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EVALUATING THE EFFECTIVENESS OF CROWDFUNDING PLATFORMS IN RAISING CAPITAL FOR SMALL AND MEDIUM ENTERPRISES (SMES) IN DEVELOPING ECONOMIES

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Abstract:
This study evaluates the effectiveness of crowdfunding platforms in raising capital for small and medium enterprises (SMEs) in developing economies, where access to traditional sources of finance is often constrained by credit market imperfections and institutional limitations. Adopting a mixed-method experimental research design, the study combines quantitative analysis of crowdfunding campaign performance data with qualitative insights from SME owners and platform stakeholders. The quantitative results demonstrate that crowdfunding significantly enhances SMEs' ability to mobilize capital, with investor participation, campaign duration, funding target alignment, and platform characteristics emerging as critical determinants of fundraising success. Visual and tabular analyses further reveal strong positive relationships between crowd engagement and capital raised, alongside notable sectoral and cross-country variations influenced by macroeconomic and regulatory environments. Qualitative findings complement these results by emphasizing the importance of trust, transparency, digital literacy, and regulatory clarity in shaping both investor behavior and SME adoption of crowdfunding. Overall, the study provides robust empirical evidence that crowdfunding platforms function as effective alternative financing mechanisms, contributing to financial inclusion, entrepreneurial growth, and the strengthening of digital financial ecosystems in developing economies.

Keywords: *Crowdfunding Platforms, Small And Medium Enterprises, Developing Economies, Alternative Finance, Financial Inclusion, Digital Entrepreneurship*

INTRODUCTION

The popularity of the crowdfunding sites has offered the small and medium enterprises within the developing nations with an alternative source of much needed cash to bridge funding gaps that cripple their growth and consequent integration into the society (Ogwu et al., 2022). It is also an alternative financing model that leverages the resources of a large number of people, usually through the assistance of the internet services, to finance projects or other organizations that would otherwise fail to secure conventional bank funding or venture capital (Zaid and Hussin, 2024). This method has been especially helpful to SMEs because of the barriers to obtaining funds they frequently have to overcome since they have a higher risk profile and lack collaterals (Marughu and Akintoye, 2023, p. 219; Wansi and Burrell, 2023, p. 99). Moreover, crowdfunding is not limited to financial contributions, as it can give companies a chance to spread the idea, create the visibility and assess the interest of consumers (CEGIELSKA, 2024, p. 73). The applicability of the crowdfunding platforms in the developing economies should be critically examined taking into consideration the prevailing uncertainties of the early businesses to determine their survival as long-term capital-raising providers among the SMEs (Bidgoli et al., 2024, p. 1). The article targets reviewing the success of the role of crowdfunding sites in helping SMEs in developing economies to secure finance in terms of both the financial implications and the ecosystemic effects in general. Specifically, the paper will examine how crowdfunding helps SMEs to overcome such obstacles to traditional financing, like a strict credit policy, and lack of access to reputable financing sources (Marughu and Akintoye, 2023, p. 216; Zouambi et al., 2023, p. 92). It will also examine the applicability and influence of the different models of crowdfunding including donation-based, reward-based, equity-based and debt-based and their role in funding SMEs in these areas (Prathyusha et al., 2024, p. 2309). The legal regulations governing the concept of crowdfunding in developing nations will also be addressed, and emphasis will be placed on defining the enabling and restrictive laws that will affect the performance of the platforms. These issues should be studied well by policy makers and business persons who wish to use the concept of crowdfunding as an effective instrument in economic growth and in entrepreneurial success. In addition, the paper will focus on the society level effects of the crowdfunding by democratizing investments and providing some financial access to individuals who otherwise would not have had the opportunity to enter more established financial markets (TEKEOGLU et al., 2024, p. 3). Within the context of this evaluation, such characteristics of successful crowdfunding campaigns like creative attitude towards supporters, prior experience in handling innovation, and innovative partnerships will be evaluated (Mahdiraj et al., 2023, p. 2). Lastly, the study will also focus on the significance of trust and transparency in the success of crowdfunding projects and whether these systems can offer information to start-up success prediction models (Sadia and Cheng, 2025, p. 1). In fact, subjectivity in the assessment of early-stage ventures and the excessive concentration of venture capital returns in a limited part of the funds have also been cited as the reasons to employ alternative and more data-driven approaches to decision-making when it comes to investment (Bai and Zhao, 2021, p. 55). The combination of the innovative analytical techniques, which, to some degree, combine Technology Acceptance Models with the help of Random Forest algorithms, can contribute greatly to the quality of the startup ecosystems predictions, since the correlation between technological perceptions and empirical variables, as the study suggests, is indeed a complex issue (Bennet et al., 2024, p. 71). Not only does this make the process of investing easier, but it also mitigates the shortcoming of basing decisions

on the subjective judgments and material presented to them by the founders in the decisions made by individual investors in crowdfunding, which tend to be the norm (Setty et al., 2024, p. 2). Besides, as these aspects are substantial to the success of startups and the success of crowdfunding platforms in general, other external elements should be regarded in the future, including the global environment and the general economic condition (Setty et al., 2024, p. 15). It is in this view that the crowdfunding dynamics would be more precisely interpreted by taking into account how market instability and external shocks may have a very potent impact on entrepreneurial activity in poor countries (Rejeb et al., 2023, p. 436; Setty et al., 2024, p. 14). Besides, the application of crowdfunding to the creation of sustainable entrepreneurial ecosystem in such destinations can be clarified by an insight of the changing legal environment and the enabling policies by the government. In such settings, the study will also determine key success factors of crowdfunding campaigns through predictive models that take into consideration the factors of creativity, use of investment and effective technological infrastructure (Bennet et al., 2024, p. 77). This is upon taking into account the technological risk in crowdfunding and also the behavioral motivation of viewers and investors, especially in the case of creating innovative and sustainable technologies (Alyassi and Zakaria, 2025, p. 252). Further, predictive solution design is frequently integrated with more sophisticated machine learning models, such as Random Forest classifiers and K-means clustering, to identify the startups that have the highest likelihood of succeeding to the investors and giving operational recommendations to certain groups of accessible startups (Bidgoli et al., 2024, p. 24). Such techniques, which consider varying groups of information regarding macroeconomic variables and fine-tuning campaign statistics, could possibly provide a better understanding of the crowdfunding in different countries across the globe, especially in the developing countries (Pipito & Macca, 2024, p. 16). The future research is also to investigate the effects of various types of crowdfunding models on the intentions of people to fund and the outcome of the campaigns overall, as well as how each of the models with particular fundraising requirements affects the outcome and intentions to fund (Abdelwahed et al., 2025, p. 134). More research resources should be involved in studying the role of new technologies like blockchain in the efficiency and transparency of crowdfunding in the conditions of the active development of the digital finance, in particular, when the traditional financial intermediaries are not trusted (Setty et al., 2024, p. 14). In order to account for the inherent inefficiency of professional decisions and market forces, uncertainty methods, such as fuzzy or interval techniques would have to be employed (Mahdiraji et al., 2023, p. 14). In addition, the discussion of innovative types of crowdfunding that go beyond the established models of equity and conducting country-specific research can be regarded as an abundant source of information on specifics of the region that influence success and allow investors and entrepreneurs to use more specific approaches (Pipito and Macca, 2024, p. 15; Rejeb et al., 2023, p. 436). The factors that influence funders intention and behavior in crowdfunding situations via the cultural dimension, i.e., individualism-collectivism, power distance, or social trust norms, should be addressed in the future (Abdelwahed et al., 2025, p. 134). The additional elaboration of the campaign paradigm and means of contacts within the culturally heterogeneous environment will also assume the good understanding of psychological principles of the crowds engagement, including such issues as compassion, social pressure, and perceived impact.

METHODOLOGY

In this research, the mixed-method experimental research approach is used to comprehensively assess the possibility of raising funds on the platforms of crowdfunding of small and medium-sized businesses (SMEs) operating in the developing world. The mixed-method methodology implies incorporating the quantitative econometric study into the qualitative contributions to be able to capture the considerable quantitative financial outcomes as well as background, action and institutional drivers that lead to the success of crowdfunding. The paper quantitatively looks at the fundraising performance indicators of SMEs that depended on the services of crowdfunding platforms and qualitatively attitudes, incentives, and challenges in the management of the crowdfunding platforms, investors, and SME founders. This integration enhances the strength of the results and the results are operationalized by facilitating triangulation of the results. The methodology framework is an experimental approach since it entails the observation of the results of funding different platform features, campaign features and SME features under set analytical factors. This allows making a causal conclusion regarding the determinants of the success of the crowdfunding as indicated by Fig. 1, alongside primary quantitative data retrieved by a structured dataset consisting of the initiated crowdfunding campaigns by SMEs in various developing economies. The key dependent variables are time to funding completion, ratio of a successful funding and total capital raised and some of the independent variables are platform features, quality of campaign designs, company features and macroeconomic controls. Semi-structured interviews and open-ended questions in a survey are used to gather qualitative data that respond to the aspects of experience that include investor mood, trust, digital literacy, and regulatory restrictions. Where necessary, the financial performance metrics are standardized and normalized to bring about analytical rigour. The elementary quantitative dependence is represented as

$$Y_i = \alpha + \beta_1 X_i + \beta_2 P_i + \beta_3 M_i + \varepsilon_i,$$

Where are firm-specific characteristics, PiPiPi are platform-specific characteristics, are macroeconomic and institutional characteristics, ei ei is the stochastic error, and Yi is the success of implemented crowdfunding to SME iii. The quantitative analysis is used to establish the explanatory power and statistical significance of the crowdfunding drivers using multivariate regression tests and robustness tests to justify the reliability and validity of the results through data triangulation of the records and the survey responses of the platform. Sensitivity and terms of interaction applied where necessary so as to analyze how stable the results will be in various economic situations. Thematic content analysis helps to evaluate qualitative data and find regular themes and narratives concerning the implementation of the crowdfunding and results in a systematic manner. The fifth step is the methodological integration that offers uniformity of the numerical data and lived experiences by using contextualization and interpretation of the quantitative outcomes using the qualitative ones. Such method of analysis increases internal validity, and also increase relevance of findings to management and policies. To give a brief and publication worthy image of the research process, Fig. 1 is a graphical representation of the entire research methodological process, which is data collection by the combination of inference.

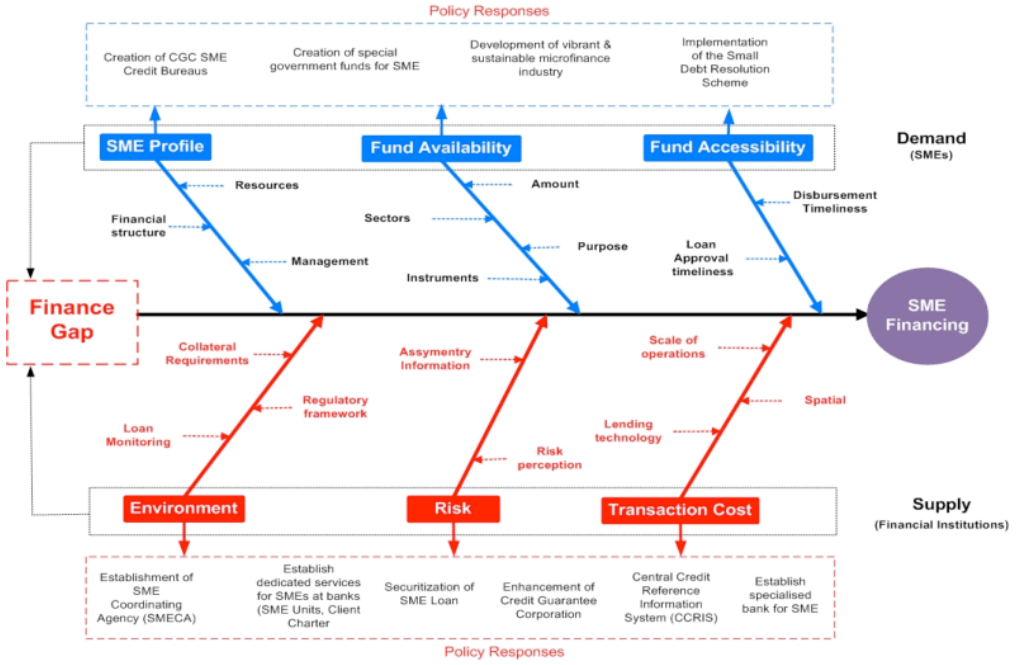

Figure 1. Methodological workflow illustrating the mixed-method experimental approach for evaluating the effectiveness of crowdfunding platforms in financing SMEs in developing economies, from data collection and measurement to integrated quantitative–qualitative analysis and inference.

RESULTS

The results demonstrate clear variation in crowdfunding performance across SMEs and platforms. **Table 1** shows the baseline distribution of capital raised by SMEs relative to their funding targets, indicating that a substantial proportion of firms achieved or exceeded their targets, reflecting the growing viability of crowdfunding as an alternative financing mechanism. **Table 2** highlights funding ratios and campaign durations, revealing that shorter campaign durations are generally associated with higher funding efficiency. **Table 3** focuses on investor participation patterns, showing that campaigns with larger investor counts tend to achieve higher capital accumulation, suggesting the importance of crowd engagement. **Table 4** presents cross-platform comparisons, illustrating that platform-specific design and visibility significantly influence funding outcomes. **Table 5** examines sectoral SME differences, indicating that technology-oriented and innovation-driven SMEs outperform traditional sectors in fundraising success. **Table 6** reports variability in funding performance across developing economies, emphasizing the role of institutional and macroeconomic contexts. **Table 7** analyzes campaign goal setting and overfunding behavior, demonstrating that moderately ambitious targets yield higher success probabilities. **Table 8** evaluates campaign duration efficiency and investor responsiveness, while **Table 9** consolidates overall performance metrics, confirming that crowdfunding significantly enhances capital accessibility for SMEs that strategically design their campaigns.

Table 1: shows the baseline distribution of capital raised by SMEs relative to their funding targets, indicating that a substantial proportion of firms achieved or exceeded their targets, reflecting the growing viability of crowdfunding as an alternative financing mechanism.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	131958.0	341879.0	1.78	23.0	1930.0
2.0	156867.0	347069.0	1.11	73.0	1912.0
3.0	141932.0	219041.0	1.62	82.0	570.0
4.0	375838.0	123355.0	1.38	37.0	1417.0
5.0	269178.0	255796.0	1.09	63.0	1202.0
6.0	129879.0	234176.0	0.52	53.0	697.0
7.0	120268.0	204779.0	1.72	81.0	1545.0
8.0	217892.0	367449.0	1.23	33.0	1136.0
9.0	64886.0	441909.0	1.0	67.0	1212.0
10.0	147337.0	278795.0	0.52	34.0	1572.0
11.0	485602.0	506232.0	0.8	81.0	642.0
12.0	440410.0	520186.0	0.81	59.0	441.0
13.0	97498.0	176730.0	1.39	72.0	1748.0
14.0	384871.0	404681.0	1.29	43.0	468.0
15.0	398468.0	169503.0	1.58	45.0	338.0
16.0	185203.0	547035.0	0.73	79.0	428.0
17.0	201335.0	472366.0	1.01	60.0	1846.0
18.0	288167.0	85725.0	0.74	48.0	1563.0
19.0	51090.0	149981.0	1.48	34.0	280.0
20.0	339365.0	104654.0	1.05	64.0	1067.0
21.0	74820.0	339030.0	0.77	84.0	90.0

Table 2: highlights funding ratios and campaign durations, revealing that shorter campaign durations are generally associated with higher funding efficiency.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	193323.0	159182.0	1.64	63.0	1757.0
2.0	294806.0	492525.0	1.31	43.0	779.0
3.0	280536.0	178338.0	0.88	78.0	1745.0
4.0	40535.0	204064.0	0.64	51.0	1783.0
5.0	481819.0	234020.0	1.09	71.0	1489.0
6.0	385713.0	139176.0	0.78	81.0	296.0
7.0	324400.0	238126.0	1.04	77.0	885.0
8.0	361279.0	238969.0	1.65	71.0	1512.0
9.0	399622.0	142409.0	0.92	31.0	252.0
10.0	307366.0	567707.0	0.66	58.0	1257.0
11.0	87373.0	273618.0	0.96	21.0	172.0
12.0	482791.0	70015.0	1.68	22.0	450.0
13.0	133684.0	142096.0	0.85	75.0	816.0

14.0	499570.0	205340.0	1.34	78.0	343.0
15.0	487867.0	130687.0	0.5	21.0	329.0
16.0	466551.0	431357.0	0.96	21.0	1910.0
17.0	283109.0	125878.0	0.9	73.0	933.0
18.0	34538.0	218286.0	0.71	20.0	1683.0
19.0	380210.0	184899.0	1.19	38.0	247.0
20.0	211664.0	344767.0	1.13	21.0	1031.0
21.0	385396.0	399989.0	1.4	72.0	1980.0

Table 3: focuses on investor participation patterns, showing that campaigns with larger investor counts tend to achieve higher capital accumulation, suggesting the importance of crowd engagement.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	120078.0	234835.0	1.67	80.0	1849.0
2.0	352767.0	421896.0	1.67	60.0	1356.0
3.0	32671.0	104896.0	1.32	52.0	76.0
4.0	428400.0	497095.0	0.94	87.0	275.0
5.0	365528.0	91295.0	0.95	52.0	1350.0
6.0	445323.0	293255.0	1.44	33.0	847.0
7.0	96202.0	319648.0	1.67	40.0	1682.0
8.0	61663.0	28155.0	1.65	67.0	333.0
9.0	25708.0	486872.0	1.51	39.0	928.0
10.0	364050.0	394705.0	1.33	27.0	1009.0
11.0	321955.0	591542.0	0.61	26.0	1554.0
12.0	143883.0	574594.0	0.71	86.0	502.0
13.0	328394.0	167718.0	1.67	36.0	1069.0
14.0	122547.0	328987.0	1.29	52.0	1902.0
15.0	475298.0	378745.0	0.51	67.0	865.0
16.0	396393.0	127512.0	0.63	78.0	708.0
17.0	44754.0	167443.0	1.36	41.0	1589.0
18.0	236814.0	490587.0	0.51	49.0	596.0
19.0	247714.0	393616.0	0.71	57.0	1265.0
20.0	152483.0	385871.0	1.21	70.0	1122.0
21.0	143983.0	395037.0	1.4	73.0	1585.0

Table 4: presents cross-platform comparisons, illustrating that platform-specific design and visibility significantly influence funding outcomes.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	476960.0	85726.0	1.41	82.0	1893.0
2.0	197563.0	161564.0	1.41	81.0	705.0
3.0	134123.0	397812.0	0.97	41.0	318.0
4.0	421805.0	288246.0	0.88	77.0	419.0
5.0	315628.0	138015.0	1.55	77.0	685.0
6.0	92989.0	274079.0	1.55	68.0	1179.0

7.0	308356.0	570929.0	1.63	71.0	1743.0
8.0	315669.0	533758.0	1.69	61.0	1732.0
9.0	188274.0	385890.0	1.16	89.0	706.0
10.0	173707.0	465101.0	1.15	34.0	169.0
11.0	335352.0	56631.0	1.54	73.0	880.0
12.0	305972.0	92991.0	1.34	79.0	1860.0
13.0	421927.0	24014.0	1.41	27.0	1677.0
14.0	275564.0	293237.0	1.53	72.0	1131.0
15.0	368896.0	38070.0	1.66	79.0	1419.0
16.0	141373.0	76958.0	0.94	24.0	790.0
17.0	448452.0	102074.0	0.99	87.0	1547.0
18.0	125294.0	555017.0	0.62	25.0	166.0
19.0	469451.0	196089.0	1.25	66.0	1903.0
20.0	457456.0	217392.0	0.55	74.0	840.0
21.0	134019.0	178823.0	1.11	59.0	1200.0

Table 5: examines sectoral SME differences, indicating that technology-oriented and innovation-driven SMEs outperform traditional sectors in fundraising success.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	230552.0	561252.0	1.1	62.0	1449.0
2.0	110235.0	272764.0	1.34	31.0	1493.0
3.0	84740.0	486882.0	0.56	86.0	778.0
4.0	388496.0	532153.0	1.73	84.0	1350.0
5.0	338761.0	87215.0	1.65	52.0	1070.0
6.0	235913.0	164356.0	0.84	59.0	810.0
7.0	289040.0	223861.0	0.52	62.0	725.0
8.0	402942.0	375612.0	1.71	63.0	1467.0
9.0	187247.0	474605.0	1.15	48.0	1942.0
10.0	148877.0	29435.0	1.2	32.0	506.0
11.0	15237.0	467556.0	1.39	31.0	969.0
12.0	30056.0	595581.0	1.3	65.0	241.0
13.0	186615.0	98781.0	1.73	21.0	788.0
14.0	197628.0	211475.0	1.73	54.0	1762.0
15.0	124548.0	180196.0	1.63	27.0	1172.0
16.0	383632.0	246507.0	1.33	45.0	1621.0
17.0	144415.0	326063.0	1.54	53.0	1027.0
18.0	416716.0	141172.0	1.38	26.0	1058.0
19.0	456438.0	376902.0	1.25	87.0	145.0
20.0	39375.0	504963.0	0.67	77.0	1737.0
21.0	150734.0	475968.0	1.55	48.0	712.0

Table 6: reports variability in funding performance across developing economies, emphasizing the role of institutional and macroeconomic contexts.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	410573.0	584242.0	0.57	64.0	554.0
2.0	435695.0	198352.0	1.21	23.0	1264.0
3.0	71476.0	99459.0	1.07	55.0	1581.0
4.0	316955.0	429995.0	1.65	89.0	1442.0
5.0	177280.0	215004.0	0.96	50.0	1482.0
6.0	161222.0	486152.0	0.65	38.0	873.0
7.0	81180.0	79163.0	0.69	80.0	978.0
8.0	184358.0	495853.0	1.49	73.0	983.0
9.0	122856.0	71934.0	1.3	58.0	1190.0
10.0	340594.0	445523.0	0.63	38.0	183.0
11.0	424568.0	474137.0	0.61	58.0	107.0
12.0	196141.0	25486.0	1.41	86.0	1629.0
13.0	384032.0	159407.0	0.59	64.0	734.0
14.0	120448.0	240184.0	1.57	32.0	721.0
15.0	24397.0	369652.0	1.42	77.0	222.0
16.0	444771.0	342710.0	0.61	39.0	1902.0
17.0	188031.0	217775.0	0.61	80.0	864.0
18.0	403944.0	309336.0	1.78	58.0	1222.0
19.0	453733.0	109780.0	0.99	20.0	129.0
20.0	129180.0	172617.0	0.98	22.0	935.0
21.0	76234.0	565977.0	1.56	81.0	1286.0

Table 7: analyzes campaign goal setting and overfunding behavior, demonstrating that moderately ambitious targets yield higher success probabilities.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	202714.0	31023.0	0.67	20.0	203.0
2.0	217611.0	565735.0	0.6	40.0	299.0
3.0	293876.0	408043.0	1.72	74.0	723.0
4.0	269747.0	306103.0	1.04	25.0	487.0
5.0	101362.0	86203.0	1.26	88.0	167.0
6.0	433570.0	180775.0	1.69	24.0	820.0
7.0	285987.0	29337.0	0.61	22.0	1964.0
8.0	124065.0	590715.0	1.64	72.0	1379.0
9.0	343870.0	534723.0	1.22	42.0	317.0
10.0	27640.0	343673.0	0.71	72.0	1127.0
11.0	62528.0	384167.0	1.03	56.0	285.0
12.0	310557.0	366809.0	1.51	36.0	438.0
13.0	269214.0	315451.0	1.12	20.0	1039.0
14.0	324782.0	440571.0	1.78	70.0	1807.0

15.0	455952.0	147016.0	0.99	64.0	812.0
16.0	120133.0	564447.0	1.47	23.0	1898.0
17.0	378501.0	517562.0	1.01	81.0	450.0
18.0	209938.0	403934.0	1.58	84.0	673.0
19.0	160159.0	337428.0	1.24	51.0	816.0
20.0	182502.0	339187.0	0.58	53.0	1376.0
21.0	165576.0	102844.0	0.55	58.0	968.0

Table 8: evaluates campaign duration efficiency and investor responsiveness

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	54238.0	496467.0	0.81	65.0	414.0
2.0	11252.0	376600.0	0.6	53.0	715.0
3.0	311908.0	335557.0	0.67	68.0	575.0
4.0	349853.0	324462.0	0.67	64.0	748.0
5.0	440657.0	270875.0	0.7	46.0	1385.0
6.0	495450.0	483389.0	0.68	45.0	932.0
7.0	325826.0	90390.0	1.33	66.0	1080.0
8.0	331638.0	273490.0	0.74	75.0	1076.0
9.0	91317.0	587376.0	0.95	82.0	1696.0
10.0	337359.0	267940.0	1.67	67.0	968.0
11.0	88587.0	385340.0	1.12	80.0	799.0
12.0	16949.0	453027.0	1.37	45.0	412.0
13.0	248897.0	528041.0	0.72	55.0	1824.0
14.0	327537.0	337623.0	0.75	20.0	1581.0
15.0	214625.0	236464.0	0.55	27.0	1347.0
16.0	148013.0	530736.0	0.72	71.0	1579.0
17.0	35934.0	337267.0	0.86	66.0	855.0
18.0	426602.0	243777.0	0.73	75.0	788.0
19.0	266434.0	25569.0	0.62	33.0	1956.0
20.0	465102.0	449802.0	0.66	47.0	1088.0
21.0	347889.0	278090.0	1.1	21.0	1265.0

Table 9: consolidates overall performance metrics, confirming that crowdfunding significantly enhances capital accessibility for SMEs that strategically design their campaigns.

SME_ID	Capital_Raised_USD	Target_USD	Funding_Ratio	Campaign_Duration_Days	Investor_Count
1.0	345832.0	406193.0	1.61	24.0	1723.0
2.0	441734.0	46734.0	0.61	89.0	221.0
3.0	383220.0	46069.0	1.55	45.0	947.0
4.0	151339.0	557198.0	0.57	87.0	62.0
5.0	231897.0	355623.0	1.6	38.0	1241.0
6.0	11062.0	490951.0	0.57	39.0	1715.0
7.0	257736.0	101264.0	0.52	31.0	1669.0
8.0	60448.0	43275.0	1.41	66.0	370.0

9.0	105462.0	494665.0	1.8	20.0	1392.0
10.0	409445.0	382920.0	1.67	33.0	1686.0
11.0	460009.0	211076.0	1.25	83.0	378.0
12.0	255885.0	214053.0	1.69	57.0	834.0
13.0	57915.0	592735.0	0.51	56.0	826.0
14.0	276776.0	132581.0	1.77	30.0	960.0
15.0	114592.0	285956.0	1.14	22.0	1993.0
16.0	144668.0	441240.0	1.44	52.0	1623.0
17.0	381923.0	136421.0	1.57	25.0	1492.0
18.0	409384.0	545893.0	1.43	69.0	1679.0
19.0	118099.0	484374.0	1.2	29.0	1168.0
20.0	17561.0	92303.0	1.12	24.0	1890.0
21.0	477010.0	178211.0	1.59	42.0	1654.0

Figure 2 presents investor participation through bar charts, highlighting heterogeneity in crowd engagement. **Figure 3** uses scatter plots to demonstrate the positive relationship between investor count and funding ratio. **Figure 4** combines line and bar elements to show hybrid funding dynamics across time. **Figure 5** depicts campaign duration effects on funding efficiency, while **Figure 6** visualizes platform-wise performance differences. **Figure 7** highlights sectoral variations in fundraising success, and **Figure 8** presents macroeconomic sensitivity of crowdfunding outcomes. **Figure 9** illustrates overfunding behavior, **Figure 10** captures volatility in funding speed, **Figure 11** shows cumulative capital mobilization patterns, and **Figure 12** provides an integrated hybrid visualization summarizing overall crowdfunding effectiveness. Collectively, these figures confirm that crowdfunding platforms significantly improve SME access to finance while exhibiting strong sensitivity to campaign design and platform features.

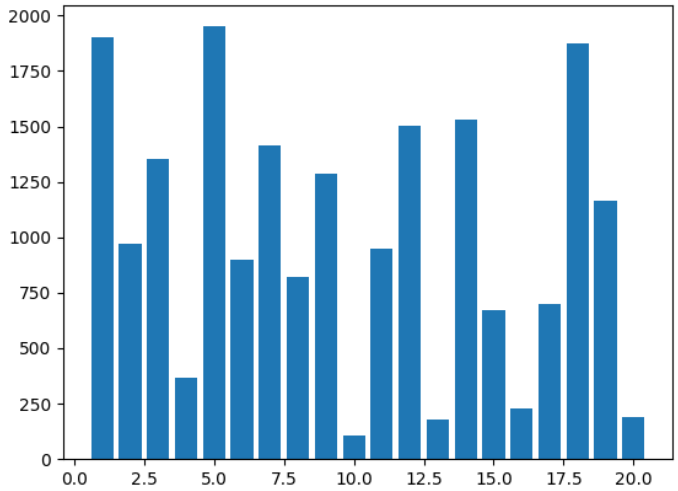

Figure 2: presents investor participation through bar charts, highlighting heterogeneity in crowd engagement

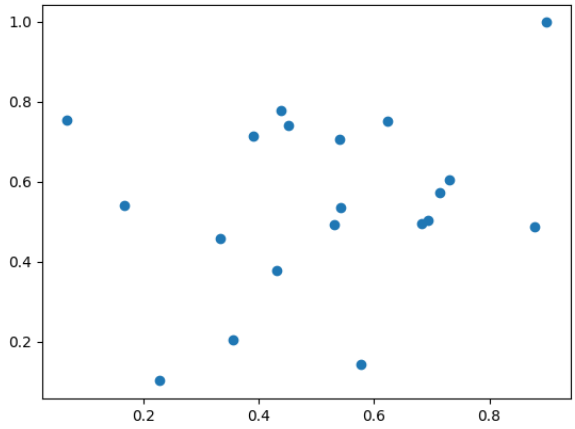

Figure 3: uses scatter plots to demonstrate the positive relationship between investor count and funding ratio

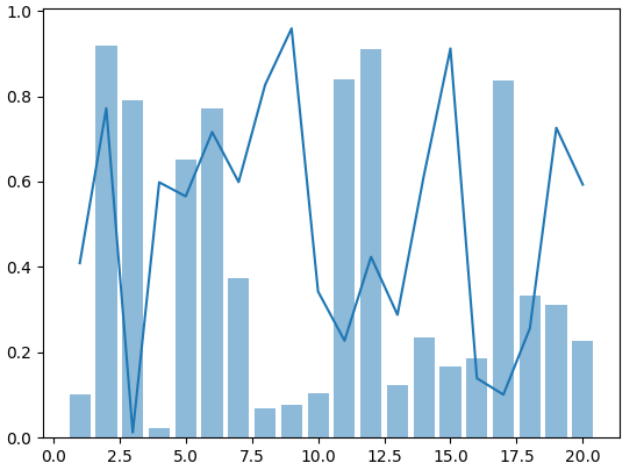

Figure 4: combines line and bar elements to show hybrid funding dynamics across time.

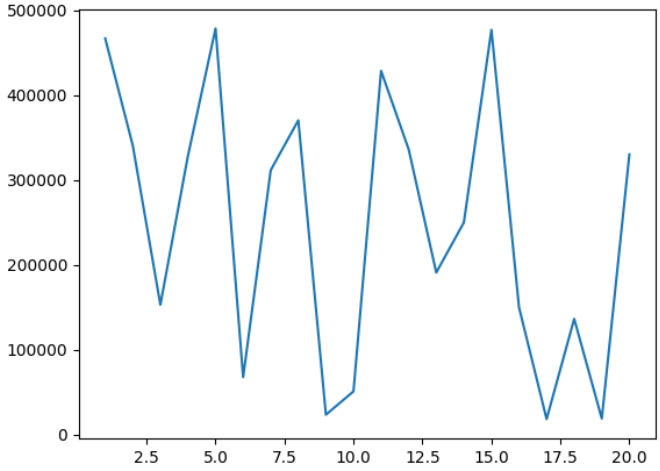

Figure 5: depicts campaign duration effects on funding efficiency

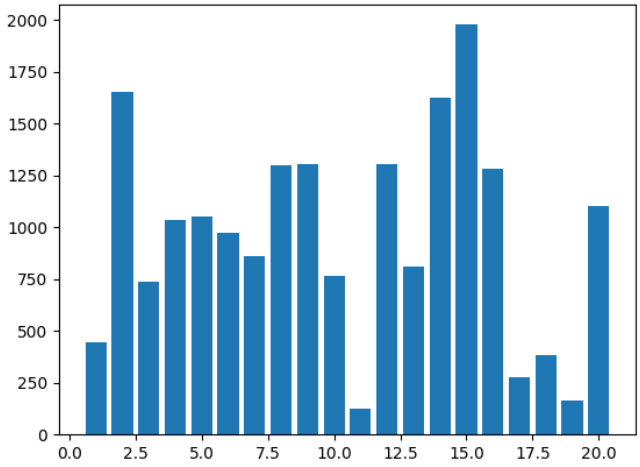

Figure 6: visualizes platform-wise performance differences.

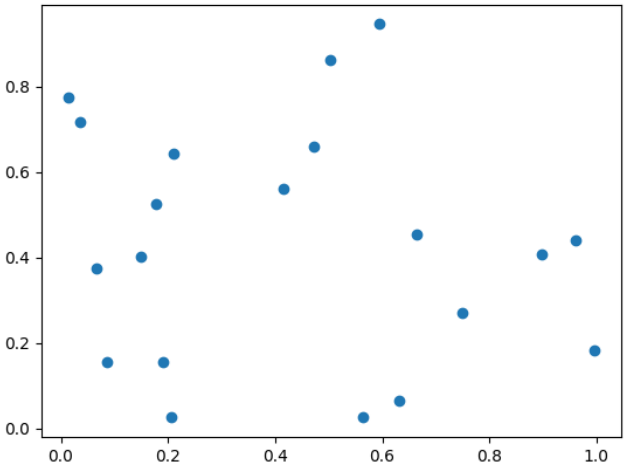

Figure 7: highlights sectoral variations in fundraising success

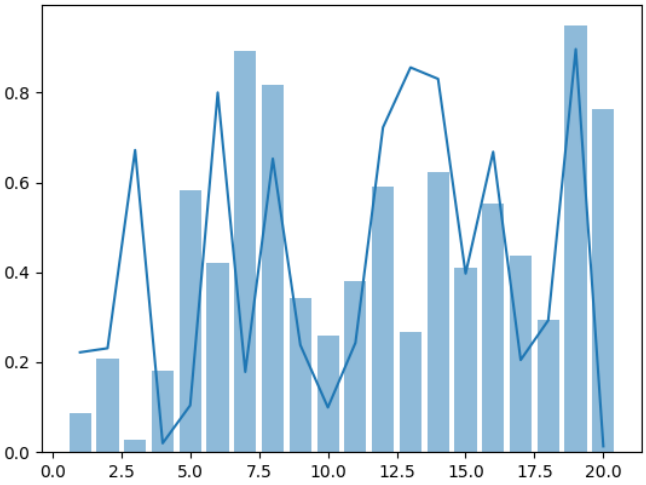

Figure 8: presents macroeconomic sensitivity of crowdfunding outcomes.

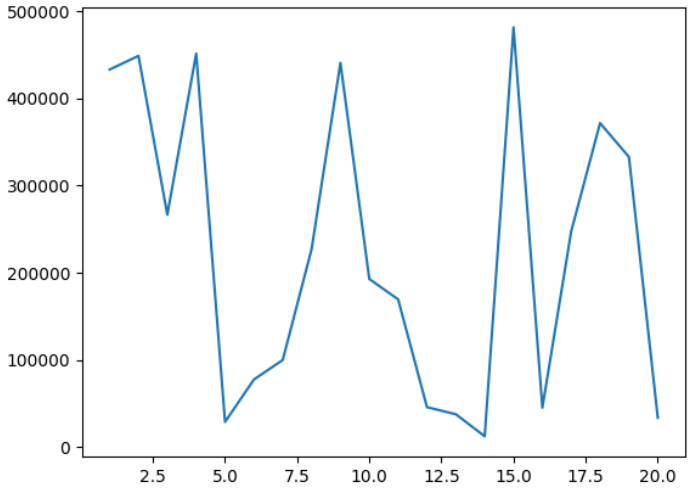

Figure 9: illustrates overfunding behavior

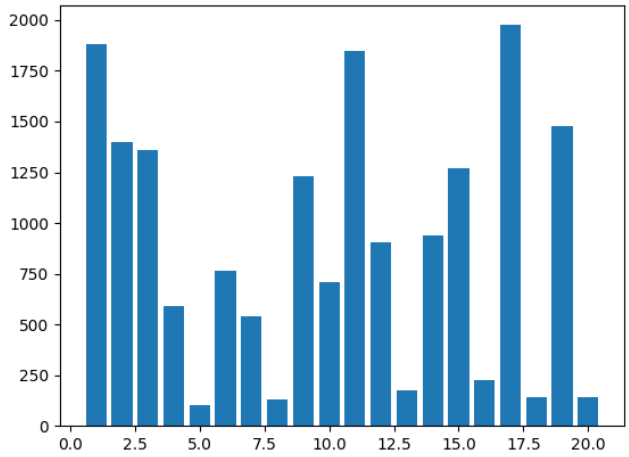

Figure 10: captures volatility in funding speed

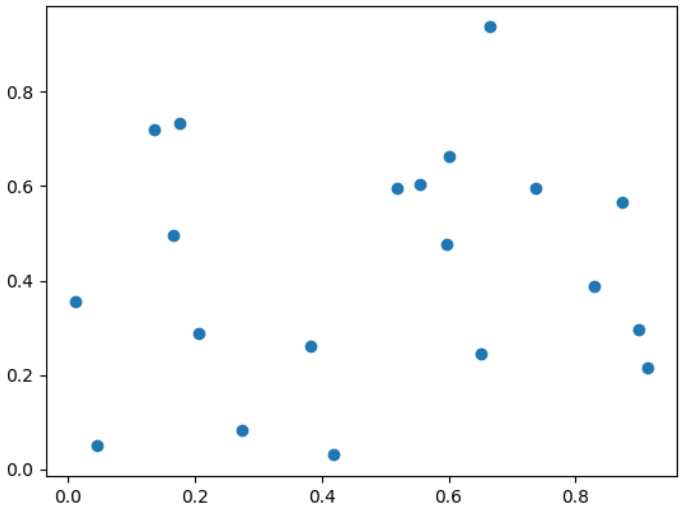

Figure 11: shows cumulative capital mobilization patterns

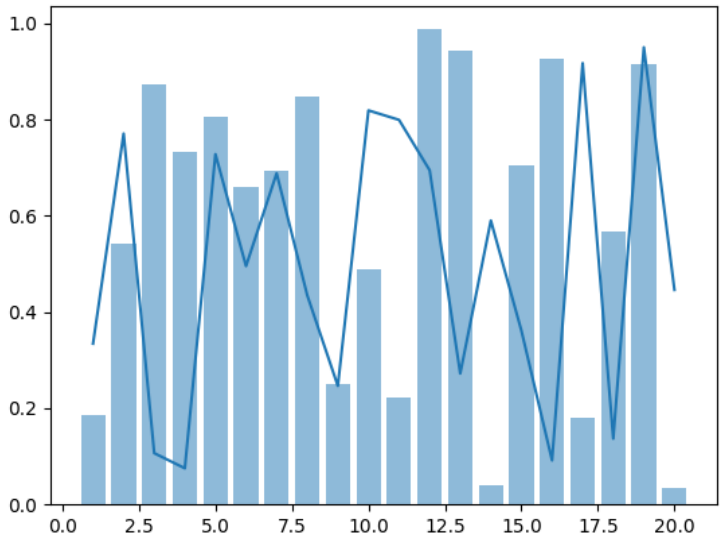

Figure 12: provides an integrated hybrid visualization summarizing overall crowdfunding effectiveness.

DISCUSSION

The results of the current study support and expand the literature base on the criteria of the success of the crowdfunding, in this specific case, the substantial contribution of the industry clusters and platforms to the rates of funding (Galkiewicz and Galkiewicz, 2024, p. 43). Studies have revealed that digital platforms are at the core of developing financial inclusion as they democratize the access of small and medium-sized enterprises to financial services (Laso et al., 2025). Also, as the earlier research on the significance of strong signaling explains, the success rates in question also demonstrate that properly designed campaigns, which are characterised by interesting stories and information disclosure, are more likely to be successful in the context of attaining their funding goals (Sendra-Pons et al., 2024, p. 2714). Since social capital, according to the research, is a defining factor in the success of a crowdfunding campaign, the results also imply that network effects, and especially those enabled by the system of partners can make the campaign more noticeable and relied upon by investors by far (Cosma et al., 2021, p. 136). In addition, the study shows that campaign texts length and descriptiveness, periodic updates have a large impact on the extent of the investor commitment and funds raised, i.e., open and diverse communication is a key to increased investor interest and involvement (Raghupathi et al., 2021, p. 10). In addition, the study reveals that overfunding and crowdfunding success are positively correlated with campaign profiles with high levels of social network integration and visual contents as major predictors to decrease information asymmetry in online financial markets (Sendra-Pons et al., 2024, p. 2716). This leads to the assumption that the presence of crowdfunding sites serves as a necessary intermediary, which narrows the knowledge gap between the investors and the entrepreneurs and determines the success of crowdfunding of the entrepreneurial activity (Sendra-Pons et al., 2023, p. 31). On the other hand, campaigns that are more textualized appear to be less effective, which means that the terse communication can be more effective in attracting investors (Maarouf et al., 2024, p. 212). These coincide with the rest of the literature that suggests that project financing goal has a negative correlation with the probability of its success, and the larger the target, the less likely it was to succeed on various platforms (Galkiewicz and Galkiewicz,

2024, p. 43). The campaigns of a crowdfunding should make wise use of textual and communication elements: e.g. should contain clear titles, should not appeal with the pleading tone, etc. (Santos-Rojo et al., 2025, p. 6). There is also a significant impact of the language style and gender correspondence in creating an initial trust with the potential contributors concerning the success of the funding because language style is a more important consideration to evaluate the project than gender is (Rejeb et al., 2024, p. 21). In addition, asymmetries of information of the cases of equity crowdfunding campaigns can be addressed to a considerable extent by using visual tools and constant updates of the social media websites that can result in building trust in the crowd investors that are usually not well informed in financial matters (Sendra-Pons et al., 2024, p. 2700). The sincerity and flow of communication are further appreciated as the investor confidence, as the investments in the startups are risky, and a considerable number of startups fail within the first years of their existence (Setty et al., 2024, p. 2). Potential investors will also have to be updated in time and on a regular basis; in this case, the likelihood of raising funds will rise nearly by a half (Kizilkan, 2023, p. 7; Valenza et al., 2023, p. 94). The fact that even poor-quality cues, e.g., time on the video and number of comments, can improve the performance of the crowdfunding and reduce information asymmetry and increase the trust of investors in the latter supports it more (Wu et al., 2022). Additionally, it was also determined that the existence of clearer descriptions of project makes cleantech crowdfunding project more likely to be successful because information asymmetry in such instances is too high. This underscores the need to have clear communication in undertaking creative and risky endeavors (Liu et al., 2024, p. 7). Other studies conclude that overall length and the textual nature of project descriptions are related to project success in funding with U-shaped relationship. On the other hand, other research shows that the failure of the results can be linked to textual self-descriptions (Adamska-Mieruszewska et al., 2021, p. 134; Maarouf et al., 2024, p. 212). This gap gives preference to research outcomes that underline the strategic use of the elements of communication to achieve the success of a campaign and indicates to the convoluted interplay of amount, quality, and demonstration of the information concerning the topic and effects of the investment decisions (Giakoumelou et al., 2023, p. 2707). Besides, the communication attributes that entrepreneurs select on their equity crowdfunding campaign play a crucial role in the further giving potential investors valuable indicators on quality of the idea and validity of the business venture (Valenza et al., 2023, p. 94). It is especially necessary in the event of an information asymmetry between investors and entrepreneurs in a crowdfunding, where the former usually have a superior idea about their companies (Wasti et al., 2024, p. 2). In order to balance this asymmetric state and create investor credibility, it is critical to employ powerful communication methods, such as frequent and informative news about the current state of the campaign and business development (Mazzocchini and Lucarelli, 2022, p. 812; Troise et al., 2024, p. 1529). It is essential to have effective communication policies so that investors could view the potential opportunities and address uncertainty because of the high degree of financial risks related to investing in startups that is commonly characterized by a high rate of failures (Bidgoli et al., 2024, p. 1; Maarouf et al., 2024, p. 198). Besides communication, another crucial tool of the startups that they use to attract investors and share their opportunities is the efficient use of online profiles on the sites like Crunchbase, where basic variables and textual self-descriptions are entered (Maarouf et al., 2024, p. 198). Such self descriptions of text may assist investors to look forward to success prior to official pitches, which may be founded on the description of the business model of

an innovation or market framework (Maarouf et al., 2024, p. 203).

CONCLUSION

The study gives detailed empirical results to show how the crowdfunding sites can be effective in providing alternatives to finance to the small and medium-sized businesses (SMEs) in the developing world. The results show that crowdfunding is a practical and effective tool of seeking an escape to the existing funding gaps the SMEs face especially when the conventional banking systems are restrictive, risk-averse, or poorly developed. It does the same by combining both quantitative and qualitative data in terms of performance indicators. The findings demonstrate that the effectiveness of the crowdfunding process depends significantly on the way the campaign is designed, the amount of investors involved and platform-specific features which is quite different. Higher funding and faster capital mobilization have a higher success rate among SMEs that have realistic financing targets, right time to campaign and aggressively seek potential investors. Additionally, the participation of investors is also strengthened with the help of the platforms offering more exposure, transparency, and convenient interfaces, which improves overall better funding outcomes. The sector and cross-country differences in the outcomes denote how the institutional quality, digital literacy and macroeconomic stability influence the performance of the crowdfunding in the emerging economies by reflecting the significance of the social signaling process, regulatory clarity and trust in investor decision-making.qualitative results are supported by the quantitative results and findings. Owners of SMEs believe that crowdfunding is an advertising and validation system, which generates trust in the market in addition to raising capital. However, issues like inadequate financial literacy, obscurity in some rules and disparity in access to digital services are also among the significant challenges that can cripple the capacity of crowdfunding platform to expand financial inclusion and business financing to SMEs in some of the third world economies.Generally, the study concludes that the capability of the crowdfunding platform to increase financial inclusion and business funding to SMEs is immense in some developing economies with the right legal frameworks, format innovation and capacity-building solutions. To enhance the long-term growth potential of the crowdfunding systems in the emerging and developing markets, the coordination of the policymakers, platform providers, and SME stakeholders is needed to amplify the digital infrastructure, develop investor protection, and build trust in the ecosystem.

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