Crowdfunding non-commercial initiatives in a Belarus platform

Alena Kabylka; Belarus State Economic University; Minsk-Belarus; e-mail: condesa@tut.by

Paula Odete Fernandes; Applied Management Research Unit (UNIAG); Instituto Politécnico de Bragança (IPB); Bragança-Portugal; e-mail: pof@ipb.pt

Rui Pedro Lopes; Research Centre in Digitalization and Intelligent Robotics (CEDRI); Instituto Politécnico de Bragança (IPB); Bragança-Portugal; e-mail: rlopes@ipb.pt

Olga Morozevich; Belarus State Economic University; Minsk-Belarus; e-mail: moroa@ya.ru

Abstract

Organizations and individuals dealing with non-commercial initiatives are in permanent search for funding. Crowdfunding is gaining popularity all over the world as an alternative way of collecting funds from general public through Internet-based platforms. The non-profit nature of the project is among the key factors of positive outcome. In this context, the purpose of this work is to check whether the tendencies referred by scholars are valid for non-commercial initiatives, especially those having socially aware objectives, available on the Belarusian crowdfunding platform Ulej. The method used for validation of the research hypotheses is binary logistic regression and statistical test. Inferential analysis shows that there is no difference in the level of success between commercial and non-commercial projects and that social orientation does not increase the likelihood of meeting financial goals. The findings are opposite to those provided in literature. However, this could be explained by the short period of functioning of platform and the small number of projects.

Keywords: Crowdfunding, Crowdfunding campaign, Non-commercial organizations, Social projects.

Introduction

Nowadays, information and communication technologies are evolving rapidly. The Internet became an integral part of the life of people. This global network of computers and devices conquered an important position for performing different kinds of business activities. Collecting funds to support various projects is one of them. In this case, the role of the intermediary between founders and funders is performed by specialized websites, designated by crowdfunding platforms.

As time advances, more crowdfunding platforms appear around the world and more and more creators apply to this method of fundraising. Non-profit organizations are not an exception. These organizations usually maintain a considerable number of followers because they deal with projects that have beneficial impact on the community. Crowdfunding is also a way for these organizations to diversify the sources of financing. As for potential investors, with respect to the desired outcome, they can make contributions on donation, reward-, equity- or lending-based platforms.

The objective of this study is to test whether non-commercial projects reaches desired financial goals more often than the commercial ones. Data for performing analysis was collected from Belarusian reward-based crowdfunding platform Ulej.

The first part of the study is based on the scientific literature. The section starts with the description of the various approaches to define the notion of crowdfunding. The following section describes crowdfunding platforms as intermediaries between creators and the general public and also performs an overview of

fundraising campaigns. The next section is dedicated to the use of crowdfunding for financing non-commercial initiatives. At the end of the section, there is an overview of actual state of crowdfunding in the world and in the Republic of Belarus. It continues describing the sample and methods used for data analysis. The third section includes the descriptive analysis of work of crowdfunding platform Ulej over 11 months of its operation and the results of the logistic regression implied in order to see whether non-commercial character and social orientation increase the probability of success in reaching funding goals. The findings of the carried research are summarized in the last section.

1. Literature Review

Putting an idea in practice usually requires some form of financing. It does not matter whether to start a new business, publish a book, record a musical album or protect the European mammals. If business is already started and it is successful, the profit can be invested in further development. However, with non-commercial initiatives, the situation is usually different: every project requires new investment.

This work, considers that commercial initiatives have the purpose of starting a new business or producing consumer goods. On the other hand, non-commercial initiatives are those with humanitarian or charity purpose, non-profit by nature, and also including art production or scientific research.

There are usually two roles involved in the process of collecting funds: the borrower and the lender. Traditionally, the role of the second is performed by banks or by patrons. Sometimes, however, the borrower idea is not well accepted by the lenders, making it difficult to raise the necessary money. In these situations, the initiative usually remains unrealized.

The expansion of the Internet and the development of associated technologies, simplify the process of information sharing. Anyone can make his/her idea of a project or the description of the problem available to everyone. The list of potential supporters is potentially big, associated to the number of Internet users. Such conditions are favourable for the advancement of crowdfunding.

There are several definitions of crowdfunding. Profatilov, Bykova and Olkhovskaya (2015), following the Oxford Dictionaries, state that crowdfunding is the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet. That description reflects three milestones of this notion: (i) micro-sums; (ii) big number of lenders; and (iii) aggregation of funds on-line.

This concept is followed by Prive (2012), Belleflamme, Omrani and Peitz (2015). Xu, Zheng, Xub and Wang (2016), however, restrict the focus on innovative projects, while Song and Boeschoten (2015) see this way of funding as especially suitable for creative industries. Jang (2013) put crowdfunding along with events, marathons, capital campaigns into the list of practices used for raising funds by non-profits.

Read (2013) and Zilber, Silveira, Carvalho and Imbrizi (2016) applied to the fact that the foundations of crowdfunding lie in crowdsourcing. Meanwhile Carvajal, García-Avilés and González (2012) define four categories of crowdsourcing: crowd wisdom, meaning accumulation of knowledge on particular subject; crowd creation, that implies setting up the solution to stated problem; crowd voting using the judgment of public for improvement; and crowdfunding, highlighting the idea of the role performed by networks of both investors and fundraisers in collecting money.

Mollick (2014) paid attention to the diversity of goals and magnitude of projects, notifies that finances could be raised by individuals and business groups and underlines noninvolvement of financial intermediaries. Shiller (2013) and Mendes-Da-Silva, Rossoni, Conte, Gattaz and Francisco (2016) stated that crowdfunding could be seen as method of funds securing.

Crowdfunding is usually compared with venture capital investment. Davidson and Poor (2016) examined the similarities between gift giving and crowdfunding. Ordanini, Miceli, Pizzetti and Parasuraman (2011) showed interrelation of crowdfunding and marketing, resulting from changes in the role of consumers from users of goods or services to investors who share the risk of production and promotion and also reveal the possibilities of use of crowdfunding in marketing. Innovations in technologies or goods are risky ventures, so initiators could analyse whether the customers are interested in their product and how much they are ready to pay for it. In the field of art, it is possible to check the loyalty of audience and to increase it (Boeuf, Darveau & Legoux, 2014).

As a financing mechanism, crowdfunding expects the fundraiser (creator, initiator, entrepreneur, and founder) and funder (sponsor, backer, and investor) to be registered in a crowdfunding platform. Fundraisers and founders could be individuals and organizations. Funds can be collected through these platforms, single crowdfunded projects and on-line payment systems (Carvajal, García-Avilés & González, 2012).

Cameron (2016) called crowdfunding a benefit from the digital world; because this type of fund raising could be applied only thanks to the constant growth of the Internet. Kshetri (2015) considers that way of financing as global initiative bringing financial and economic benefits. This is supported by the growing number of crowdfunding platforms all over the world.

Non-profit organizations rely on these platforms as an important means of funding. These organizations, like the for-profit organizations, seek to diversify funds to maintain sustainable development (Gathuo, 2015). Charity organizations and funds have been using a form of crowdfunding to collect money, usually through organizing special events. Fleming and Sorenson (2016) state that crowdfunding platforms are the internet-based marketplaces connecting parties of interest. Crowdfunding platforms prescribe the rules and encourage the interaction between funders and founders. They can be seen as online wall of proposals (Song & Boeschoten, 2015) or as intermediaries and engines of growth for initiative (Ordanini et al., 2011). The way the platforms work is similar to functioning of clearing at stock exchange. However, there are differences in the requirements of participants, government regulations and others. At the same time, the platforms can be seen as a highly competitive market.

Table 1. Classification of crowdfunding in accordance with the base.

Name of base	**Donation**	**Equity**	**Debt**	**Reward**
Type of return	Intangible benefits	Share in started business	Invested money with interest	Material or symbolic rewards, not monetary gain
Average amount invested	Small	Big	Big	Small
Level of legislative control	Low	High	High	Low
Motivation	Psychological and social	Financial	Financial	Social and interest in reward provided
Easiness of making investment	Easy	Not easy	Not easy	Easy
Expected durability of relations between founder and funder	Short-term	Long-term	Long-term	Short-term, finished after getting reward
Example	Crowdrise	Crowdcube	Funding Circle	Kickstarter

Source: Author's own elaboration.

Crowdfunding platforms are expected to guaranty full transparency of all processes. However, the platforms need to be built in accordance to the demands of interested parties, including the possibility for anonymous contributions (Song & Boeschoten, 2015). With respect to the nature of outcome crowdfunding could be donation-, equity-, debt-, and rewards-based (Table 1).

Belleflamme, Omrani and Peitz (2015) divided crowdfunding platforms in two groups, in accordance with monetary or not-monetary nature of the outcome: investment-based, including equity-, royalty- and lending-based, and reward- and donation-based. Younkin and Kashkooli (2016) indicated increasing numbers of hybrid sites seeking to solve new problems and entice new actors via models that do not fit clearly with the existing categories. Crowdfunding platforms help to raise funds by activating existing networks, by providing substitute of traditionally used funding, by giving access to capital that has not been available before or opportunity to make investment to different spheres.

Massolution (2015) uses the term lending-based instead of debt and states that this type of crowdfunding is major in industry due to the high funding volumes. Meanwhile, non-commercial projects are realised on reward and donation based crowdfunding sites. In accordance with the fundraising mechanism, crowdfunding platforms are divided in those that use the principle of:

- "all-or-nothing", meaning that the fundraiser receives money only if total required amount is collected or if the aggregated sum exceeds the total;
- "keep-it-all", where received money are always transferred to the initiator.

Research made by Chang (2015) reveals that the use of the first gives higher probability of collecting funds and also allows to receive larger amount in comparison with the second. It is necessary to say that some platforms accept contributions only until financial goal is reached, the others continue collecting funds during all the period of campaign. "All-or-Nothing" is less risky for the sponsors. It is used to encourage founders to make funding goal realistic. "Keep-it-all" allows creators to try to implement the project at least partially with the received money.

Crowdfunding platforms could be generalist, which welcome projects from various spheres, or oriented to just for one sector (Davidson & Poor, 2016). The crowdfunding platforms are, themselves, for-profit organizations. Usually they do not require payment for registration or membership. However, after the fundraising period finishes, the creator pays a percentage of the collected amount. That percentage could depend on the sum collected or on the success of the campaign. Some platforms set fee for funders depending on the sum and on the way of making contribution. Also, some platforms charge processing or transaction fee. Furthermore, the funds provided by sponsors could be used by platform until the end of duration period of the project to earn interest (Belleflamme, Omrani & Peitz, 2015).

The next stage is choosing the way of collecting funds. Often, crowdfunding platforms use only one fundraising mechanism, although some sites allow diversifying the choice. The rewards vary, depending on the sphere and on the amount transferred. Investor could receive, in the field of music, for example, invitation to concert or a T-shirt with the logo of group, in literature, he can receive a book signed by the author, in a game, a licensed CD, in production, a sample of the good for free or with great discount, in charity, the mention in the list of sponsors or a meaningful "thank you". Thürridl and Kamleitner (2016) emphasizes that the right choice of rewards positively affects the results of campaign and provides the reward classification including dimensions and levels of characteristics.

It should be noticed that during the period of money collection, the site shows the amount accumulated, the days left, the number of backers and the comments and updates made by the initiator. Kuppuswamy and Bayus (2015), studying the dynamics of the funding process, found out that sponsors are more active on the first and last week of campaign and it is true for projects from any sphere independently of the results. Coming deadline and closeness to achieving stated goal inspire sponsors to provide funds; donors tend to

have a greater propensity to invest in projects that they find hosted for a longer period of time on a crowdfunding platform.

According to Wash (2013) when the financial goal is nearly reached, the amount of money funded is larger and the possibility that the backer returns to make new donations is higher. Fundraising is followed by the realization of idea. To be successful, the project needs not only to collect the stated amount of money, but also to put it in practice as described on the platform. Taking this into account, the founder on initial stage should set the goal that he could reach within the time limits prescribed and should guarantee that backers will receive rewards as soon as possible. As for realization stage, Mollick (2014) indicated that overfunded projects tend to have delays in delivery of products.

Starting a non-commercial project, the founder should first choose the appropriate platform, considering that popular crowdfunding sites attract a lot of backers but may be less effective than specific platforms in a particular sphere (Geron, 2013). Creators should also pay attention to the way backers are motivated, and should not be concentrated on the amount of money needed or the importance of the amount donated by each sponsor, but on the inspiration of funders to become a part of important initiatives (Elmer, 2014).

Hörisch (2015) with respect to contract failure theory, states that due to shift of focus from gaining profit to the quality of results, non-commercial initiatives have the advantage of attracting public, and the possibility of being more effective in acquiring contributions (Lambert & Schwienbacher, 2010). Their findings were confirmed by Pitschner and Pitschner-Finn (2014), with data from Kickstarter. The indexes used for evaluation are average amount received per sponsor, total number of sponsors, total funds raised in percentage, probability of collection of desired amount. Meanwhile, the emphasis on points of possible difference between commercial and non-commercial initiatives in the amounts desired, minimum pledge, extent of presentation of project on platform and duration of campaign was made. Results show that although non-profit projects demonstrate better performance in achieving funding aims and better average value of pledge per sponsor, for-profits, on average, collect bigger sums and attract more funders.

Elmer (2014) stated that many non-profit projects ended up reaching not more than 17 percent of the funding goal, therefore organizations could be more effective in collecting money at an event than during a crowdfunding campaign. Nevertheless, Messina (2014) pointed that, in case of emergency, non-profits should turn to crowdfunding, underlining that in 2013 approximately one third part of funds raised globally were collected within socially important campaigns.

Kuppuswamy and Bayus (2014) stated that donors tend to have a greater propensity to invest in projects that they find hosted for a longer period of time on a crowdfunding platform. The platforms allow founders to collect information about backers that could further help in the creation of campaign strategy (Messina, 2014). Positive relationship between numbers of contacts in social networks with the amount donated to charity projects was studied by Saxton and Wang (2014). Nonprofit organizations interested in crowdfunding should develop strategies that increase the size of their online constituencies and encourage those supporters to take action to promote the cause.

Feinberg (2014) outlined 4 reasons to use crowdfunding to raise finance for socially important projects:

1. crowdfunding platforms allow to establish virtual partnership between non-profit organizations, community and socially-responsible business units without wasting time for negotiations and meetings;
2. clarity on each stage of campaign and realization of project;
3. online interaction is a powerful tool of collecting money because it provides to general public with opportunity to participate in the campaign in real-time together with members of their social networks;

4. though for for-profit possibility that original idea will be copied or stolen is a negative feature of crowdfunding, for non-commercial initiatives it is resource for sharing ideas and experience, and moreover it provides corporate investors with the numbers of projects with close aims which they could support and develops the communities sharing same interests.

Crowdfunding is a global and rapidly growing industry. The collected amount through different platforms grew from 880 million US dollars in 2010 to 16 billion US dollars in 2014 (Barnett, 2016). According to the data provided by Zeoli (2015), the estimated volume collected by means of crowdfunding in 2015 is 34.4 billion US dollars. The industry showed a double increase; and according to an estimate of the World Bank, the global crowdfunding market will reach 93 billion US dollars by 2025 (Swart, 2013).

According to Dushnitsky, Guerini, Piva and Rossi-Lamastra (2016) there are more than 1250 crowdfunding platforms operating worldwide, from which 48% had European origin and 30% - North American. Among members of the European Union, the highest quantity of crowdfunding sites was based on the United Kingdom, Germany, France and the Netherlands.

As for crowdfunding industry in Belarus, the sector started to develop in 2011. However, tradition to apply for help of the community for collecting money or to perform of socially important activities (construction of the road, building of church, agricultural works, etc.) exists since Middle Ages. Nowadays there are two crowdfunding platforms (MaeSens and Ulej) and one dealing with both crowdfunding and crowdsourcing (Talaka). In 2015, the total volume of contributions in Belarus equalled to 3,069 billion BYR or approximately 165 300 US dollars (Bykovskiy, 2016).

Summing up, crowdfunding is a continuously growing global market on which creators compete for funds by offering projects in different spheres and lenders are given the opportunity to diversify their investment and gain monetary or non-monetary rewards. Boost of that financing mechanism occur due to development of Internet-technologies and improvement of micro-payment services.

2. Research Methodology

The objective of the study is to check whether non-commercial initiatives, in particular social projects, are more successful than other campaigns posted on Belarusian reward-based crowdfunding platform Ulej (analogue to the American Kickstarter). This site was chosen for analysis because it is the first site of that kind in the Republic of Belarus. Fundraising mechanism established on the platform is “All-or-Nothing”. Platform began to work on April, 2015. Projects established on Ulej are divided in the following categories: Design, Food, Games, Art, Literature, Music, Science and Education, Handicraft, Social projects, Sport, Theatre, Technologies, Films and Video, Photography and Others.

First, the overview of the performance of the platform and distribution of successful projects between categories are made, followed by the study of the correlation between factors that influence the outcome of the campaign. The following research hypothesis are also tested (H):

H_1: *Non-commercial initiatives are more successful in collecting funds than commercial projects;*

H_2: *Campaigns belonging to the category Social projects are more successful in fundraising than others.*

Data was collected in March and April, 2016. Part of information is openly available, displayed on the web-page of each project. The remaining was provided by the platform’s project manager, Alina Lisakovich, after contact through the feedback facility of the platform.

The data included 91 successful projects with funding period finished before 15.03.2016. The total amount attracted is nearly 900 000 000 BYR (equals to 45 657 US dollars or 40 840 Euro, exchange on 30.05.2016). There were some projects, in the Design, Handicraft, Theatre, Technologies, Photography, and Others categories that did not had a positively finished campaign, so the study sample consisted of 74 projects from 10 categories. Each category includes at least one successful project.

The analysis began with descriptive statistics concerning the general operation of the platform, based on 91 finished projects. First, the overview of activity of founders in starting crowdfunding campaigns during 11 month of the platform operation. For that, all the projects were grouped according to the date of their posting and the distribution of successful/unsuccessful deals in accordance with categories was later completed.

The five projects with the highest outcome were represented in a graph reflecting the dynamics of fund collection. The duration period for the selected campaigns varied from 60 to 90 days and, in order to unify the stages of the process for each fundraising, the period was divided into 6 intervals (Figure 2).

The overview of correlation between variables was made to check if factors, such as funding goal, sum collected, number of sponsors, average pledge, and duration period, could influence the non-failure of the campaign.

Based on data from 74 projects, the block of descriptive statistic was built, concerning the research questions. It includes the distribution of initiatives that met funding goal between commercial and non-commercial campaigns, as well as between social and non-social projects.

As for testing research hypothesis for H_1 and H_2, the dummy variable of Success was used to perform binary logistic regression. The Dependent variable - Success - was coded like: 1 – for Successful projects; 0 – for Unsuccessful ones. The project was considered successful if it reached the stated funding goal.

Factors that influenced the outcome of crowdfunding campaign were the character of the project, the funding goal, the sum collected, the number of sponsors, the average pledge, the duration period, and the category. As the values of these factors varied broadly, they were derived into binary variables. The indices with numeric meaning, such as funding goal, sum collected, number of sponsors, average pledge and duration period were split into 2 groups after calculation of median. The categories Food, Games, Art, Literature, Music, Science and Education, Sport, Films and video and Others were recoded to non-social (Table 2).

The logistic regression equation that explained the relationship between the independent variables and the dependent variable looked as follows (Nasledov, 2011, p.348):

$$ln\left(\frac{p}{1-p}\right) = b_0 + b_1.x_1 + b_2.x_2 + \ldots b_p.x_p \qquad [1]$$

In the present research work will be used the follow equation:

$$ln\left(\frac{p}{1-p}\right) = b_0 + b_1.x_1 + b_2.x_2 + b_3.x_3 + b_4.x_4 + b_5.x_5 + b_6.x_6 + b_7.x_7 \qquad [2]$$

Where:

p - Probability of success;

$b_0 \ldots b_7$ - Coefficients, which indicate the changes in outcome influenced by changes in independent variables, could be positive and negative. It means that the effect on the probability of an event as X changes by one unit in the univariate case;

x_1 - Character_of_project [CP];
x_2 - Median_funding_goal [MFG];
x_3 - Median_sum_collected [MSC];
x_4 - Median_sponsors_number [MSN];
x_5 - Median_average_pledge [MAP];
x_6 - Median_duration_period [MDP];
x_7 - Recode_category [RC].

Table 2. Values of independent variables.

Name of the variable	**Label**	**Assigned value**	
		1	**0**
Character_of_project	CP	Non-commercial	Commercial
Median_funding_goal, BYR	MFG	20 000 000 or less	20 000 001 or more
Median_sum_collected, BYR	MSC	4 252 500 or less	4 252 501 or more
Median_sponsors_number, BYR	MSN	25 or less	26 or more
Median_average_pledge, BYR	MAP	194 900 or less	194 901 or more
Median_duration_period	MDP	60 or less	61 or more
Recode_category	RC	Social	Non-social

3. Presentation and Analysis of Results

The platform started to work in April, 2015 and, until March 15, 2016, 91 projects were completed. 30 % of all campaigns were posted in first 2 month of functioning. The quantity of projects fell 7 times in June, 2015 that could be explained by unwillingness of creators to begin fund collection in summer, when potential investors are on holidays. However, there was a moderate growth in holiday season. A new peak of popularity of platform was again reached in October and November, 2015. But there was a dramatic fall in December, 2015 due to Christmas and New Year spending by individual funders. The beginning of 2016 could be characterized by low activity of founders with only 7 projects in January and February, 2016.

The highest number of campaigns belonged to the following categories: Social projects, Literature and Music. Moreover, these categories represent the highest quantity of successful results. Less than 8 projects had the categories: Science and Education, Sport, Technologies and Films and Video. Among these, the best outcomes resulted in the Sport campaigns. Opposite to the previous group, were the percentage of successful and unsuccessful were nearly the same, here the percentage of projects reaching financial goals varied from 0% in Technologies to 43% in Sport. The rest of the categories counted less than four campaigns. Food, Games and Art had one successful project each, which equals to 25 % for the first category and to 50 % for the rest. Meanwhile, campaigns belonging to Design, Handicraft, Theatre, Technologies and Photography did not receive necessary financial support.

The initial data about five successful projects is given in Table 3 and graphical representation in Figure 1.

Table 3. Projects received maximum financial support.

Category	Amount collected, BYR	Amount collected from known sponsors, BYR	Duration period, days
Science and Education	53 505 000	22 32 3000	90
Social projects	44 300 000	23 202 000	60
Sport	43 720 000	9 589 000	90
Food	43 216 000	19 356 000	62
Social projects	38 950 000	28 165 000	90

The vertical axis shows percentage of the collected amount and the horizontal axis represents the part of fundraising period. The data of Project 1 demonstrates moderate growth during all campaign of collecting money. In the first four periods, the line of the Project 2 indicated very slow fundraising progress, declining with each phase and an incredible breakthrough on the 5th period.

The shape of the Project 3 is similar to one given by Ordanini et al. (2011), exposing rapid increase of the collected amount in the first period, changed by 20% upturn during three further intervals and ended by two periods of growth. Crowdfunding processes of the Projects 4 and 5 were similar, displaying very low interest of sponsors in the first half, while during the second half the behaviour of funders change and graphs got the contour of Project 3.

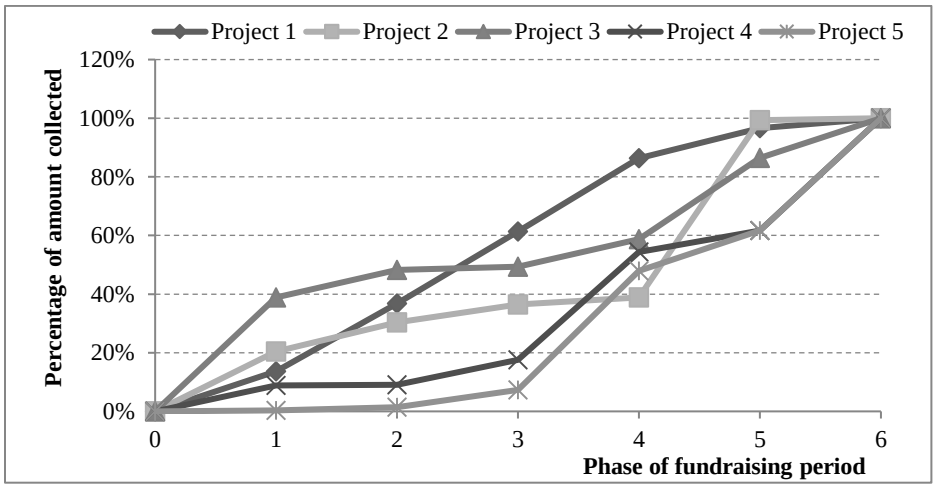

Fig. 1. Routes of fundraising of 5 successful projects.

To see the interrelation between factors that influence success of crowdfunding campaign for the projects included in sample Pearson Correlation Coefficient was calculated. In the analysed period there is a strong correlation between the collected sum and the number of sponsors. That correlation is positive, meaning that if the quantity of sponsors increases, the collected amount will follow. The level of correlation of the average pledge and the collected sum is moderate. For the founders, it means that to succeed in reaching the initial goal, the campaign should attract as much funders as possible.

The size of average pledge is of moderate importance. As for duration period, the correlation of this variable with funding goal is low but positive. The creator establishing the financial target of the project should take

into account that funding goal and duration period follows the same tendency in changes. However, founders should not expect that the long fundraising campaign should be organized for the initiative with great budget required.

As for the distribution of positive and negative results of crowdfunding campaigns between commercial and non-commercial initiatives, Table 4 showed that the sample consisted by 42 projects aimed at getting profit after project realization and 32 projects with the non-profit targets. 47% of non-commercial projects and 38% of commercial projects reached stated financial goals. The quantity of fails among commercial initiatives exceeded 1.6 times the number of non-failed ones, while for non-commercial the corresponding ratio is 1.1.

Table 4. Crosstab for result and character of projects.

Character of project	**Result of the project**	
	Unsuccessful	Successful
Commercial	26	16
Non-commercial	17	15

Social projects composed 22% of the sample, half of them ended successfully (Table 5). At the same time amid the rest of the campaigns 40% reached set financial goals.

Table 5. Crosstab for result and category of projects.

Category	**Success**	
	Unsuccessful	Successful
Non-social	35	23
Social	8	8

Based on descriptive statistics for the sample, it could be assumed that non-commercial projects had better results in attracting contributions than the others, and that campaigns pursuing the social aims meet financial goals more often. However, it should be confirmed by inferential analysis.

The aim of performed logistic regression was to investigate what factors influence the probability of success, in particular whether character of project and category to which it belongs affected the outcome. Logistic regression was applied for testing (Table 6):

"*H_1: Non-commercial initiatives are more successful in collecting funds than commercial projects*",

and

"*H_2: Campaigns belonging to the category Social projects are more successful in fundraising than others*".

The obtained model could be described by the following regression equation (Table 6):

$$ln\left(\frac{p}{1-p}\right) = 0.038 + 1.080.\,\mathrm{CP} + 3.779.\,MFG - 3.296.\,MSC - 2.509.\,MSN - 2.211.\,MAP -$$

$$-0.596.\,MDP - 0.674.\,RC \qquad [3]$$

With the significance level of 5%, it is possible to say:

- according the values performed by Pseudo R^2 of Cox & Snell (0.54) and Nagelkerke R^2 (0.724) the obtained model revealed a satisfactory quality of adjustment;

- the percentage of the cases classified correctly is 87.8%;

- the values performed by Hosmer and Lemeshow Test show that the model fits to the data;

- the variables MFG, MSC, MSN, and MAP are statistically significant; the variables CP, MDP and RC are not statistically significant;

- variables Success and MFG are positively correlated, for every one unit increase in MFG, it is possible to expect 3.779 increase in the log-odds of Success, or the probability of success is 43.779 times higher if funding goal is less than 20 000 000 BYR;

- variables Success and MSC are negatively correlated, for every one unit increase in MSC, it is possible to expect 3.296 decrease in the log-odds of Success, or the probability of Success is 4% less if the collected amount is less than 4 252 500 BYR;

- variables Success and MSN are negatively correlated, for every one unit increase in MSN, it is possible to expect 2.509 decrease in the log-odds of Success, or the probability of Success is 8% less if the quantity of pledgers is less than 25;

- variables Success and MAP are negatively correlated, for every one unit increase in MAP, it is possible to expect 2.211 decrease in the log-odds of Success, or the probability of Success is 11% less if average pledge is less than 194 900 BYR.

Table 6. Results of logistic regression.

Variables	**Label**	**B**	**S.E.**	**Wald**	**df**	**Sig.**	**Exp(B)**
Character_of_project	CP	1.080	0.924	1.366	1	0.242	2.944
Median_funding_goal	MFG	3.779	1.418	7.107	1	0.008	43.779
Median_sum_collected	MSC	-3.296	1.361	5.860	1	0.015	0.037
Median_sponsors_number	MSN	-2.509	1.073	5.471	1	0.019	0.081
Median_average_pledge	MAP	-2.211	1.146	3.718	1	0.054	0.110
Median_duration_period	MDP	-0.596	0.913	0.427	1	0.514	0.551
Recode_category	RC	-0.674	1.200	0.316	1	0.574	0.510
Constant		0.038	1.385	0.001	1	0.978	1.038
Cox & Snell R^2	0.54						
Nagelkerke R^2	0.724						
Hosmer and Lemeshow Test	$\chi^2_{df=8} = 6.760381; p - value = 0.5627$						
Cases classified correctly (%)	87.8%						

Note: B, coefficient of regression equation; S.E., standard error; Wald, Wald significance test; df, degree of freedom; Sig., significance level; Exp(B), Exponentiation of B.

For the analysed data, H_1 and H_2 are not corroborated, meaning that non-commercial initiatives are not more successful in fund collection then commercial projects and campaigns belonging to the category Social projects are not more successful in fundraising than other ones.

The disconfirmation of the research hypotheses H_1 and H_2 could be associated with short period of functioning of the crowdfunding platform Ulej and a comparatively small number of posted projects.

Conclusions, Limitations and Future Research Lines

The collected amount for realization of business start-ups and non-commercial initiatives by means of crowdfunding platform grows rapidly each year. The potential of this fundraising method is huge due to the diversity of projects, the large number of prospective sponsors and the simplicity of donation-making process.

In general, the principle of crowdfunding is that contributions are made by sponsors interested in specific projects in return for material or non-material rewards, via special websites, which provided service of allocation of project and accumulation of funds for a fee. With respect to the volume of received capital, lending-based crowdfunding is the leading type. However non-commercial initiatives raise finance on reward- and donation-based crowdfunding platforms.

The preparation of a crowdfunding campaign requires time and resources, according to the creator expectations for the successful development of the project. The project's written description and video are uploaded to an appropriate crowdfunding site, and the funding goal, duration period and rewards are defined. These details are important and decisions should be made carefully.

Although fund collection is the main reason of crowdfunding campaigns, they can also be viewed as a possibility to test the attractiveness of the idea by investors, to expand the network of followers or to obtain new experience. Even if the financial objective is not met, founders could analyse the performance and whether restarting the project or choosing a traditional way of financing. The latter reveals some drawbacks, as the failure could decrease the level of confidence of the creator and, as the information about the project is open, there is a possibility of losing the original ideas to competitors.

Non-profit organizations should view crowdfunding as a way to diversify financial resources. The scholars underline that projects with socially-oriented objectives received the initially expected monetary support more often than commercial initiatives. Among the reasons of that are transparency of the process, the benefits for the society and the sense of belonging.

Following the global trend, the reward-based crowdfunding platform Ulej started its operation in the Republic of Belarus in April, 2015. The platform uses principle "all-or-nothing". There are no limitations about the sphere of projects, however. All the initiatives are grouped in 15 categories. The number of campaigns started per month depends on the season. The majority of successful projects belong to the categories of Social projects, Music and Literature. That could be explained by the expanded number of supporters and faithful fans. Categories that did not have success (Design, Handicraft, Theatre, Technologies and Photography) were excluded from the analysis.

Though descriptive statistics shows that non-commercial initiatives and social projects have higher level of positive outcomes than the rest of the sample, logistic regression detected that the character of the project and its category do not influence the success of the campaign in meeting the financial goals. However, changes in the success are explained by variations in funding goal, sum collected, number of sponsors and size of the average pledge.

The study has some limitations. First, there are no sufficient scientific research about the use of crowdfunding for funding non-commercial initiatives. This first limitation becomes an advantage, since the present paper contributes to a better understanding the topic under study and will contribute to the scientific academy. Second, for designation of tendencies analysis should be made for bigger amount of data.

The study could be seen as a contribution to the research of the field. The current findings should be further checked in comparison with the data, characterizing new reward-based crowdfunding platforms functioning in other countries, and after a certain period of time in comparison with the data about performance of Ulej.

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