension of platform roles may raise a question about their purpose and reason to exist. If platforms do not invest in developing the community and interactions within it, their campaign promotional software and external payment systems can be easily integrated into existing social networking sites, e-commerce websites, or e-finance service providers with a wider range of products (e.g. e-banking, mobile banking).

Evidence of such developments already exists. In China, for example, crowdfunding platforms are embedded and intertwined within the popular social media platforms (e.g. Tencent, WeChat, Weibo), as well as e-commerce websites (e.g. JD, Alibaba), which also serve payment processing functionalities (Huang et al. 2018). Elsewhere, Facebook has entered the donation crowdfunding market, by enabling users to launch money collections for causes they are passionate about (Campbell 2018). These developments emerge parallel to platforms either launched or owned by banks such as BNP Paribas in Belgium and France, Commerzbank in Germany, Den Norske Bank in Norway, and Triodos Bank in the UK, to name a few, including both investment and non-investment platforms.

Such developments bring the crowdfunding industry ever closer to a junction where it needs to decide what its actors want to be. Whether they will be technology providers that can be plugged into other systems as extended service channels, or a hub providing a community of users with space and services to interact and support each other, remains to be seen. Thus far, our understanding of crowdfunding assumed the criticality of community aspects in crowdfunding practice (Schwienbacher and Larralde 2012; Shneor and Flåten 2015); however, the extent to which a crowdfunding platform should be the host and facilitator of these community interactions is uncertain and will be some of the most important strategic decision platforms will have to make in the future.

Opportunities for Research

Future research should explore the roles and services offered by crowdfunding platforms, as new classifications accounting for their services, rather than types of fundraising they facilitate, will enable a better understanding of platform operations and performance. Furthermore, research should investigate the extent to which platform services and features meet user needs, be they fundraisers or backers. Furthermore, it should examine whether platforms that better meet user needs also perform better on different measures of performance. Alternatively, research could examine the efficiency and effectiveness of different organizational models of crowdfunding from independent platforms to those integrated to varying degrees with existing social media applications, and e-commerce and e-finance service providers.

Blissful Education vs. Blissful Ignorance

While many may have heard the term 'crowdfunding', it often remains poorly understood by the larger public. Due to its relative novelty, most people don't understand the complexity of its associated models and the differences between them, as well as the benefits and risks associated with each model. Accordingly, educating the public (De Buysere et al. 2012) to raise awareness and increase the development of relevant skills (De Voldere and Zeqo 2017) is becoming an important concern for healthy and responsible development of the industry.

Current educational efforts have included information provided by platforms and industry association training, which may be biased by their commercial interests. Moreover, and regardless of bias, while industry players may be motivated to develop educational materials for supporting their own business development, such efforts represent an additional burden on their limited resource base as they are likely to be young ventures. Indeed, the recent CCAF global industry report (Ziegler et al. 2020) identified e-learning support tools as the category of R&D efforts where the lowest number of platforms indicated making such investments.

Other sources of public information include that provided on some government websites, journalistic reports, and consultant reviews. Very few formal educational institutions have developed crowdfunding-specific training and education, while those that have done so report interest in such initiatives from a multitude of stakeholders.

When developing crowdfunding courses, educators are required to strike a balance between the required provision of new knowledge and the avoidance of setting narrow interpretations and boundaries too quickly and too soon. In this respect, crowdfunding represents a moving target, which evolves quickly and requires frequent refreshing of educational materials based on dynamic market developments. Here, while some fundamentals remain stable, other aspects such as business models, strategies, technologies, and regulation continuously evolve, and carry great influence on the way crowdfunding is and should be practised.

Beyond inclusion of actual developments in educational programmes, one should also consider whether, in principle, educators should at all intervene, albeit indirectly, in industry development through educational programmes. Education programmes often tend to be descriptive and prescriptive, while an evolving industry may require a more critical and open-ended presentation of facts to avoid constraining potential developments before they occur. Proponents of such a view may argue that we first need to learn more before we teach something that is still under development. However, critiques of such views counter-argue that education enables rather than constrains, and that it is through a better understanding of current possibilities, challenges, and dilemmas that one may contribute to better informed and responsible evolution of the industry.

Opportunities for Research

Since earlier research on crowdfunding education is virtually non-existent, this represents an open field with abundant opportunities for research. Some of which may include the comparison of the effects of various formats and sources of educational materials and experiences and their impact on the performance of fundraisers, as well as financial contribution behaviour of backers. Moreover, researchers may study the importance and effect of various learning units incorporated into educational programmes and measure their respective effects on cognition of participants in terms of self-efficacy, attitude, intentions, and actual behaviour. In this context, it may be valuable to consider to what extent balanced education enhances or inhibits crowdfunding practice, once participants are exposed to a more balanced review of crowdfunding's benefits and risks, as well as efforts required for successful crowdfunding. Finally, future research may explore how education on crowdfunding can potentially enhance group-work, digitalization, and twenty-first-century skills among the learners. Higher education is in dire need of finding better ways of educating students for the future of work. Research on crowdfunding education may shed important light on how this can be facilitated and applied in practice.

Conclusions

The current chapter highlighted key dilemmas and challenges that are likely to influence and shape future development and practice within the crowdfunding industry. Overall, we conclude that crowdfunding is a solution to real and substantial market gaps in access to—and distribution of—finance. However, despite its dramatic growth in recent years, we are witnessing an industry that is just scratching the surface of its real potential. This potential can be unlocked by a combination of adequate regulation, proper and balanced public education, and ethical and responsible practice by the industry's players.

The future of crowdfunding depends on the decisions that will be taken by all stakeholders involved. All of whom should resist regression to the partially dysfunctional but familiar past, and instead engage in developing a better future that is based on co-creation of value, empowerment of individuals, and the democratization of access and use of finance. This should be done by allowing a healthy degree of informed experimentation and careful risk-taking. The future will show whether and to what extent crowdfunding will deliver on these promises.

For the time being, we wish you Happy and Successful Crowdfunding!

Thank you for reading this book.

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