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RESEARCH ARTICLE

CROWD-FUNDING AWARENESS AND APPLICATION AMONGST NIGERIAN ENTREPRENEURS

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Abstract: This study examined the awareness and utilization of crowd funding among entrepreneurs within the South-South geopolitical region of Nigeria. It was conducted using the survey research design, the population of study consisted of graduates of Entrepreneurship Development Centre (EDC), Calabar. Snowball sampling technique was then used to draw a sample of 100 entrepreneurs. Data collected were analyzed using descriptive statistics. It was found that the level of awareness of crowd-funding was relatively low among entrepreneurs. There was no reported case of entrepreneurs utilizing crowd-funding. Correlation result reveals that the demographic variables (gender, age and academic qualification) are not significantly related to the awareness and utilization of crowd-funding. Also, awareness of crowd-funding is significantly related to the utilization by up to 39.8 percent ($r = .398$; $p < 0.05$). Factors impeding the awareness and utilization of crowd funding are restrictive governance and regulatory framework, unwillingness of entrepreneurs to share business ownership/ control, lack of confidence by the crowd, technology related issues and poverty. The introduction and implementation of framework to regulate crowding was recommended as a panacea to enhancing crowd-funding awareness and utilization.

Keywords: *Crowd funding, Entrepreneurs, Governance, Awareness, Uutilization, South-South, Nigeria.*

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INTRODUCTION

Entrepreneurship basically involves the identification of opportunities, the mobilization of the required resources, risk taking, setting up an enterprise to take advantage of the opportunity identified and then subsequently creating value (Uford, 2022).

These value are in the form of improved goods or services for consumers as well as maximization of profit for the entrepreneur. Financial resource is a crucial component to entrepreneurial opportunity exploitation and is often regarded as the lubricants that oils and sustains the mechanism of every firm. As a result of this, every business irrespective of its nature, size, ownership or structure needs financing at the appropriate mix, time, size and cost to effectively and efficiently achieve its goals and objectives (Etuk *et. al.,* 2023).

A number of sources are available for businesses such as individual savings, grants and loans from family members, friends, banks and other form of financial intermediaries, issuance of share etc (Uford, *et. al.,* 2022). Fundamentally, funding can be structured into debt or equity financing, or hybrid technique which involving a combination of the two.

As observed in Nigeria, institutional/traditional sources of business funding seems to be more appealing to entrepreneurs and new business owners in-spite of the strenuous conditions the borrowing public or businesses are expected to meet before having access to capital or funds. Some of these challenges includes the requirement to produce a loan security that could be in the form of Certificate of

Occupancy (C of O) of borrower's landed property, deposition of a definite percentage of the demanded loan amount before the loan approval and disbursement, very exorbitant rate of interest, short and unrealistic repayment time frame etc. According to Belleflamme, Lambert and Schwienbacher (Belleflamme *et. al.,* 2013), the funding obstacles for new firms are huge, and attracting external funding is constrained by lack security required as collateral, inadequate cash flows and inability to successfully attract investors. However, with rapid and exceptional expansion of internet and mobile access, as well as the response to the credit crisis resulting from the 2008 financial crunch, there are now emerging new opportunities in funding globally (UNDP, 2017).

Small and new businesses with limited networks without track record of success, now exploit opportunities for alternative and non-conventional financing options to finance their businesses as well as expansion opportunities (Uford, 2018). One new funding strategy that has received spontaneous prominent in recent times is the concept of crowd-funding.

Crowd-funding has arisen as new way for entrepreneurs and business owners to request financial assistance from audience online often in exchange for a reward. Gerber, Hui, and Kuo (Gerber *et. al.,* 2012) identified crowd-funding as an arrangement that brings together people with ideas and those with the capacity to contribute financially to make the idea a reality through donations of aggregated small sums. Crowd-funding has the potential to increase entrepreneurship by expanding the pool of investors from whom funds can be raised beyond the traditional circle of owners, relatives and venture capitalists.

This funding is achieved through donations facilitated by *online community*. From this perspective, online communities are any virtual space where people interact to converse, exchange information or resources, learn, or play (Resnick and Kraut, 2011). The online community is interfaced by crowd-funding platforms which serve as intermediaries between those willing to donate or invest to those who requires or needs funding or capital. The number of these platforms has witnessed astronomical increase with about 453 platforms operating worldwide as at 2011 (www.crowdscourcing .org).

Worldwide, the value of crowd-funding industry in 2016 was put at $35 billion. Northern Americans generated what was arguably the largest portion of funding estimated at EUR 7.3 billion in 2014, followed by the continent of Asia at EUR 2.6 billion. Europe's projects and initiatives funding from crowd-funding amounted to EUR 2.5 billion. Within the European countries, UK accounted for the largest proportion estimated at approximately EUR 1.9 billion. Ventureburn (Ventureburn, 2017) stresses that Africa's proportion of the crowd funding grew to $ 83. 2 million in 2015, with South Africa as major beneficiary and Nigeria accounting for between $ 7- 8 million, with nine operational sites.

The UNDP argued that the crowd-funding sector of the financial intermediary industry globally is expected to rise to an annual capacity of US$100 billion by 2025, becoming the leading financial channel for SMEs second only to venture capital (UNDP, 2017). Similarly, the World Bank estimated that the sub-Sahara Africa portion of the worldwide crowd-funding market is expected to reach $ 2.5 Billion within the same period.

The above scenario clearly shows the increasing importance of crowd-funding as a viable and sustainable aspect of entrepreneurial ecosystem. What is however worrisome is the fact that Nigeria tails behind her other African counterparts in attracting and utilizing the benefits that crowd-funding offers in spite the country's large population, mobile and internet connectivity.

Globally, despite growing popularity of crowd-funding, literature and research addressing crowd funding is scant Gerber and Hui (2013). In Nigeria, this can be attributed in part to relatively slow emergence and acceptance of the concept as an alternative funding option for entrepreneurs. Recent studies on crowd-funding in Nigeria e.g Soreh (2017), focused on general awareness of crowd-funding, Ekpe, Mat, Ahmad and Kura. (Ekpe *et. al.,*

2017) explored crowd-funding effect on entrepreneurial intention among Academics in three universities in Northern, Eastern and Western regions of Nigeria. By focusing on general awareness and entrepreneurial intentions respectively, these studies ignored or failed to highlight the important role crowd-funding adoption could play in addressing funding challenge and facilitating entrepreneurship within the South- South region of Nigeria.

This study fills the identified gaps, thus extending current knowledge. It limits itself to budding entrepreneurs within the South-South region, Nigeria. Attempts at addressing the key theme of this paper would be elusive without providing answers to a myriad of questions. For instance, what is the level of awareness of the crowd-funding among entrepreneurs within the region? What is the current rate of crowd-funding utilization for funding entrepreneurial ventures in the region? Is there a relationship between demographic factors such as age, gender, education and crowd-funding awareness? Are there factors or institutional impediments to accelerated awareness and utilization of crowd- funding in the region?

LITERATURE REVIEW

Overview of Crowd Funding

Crowd funding is an internet supported way of funds by businesses or other forms of organizations. This may take the form of either donations or investments from multiple individuals (InforDev, 2013). It is a process of raising funds in anticipation of turning "promising ideals" into "business realities" by connecting investees with potential supporters (Pazowski, 2014).

It can also be view as the practice of funding or financing a project or venture by raising capital in the form of several small financial contributions (by way of donation, loan or equity) from a large of individuals or investors (the crowd) over the internet (Iyortyer, 2017). Crowd-funding is a credible and alternative way to raise capital by seeking support from the public referred to as *the crowd* instead of established investors and or lenders (Schwienbacher & Larralde, 2010). Typically, appeals for funding by entrepreneurs usually have a clearly defined timeline upon which donations, contributions or investments are to be made by the crowd.

Crowd-funding is dependence on the accessibility of internet connectivity and active social media crowd. Facebook, Twitter, and other social media platforms have over the years played a pivotal part in fostering the advent of crowd-funding. Crowd-funding potentials are not usually affected by the geographical location of the borrower or the lender. Crowd-funding comprises three separate, but reciprocally dependent participants; the crowd (contributors), crowd-funding platform and the crowd-funding campaign creator.

The crowd includes the campaigner's social network (family, friends, associates, etc) as well as others (individuals/ institutions) who are persuaded of the potential funding campaign's objectives. Campaign creator is the individual, group or organization soliciting funding. Lastly, crowd-funding platform; a specialized entity, that serves as an online intermediary between crowd and the funding raiser. Essentially, these platforms bridge the virtual space between those willing to contribute, and those in need of funds since crowd-funding strive on internet enabled space. Mollick (Mollick, 2014), Green, De Hovos, Barnes, Baldauf, and Behle, (Green *et. al.,* 2013) argued on the propriety of an intermediary platform since about 73 per cent of contributions actually come from the campaigner's family and friends.

Gabison (Gabison, 2015) however contend that beyond encouraging contributions, these platforms offers credibility and legitimacy to campaigners and the projects. It also eliminates the stigma associated with campaigners directly asking for such donations. Additionally, these platforms help keep contributors appraised with the progress of the project they funded.

In funding projects, Gerber and Hui (Gerber and Hui, 2013), noted that different platforms adopt distinct funding models: *all or nothing, or all and more.* The former model requires all generated funds to be returned to the supporters if the campaign did not reach their funding goal. The *all-and-more* model, on the other hand, allows creators to keep all funds even if their funding target was not achieved. If the goal is reached, platforms require the creators pay services charge of between three and nine percent of total funds raised and additional payment processing fee of between three and five percent to payment processing service provider. Afrikstart (Afrikstart, 2016) assert that the number of these platforms founded in Africa has increased from three in 2012 to 57 as at 2015.

Globally, donations and rewards based platforms witnessed 41 per cent and 79 per cent respectively, lending platforms rose by 50% and equity based platforms exponentially increased by 114 per cent respectively (Crowdsourcing.org, 2012). In Nigeria, equity based crowd-funding have not been utilized due to absence of legislative, legal and institutional framework.

Types of Crowd Funding

Donation-Based Crowd-Funding: under this type of crowd-funding, contributors do not expect any returns. Donation-based crowd-funding is also referred to as philanthropic campaigns when they raise funds for non-profit making campaigns and sponsorship campaigns if contributors receive publicity in exchange for their participation. Rewards Crowd-funding: Funders often receive a non-financial reward or recognition for their contributions.

Compensation typically includes early opportunity to use the funded product, service. Reward-based crowd-funding is comparable to pre-selling. Equity-based Crowd-funding: contributors receive equity or shareholding in the business in exchange for their funding. Lending-based crowd-funding under this model, contributors typically receive interests in exchange for financing a project. Lending-based crowd-funding is a form of micro-lending and includes peer-to-peer (P2P) lending, peer-to-business (P2B) lending and social lending. Under the social lending model, contributors fund the project without expectation of interest. Social lenders are motivated by social rather than financial benefits.

Table 1: Topology of crowd-funding

Type of funding	Form of contribution	Form of return	Motivation of funders
Donation Crowd Funding	Donations	Intangible benefits	Intrinsic and social
Rewards Crowd funding	Donations/pre-purchase	Rewards, but also intangible benefits	Combination of intrinsic and other social motivation
Crowd funded lending	Loan	Repayment of loan with interest. Socially motivated lending is	Combination of social and financial motivation
Equity crowd funding	Investment	Return on investment in time if the business does well. Rewards also offered sometimes. Intangible benefits another factor for many	Combination of social and financial motivation

Source: (Nesta,2002)

Using the business life cycle framework proposed by Churchill, and Lewis (Churchill, and Lewis, 1983), Paschen (Paschen, 2016) posit that adoption of different crowd-funding type should be contingent upon growth stage of the firm. Noting that at the pre-startup phase, donation based crowd-funding would be the most appropriate, as no offer a tangible reward to a crowd is made since no revenue is generated from contributions and risk of failure is highest. Donation funding allows the business the flexibility and reduces to the barest, the risk of disappointing the crowd compared to other forms. Lending and equity crowd-funding are best suited for startup and growth phases respectively. At the startup phase, the business model has been validated and resources are needed to build the business. Additionally, the business in better placed to generate cash flow through early adopters. Lastly, equity crowd-funding, offers a financial return to backers, is the most appropriate crowd-funding type for the growth stage. At the growth state, capital requirements necessary to scale and grow the business is typically high and often unattainable by the donation or lending crowd-funding models. In addition to the above listed and widely used crowd-funding types, a number of other models exist. The hybrid model for instance, combines two or more of the models above, while some other models are sector specific focusing e.g. on tech start-up, real estate, agriculture, fashion, entertainment etc. Therefore, utmost caution must be exercise by entrepreneurs in selecting the right type and platform for their campaign as this critical decision is arguably, a panacea for successful campaign.

Crowd-funding Process

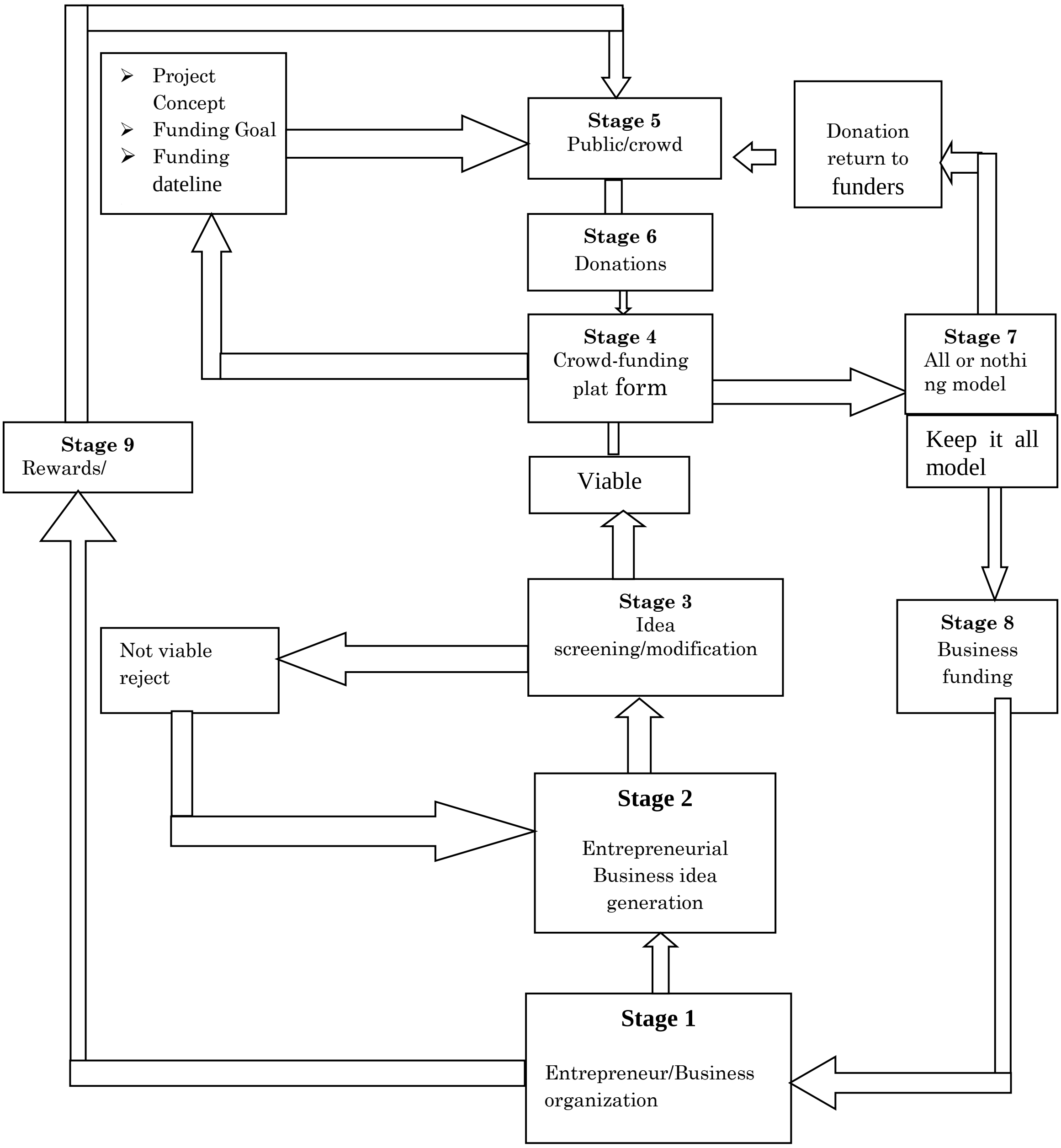

Figure 1: Crowd-funding Processes

Benefits of Crowd-funding

Iyortyer (Iyortyer, 2017) noted that benefits to crowd-funding as an alternative source of raising capital are numerous and listed them to include: the elimination of the banking middleman and their sometimes outlandish requirements for loans approval; thus creating a fast paced enabling environment for all participants; Provides cheaper option to raising capital compared to capital market or financial institutions; Social motivation to participate for many potential backers provides incentives that increase the level of crowd participation; Other than financial incentives, crowd-funding provides an opportunity easier market entry or penetration of the product or service; Offers an investment opportunity to a broad base of retail and small institutional investors; A global crowd audience enhanced by internet accessibility increases the chance and success rate of finding investors or donors; Reduces business risk, as unsuccessful campaigns or under-funded projects inform the business originators that their idea or pitch may not be a bankable project because of the lack of market interest to fund it and Provides an efficient platform to test the market thereby reducing market research costs.

Drawbacks of Crowd-funding

In spite of the obvious and multifarious rewards associated with crowd-funding, a number of shortcomings that if not address holistically has the potential of eroding accruable benefits. For instance, Agrawal, Catalini, and Goldfarb (Agrawal *et.al.,* 2013) adduced that to convince potential contributor, donations or investment, entrepreneurs are required to disclose substantial information about the business or project to be funded, as such, risk divulging sensitive information that may jeopardize the success or value of the business or project.

This is problem is further compounded by the fact that such information is not protected by non-disclosure agreement. Adding further that unlike other sources of funding, crowd-funding may be impeded by bandwagon effect, as investors or contributors may assess the viability or otherwise of the project to be funded on the response of others to the campaign. By this, innovative ideas may miss funding opportunities if their initial network is not large or wealthy enough to give the campaign a good start.

Furthermore, some investors tend to erroneously believe that the recourse to crowd-funding by entrepreneur is as a result of their inability to secure funding from other sources, thus crowd-funding mostly offers bad investment opportunities and should be avoided as much as possible. New firms seeking crowd-funding often face the problem of determining the appropriate value for their company's equity, as well as the prices for their product or service. The former challenge specifically is non-existence in traditional Initial Public Offers (IPO) since financial sector intermediaries possess the tools and expertise to extrapolate current and future performance of such firm to achieve a fair valuation of the IPO (Tomboc, 2013; Davis and Webb, 2012; Collins and Pierrakis, 2012). Arguing further, Agrawal, Catalini, and Goldfarb (Agrawal *et.al.,* 2013) pointed that crowd funding is time consuming and may distract campaigners away from concentrating on the creative and innovative process of the business.

Requirements for Successful Crowd-funding Campaign

Once entrepreneurs are able to identify the type of crowd-funding type, the next critical challenge is how to attract the crowd and enhance contribution, donations or investment chances to meet funding target. McCarthy, Silvestre and Kietzmann (McCarthy *et. al.*, 2013) noted that crowd-funding is a transactional relationship between campaigners and funders, thus information asymmetry between these two parties makes this relationship imbalanced and inefficient, likely impeding the outcome.

In light of the above assertion, Paschen (Paschen, 2016) outlined the best practices for successful crowd-funding campaign by entrepreneurs to include: Selection of specialized platform; Transparency and accountability; Publicize backer information; Offer tangible rewards; Detail the startup founder's credentials; Frequently update the funding crowd on the activities of the funded business/ project; Provide third-party verifiable reports; Attract reputable early investors; Target a crowd that can empathize

METHODOLOGY

The study adopted survey design and covered six states within the South- South region of Nigeria. The population of the study was drawn from the database of the Central Bank Entrepreneurship development Centre (EDC), Calabar. Sample frame consisted of respondents who have successfully established/ operate entrepreneurial ventures/ start-ups after their training at EDC. Entrepreneurial ventures are organizations that place innovation at the centre of its value creation. Since the sample frame was unknown due to lack of such information at EDC, we addressed this shortcoming by purposively drawing a sample of 248 EDC graduates using snowball sampling technique.

A five-point Likert scale questionnaire was then developed and administered to the selected respondents. The instrument was in two sections; the first focused on background information of respondents including sex, age, education, duration and nature of business. Section two of the instrument sought responses to the key research questions. Responses in this section were scaled Very High (VH), High (H), Low (U), Very Low (VL) and Unaware (U). Open-ended question was also included to elicit the opinion of respondents.

The instrument administration was executed using a combination of face-face, drop and collect for respondents within Calabar Metropolis, while phones calls were used for respondents whose place of business operation was outside Calabar. These methods were adopted in other to overcome the challenge of geographically dispersed respondents with resident in all the states of the EDC catchment area namely: Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers states.

Response rate of 207 (83.5 %) was achieved from a total of 248 questionnaires issued. 100 respondents representing 48.30 per cent of the returned questionnaires were deemed to have met the basic criteria for inclusion in the study due to reported establishment/ operation of entrepreneurial ventures/ start-ups. Since the study is exploratory in nature, the data collected were analyzed using descriptive statistics (mean and standard deviation) and correlation analysis.

RESULTS

As stated earlier, 100 questionnaires were considered suitable for further analysis since the basic requirement of ownership/ operation entrepreneurial venture was satisfied. The presentation and analysis of the data obtained are presented in this section.

Table 2: Demographic representation of the respondents

Demographic	Frequency (f)	Percent (%)
Gender		
Male	64	64.0
Female	36	36.0
Total	100	100.0
Age		
18 - 30 yrs	53	53.0
31 - 40 yrs	35	35.0
41 - 50 yrs	8	8.0
Above 51 yrs	4	4.0
Total	100	100.0
Level of Education		
SSCE/NTC	12	12.0
ND/NCE/HND/B.Sc.	64	64.0
Post graduate	14	14.0
Total	100	100.0
Type of Business		
Agro-biz	48	48.0
Manufacturing/Processing	23	23.0
Service	29	29.0
Total	100	100.0
Duration of business		
Less than 1 year	40	40.0
1 - 3 yrs	32	32.0
4 – 6 yrs	18	18.0
Above 6 years	10	10.0
Total	100	100.0

Source: Fieldwork, 2023

Table 2 shows details of demographic characteristics of the entrepreneurs surveyed. The demographic characteristics of respondents considered under this include gender, age, education, type and duration of business. The table shows that 64 percent of the respondents were males while 36 percent were females. This indicates the preponderance of males entrepreneurial than the females.

The age distribution shows that 53 respondents were between the ages of 18 and 30 years. 35 respondents were aged between 31 and 40 years; 8 respondents came under the age bracket of 41 to 50 years; four percent of the respondents were between the aged 51 and above. Thus majority of the respondents were youths.

Data on the educational qualification reveals that 10 per cent had First School Leaving Certificates (FSLC) and SSCE as their highest educational qualification; 64 percent of the respondents had acquired a post-secondary qualification either in form of an OND, NCE, HND or B.Sc.; while 14 percent had acquired a post graduate degree. This data confirms that most entrepreneurs surveyed are well-educated formally.

The respondents are engaged in various types of businesses as seen in the table. 48 percent are involved in agro related businesses such as poultry, piggery, fish farming etc.; 23 percent engage in manufacturing and processing; 29 percent of respondents offered service. The data revealed that majority of respondents were *agroprenures.*

The last variable captured in the table was duration of business. Of the 100 sampled respondents, 40 enterprises were less than a year in operation; 32 percent have been in business for between 1 to 3 years; 18 percent have spent between 4 and 6 years in their businesses; while 10 enterprises have been in operation for more than 6 years in business. The trend confirms that a substantial number of new firms fail to survive their first three years of operation.

Research question 1: What is the level of awareness of the crowd-funding among entrepreneurs within the region?

Table 3: Respondents' opinion on the level of awareness of crowd funding

Variables	VH	H	L	VL	U	$\bar{X}$	Std dev
Individual level of awareness	20 (20.0%)	14 (14.0%)	27 (27.0%)	17 (17.0%)	22 (22.0%)	2.93	1.380

Source: Fieldwork, 2023

Table 3 shows the respondents' opinion on the level of awareness of crowd-funding. The respondents were asked to rate their individual level of awareness. The data revealed that 20 respondents said their awareness level of crowd-funding was very high, 14 respondents rated it as high, 27 respondents rated their awareness as low and 17 respondents (17 percent) opined that their awareness on the concept of crowd-funding was very low. Furthermore, 22 respondents were unaware of the concept. This gave a mean rating of 2.93 on a 5 point scale, thus indicating that there is a relatively low level of awareness of crowd-funding among entrepreneurs surveyed.

Research question 2: What is the current rate of crowd-funding utilization by entrepreneur in the region?

Table 4: Respondents' opinion on the level of utilization of crowd funding for entrepreneurial venture

	Variables	VH	H	U	L	VL	$\bar{X}$	Std dev
1.	Individual level of adoption	00 (00.0%)	00 (00.0%)	00 (00.0%)	00 (00.0%)	00 (00.0%)	00	

Source: Fieldwork, 2023

Table 4 shows the respondents' opinion on the level of adoption of crowd-funding. The respondents were asked to rate their level of utilization of crowd-funding. No respondents reported any case of utilizing crowd-funding for funding their entrepreneurial activities.

Research question 3: Is there a relationship between demographic factors and crowd-funding awareness and utilization?

Table 5: Correlation matrix of the relationship between demographic factors and crowd-funding awareness and utilization

		Sex	Age	Academic Qualification	Awareness Level	Adoption level
Sex	Pearson Correlation	1	-.001	.129	-.007	-.084
	Sig. (2-tailed)		.989	.200	.943	.408
	N	100	100	100	100	100
Age	Pearson Correlation	-.001	1	653**	-.159	-.127
	Sig. (2-tailed)	.989		.000	.115	.206
	N	100	100	100	100	100
Academic Qualification	Pearson Correlation	.129	.653**	1	-.146	-.182
	Sig. (2-tailed)	.200	.000		.148	.070
	N	100	100	100	100	100
AWARENESS LEVEL	Pearson Correlation	-.007	-.159	-.146	1	.398**
	Sig. (2-tailed)	.943	.115	.148		.000
	N	100	100	100	100	100
Adoption Level	Pearson Correlation	-.084	-.127	-.182	398**	
	Sig. (2-tailed)	.408	.206	.070	.000	
	N	100	100	100	100	

**. Correlation is significant at the 0.05 level (2-tailed).
Source: SPSS Output, 2023

Table 5 shows the correlation matrix of the relationship between demographic factors (gender, age, academic qualification) and crowd-funding awareness and utilization. The result reveals that the demographic variables (gender, age and academic qualification) are not significantly related to the awareness and utilization of crowd-funding.

This position is taken because the Pearson correlation coefficient (r) are very low and even negative; also, the significance value of all the demographic variables with respect to the awareness and utilization of crowd-funding are greater than 0.05 ($p > 0.5$). This means that the relationships between the variables are statistically insignificant.

Hence, it is concluded that there is no significant relationship between demographic factors such as age, gender, education and crowd-funding awareness and utilization among entrepreneurs in the South- South region.

Interestingly, the correlation result in table 4 reveals that although demographic variables are not significantly related to the awareness and utilization of crowd-funding, awareness of crowd-funding is significantly related to the utilization by up to 39.8 percent ($r = .398$; $p < 0.05$). The explanation for this is that when entrepreneurs are aware of the benefits and potentials of crowd-funding, they will be more inclined to utilize same for their ventures.

Are there factors or institutional impediments to accelerated awareness and utilization of crowd-funding in the region?

Table 5: Summary of impediments to awareness and adoption of crowd funding among entrepreneurs

Thematic areas	Frequency (f)	Percent (%)
Restrictive government rules/ regulations	33	33.0
Lack of confidence by the crowd	32	32.0
Unwillingness by entrepreneur to share business Ownership/ control	28	28.0
Poverty	7	7.0
Total	100	100.0

Source: Fieldwork, 2022

Table 5 shows the responses from the open-ended question on factors that affect the awareness and utilization of crowd-funding among entrepreneurs in South- South. 33 respondents indicated government rules and regulations, while 32 and 28 respondents stated that lack of confidence by the crowd in the promoters of the business in utilizing funds to be pledged for proposed venture and potential loss of ownership and control of the business venture respectively. Furthermore seven respondents cited poverty as the impediments to crowd-funding awareness and utilization.

These findings are instructive in many regards. For instance, on awareness, Soreh (2017) noted that the level of crowd funding in Nigeria is abysmal, arguing that enormous publicity is required if the trend is to be reverse. Corroborating respondents view of restrictive governance and regulatory framework on adoption of crowd funding especially equity, Crowd Fund insider (2017) stated that Securities and Exchange Commission (SEC) 2016 prohibition of equity based crowd funding in Nigeria has greatly stunted the growth of crowd funding in the country, especially for those whose aim is generate returns on invested sum through part ownership of viable startups.

This is against the fact that equity crowd-funding accounts for a substantial share of gross crowd-funding capital inflow in developed economies. Furthermore, Akingunola (2011) averred Nigerian entrepreneur's unwillingness to open ownership of their business to "outsider" limits their ability to attract long term funding through equity. This attitude has in some ways accelerated entrepreneurs apathy towards the adoption of crowd funding.

Nigeria has assumed a worrisome notoriety due to the activities of fraudsters. As such viable business opportunities requiring funding, and which offers potential for high returns on investment or other rewards are often pass off as scam. Trust as prerequisite for successful crowd funding cannot be overemphasized. Funders must be guaranteed that donations or investments will be utilized for the advertised purpose. Also benefits/ rewards due to contributors will be delivered as promised. Any deviation, amounts to breach of trust and can erode confidence in the crowd, thus limiting donations or investment.

Lending credence to poverty as an impediment to accelerated awareness and adoption of crowd funding in Nigeria World Bank 2018 report indicated that 86.9 million Nigerians are now living in extreme poverty. This translates to approximately 50% of it estimated 180 million population. With the rising levels of extreme poverty, it is impossible for a large segment of the country's population to donate or invest irrespective of the small amounts for which crowd funding is dependent on.

CONCLUSION AND RECOMMENDATIONS

The role of crowd-funding whether donation, reward, lending or equity as a source of seed capital for budding entrepreneurs for budding entrepreneurs cannot be overemphasized. The growth of crowding-funding in USA, Canada, and Europe arguably the largest market for crowd-funding globally, in comparison to the abysmal level of its awareness and utilization for funding business opportunity exploitation in Nigeria.

This scenario is indicative of an underdeveloped crowd-funding ecosystem. Thus, the inability of entrepreneurs in Nigeria to wane their reliance on traditional sources of finance and embrace crowd funding can be attributed to a multiplicity of factors.

These include restrictive governance and regulatory framework, entrepreneurs' fear of losing sole control and ownership of the business, funders' apprehension of the likelihood of campaigners fraudulently diverting pledged funds for other purposes and prevailing high level of poverty which limits the crowd's ability to contribute and/ or invest in projects no matter how compelling the accrued benefits may seem.

Thus, accelerating the potential of crowding-funding to meaningfully contribute to capital accumulation, entrepreneurship, innovation, job creation and national development requires concerted efforts on the part of stakeholders. Specifically, the following are imperative to build a robust crowd funding ecosystem.

- Government agencies such as the Security and Exchange Commission (SEC), Nigerian Stock Exchange (NSE), Central Bank of Nigeria (CBN) and others should as a matter of urgency develop and implement clear framework to regulate the crowd-funding industry. Such framework must place in perspective the roles and obligations of stakeholders.
- Except equity crowd funding, other models such as donation, lending or reward does not require entrepreneurs to relinquish or share the ownership/ control of the business with third party irrespective of their individual or institutional level of financial commitment in the business. In this regards, entrepreneurs should develop a clear vision of the proposed venture to be funded and adopt the crowd funding model(s) that best suits their objective. Thus more awareness is needed to educated entrepreneurs on the various crowd funding types and models available. This can be incorporated into the curriculum of the EDC and other entrepreneurship training schemes in schools and colleges.
- Appropriate legal sanctions including criminal charges against entrepreneurs who divert funds donated/ invested for purposes other than advertised should be included in the proposed crowd funding framework and enforced appropriately. While crowd funding platforms and payment service providers involved in the funding campaign should be empowered to release funds secured in tranches so as to monitor its utilization for the proposed venture. Doing so, would build confidence in the public about the authenticity of the project requiring funding.
- Furthermore, to ensure the safety of personal/financial information of funders from been accessed by third party, except information mandated by law, appropriate electronic security guarantees and safeguards should be provided by crowd funding platforms and other intermediaries such as banks/payment service providers.
- Although addressing poverty issues are beyond the scope of individual entrepreneur entrepreneurs seeking to rise funding through crowd-funding can nonetheless reach their funding targets by segmenting the crowd and targeting each with appealing massages and funding expectations. Rather than the one size fits all approach typically used by entrepreneurs.

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