

CROWDFUNDING AND GROWTH OF SMALL AND MEDIUM ENTERPRISES IN NIGERIA

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ABSTRACT

Crowdfunding has emerged as a vital alternative financing mechanism. The increased economic activity of small and medium enterprises (SMEs) due to crowdfunding has a ripple effect, stimulating broader growth for the sector. This research underscores the transformative potential of crowdfunding by examining how the increase in financial performance, innovation capabilities, and job creations of SMEs due to crowdfunding has impacted the growth of selected SMEs. The study uses survey design to gather data involving 50 owners of registered SMEs in Ibadan, Nigeria. The information gathered from the questionnaires were coded and used to complete a regression analysis to retain the study aims. The evidence identifies that only financial performance and improved innovation from the SMEs due to crowdfunding have positive and significant impacts on their growth. We suggest recommendations that would enhance the attractiveness of crowdfunding, such as government implementing policies that support crowdfunding as well as the creation of awareness and education for crowdfunding participants.

INTRODUCTION

Crowdfunding involves efforts exerted by the groups or individual founders to fund new “businesses or initiatives. It is a contemporary financial means of raising modest sums of money by depending on different contributions made from many individuals gathered through the online platforms to fund profit or non-profit projects (Ribeiro-Navarrete et al., 2021). Platform-related factors include the number of projects funded on the platform and the type of platform. The crowdfunding platforms have different requirements and standard practice of retaining funds received from the crowd for the planned projects (Cumming et al., 2020). Crowd funding evolved following the global financial crisis of 2008, which makes banks to be more meticulous with stringent guidelines, capped loan quantities, and exorbitant interest rates, making it difficult for enterprises to obtain loans (Ibe, 2021).

Due to the financial crisis, as well as the advancement and globalization of social media and technology, crowdfunding has become more widely accepted as a viable fundraising option (Schwienbacher & Larralde, 2012). It is now becoming a major financial innovation revolutionizing the way companies raise funds. It democratizes investing by utilizing online platforms to aggregate modest sums of money from numerous investors. The venture financing alternative, which comes in numerous approaches, including reward-based crowdfunding, equity crowdfunding, donation crowdfunding, and crowdlending (Ribeiro-Navarrete et al., 2021), has been applied as a substitute mode of financing for a variety of projects in recent years (Testa et al., 2019).

This kind to fundraising has become increasingly popular over the last ten years, offering small and medium-sized businesses (SMEs) particularly a vital substitute for conventional financing methods. SMEs are the foundation of the economy because of their experience have trouble getting finance from traditional sources like banks and venture capitalists because of their strict credit standards and the perception of high risk attached to their operations (Ayoola, 2021). To ease the capital constraints that SMEs have often experienced, crowdfunding has become an essential financial tool that fosters wider economic advantages for the sector. Crowdfunding has been a notable means of fostering innovation within SMEs. Crowdfunding has improved the financial performance of the SMEs by granting access to financing that would not otherwise be possible through traditional banking channels. With this access to venture financing, the SMEs make vital investments in areas like product development, marketing, and growth, to ensure profitable performance and sustainability.

Some SMEs launch creative projects that enhance technology and provide them a competitive edge by utilizing this funding source. For SMEs to meet customer expectations, adjust to changing market conditions, and maintain long-term growth, they must possess this innovative spirit. Lastly, one major advantage of crowdfunding for SMEs has been the creation of jobs. These crowdsourcing-funded businesses need additional personnel as they develop and flourish, which opens job opportunities (Kassim, 2021).

In Nigeria, crowdfunding is making wave as a vital alternative financing mechanism, significantly influencing the financial performance, innovation capabilities, and job creation within the SME sector. By providing a diverse array of funding sources, crowdfunding has enabled SMEs in the country to access necessary capital, fostering enhanced financial stability and performance. This influx of funds has catalyzed innovation, enabling businesses to develop new products and services, adopt advanced technologies, and improve operational

efficiencies. Furthermore, crowdfunding has contributed to job creation by supporting the expansion of existing businesses and the establishment of new ventures. The increased economic activity of SMEs has a ripple effect, stimulating broader economic growth within the country.

Existing studies on crowdfunding has presented different issues on the subject exploring the surveys and cases on crowdfunding renewable energy (Lu et al., 2018), examining the success factors (Bonzanini et al., 2016), or advancement in entrepreneurship (Cervantes-Zacares et al., 2023) but none looks at the effects of crowdfunding on the expansion of SMEs. Research based on evidence from Nigeria, including Dada (2021), Lucky (2022), and Ogechi (2023), focus on exploring the difficulties that SMEs encounter in obtaining traditional financing. More research is necessary to determine whether crowdfunding would lessen these difficulties and how it would affect the SMEs to function more economically. It becomes therefore necessary to conduct an empirical study on how crowdfunding drive SMEs growth. Therefore, this paper investigates the effect of crowdsourcing on the growth of SMEs in Nigeria. The study closes existing research gap by examining the extent at which crowdfunding influences SMEs and analyze the role of crowdfunding on job creation within SMEs.

The study follows a survey approach and administered a designed questionnaire crafted according to a 5-point Likert scale for which the respondents demonstrate the extent to which they agree or disagree with various statements related to the considered aims. The information gathered from the questionnaires were coded and used to complete a regression analysis to retain the study aims. The evidence identifies that only financial performance and improved innovation from the SMEs due to crowdfunding have positive and significant impacts on their growth. We suggest recommendations that would enhance the attractiveness of crowdfunding, such as government implementing policies that support crowdfunding. The study's remainder is structured as follows. Section 2, 3, 4, and 5, respectively, shows the literature, methods, results and conclusions.

Literature Review

Crowdfunding and SMEs' Growth

Crowdfunding embodies information asymmetry and uncertainty in financing processes (Davies & Giovannetti, 2018; Courtney et al., 2017; Chen et al., 2022). The financing sources appears a high-noise environment that requires a specific signal to lure investors (Drover et al., 2018). The entrepreneurial must channel large effort to educate funders on the potentials and legitimacy of the proposed projects. Aside providing capital to support innovative ideas, crowdfunding enables entrepreneurs to gain validation for the idea (Helmer, 2014), and test the market for new products (Gerber, Hui, & Kuo, 2012).

The inception of platforms such as Artist Share in 2003, and the subsequent rise in popularity of platforms like Kickstarter and Indiegogo, can be considered as the origins of crowdfunding in the early 2000s. Since the idea is based primarily on decentralization and teamwork, entrepreneurs and small enterprises can avoid using traditional financial middlemen (Mollick, 2014). Over the past ten years, crowd sourcing has been a growing option for people, corporations, and charity organizations. It raises money from a large crowd of investors or contributors to provides for a variety of projects such as education, startups, and arts (Adeola, 2021).

The information gained from the process of crowdfunding enables new firms to test the market inventive stage of product development (Bi et al., 2019). Chemla & Tinn (2020) used crowdfunding campaigns as a demand learning tool of the real market, where the crowdfunding demand is viewed as a random sample of the unknown market demand whose distribution is common knowledge, the former helping to update the market demand distribution parameters for retail-stage decisions, thus deriving an option value of crowdfunding. Investors' dynamic backing behaviour has been seen as the core component of the crowdfunding process (Choy & Schlagwein, 2016; Afsaneh et al., 2020; Chul et al., 2020).

Olayinka (2022) posits that crowdfunding is an activity geared towards raising fund for a new proposed project by gathering little to medium-size speculation from a few other individuals. Aremu (2023) asserts that crowdfunding is a form of online crowdsourcing wherein the public provides capital to businesses looking to raise money for pure charity or with the expectation of profit. This explanation demonstrated that the investment's motivation is not just to turn a profit but also to enjoy the process of completing the specific objective. The concept and application of crowdfunding is evolving and finding ever-more-creative uses. The fundamental components are crowd intensity, technology, and capital funding, which enable multiple small initiatives to compound into a significant financial outcome. Technology plays a major role in the crowdfunding process, both in terms of the presentation sites and the social media platforms that help disseminate the word about them. Several forms of crowdfunding exist, including equity-based, debt-based, reward-based, and donation-based crowdfunding (Adekunle, 2020). Different sorts of funders are drawn to different models, which serve distinct purposes. For example, donation-based models cater to altruistic supporters, whereas equity-based crowdfunding models target investors seeking profits. The development of digital technology, which has dramatically reduced the entrance barriers for start-up companies looking for funding, is strongly linked to the emergence of crowdfunding.

Economic growth is greatly aided by financial development, which supplies the capital required to invest in profitable ventures. Effective resource allocation is made possible by well-developed financial markets and institutions, which promote entrepreneurship, innovation, and economic dynamism. (Kassim, 2022; Dapo, 2021). In this context, crowdfunding has emerged as a significant innovation within financial markets, potentially influencing economic growth by providing new avenues for funding entrepreneurial ventures and SMEs.

Depending on several variables, including the number of employees, operating capital, turnover rate, and asset base, among others, the definition of SMEs differs throughout countries and continents (Egbuogu, 2021). According to the Central Bank of Nigeria (CBN, 2019), a small-scale firm is one that generates between N25,000 and N50,000 in revenue annually. According to Chukwemeke (2021), a small-scale business is one that employs fewer than 50 full-time employees and has a total asset value of less than N250,000 in capital, equipment, plant, and working capital. According to Ogundele (2019), SMEs are those with at least five employees and a capital expenditure of at least N5,000.00. The Federal Ministry of Commerce and Industry classifies businesses based on working capital or total investment, whereas the Central Bank of Nigeria evaluates annual revenue for small businesses.

According to Hussain (2019), Small and Medium Enterprises (SMEIES) are defined as any business with between 100 and 300 people and an asset base of little more than N200,000, excluding land and working capital. According to Adeoye and Emmanuel (2021), each country has its own unique definition of SMEs. In Ghana, the number of employees is a commonly used criterion for defining SMEs. Regarding the maximum number of personnel utilized by the various official institutions, opinions are always divided. A SME is characterized by its annual turnover and workforce size in nations like the United States, the United Kingdom, and Canada. For instance, in Britain, a company is deemed small and medium-sized if it employs less than 200 people and has an annual revenue of €2 million or less.

Mukras (2022) notes that SMEs in Nigeria are known for their high labor intensity, ease of entry and exit, low labor skill needs, inexpensive start-up and operational capital requirements, and ability to spur technical progress and entrepreneurship. SMEs have a crucial role in propelling economic expansion, fostering innovation, and creating jobs. The World Bank estimates that SMEs account for about 50% of employment globally and over 90% of all firms. However, because of their smaller size, greater perceived risks, and lack of collateral, SMEs frequently encounter major challenges when trying to obtain financing (Beck, Demircuc-Kunt, & Maksimovic, 2005).

Because crowdfunding makes cash more accessible to all, it provides a workable answer to these financial issues. Crowdfunding can help SMEs grow by supplying the capital needed for starting and expansion, encouraging innovation, and facilitating market validation (Alani, 2020). Additionally, non-financial advantages like improved visibility, client interaction, and feedback all of which are vital for the expansion and long-term viability of SMEs can be obtained through crowdfunding platforms (Ismail, 2022). There are many ways in which crowdfunding, economic expansion, and SME growth intersect. Through facilitating access to capital and encouraging innovation, crowdfunding has a direct impact on the growth of SMEs. This can therefore result in increased productivity, the development of jobs, and economic diversification. As SMEs grow and innovate, they contribute to overall economic growth by increasing the production of goods and services, enhancing competitiveness, and fostering economic resilience.

Empirical Review

Several studies have been carried out in this field, yielding diverse results, conclusions, and suggestions worldwide. As a result, there are differing opinions in the literature about how crowdfunding affects the growth of small and medium-sized businesses (SMEs).. Shneor and Vik (2020) identify the general trends and research gaps concerning independent variables based on each primary crowdfunding model (i.e., reward-, equity-, loan-, and donationbased) separately. Then, they further build several integrated frameworks for the influential independent variables based on each main crowdfunding model. The independent variables have similar measurements and persistently significant effects in a direction. Kaartemo (2017) recognizes four main factors of the success of crowdfunding: project-, creator-, backer-, and platform-related. The researcher explains the effect of each determinant on crowdfunding success by reviewing the research findings of each representative study.

Fundraiser-related factors are those associated with the individual, entrepreneur, or firm that creates the project. Drawing on signaling theory, Huang et al. (2021) examine how signals of entrepreneurs' credibility produce crowdfunding success in different signaling environments. Lagazio and Querci (2018) investigate how social networks help crowdfunding projects succeed. Mollick (2014) suggests that the geography of fundraisers is related to successful fundraising. The project mix of founders echoes the cultural products of the cities they are based in. Nashville is music-based, Los Angeles is dominated by film, and San Francisco has technology-, game-, and design-related products. Ralcheva and Roosenboom (2020) conducted group tests on different platforms to examine the effect of the platform model on crowdfunding success. Josefy et al. (2017)

investigated the effect of platform type on crowdfunding success and found that projects created on Kickstarter are more likely to succeed.

Adedokun et al. (2021) examines innovation financing and the performance of Nigerian SMEs. The findings show that Nigeria's overall economic progress is aided by the expansion of SMEs via crowdsourcing. Crowdfunding campaigns that are successful can result in business growth, higher production, and the creation of jobs, all of which lower unemployment and poverty rates. Those that effectively used crowdfunding reported better growth rates and the creation of jobs when compared to those who exclusively relied on conventional financing techniques. Agwu and Emeti (2022) investigated the effect of crowdfunding on SMEs' performance in Nigeria. Crowdfunding sites have reportedly greatly increased SMEs' access to financing in Nigeria, allowing business owners to borrow capital for projects without having to meet traditional banks' collateral criteria. As a result, SMEs are growing and have more commercial opportunities.

Ekpe (2023) investigated the effect of crowdfunding on entrepreneurs' performance in Nigeria. It was found that women entrepreneurs, particularly those in developing nations, have less access to microfinance factors for their business activity than their male counterparts. Despite this, women participate in the informal economy at a higher rate than men do, and microfinance factors may have a positive impact on the performance of enterprises. Babajide (2023) investigated the effect of crowdfunding on small enterprises growth in Nigeria. Using panel data and multiple regression analysis, the study examined a random sample of crowdfunding-financed businesses and discovered that enterprise growth is positively impacted by both firm location and size. In their study on the function of crowdfunding in the growth of SMEs, Oni and Daniya (2023) discovered that while crowdfunding offers the essential financial lubricant, the government must accelerate the implementation of its policies" to support these efforts.

Methods

The study uses surveys based on questionnaires (see appendix) to gather data from fieldwork. The respondents involve 50 owners of registered SMEs in Ibadan, Nigeria. The data gathered from the replies of the questionnaires were coded, transcribed and presented as simple percentages to show the distributions of sample features. Table 1 (Panel A) shows the summary of the distributed questionnaires (Panel A). Only 44 (88%) of the distributed questionnaires were correctly filled, hence used for the analysis. Table 1 (Panel B) shows the demographic distribution, including the gender, age, qualification and marital status of the respondents.

The sample shows males make up a greater number of respondents with about 65%. 9 respondents are between 18-25 years, while 22 respondents are between the ages of 18 and 25. This supposes that 50% are between the ages of 26 and 35 while 13 are between 36 and above. This means that respondents are a group of mature individuals since one may characterize them as responsible individuals, indicating that conclusions produced from this research can be trusted. The education background identifies that of the total respondents, the ND holders constitute the highest numbers of respondents with about 50%. This is followed by the HND holders who make up 26.3%, then by the BSc holders who make up 13.2%, and the postgraduate certificate holders who make up 10.5%. Moreso, 32 respondents are married but 12 are unmarried.

Table 1: Questionnaire and Demographic Distributions

| Category | Feature | #Questionnaire | %Percent |
|-------------------------------------|----------------------|----------------|----------|
| Panel A: Questionnaire Distribution | | | |
| Cases | Correctly filled | 44 | 88.00 |
| | Not correctly filled | 6 | 12.00 |
| Panel B: Demographic Distribution | | | |
| | Feature | #Number | %Percent |
| Gender | Male | 29 | 65.00 |
| | Female | 15 | 35.00 |
| Age | 18-25 | 09 | 20.45 |
| | 26-35 | 22 | 50.00 |
| | 36+ | 13 | 29.55 |
| Qualification | ND | 22 | 50.00 |
| | HND | 13 | 29.55 |
| | Bachelor | 5 | 11.36 |
| | Postgraduate | 04 | 9.09 |
| Marital Status | Married | 32 | 72.73 |
| | Single | 12 | 27.27 |

Note: ND: National Diploma; HND: Higher National Diploma. The respondents constitute of more male than females, more individuals ages 26-35, than lesser or higher age and more ND holders than other degrees, and more married person than unmarried.

Source: Authors (2024)

This study adopted the economic model from Ayu (2022), which looked at how management quality affected the growth of SMEs businesses in Nigeria using Imo State as a case study. A regression analysis was performed to investigate the nature and strength of the relationship between the independent and dependent variables. Equation 1 (functional form) and Equation 2 (Linear Form) are adopted to show the relationship between SMEs growth and attendant explanatory variables considered.

$$\text{SMEGR}_i = f(\text{SMEFP}_i, \text{SMEIV}_i, \text{SMEJC}_i) \quad (1)$$

$$\text{SMEGR}_i = \beta_0 + \beta_1 \text{SMEFP}_i + \beta_2 \text{SMEIV}_i + \beta_3 \text{SMEJC}_i + \mu_i \quad (2)$$

Where the variables are defined in associated parathesis as: SMEGR (SMEs growth), SMEFP (SMEs financial performance from crowdfunding), SMEs Innovation (SMEIV), SMEJC (SMEs Job Creation). β_0 is Intercept of the model, β_1 (for $i = 1, 2, 3$) are the coefficients of the independent variables in the model, and μ_i = Error term. The data gathered from the questionnaire are used to complete the analysis using regression.

Results

We examine the reliability test using the Cronbach's Alpha (α), to ensure the validity of the instruments used to evaluate the aim before the main estimation. The outcome, reported in Table 2, shows the Cronbach's Alpha coefficient for SMEFP_{*i*}, SMEIV_{*i*} and SMEJC_{*i*} are 0.81, 0.87, and 0.89, respectively. Since the overall Cronbach's Alpha of 0.84 is higher than the theoretical benchmark (0.70), it indicates that the sample is reliable and internally consistent.

Table 2: Reliability Test

| Variable | #DF | α |
|---------------------------|-----|----------|
| SMEFP _{<i>i</i>} | 4 | 0.81 |
| SMEIV _{<i>i</i>} | 4 | 0.87 |
| SMEJC _{<i>i</i>} | 4 | 0.89 |
| Overall | 12 | 0.84 |

Note: Reliability rule for Cronbach's Alpha (α): $\alpha \geq 0.9$ (Excellence), $\alpha \geq 0.8$ (Good), $\alpha \geq 0.7$ (Acceptable), $\alpha \geq 0.6$ (Questionable), $\alpha \geq 0.5$ (Poor), $\alpha < 0.5$ (Unacceptable).

#DF: Number of degrees of freedom

Source: Authors (2024)

Table 3 shows the estimation for the growth of SMEs (SMEGR_{*i*}). The output identifies that the financial performance of SMEs has positive and highly significant impacts of the SMEs growth. The results indicates that a unit increase in the SMEs' performance due to crowdfunding increases the SMEs growth by 0.241. The SMEs innovation has positive and significant impacts on its growth. A unit increase in the SMEs' innovation measure due to crowdfunding increases the SMEs growth by 0.472. This suggests that the creativity of the SMEs due to use of crowdfunding increases drives the SMEs growth.

Innovation plays a vital role in how the SME generates more income since innovative strategies make business more effective especially given availability of funds. The SMEs job creation has positive but insignificant impacts on its growth. Specifically, a unit increase in the SMEs' job created due crowdfunding increases the SMEs growth by 0.061 which, however, was not significant.

The dependent variable and predictors have significant association, as shown by the adjusted multiple correlation coefficients (\bar{R}^2) of 0.787, inferring that SMEs financial performance (SMEFP), SMEs Innovation (SMEIV), and SMEs Job Creation (SMEJC), from crowdfunding account for 78.7% of the variation in the SMEs growth (SMEGR), leaving the remaining 21.3% as variations from the residuals.

Table 3: Main Analysis (Linear Estimation for $SMEGR_i$)

| Model: $SMEGR_i = \beta_0 + \beta_1 SMEFP_i + \beta_2 SMEIV_i + \beta_3 SMEJC_i + \mu_i$ | | | | | |
|---|-----------|-----------|----------|--------|------------|
| Variable | Coef. | Estimates | σ | t-stat | pr(t-stat) |
| Const. | β_0 | 0.300** | 0.147 | 2.041 | (0.023) |
| $SMEFP_i$ | β_1 | 0.241* | 0.047 | 5.128 | (0.000) |
| $SMEIV_i$ | β_2 | 0.472* | 0.086 | 5.488 | (0.000) |
| $SMEJC_i$ | β_3 | 0.061 | 0.042 | 1.452 | (0.104) |
| \bar{R}^2 | | 0.849 | | | |
| Prob(F-stat.) | | 0.000 | | | |

Note: Const. is Constant term. Coef. is coefficient of each variable in equation (1). The reported coefficients are the Ordinary Least Squares (unstandardized) Estimates. σ is the standard error for each estimate, Pr (t-stat.) is the p-value for each t-statistic. *Coef & Apr* (Coefficient and apriori sign). σ is the Standard deviation for each estimate. \bar{R}^2 is the R-square (Adjusted) and the figures in parenthesis are estimates are the p-values, using $prob|t| = 0$. * $p \leq 1\%$; ** $p \leq 5\%$; *** $p \leq 10\%$.

Source: Authors (2024)

Table 3 further displays the model summary describing the model's goodness of fit. Clearly, with the F-Statistics (263.257), the overall model is highly statistically significant at 1%, suggesting that the outcome is well predicted by the regression model. The study shows a good association between the used surrogate for crowdfunding quality and the expansion of the chosen SMEs, based on the reported coefficients for each of the adopted factors. Financial performance, innovations and jobs created due to crowdfunding are essential for improvement and growth of the considered SMEs businesses.

Table 3: Model Estimation Summary

| Model | | Σ^2 | m^2 | F-stat | pr(F-stat) |
|-------|--|------------|-------|---------|------------|
| 1 | Regression $[n \sum_{i=1}^k (\bar{y}_{i.} - \bar{y}_{..})^2]$ | 86.042 | 32.03 | 263.257 | 0.000 |
| | Residual $[\sum_{i=1}^k \sum_{j=1}^n (y_{ij} - \bar{y}_{i.})^2]$ | 19.315 | 0.084 | | |
| | Total $[\sum_{i=1}^k \sum_{j=1}^n (y_{ij} - \bar{y}_{..})^2]$ | 105.357 | | | |

Note: R: Coefficient of determination, R^2 : R-squared; F-stat; F-statistics, pr(F-stat): Probability of F-stat. Σ^2 : Sum of square; \bar{R}^2 - Adjusted R^2 ; m^2 : Mean Square.

$$\sum_{i=1}^k \sum_{j=1}^n (y_{ij} - \bar{y}_{..})^2 = n \sum_{i=1}^k (\bar{y}_{i.} - \bar{y}_{..})^2 + \sum_{i=1}^k \sum_{j=1}^n (y_{ij} - \bar{y}_{i.})^2$$

Source: Authors (2024)

Conclusion

The paper investigates the effect of crowdsourcing on the growth of SMEs. Crowdfunding has emerged as a vital alternative financing mechanism. The increased economic activity of small and medium enterprises (SMEs) due to crowdfunding has a ripple effect, stimulating broader growth for the sector. This research underscores the transformative potential of crowdfunding by examining how the increase in financial performance, innovation capabilities, and job creations of SMEs due to crowdfunding has impacted the growth of selected SMEs in Nigeria. The evidence identifies that only financial performance and improved innovation from the SMEs due to crowdfunding have positive and significant impacts on their growth.

Accordingly, we offer recommendations that would enhance the attractiveness of crowdfunding. One, government implement policies that support crowdfunding platforms, ensuring they are accessible, transparent, and secure. Regulations should be designed to protect both investors and SMEs, encouraging a healthy crowdfunding ecosystem. Two, regulators as well as the SMEs show create awareness and education for participants. SMEs should be educated about the benefits and processes of crowdfunding. Workshops, seminars, and online courses can help SMEs understand how to effectively launch and manage crowdfunding campaigns. Three, both governments and financial institutions could offer incentives such as tax breaks or matching funds for investments made through crowdfunding platforms to attract more investors. Lastly, crowdfunding should be integrated with traditional financial systems to create a comprehensive financial support network for SMEs. This hybrid approach can provide SMEs with more robust funding options and financial resilience.

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APPENDIX

Research Title: Crowdfunding and Growth of Small and Medium Enterprises (SMEs) in Nigeria.

Note: The questions are intended, as part of a research efforts, to address the above topic been part of a research for journal publication. All information provided are kept confidential and the research would not, by any means, reflect personal information supplied on the questionnaire.

SECTION A: Demographic Features.

Please tick (✓) against your responses in the space provided.

1. Age: 18-29 () 30 - 49 () 50 and Above ()
2. Gender: Male () Female ()
3. Marital status: Single () Married ()
4. Occupation: Civil servants () Corporate employee () Entrepreneur () Student ()

Section B: Operational Information

These questions were crafted to address the objectives of the study.

Note: SA (= STRONGLY AGREED); A (= AGREED); I (= INDIFFERENCE); D (= DISAGREE); SD (=STRONGLY DISAGREED).

| S/N | Statement | SA | A | I | D | SD |
|---|---|----|---|---|---|----|
| Crowdfunding influences the financial performance and growth of SMEs in Nigeria. | | | | | | |
| 1. | Does crowdfunding improved the financial performance of your SMEs in terms of revenue growth? | | | | | |
| 2. | Has crowdfunding impacted your ability to access capital compared to traditional financing methods? | | | | | |
| 3. | Has crowdfunding enabled your SMEs to undertake new projects or expand its operations? | | | | | |
| 4. | Is crowdfunding suitable for raising capital in your SMEs? | | | | | |
| The role of crowdfunding in fostering innovation within SMEs in Nigeria. | | | | | | |
| 5. | Have you utilized crowdfunding to finance any innovative projects or new product developments within your SMEs? | | | | | |
| 6. | To what extent has crowdfunding enabled your SMEs to pursue innovative ideas or products that would otherwise have been difficult to finance? | | | | | |
| 7. | How has crowdfunding influenced your SMEs' budget allocation new product development? | | | | | |
| 8. | Has the use of crowdfunding accelerated the pace at which your SMEs brings innovative products or services? | | | | | |
| The role of crowdfunding on job creation within SMEs in Nigeria. | | | | | | |
| 9. | To what extent has crowdfunding enabled your SMEs to increase the number of employees? | | | | | |
| 10. | How has crowdfunding impacted the wage levels of employees within your SMEs? | | | | | |
| 11. | Does crowdfunding aid your business operation expansion? | | | | | |
| 12. | Does crowdfunding contribute to unemployment reduction? | | | | | |