Crowdfunding Financing Model effect on Entrepreneurship Aspirations

Article in Academic Research International - January 2019

1 author:

Youssef Abu Amuna
Al-Azhar University - Gaza
47 PUBLICATIONS 501 CITATIONS

Some of the authors of this publication are also working on these related projects:

- The Effectiveness of a Training Program in Increasing Crowd Funding Awareness View project
- crowdfunding and it is effect on entrepreneurship View project
Crowdfunding Financing Model effect on Entrepreneurship Aspirations

Youssef M. Abu Amuna
Department of Information Technology, Faculty of Engineering and Information Technology, Al-Azhar University, Gaza, Palestine
yabuamuna@gmail.com

Abstract: The study aimed to measure the effect of Crowdfunding financing on entrepreneurship aspirations in Arabic region. Population consists of members in (15) Crowdfunding Arabic platforms which are working with all models and online at (2018). Descriptive approach and a questionnaire used as a tool for this research. The results showed that Crowdfunding financing effect positively on entrepreneurship aspirations. Crowdfunding used mostly to finance small business or microfinance and charity. Add to that, Crowdfunding leads to financial efficiency and costs reduction, more flexible payments methods and more opportunities for entrepreneurs. The study recommended the importance of entrepreneurship culture and its role in promoting entrepreneurs, the effect off Fintech and various e-banking and e-payments methods, and the need of more interest in innovation and creativity.

Keyword: Crowdfunding, financing, entrepreneurship aspirations, e-payments.

1. INTRODUCTION

Crowdfunding as an additional new financing new for entrepreneurship is still under theoretical and academic study as it is new phenomenon. Variables that control crowdfunding still not raise to theoretical phase in literature review and more academic study and depth analysis about it are in need.

This research is an academic study about Crowdfunding financing attributes in (15) Arabic crowdfunding platforms that can support entrepreneurship and provide untraditional financing instruments.

Abu Naser et al. (2018) mentioned many dynamic variables affecting Crowdfunding (legislations, education system, culture, e-business models, financial technology) [1].

The objective of this study is to determine the effect of Crowdfunding financing on entrepreneurship Aspirations through (15) Arabic crowdfunding platforms at the end of (2018).

The history of Crowdfunding in the Arabic region began at 2014 through some sites (Eureka) in the United Arab Emirates, (Zoomaal) in Lebanon and (Yomken, Shekra) in Egypt. The idea of Crowdfunding financing for entrepreneurship still needs more concentrate researches in the Arab world, with an industry worth $ 59,564 billion in (2017) and a weak Arab market share worth only $ 35.76 million [2].

In view of the literature review, the study raises the question of:

Q1. How Crowdfunding financing utilize by Arabic entrepreneurs?
Q2. How far Crowdfunding financing affect entrepreneurship Aspirations?

2. LITERATURE REVIEW

Traditional financing tools like bank financing, corporate bonds, business angels, and venture capital have been affected by (2008) world financial crisis.

The evolution of the concept of funding in recent decades, developed in a remarkable way in terms of its form and those who offer them. This development was due to several reasons like: Increased competition, intensification of inflation, direct government intervention, indirect economic activity and technological developments.

Many new financing models such as Crowdfunding, P2P lending, business accelerators, business incubators, profit sharing and silent participations have been adopted by investors.

The success of those new trends in finance must have certain elements to achieve financing process and to ensure their success as well as an encouraging culture of entrepreneurship.

A few Arabic studies about crowdfunding focus on foreign platforms like kickstarter and Indiegogo, as they are the most famous worldwide plat forms [3] [4] [5].

Other Arabic studies focus on variables affecting Crowdfunding in general and the readiness to accept this model of e-business as additional tool for financing small and micro projects [6] [7].

In spite that this tool of finance started globally at (2005) when (Kiva) platform for microfinance loans established, and the exist of hundreds of researches studying this field of science from known authors like (Mollick, 2014; Block, 2014; Ahlers, 2015; Agrawal, 2015), the Arabic academic researchers are still rare.

Entrepreneurship is one of the primary purposes for which human efforts is heading to, every day trying to find new and innovative ways to earn his living, start a new project or take advantage of an idea. There are various patterns of
entrepreneurs between peddlers to creators of advanced technology, and these all are united by the desire to exploit their talents and resources in the best way possible, while distinguishes them is the success rate in achieving the ambitions that depend on the environment in which they work. Entrepreneurship requires innovation and change that might take different forms, where the Arab world is full of young talented and creative ideas. But those ideas often do not see the light for several reasons including lack of financial support from relatives, government agencies, or businessmen.

2.1 Crowdfunding financing

Crowdfunding has been defined under different terms, from different points of view. In simple term, Crowdfunding relies on the meeting of non-professional investors and entrepreneurs via internet platforms.

It is one of the most important funding resources in internet era which contributes to the activation of the sources of funding for economic foundation, especially start-up projects. Also it is considered an alternative to bank financing that does not fit often with the status of small and medium enterprises at the beginning of the evolution of its activity. The template is used to format your paper and style the text. All margins, column widths, line spaces, and text fonts are prescribed; please do not alter them. You may note peculiarities. For example, the head margin in this template measures proportionately more than is customary. This measurement and others are deliberate, using specifications that anticipate your paper as one part of the entire proceedings, and not as an independent document. Please do not revise any of the current designations [8].

The World Bank defines Crowdfunding as “enabling companies and business organizations relying on the Internet to collect the necessary funds, whether voluntary or investment by many individuals” [9].

Abu Amuna (2018), Abu Naser et al. (2018), Ahlers et al. (2015) define it as "a broad term used to describe the increasing spread of the fundraising process is done through the Internet, where there are groups of individuals who own the money make small contributions to achieve a particular goal” [10] [11] [12].

Crowdfunding is characterized by its flexibility on the one hand, and its ability to adapt to environmental changes around it to fit with the objectives and policies of each country, and with the patterns of entrepreneurial projects prevailing in each country. There are four main categories of Crowdfunding: Equity, Debt or Peer to Peer lending (financial models), Reward and Donation based Crowdfunding (non-financial models).

1- **Reward base:** This type of financing is common in financing a product or project which is still being developed. A form of compensation for the financer is the right to pre-order the product or get the product sent when it is finished. An advantage of this form of financing is that it is an alternative market research; if the investors are not willing to invest, they are not interested in the product or project [13].

2- **Donation based:** In this model, individuals donate to the project without expecting any financial return or percentage from the project owner. This model also known as charity model for humanity purpose like natural disasters, health cases, poverty, conflicts and other charity fields [14].

3- **Equity based:** In this model, the financiers have part of the property rights or participate in the profits or management, as previously agreed with the owner of the project. This model can achieve a high financial gains, and capital can be increased significantly as a result of attracting a large number of investors who are looking for shares in a company or a successful project outside the restrictions of stock market, brokers and do not have large amounts of money to speculate in the stock market [15].

4- **Lending based:** This model also (Peer-to-Peer). The idea behind this type of Crowdfunding is to cut out the mediators and get cheaper loans or as an investor, get better interest rates. [16]

**Crowdfunding costs:**
Each model has it is own financial attributes which might attract investors to involve in. The following table (1) clarifies those attributes for each model.

<table>
<thead>
<tr>
<th>No.</th>
<th>Model</th>
<th>Investor</th>
<th>Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reward based</td>
<td>Small contribution</td>
<td>Raise capital</td>
</tr>
<tr>
<td>2</td>
<td>Donation based</td>
<td>Small contribution</td>
<td>Charity</td>
</tr>
<tr>
<td>3</td>
<td>Equity based</td>
<td>Medium contribution</td>
<td>Raise capital</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loosing assets is possible</td>
<td>Might be debtor</td>
</tr>
<tr>
<td>4</td>
<td>Lending based</td>
<td>High risk</td>
<td>Bankruptcy is possible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Losing money is possible</td>
<td>High interest</td>
</tr>
</tbody>
</table>

**Source:** Authors

Crowdfunding depends on the existence of entrepreneurial culture within the country, and studies on the subject show that factors such as culture, legal environment and economic incentives have an impact on the development and success of entrepreneurship [17].

These factors are either restricts or enables stimulating entrepreneurship projects, and therefore governments should encourage entrepreneurial culture by supporting entrepreneurship, business incubators and business accelerators.
Crowdfunding financing is somehow not totally free model to gain capital for entrepreneur projects. Each capital have it is own costs, even if they are small and not notable. Table (2) shows the costs for some of Crowdfunding platforms.

Table 2: Costs of platforms

<table>
<thead>
<tr>
<th>Platform</th>
<th>Model</th>
<th>% from Campaign</th>
<th>Other Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kickstarter</td>
<td>Reward</td>
<td>5%</td>
<td>3% + 0.2 $ for each transfer</td>
</tr>
<tr>
<td>Indiegogo</td>
<td>Reward</td>
<td>5%</td>
<td>3% + 0.3 $ for each transfer</td>
</tr>
<tr>
<td>Gofundme</td>
<td>Donation</td>
<td>5%</td>
<td>2.9% + 0.3 $ for each transfer</td>
</tr>
<tr>
<td>Fundrise</td>
<td>Estates</td>
<td>0.85%</td>
<td>No data</td>
</tr>
<tr>
<td>Zopa</td>
<td>Lending</td>
<td>1%</td>
<td>No data</td>
</tr>
<tr>
<td>StartEngine</td>
<td>Equity</td>
<td>6% - 10%</td>
<td>No data</td>
</tr>
<tr>
<td>Eureeca</td>
<td>Equity</td>
<td>7.2%</td>
<td>1500 $</td>
</tr>
<tr>
<td>Jaribha</td>
<td>Reward</td>
<td>10%</td>
<td>No data</td>
</tr>
<tr>
<td>Zoomaal</td>
<td>Reward</td>
<td>5%</td>
<td>2.9% + 0.3 $ for each transfer</td>
</tr>
<tr>
<td>Liwwa</td>
<td>Lending</td>
<td>4%</td>
<td>No data</td>
</tr>
</tbody>
</table>

Source: Platforms data

Also among the factors that helped spread Crowdfunding from the point of view of economists are the following [18]:

1- The process of linking the investor to the project owner more efficient and effective as a result of low costs of searching through the Internet.
2- Low risk due to low funding.
3- Low communication costs have facilitated information gathering and monitoring of campaign progress for international investors and enable them to develop the idea better.

The process of paying investments internationally is also a highly efficient process in the current time away from traditional bank transfers. For example, the (StartEngine) platform requires fees from (6% to 10%) to offer several financial services including [19]:

1- Administrative fees for documenting partnership contracts
2- Money laundering verification fees
3- Money transfer fees

In general, Crowdfunding costs for any entrepreneurial project can be summarizing as following:
1- Crowdfunding platform fees: Estimated between (3%-10%).
2- Equity-based Crowdfunding model fees: Entrepreneurs are often subject to additional charges that do not apply to other models. These fees may include accounting, legal costs, securities costs, shareholder services and reporting requirements. For example, these costs in the United States range from $ 1,000 to $ 40,000 [20].
3- Marketing fees: Include communications costs, information technology, design and video production.

Successful Crowdfunding campaigns are often supported through well-designed and professional marketing strategies. Large Crowdfunding campaigns are reported to be investing between $ 500-1,000 in professional photography and $ 1,000- $ 5,000 for professional video production. Crowdfunding campaigns also require online advertising and promotion fees that cost between US $ 50-100 per day.

4- Specific project costs: Product-based innovative campaigns require investment in prototypes as evidence of the entrepreneur's seriousness. Actual costs are precisely defined and may vary from a few thousand to hundreds of thousands of US dollars.

5- Time costs: The amount of time spent in preparing e-finance campaigns depends heavily on the size of the project, the investment team, the outsourcing strategy and the type of project.

Financial services over Internet and communications:
Countries seeking to apply Crowdfunding should take several procedures to create the right conditions for investment, as well as policies and regulations that make entry into entrepreneurship difficult and costly. For example, the procedures for establishing new companies in many developing countries are characterized by excessive bureaucracy and a costly and time-consuming process, and the tax system needs to be flexible with regard to new projects. Countries also need bankruptcy procedures to be acceptable and uncomplicated, allowing entrepreneurs to risk and not to fear failure and bankruptcy [21].

It is necessary to provide laws and procedures to facilitate the spread and empowerment of financial technology such as the process of electronic transfer and exchange of funds, whether through bank credit cards or electronic pre-payment methods. While maintaining the possibility of government institutions monitoring money laundering and terrorist financing, managing investment portfolios electronically and e-borrowing.

Fraud risk and negative selection:
The risks of fraud exist even in ordinary companies and not new to the market, and fraud can take many forms such as:
1- Issuing false statements relating to material facts.
2- The company's knowledge that the data is incorrect.
3- The company shall have the intention to deceive the investor.
4- The investor should suffer damage and lose his money.

With regard to Crowdfunding platforms, we can see several factors by which we can distinguish the existence of fraud or not, because it is about the behavior of what we cannot know and predict. Among these factors:
1- Negative selection of the project: The investor believes that the idea of the project is successful and will benefit him. An example of this is a campaign on Kickstarter for meat imported from Japan (Kobe beef) by an American company that provided unrealistic data and videos about the popularity of this brand in America.
The purpose of the campaign was to import the meat to USA and achieved (120,000$) out of (23,000$) in a short period of time through (3,000) investor. The volume of turnout raised the doubts of the site team and after conducting the necessary investigations, the manipulator was discovered by the campaign owner with positive data and comments for his product [22].

2- Ethical risk: Some investors may refuse to pay their donations or investments after the end of the campaign as some Crowdfunding platforms allow the investor to withdraw from his participation causing damage to the campaign owner. Also, some entrepreneurs may escape from their promises and commitments to investors. The most famous example is the video game company Star Citizen, which launched a financing campaign for producing the game since 2012 and collected until 2018 the sum of (179$) million. None of the investors delivered any copy until the moment [23].

In terms of investor protection, countries should provide laws that protect them from fraud and deception and impose strict restrictions on cybercrime because they pose a threat to contemporary business models. Crowdfunding platforms are required to place legal warnings for their users in compliance with the policies and procedures required by the government, and to incur no liability if the project owner cannot meet its obligations to the investors [24].

In order to ensure investor protection and proactive protection, Crowdfunding platforms must adhere to the following:

1- Issuing annual financial statements showing the financial position data, especially if lending or equity.
2- Work within the laws of the country in which to help resolve disputes quickly.
3- Protect intellectual property or release its responsibility from theft of the idea.
4- In the absence of laws and legislation in the country, the owner of the Crowdfunding platform must issue licenses from any country that has laws in order to acquire legal and regulatory legitimacy.

2.2 Entrepreneurship aspirations

To achieve success, entrepreneurship requires a supportive ecosystem of interrelated factors ranging from infrastructure to access to financial services. Decision-making institutions play a very important role in the entrepreneurial ecosystem.

Entrepreneurial aspiration reflects the quality aspects of start-ups and new businesses. Some people simply hate their employer and want to be their own boss, while others want to create the next Microsoft.

![Fig. 1. Entrepreneurial framework](image_url)


Entrepreneurial aspirations is defined as the early-stage entrepreneur’s effort to introduce new products and/or services, develop new production processes, penetrate foreign markets, substantially increase their company’s staff, and finance the business with formal and/or informal venture capital. Product and process innovation, internationalization, and high growth are considered the key characteristics of entrepreneurship [25].

1- **Product Innovation**: New products play a crucial role in the economy of all countries. While countries were once the source of most new products, today Developing countries are producing products that are dramatically cheaper than their Western equivalents.

New Product is a measure of a country’s potential to generate new products and to adopt or imitate existing products. Technology Transfer is a complex measure of whether a business environment allows the application of innovations for developing new products. There are many types for entrepreneurial innovation [26]:

- Partial innovation: Innovation is partial in the nature of technology and a little interest in the market.
- Specialized innovation: The use of new technology and a little attention to the market.
- New internal innovation: Current technological means with increased interest in the market.
- Global innovation: Using new technology and great market interest.

2- **Process Innovation**: In the digital knowledge, information and communication economy, information technology (ICT) plays a crucial role in economic development. Not all industrial sectors provide the same opportunities for enterprises to survive or enhance their potential for growth.

The proliferation of new technology, as well as the ability to absorb it, is vital for innovative companies with high growth.
This requires regulatory action by the state to open up and support local and international technology companies as a key factor in promoting entrepreneurship. Technology adoption requires appropriate business legislation, infrastructure availability and accessibility, availability of communications and availability of different transport routes [27].

3- **High growth:** The desire for autonomy is characteristic of emerging entrepreneurs who are likely to create actions that have significant impact and are destined for continued growth in the future. Autonomy means the extent of freedom granted to individuals and teams by encouraging them to practice their creations by introducing new ideas and following them to reach satisfactory results. Entrepreneurs play a crucial role in the process of making innovations forward and using their social capital to develop social networks and employ it for business success. Autonomy is also an appropriate work environment for people with a leadership orientation and leading organizations help in decision making, strategic planning and growth [28].

4- **Internationalization:** Access to international markets is the main determinant of growth and export capacity is a key factor in entering foreign markets. This requires capacities beyond those required by companies that are produced only for local markets. This also requires opening up the country to international entrepreneurs, accepting them in the local market and applying globalization [29].

5- **Risk capital:** The financing decision is one of the basic decisions that must be taken care of by the institution because it is a specific element for the efficiency of financial decision makers in their search for the sources of funding necessary and appropriate to the nature of the investment project targeted to choose the best and use them optimally to achieve the greatest return at the least risk and cost possible. The availability of risk finance, particularly equity rather than debt, is an essential precondition for fulfilling entrepreneurial aspirations that are beyond an individual entrepreneur’s personal financial resources. Is a clear process for selecting projects, collecting basic information in terms of cash flow and return on investment and focusing on negatives and positives that affect project objectives [30].

From previous literature review, the following hypothesis in this research can be written as:

**H0:** There is a statistically no significant effect for Crowdfunding financing on entrepreneurship aspirations.

### 3. RESEARCH DESIGN

#### 3.1 Study population and sampling

This study conducted at (15) Arabic Crowdfunding platforms with total members (47,814). A pilot sample of (53) units was used to study the tools of the study, to verify the validity and stability of these tools. The research sample consist from (545) unit from all platforms as shown in table (3).

#### 3.2 Research instrument

Since the nature of hypothesis and the variables involved are the ones that control the selection of the appropriate tool, accordingly, the researchers have prepared a measure for that study commensurate with its objectives and requirements, the elements of financial attributes and risk taking. The process of designing and preparing the study scale has gone through several stages and steps:

1. Review the literature of crowdfunding, and previous studies on the subject of the current study.
2. Collect and define scale paragraphs.
3. Formulation of the standard expressions according to the study sample.
4. Set the meter instructions.
5. Correct the meter.
6. Conduct a study of stability and honesty of the scale.

The first dimension referring to the Crowdfunding financing prepared by authors from (12) paragraphs. The second dimension of the instrument which measure entrepreneurship aspirations was developed depending on the Global Entrepreneurship Index (GEI) and consist from (6) paragraphs. Also Trustees validity has been conducted by a group of expert in Crowdfunding and entrepreneurship field. Those statements were further revised and modified by the experts in a subsequent stage before drafting the final version of the questionnaire.

<table>
<thead>
<tr>
<th>No.</th>
<th>Platform</th>
<th>Country</th>
<th>Members No.</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eureeca</td>
<td>UAE</td>
<td>21226</td>
<td>UAE</td>
</tr>
<tr>
<td>2</td>
<td>Pi-slice</td>
<td>UAE</td>
<td>681</td>
<td>UAE</td>
</tr>
<tr>
<td>3</td>
<td>Beehive</td>
<td>UAE</td>
<td>8400</td>
<td>UAE</td>
</tr>
<tr>
<td>4</td>
<td>Zoomaal</td>
<td>Lebanon</td>
<td>11967</td>
<td>Lebanon</td>
</tr>
<tr>
<td>5</td>
<td>Buildpalestine</td>
<td>Palestine</td>
<td>332</td>
<td>Palestine</td>
</tr>
<tr>
<td>6</td>
<td>Yonken</td>
<td>Egypt</td>
<td>1500</td>
<td>Egypt</td>
</tr>
<tr>
<td>7</td>
<td>Shekra</td>
<td>Egypt</td>
<td>12</td>
<td>Egypt</td>
</tr>
<tr>
<td>8</td>
<td>Share-crowd</td>
<td>Palestine</td>
<td>100</td>
<td>Palestine</td>
</tr>
<tr>
<td>9</td>
<td>Liiwa</td>
<td>Jordan</td>
<td>502</td>
<td>Jordan</td>
</tr>
<tr>
<td>10</td>
<td>Smalaando</td>
<td>Morocco</td>
<td>1207</td>
<td>Morocco</td>
</tr>
<tr>
<td>11</td>
<td>Cotizi</td>
<td>Morocco</td>
<td>1067</td>
<td>Morocco</td>
</tr>
<tr>
<td>12</td>
<td>Afineety</td>
<td>Morocco</td>
<td>228</td>
<td>Morocco</td>
</tr>
<tr>
<td>13</td>
<td>Happysmala</td>
<td>Morocco</td>
<td>45</td>
<td>Morocco</td>
</tr>
<tr>
<td>14</td>
<td>Jaribha</td>
<td>Kuwait</td>
<td>487</td>
<td>Kuwait</td>
</tr>
<tr>
<td>15</td>
<td>Cofundy</td>
<td>Tunis</td>
<td>60</td>
<td>Tunis</td>
</tr>
<tr>
<td><strong>Total Members</strong></td>
<td><strong>47814</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.3 Validity and reliability assessment
The study adopted Cronbach’s α to measure the internal consistence reliability of the questionnaire. The results showed that Cronbach’s α values for all dimensions were > (0.5). It indicated that the design of the questionnaire had a high internal consistency as shown in table (4).

<table>
<thead>
<tr>
<th>Field</th>
<th>No. of paragraphs</th>
<th>Alpha-Cronbach stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial attributes</td>
<td>12</td>
<td>0.680</td>
</tr>
<tr>
<td>Entrepreneurship risk taking</td>
<td>6</td>
<td>0.622</td>
</tr>
</tbody>
</table>

3.4 Data analysis and discussion of results
Descriptive analysis for independent variable (Crowdfunding financing) to determine weighted average and rank for paragraphs are shown in table (5).

<table>
<thead>
<tr>
<th>NO.</th>
<th>Field</th>
<th>Mean</th>
<th>Dev.</th>
<th>Weight</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Crowdfunding costs are low</td>
<td>3.39</td>
<td>1.388</td>
<td>79.8%</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Crowdfunding is suitable for financing small startup projects</td>
<td>3.45</td>
<td>1.242</td>
<td>87.5%</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Crowdfunding is a short financing method (one year) for existing business</td>
<td>3.31</td>
<td>1.346</td>
<td>75.6%</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Crowdfunding decreasing the coasts of financing channels</td>
<td>3.24</td>
<td>1.362</td>
<td>74.0%</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Crowdfunding increasing the efficiency of financing channels</td>
<td>3.11</td>
<td>1.322</td>
<td>71.6%</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>The anti-terrorist laws decreasing the success opportunity of crowdfunding</td>
<td>3.03</td>
<td>1.378</td>
<td>50.5%</td>
<td>12</td>
</tr>
<tr>
<td>7</td>
<td>The anti-laundering laws consist as a barrier for crowdfunding growth</td>
<td>3.16</td>
<td>1.458</td>
<td>52.6%</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>The variety of e-payment tools enhance the success of crowdfunding</td>
<td>3.09</td>
<td>1.388</td>
<td>71.2%</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>The coasts of e-transfer effect on the expansion of crowdfunding</td>
<td>3.05</td>
<td>1.361</td>
<td>70.3%</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>Crowdfunding provides freedom of using the suitable payment method with minimum coasts</td>
<td>3.22</td>
<td>1.379</td>
<td>53.7%</td>
<td>9</td>
</tr>
<tr>
<td>11</td>
<td>Crowdfunding leads to payment efficiency</td>
<td>3.28</td>
<td>1.360</td>
<td>54.6%</td>
<td>8</td>
</tr>
<tr>
<td>12</td>
<td>Trust in e-banks (Wallets) is an important factor on the expansion of crowdfunding</td>
<td>3.10</td>
<td>1.428</td>
<td>51.6%</td>
<td>11</td>
</tr>
</tbody>
</table>

According to previous table (5), the relevant importance can be shown as following:
1. The respondents agreed on the importance of Crowdfunding as a tool for financing small projects, especially emerging ones, thus providing a greater opportunity for entrepreneurs to achieve and achieve their innovative projects.
2. This type of funding reduces financing costs and increases the efficiency of financing channels, encouraging more entrepreneurs to eliminate traditional financing constraints.
3. The respondents agreed that the freedom and the efficiency of payment are not considered important factors in terms of Crowdfunding due to the limited nature of this type in the Arab world.
4- Anti-terrorism and money laundering laws in the Arab countries are also not considered important for the respondents due to the strict control imposed by the financial regulations in the Arab countries and therefore were not approved paragraphs.
Entrepreneurship aspirations descriptive analysis as dependent variable is shown in table (6) to determine weighted average and rank for paragraphs.

<table>
<thead>
<tr>
<th>NO.</th>
<th>Field</th>
<th>Mean</th>
<th>Dev.</th>
<th>Weight</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Crowdfunding helps in marketing and promoting entrepreneurship</td>
<td>3.19</td>
<td>1.392</td>
<td>74%</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Entrepreneurship differentiate with modernity and creativity</td>
<td>3.11</td>
<td>1.374</td>
<td>70.6%</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Entrepreneurship use new production technology</td>
<td>3.07</td>
<td>1.377</td>
<td>54.1%</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Entrepreneurship develop new production technology</td>
<td>2.20</td>
<td>1.406</td>
<td>30.2%</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Entrepreneurship put strategic growth plan for the first 5 years</td>
<td>2.30</td>
<td>1.414</td>
<td>31.1%</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>The financing market for entrepreneurship is active and diverse</td>
<td>2.94</td>
<td>1.361</td>
<td>54.1%</td>
<td>3</td>
</tr>
</tbody>
</table>

According to previous table (5), the relevant importance can be shown as following:
1. The respondents agreed on the importance of Crowdfunding as a tool for marketing and promoting entrepreneurship projects.
2. The respondents agreed that type of projects differentiates with modernity and creativity.
3. The respondents disagreed that entrepreneurship put strategic growth plan for the first 5 years, and this means that most of entrepreneurship projects is short term.
4. Also noticed that the financial market in Arabic region is not active, which influence on entrepreneurs negatively and decrease their enthusiasm.

Simple linear regression used to test whether there is an impact for one independent variable (Crowdfunding financing) on a dependent variable (Entrepreneurship aspirations). The results are shown in Table (7) and table (8).

Table 7: Anova Test

<table>
<thead>
<tr>
<th>Field</th>
<th>Model</th>
<th>Sum of means</th>
<th>DF</th>
<th>Mean squares</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship aspirations</td>
<td>Regression</td>
<td>47.693</td>
<td>1</td>
<td>47.693</td>
<td>181.873</td>
</tr>
<tr>
<td>R</td>
<td>Resident</td>
<td>142.391</td>
<td>543</td>
<td>0.262</td>
<td>Sig</td>
</tr>
<tr>
<td>0.501</td>
<td>0.250</td>
<td>Total</td>
<td>190.084</td>
<td>544</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The results of Anova test in table (7) indicate that sig. is less than (0.05) for independent variable (Crowdfunding financing), which mean that there is significant statistically effect for independent variable (Crowdfunding financing) on entrepreneurship aspirations.

Pearson coefficient and regression coefficient sign for independent variable was positive. This result means whenever the value of independent variables increase, there will be increase in entrepreneurship aspirations.

Changes in the independent variable is responsible for the interpretation of a rate (r2= 25%) of all the changes that occur in entrepreneurship aspirations, and there is a rate (100 - r2) due to other factors specific to the other independent variables and other factors not mentioned in the model, in addition to the random error.

Table (8) reveals that the findings of significance level are less than (0.05), which means that we can rely on the previous model and circulating the sample results on research community.

Therefore, the results of the analysis proved the existence of a relationship between the independent variable and the dependent variable. According to that, we accept hypothesis H1 and refuse H0. The H1 hypothesis can be written as: H1: There is a statistically significant effect for Crowdfunding financing on entrepreneurship aspirations.

Table (6) determines the figure of linear regression equation for the impact of Crowdfunding financing on entrepreneurship aspirations. This equation can be written as follow:

\[ \text{Entrepreneurship aspirations} = 0.877 + (0.689 \times \text{Crowdfunding\ financing}) \]

4. CONCLUSION

Crowdfunding as a new concept needs more attention and declaration to the community, especially in poor communities where there are high unemployment and less work opportunities.

Microfinance has become a tool of democratization of entrepreneurship funding, while Crowdfunding potentially opens entrepreneurship funding to masses. Combining both Crowdfunding and microfinance can lead to an acceleration of poverty eradication.

One of the most factors for Crowdfunding that effect on entrepreneurship aspirations is financial attributes for Crowdfunding models. As shown from data analysis, Crowdfunding financing effect on entrepreneurship aspirations. This result encourages entrepreneurs to adopting new financial models to enhance their start-up projects.

Also results showed that more governmental attention and support is needed to diverse financing tools for entrepreneurship. Crowdfunding as financing tool is one of most attractive tool that needs to focus on it even by legislations or procedures.

Other factors which not included in this study such as Crowdfunding models, legislations, Fintech also effect on entrepreneurship and need to be study in future researches.

2. REFERENCES


