

Awareness and Attitude Towards Crowdfunding in Nigeria

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Abstract

Crowdfunding is a new funding innovation available to entrepreneurs' and creators of innovative ideas to raise money to fund projects for a predetermined reward. The new funding innovation is yet to penetrate into the fabrics of entrepreneurial finance in Nigeria but with considerable acceptance in the USA, France, Netherlands, Britain, etc. Presently, crowdfunding campaigns for entrepreneurial activities in Nigeria are at its lowest ebb, hence this study is conceived to scale the level of awareness and the peoples' attitude regarding the concept. The study is exploratory, thus the method adopted is qualitative but with a survey instrument designed for the purpose. The findings of this study suggest crowdfunding awareness is very low at only 24% of respondents and most of the participants cannot identify or name crowdfunding platforms operational in Nigeria. Most crowdfunding donors donated for a social cause, especially to help the sick in the country, if awareness is built, the same fit is replicable for entrepreneurial activities. The study reveals a significant gap between crowdfunding awareness and actual participation. With only 2.2% of the total respondents had ever participated in crowdfunding as a backer and none ever participating as a fundraiser. The conclusion is that crowdfunding for entrepreneurial activities is a possibility in Nigeria should the people become more positive regarding the concept and a change of attitude towards the funding innovation; this, of course, regulatory and other stakeholders do have complimentary roles to play.

Keywords: Crowdfunding, Backer, Awareness, Attitude, SMEs,

INTRODUCTION

Crowdfunding is not necessarily a new fundraising method, but harnessing the power of the internet has given the concept a new dimension which provides an opportunity for entrepreneurs to taps into the financial resources of the crowd. The funding method is now widely regarded as an alternative source of funds to both SMEs and creative ideas. Crowdfunding is enabling individuals/entrepreneurs to raise capital to fund businesses and creative ideas/projects, (Mollick, 2014; Ahlers et al., 2016; Wieck, Bretschneider & Leimeister, 2013); access capital and other resources which otherwise they would not have obtained for entrepreneurial activities, (Assenova et al., 2016; Fleming & Sorenson, 2016). It is popular in the United States, UK, France, Netherlands, etc.

There is presently no common ground for the theoretical foundation; Mollick (2014) argue that "even basic academic knowledge of the dynamics of crowdfunding is lacking", suggesting that understanding its various elements and characteristics peculiar to an environment is necessary for its implementation and practice. As an emerging financing innovation, crowdfunding is quite different from other sources of funding available to SMEs and creative ideas in Nigeria. There are several ethical concerns in Crowdfunding ranging from exposure to fraudulent campaigns, lack of privacy, and abuse of funds raised (Snyder, Mathers, and Crooks 2016; Leela, 2016); similarly Crowdfunding present several opportunities and challenges, (Burtch, Ghose, and Wattal 2013). Thus, Jones, Coviello, and Tang (2011) argue that there is need to have awareness regarding the concept on the inconsistencies and issues affecting its implementation.

Therefore, the aim of this survey is to evaluate Nigerians awareness towards crowdfunding as a funding approach thus contributing to the basic conceptual foundation for the funding approach in the context of entrepreneurial finance, especially in the Nigerian environment. The main goal of this study is to fill a gap in the existing literature that scholars have pointed out, (Mollick 2014), especially in an African setting.

What is crowdfunding

There is yet to emerge a consensus among scholars on the definition of the concept crowdfunding. However, for the purpose of this study, the author shall rely on the definition of provided by Hossain & Oparaocha, (2017). They opine that

"Crowdfunding is an Internet-based funding method for the realization of an initiative through online distributed contributions and micro-sponsorships in the form of pledges of small monetary amounts by a large pool of people within a limited timeframe. It is the financing of a task, idea, or project by making an open call for funding, mainly through Web 2.0 technologies, so funders can donate, pre-purchase the product, lend, or invest based on their belief in an appeal, the promise of its founder, and/or the expectation of a return."

In a crowdfunding campaign, the project initiator approaches a crowdfunding platform or website for the

introduction of the project to the public by listing it. There is no efficient due diligence process from individual crowd funders (Agrawal, Catalini & Goldfarb, 2014) in the evaluation of a project, especially non-equity crowdfunding -prospective backers/supporters look at a project from different perspective resulting to a support or no support decision depending on their perceived satisfaction. Not all the people that see something good about the project or ideas are regarded as a backer but only those that would go ahead to commit their financial resources to a project for a reward or no reward to ensure its success. Rewards can be monetary or non-monetary, material or non-material depending on the objective of the campaign and the backers' perception regarding the project.

Current researches into Crowdfunding suggest varied models of the campaign defined by the way rewards are designed which include donation-based, reward-based, equity-based, pre-order, lending-based and, hybrid, (Massolution 2015). Lending and equity-based crowdfunding had continued to generate controversy due to regulatory concerns in most countries the concept is at the development stage.

Donation-based model: In this method of the crowdfunding campaign, the campaigner solicit for a small amount of money as individual donations from the public (crowd) to help fund a project/idea for no defined reward. The reward a supporter gets is the satisfaction that the project/idea he or she supported financially is doing well in the market.

Reward-based model: Reward-based crowdfunding is campaigns that the backer contributes some amount of money for some kind of non-monetary reward. There are several options across a variety of projects, but Thürridl & Kamleitner (2016) note that despite the plurality of options "most reward design, choice, and planning still happen based on availability or intuition rather than strategy." In this model of the campaign, the campaigner solicits for financial support from the crowd in return for a tangible or no tangible item. A reward is tangible if the supporter gets some sort of items such as T-shirt, or a quantity of the product the campaigner is selling in the market. He or she may not necessarily be a prospective customer. The items sent him/her are confirmation that the money he/she contributed was put into the purpose for which the donations were received and let them further have a taste of the product. A reward is intangible where the donor is in one form or the other recognized as a supporter of the product or idea; it could take the form of a personal thank you by the project initiator, publishing names in the company newsletters and bulletins, showcasing donor names as part of the final project in some way, or some sort combination.

Equity-based model: With this model of crowdfunding, a campaigner invites the public to invest in a project or idea in return for an ownership interest, (Belleflamme et al., 2015); regulation varies from country to country, (Gabison, 2014). The model is fastest-growing in the US and the UK with the help of enabling legislations. The World Bank estimate put equity crowdfunding at \$90 billion by 2020 but with the ongoing trend of doubling year over year, we could see the \$90 billion estimate by the end 2017. The equity model of crowdfunding is the basis within which the industry is considered as the alternative finance industry. This model is difficult to implement in a country – such as Nigeria due to regulatory constraints.

With this model, a backer/supporter in return for their donations receives a proportion of ownership interest in the project thereby entitling them to share in the profits accruable from the project/idea

The product pre-order model: With this model of the campaign, a campaigner sells his product early at a cheaper rate in return for a pledge. Those who pledge to buy the products are the backers/supporter. The Pebble watch campaign on Kickstarter platform is one of the most famous of such campaign because campaigners were able to raise with pre- orders exceeding \$10 million funding goal. It is not to say all product preorder campaigns do achieve a minimum goal, compelling campaigners to return all money raised to the contributors.

The Loan-based Model: This model of a crowdfunding campaign is also called micro-financing or peer-to-peer lending (P2P). Contributors to a particular project or idea see their contributions as an investment to earn interest or at some point, contributions are into a pool for entrepreneurs and creators of innovative ideas to borrow from. Also, the platforms may connect fund-seeking entrepreneurs and creators of innovative ideas to different lending sources while acting as an intermediary. Massolution 2016 report suggests that in 2015 over 25billion USD was raised via crowdfunding using debt contracts. The peer-to-peer model is to an extent practicable in countries where banks loans are not available for start-ups and there is no prohibition of such campaigns with extant laws. LendingClub and Kiva are well-known sites for a loan-based model of crowdfunding elsewhere. These sites make it possible for individuals and firms to access small loans with considerable ease, investors make reasonable returns in the form of interest even though the risks associated with such investments are high.

A hybrid model of crowdfunding: Besides the above standard types of crowdfunding models, platform activities continue to shape new models such as the Hybrid crowdfunding model. In this model, a platform offers more than one approach at the same time. A campaign could be a part request for capital as loan and part as pledges, (Abushaban, 2014). But, this paper would look at it as a combination of *co*-investment and investor-led type campaigns.

In the *co*-investment models, the platform focus is on early stage startups. The platform provides an

opportunity for investors to co-invest alongside the co-investment funds they manage and more traditional Venture capital (VC) investment. The classes of investors are differentiated by the level of due diligence carried out on projects and their expertise in investment management. Crowdfunding platforms that operate this model have a standing due-diligence team that vets all deals before inviting investors alongside investing between 5-15% of their funds.

Investor-Led Syndicate Model

With this model, the platform deals with a syndicate of accredited lead investors and allowing the lead investors to invest the syndicate's own money and in the process negotiate the terms and thereafter invite other investors to invest in the same terms. Usually, the lead investor carries out due diligence which provides the confidence to the syndicate. This innovation has attracted investment from non-traditional sources of private company funding.

The rationale behind both models is to open up the deals top investors are investing to the online community and continue to broaden the scope of the crowdfunding market. These emerging platform models give backers confidence as they are investing alongside professional investors, while at the same time providing an opportunity for the platforms to benefit by taking a pinch of the deals. It is a further demonstration of the increasingly collaborative relationship emerging between alternative finance and the traditional investing community. It is better said that alternative finance is building a mutually beneficial relationship with traditional VC for the overall growth of the economy rather than considering it a replacement.

In standard crowdfunding campaigns, fundraisers have the option of going for an "all or nothing" (AON) and a "keep it all" (KIA) strategies, (Abushaban, 2014). The understanding of these two fund accumulation process is significant. Under the "all or nothing" fund accumulation strategy, the platform would not remit donations or investments to the fundraiser except the funding goal is achieved within the schedule campaign period say 60days. For instance, a campaigner who raises an N5,000.000.00 only out of a projected funding goal of N10,000.000.00 only would not have access to the donations from the platform because backers credit cards would not be charged. While fund raising under the "flexible funding" strategy suggests that a campaigner would have access to the accumulated funds even if the funding goal is not achieved.

When fundraising for a flexible (keep it all) funding campaign, you will receive the pledges that you have accumulated throughout the duration of the campaign even if the fundraiser do not meet his fundraising goal. In this case, a fundraiser who accumulates N1,000.000.00 only out of projected funding goal of N1,500.000.00 only during the schedule campaign period would have access to the accumulated funds and backers credit/debit cards charged.

The implication for each option is the fee charged by the platforms for services rendered. The desire for a campaigner to run on a flexible funding (Keep It All) strategy over an All or Nothing (AON) strategy suggests that he or she would end up paying higher fees to platform operators in an unsuccessful campaign. For example, launching a flexible funding campaign with Indiegogo attracts 9% of funds raised in an unsuccessful bid, but the fundraiser may only pay 4% for a successful campaign. The Platform operators believe that this would encourage potential campaigners to set achievable funding goals when coming with a project or idea for listing.

Some benefits of crowdfunding

Crowdfunding is providing an opportunity for SMEs and creative ideas to access funding which under normal business circumstances they wouldn't have access to their operations, (Assenova et al., 2016). The inability of these firms and individuals to have access funds from traditional sources has rendered several viable ideas not to see the light of the day. Even when promoters of such business are able to midwife it to open doors for business, sustaining and expanding the operations is difficult to achieve in the absence of adequate funding thereby short-changing the economy of their vital contributions. As traditional investors back out, and in the absence of intervention funds from government agencies and programmes, especially now that the country is struggling from the economic recession, SMEs and initiators of creative ideas are compelled to look at alternative sources of funding and consequently tapping into the internet to solicit donations and investible funds become inevitable. The constraints associated with SMEs and creative ideas in the search for the fund is consequent upon size, asset base, profit prospects, lack of expertise, etc. At best, even if they are able to secure funding, due to the number of competing firms, the available funds may not be enough to sustain the operations and penetrate further into markets, (Agrawal, Catalini & Goldfab, 2011). Several researchers argue that crowdfunding is not necessarily tied to monetary benefits, (Belleflamme, Lambert, and Schwienbacher, 2011); the funding mechanism facilitate testing the market with a product, Benefits of crowdfunding that distinguish it from other traditional sources funds including banks and venture capitalists, are crowdfunding help start-ups and creators of innovative ideas to get funding at the early stages which otherwise would have been difficult (Mollick, 2014). The funding approach harnesses the power of the Internet by using the social media to attract funds, (BERNDT & MBASSANA, 2016). As a marketing tool, it provides an opportunity for creators of a product to test it publicly for ultimate realization. crowdfunding facilitates direct engagement with consumers (Younkin and Kashkooli 2016). d'Entremont (2013)

while studying the early beginning of crowdfunding in Canada interacted with campaigners those that have to cause to say, "For us, crowdfunding does three things. It allows us to validate the business model, it allows us to market our product, and it allows us to raise capital." To others, "This is also a way for people to get involved and feel a connection to our brand and the product." While these authors are correct about the phenomenon called crowdfunding, associated ethical concerns or risks ranging from exposure to fraudulent campaigns, lack of privacy, and abuse of funds raised (Snyder, Mathers, and Crooks 2016; Leela, 2016) as put forward need not be downplayed.

It is widely acknowledged that SMEs occupy a pivotal role in the development of any economy, with potentials for employment generation, entrepreneurship development, product diversification, market penetrations, and forward integration with large-scale industries. In Nigeria, SMEs are known for gross-underperformance resulting from key issues such as unfriendly business environment, poor funding, low managerial skills and lack of access to technology; poor funding is the most central of all,(CBN, nd). The reason is that money deposit banks which remain the major source of funds to SMEs are no longer willing in their role due to the high risk and uncertainties. In Nigeria, SME entrepreneurs and initiators of creative ideas face a lot of funding challenge is no longer news. However, Ariyo (2000) argue that the challenges they face are due to their inability to recognize alternative funding sources. This lack of knowledge is further compounded as traditional fund providers become more and more nervous about the future of these firms and individuals. The position of this paper is that SMEs and creators of innovative ideas and projects can raise money for product development, commercialization, and expansion of operations with crowdfunding. This is consistent with Belleflame, Lambert & Schwienbacher (2014); the authors opine that crowdfunding is capable of helping firms to introduce a new product, test product acceptability, etc..

Crowdfunding in Nigeria

In spite of crowdfunding successes as a funding approach elsewhere, the mechanism is penetrating into the country's entrepreneurial finance at a snail speed. Presently, there is no existing database for crowdfunding activities in the country. There are no existing laws regulating its implementation for entrepreneurial activities in the country for now and not likely in the near future. This perhaps is the underlying reason that presently, social causes are the most successful crowdfunding campaigns in Nigeria. Virtually, most of the successful campaigns are to help the sick (health related). Instead of using established crowdfunding platforms or site, campaigners uses the electronic media, especially Television stations, with a designated bank account. A review of successful campaigns for entrepreneurial purposes reveals that one of such campaigns on one of the Nigerian-oriented sites was funded by the promoters of the platform. Thereafter, there is no indication of other successful campaigns for over four years leaving the first successful campaign a suspect. This does not mean that the concept is not workable in the country but triggers regulatory concerns, (Assenova, et. Al., 2016).

Nigeria is said to be a host of about Nine crowdfunding platforms with several listings on some the platforms, especially indigenous sites such as Imeela, Naturfund, Funmilowo, Donate-ng, but there is little or no evidence of successful funding for entrepreneurial activities. The one or two successful campaigns recorded for entrepreneurial activities in the country were listed on Kickstarter and Indiegogo; incidentally, the campaigners are not Nigerians.

On the other part, the government is not doing enough to embrace the financing innovation in the country. Instead of promulgating the necessary legislations to midwife its implementation, through the Securities and Exchange Commission (SEC) the government has come out to instill more doubt on the concept by saying the Commission is not supporting crowdfunding due to certain provisions in CAMA 1990 as amended and ISA 2007. The government position may be right to an extent because, without regulation, abuses are bound to be rampant. Abushaban (2014) argue that developing countries especially in the Middle East and Africa, in particular, facing funding challenges for SMEs and innovative creative ideas may greatly benefit from Crowdfunding as the approach is capable of creating the desired positive impact on these deprived societies. The timely intervention with a policy on best practices and subsequent appropriate legislations would help in reducing certain shady deals that would further douse the fears in the minds of potential backers, speed the awareness process so as to exploit the potentials associated with the funding mechanism.

Awareness is the ability to know and having the capacity to interpret the surrounding circumstances regarding a phenomenon. Awareness is said to exist if a phenomenon is perceived in the right manner. Interestingly, there is a time lag between the identification of a concept and the full appreciation of it. The explanation for it may be associated with the degree the concept is perceived. Awareness is surrounded by issues such as having adequate information and understanding about the concept, its processes, and potential outcomes; being aware of violations and protections towards intellectual property; the occurrences of fraud; being aware of backers rights, and regulatory concerns and best practices. In recognition of these, Leela (2016) argue that "it is imperative that crowdfunding platforms must create adequate awareness about the potential areas of 'risks', particularly relevant for crowdfunding." Awareness in crowdfunding suggests that both fund seekers and backers

are able to know that the concept does not function according to the regular finance principles. Be that as it may, the parties do the needful of what they see and know about the concept depending on the available knowledge on the types of campaign that suit their circumstances and environment within best practices but with a freedom to choose between the models if it does not violate existing laws.

On the other part, attitude is one's emotions, belief, and behaviour toward a situation or concept, in this case, crowdfunding. Researchers are divided on attitude. To Olson, Vernon, Harris, & Jang, (2001) argue that some of the human attitudes are inherited; some learned mostly through direct and indirect experiences with the attitude objects, (De Houwer, Thomas, & Baeyens, 2001). Attitude could be positive or negative as it often results from experience and upbringing but bears considerable influence on decision making, which is behaviour. A positive attitude towards crowdfunding from the crowd is an indication of the concepts' acceptance, while a negative attitude is an indication of rejection of crowdfunding. Attitude once developed may be enduring but subject to change with surrounding circumstances.

Research Questions

Crowdfunding as a funding approach is flourishing in several countries, yet, the government and the people of Nigeria are making no headway with the concept. Hence, the study is conceived with the aim of evaluating and measuring the people's awareness and attitude towards the concept. In the light of the above, this study seeks answers to the following questions:

1. To what extent are Nigerians aware of crowdfunding as a funding mechanism for SMEs and creative ideas?
2. What is the people's attitude towards crowdfunding as a means of raising money for both businesses and creative ideas?
3. Are Nigerians ready to actively participate in crowdfunding campaigns?

METHODOLOGY

This study was carried out over a period of two months between March 1, 2017, and May 5, 2017, using a survey instrument (a questionnaire) designed for the purpose. Three cities were selected purposefully – Lagos, Port Harcourt and Yenagoa -and 50 questionnaires each were administered to respondents in each city making a total of 150 participants. A research assistant was engaged in Port Harcourt and Lagos solely to administer and retrieve completed questionnaires. The research assistants were directed not to concentrate on one class of respondents but to ensure that questionnaire distribution cut across SMEs entrepreneurs, creators of innovative ideas and all class of people - potential backers. The statistics of completed and retrieved questionnaire indicates that 44 came in from Lagos, 38 from Port Harcourt and 47 came in from Yenagoa making a total sample size of 129 respondents.

The survey instrument was designed in sections with multiple questions; each bothering on a research question. In section one, respondents were asked to affirm their level of awareness on the funding innovation called crowdfunding. In section two, respondents were asked to evaluate their feeling (attitude) towards crowdfunding. And in section three, respondents were asked to register their opinion about the concept if Nigerians are likely to participate in future crowdfunding campaigns either as a fundraiser or as a backer if there is an enabling environment.

RESULTS

Nigerians awareness towards crowdfunding

Since crowdfunding has to do with someone soliciting for financial help from the public, and the people making individual donations in small amount of money for a specified purpose, respondents were asked of having any knowledge of an individual or group of people making such campaign on Radio, Television or Newspapers in Nigeria; 100% of the respondents affirm to having heard of such appeals. And, on whether respondents have in one way or the other made donations in any of such campaigns, only 11 respondents (or 8.5%) out of 129 respondents affirm having made donations to help someone; while 118 (91.5%) said they have made no online donations either to help the sick or someone with a business idea. The result is an indication of Nigerians poor habit of making donations online to help each other. As a follow-up, only 3 out of the 11 respondents who attest to making donations affirm that their donation was to help someone for a business idea - implying that only 2.3% of respondents has made donations for entrepreneurial activity with a crowdfunding campaign; while the remaining 8 said their donation was to help a sick person – implying that 6.2% of respondents affirm that their donations were for a social charity cause. The result is a testimony that Nigerians minimal donations are more focus on social causes rather than for entrepreneurial activities. This finding is not a good starting point for crowdfunding campaigns for entrepreneurial activities. The reasons for this poor habit may be a focus for another study.

Interestingly, 86% of the respondents see soliciting for financial help on any electronic medium as a crowdfunding campaign, while 10% of the respondents do not agree that all such campaigns are crowdfunding

campaigns, and 4% of the respondents abstained from the question, meaning they neither agree or disagree, which is premised on the lack of understanding. Given this significant number of respondents acknowledging soliciting help through the electronic and social media as crowdfunding, its potential when fully understood would energize many to participate in future campaigns.

In further evaluating respondents' awareness of crowdfunding, they were asked to list two crowdfunding sites they have read or heard operational in Nigeria. The result shows that only 31.8% of the respondents are able to list one or two crowdfunding platforms; while 68.2% of the total respondents were unable to list any platform. The most common listed platforms include Kickstarter, Indiegogo, 234Give, Imeela, Donate-ng, NaijaFund, and Funda Solva. On successful crowdfunding campaigns, when asked, only 11.6% respondents were able to list TomatoJos – a social profit-making venture and the Kehinde treatment (a charity) campaigns. The implication of the results above is that much is required to be done for crowdfunding to penetrate into the fabrics of entrepreneurial finance in Nigeria.

Respondents were asked to further evaluate their level of awareness regarding crowdfunding with the following statements:

- a. I have a fair understanding about crowdfunding as a funding mechanism for business ideas;
- b. I have heard and read about the concept but how it functions practically as an efficient financing approach for businesses I am yet to appreciate
- c. I know nothing regarding crowdfunding as a financing mechanism for SMEs and creative ideas.

The result shows that only 24% of respondents affirm having awareness about crowdfunding. 53.5% of the respondents affirm having read or heard about crowdfunding but are not conversant with its workings and how it functions efficiently as an alternative financing mechanism for SMEs and creative ideas. And, 22.5% of the respondents affirm that they know nothing about crowdfunding.

The result of awareness towards crowdfunding at 24% as revealed in this study is significantly low compared to a similar study in the Philippines with 42%, (Vergara, 2015) However, given the fact that, a significant number of the respondents have heard and read about the concept, with more awareness campaigns and the right steps put into motion, crowdfunding has a lot of potentials to function as a funding approach in Nigeria.

From the results, despite the fact that a significant number of respondents have read or heard about the concept and have come to believe it as a funding mechanism; they have no complete understanding of how the concept works. This position is likely to put potential campaigners in a difficult position for successful campaigns unless they take the extra mile to educate potential backers some salient and important details regarding the concept. Alongside fund seekers, crowdfunding platforms do have a role to play in the awareness campaign if they are to achieve the goal of establishing such a platform. The more confidence the public bear on a platform, projects listed on it are likely to attract a larger audience. As more and more people comes to have a good understanding regarding the concept, and how it is shaping entrepreneurial finance in the developed world, and its workability timely in Nigeria, the better for the country as it may catapult the country into the comity of nations exploring the potentials of crowdfunding as an alternative source of funding for entrepreneurial activities.

The People's Attitude toward Crowdfunding

The rationale for this study is to evaluate the level of awareness people are having regarding crowdfunding as a new source of funds for small businesses. Hence, respondents were asked about their ownership of business firms and the combinations of sources of funds they are using or intending to use should they are able to float their own business firms. The study result reveals that only 36% of respondents are having running businesses.

On the combination of sources of funds, the frequency of each source is the basis of tabulation. Out of the six listed sources of funds available to existing businesses and potential business operators, all (100%) respondents subscribe to the use of personal savings; 53.5% of respondents are bootstrapping or eager to continue to bootstrap; 52% of the respondents do or are ready to seek help from family and friends; 32.6% of the respondents are utilising or ready to utilise private loans; 85% of the respondents are using or ready to utilise bank loans while 32% of the respondents, all without a running business are ready to utilise crowdfunding. This is a significant revelation and a pointer to the future of crowdfunding in the country. The result further reveals that Nigerian entrepreneurs are looking into alternative sources of funds for business operations while acknowledging commercial banks as the major source of funds.

Respondents were further asked as to whether crowdfunding can be a replacement for the traditional sources of funds to SMEs and creative ideas; 89.1% of the respondents do not see crowdfunding as a replacement to the traditional sources. This finding is consistent with Hermer (2011), while the remaining 10.9% simply abstained from the question implying that they neither agree nor disagree.

On the people's attitude towards crowdfunding, 59.7% of the respondents indicate that they have a positive feeling towards crowdfunding as against 40.3% of respondents with negative feelings. Interestingly, 86.5% of respondents with a negative feeling towards crowdfunding attest that their perception about the concept is likely

to change if relevant laws are put in place to midwife its implementation in the country.

Crowdfunding offers little opportunity for Due diligence, hence respondents were asked whether, in their opinion, lack of due diligence will expose unsuspecting backers/investors to ill-conceived projects. The study reveals that 73.6% of respondents do not rule out the possibility of fraudsters capitalizing on the little or no opportunity for due diligence to defraud the public if no standard measures are put in place, while 26.4% of respondents thought otherwise. The results suggest that people are very much skeptical regarding the funding innovation which is not encouraging. Trust and transparency is a panacea to crowdfunding, (Leela, 2016) and it is more appropriate for platform operators to take steps to champion this confidence building process.

Nigerians desire to participate in crowdfunding campaigns

Participation in a Crowdfunding campaign suggests the willingness of individuals to help in the promotion of others' ideas with or without expecting much in return. It is on this note that, respondents were asked to assess the ability of Nigerians to make sacrificial donations to help each other which may have a direct impact on crowdfunding campaigns. 68% of the respondents in this survey opine that Nigerians sacrificial giving ability is encouraging as against 32% who said, it is not encouraging. On Nigerians preparedness to invest in SMEs and creative ideas promoted by others, the survey result indicates 60% of respondents are positive about Nigerians investing in viable SMEs and creative ideas as against 40% of respondents who said it is not encouraging. To further evaluate the willingness of Nigerians to participate in crowdfunding campaigns, respondents were asked about their desire to participate in future crowdfunding campaigns. 14% of the respondents (mostly respondents without a running business) affirm they are ready to participate in future crowdfunding campaigns as a fundraiser while 62% of the respondents said they would participate as a backer giving the right environment as against 24% of the respondents that see nothing good out of crowdfunding. Given the significant rate of those desiring to participate in crowdfunding campaigns, there is an opportunity for crowdfunding to release its potentials should awareness and attitude continues to increase and have positive change.

SUMMARY AND CONCLUSION

The major findings of this study include: crowdfunding as a funding innovation for entrepreneurial activities is in its very infancy in Nigeria. Similarly, crowdfunding awareness in Nigeria is as low as 24% based on the sample size, a situation that might not be different with a larger sample size. However, with 76% desired rate from the sample size to participate in crowdfunding campaigns either as a fundraiser or backer is very encouraging at the same time signaling that awareness is likely increasing. Crowdfunding is greatly acknowledged in Nigeria as a social cause as most of the campaigns considered successful were to help the sick. The existence of Nigeria- oriented platforms is yet to make any significant impact in the promotion of crowdfunding for entrepreneurial activities. The reason may be perhaps the platforms inability to build the needed confidence among the population.

The potentials for crowdfunding are enormous but a great political will is required to promote and increase awareness, until then, the funding mechanism may not be able to release its abilities in the development of entrepreneurial activities in Nigeria. It is believed that once there is a right synergy among the stakeholders and the right approach is employed to educate the masses what the funding mechanism is all about, its benefits and risks, Nigerians attitude towards the concept would radically change for good as there is eagerness from respondents to participate in future crowdfunding campaigns either as a backer or fundraiser which is a pointer to the future of crowdfunding in the country.

Although, there is no certainty on the future of crowdfunding in Nigeria in the near future due the position of the regulatory agency - the Nigerian Securities and Exchange Commission (NSEC), hope is not lost as more and more groups are beginning to see what the funding innovation is capable of bringing to entrepreneurial finance in the country. It is not to say there will be no failures and setbacks, but with workshops and enlightenments, awareness and attitude will change for better and the crowdfunding space will solve many of its problems as practice and regulations continue to shape the market. It is unlikely that the benefits of crowdfunding would go around all types of ventures and innovative ideas but it will certainly help to bring into life some ventures and ideas which would not have to see the light of the day.

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