



---

# SUCCESSFUL EQUITY CROWDFUNDING CAMPAIGNS -A NORDIC REVIEW

---

PREPARED BY ALINA LUNDQUIST & MICHAL GROMEK  
JUNE 2015, FUNDEDBYME.COM

---

# About

---



---

FundedByMe is one of the only full-service crowdfunding platforms, offering capital through equity, loan and reward based crowdfunding. We have successfully funded some 500 companies from 25 countries.

Our user base is a rapidly expanding network of more than 54 500 investors from over 74 countries around the world.

We have local presence in countries around Europe and in Singapore, with headquarters in Sweden.

For more information, visit [www.fundedbyme.com](http://www.fundedbyme.com).

---

## EXECUTIVE SUMMARY:

---

This report provides a review of Equity Crowdfunding in the Nordics. It is based on all cases that have been “live” on the platform since 2012. It discusses different aspects of signaling based on netnographic real time data. Results give general indicators about which factors make some campaigns more successful than others. This report finds that there are aspects such as external certification that are effective tools to reach “funding goals”.

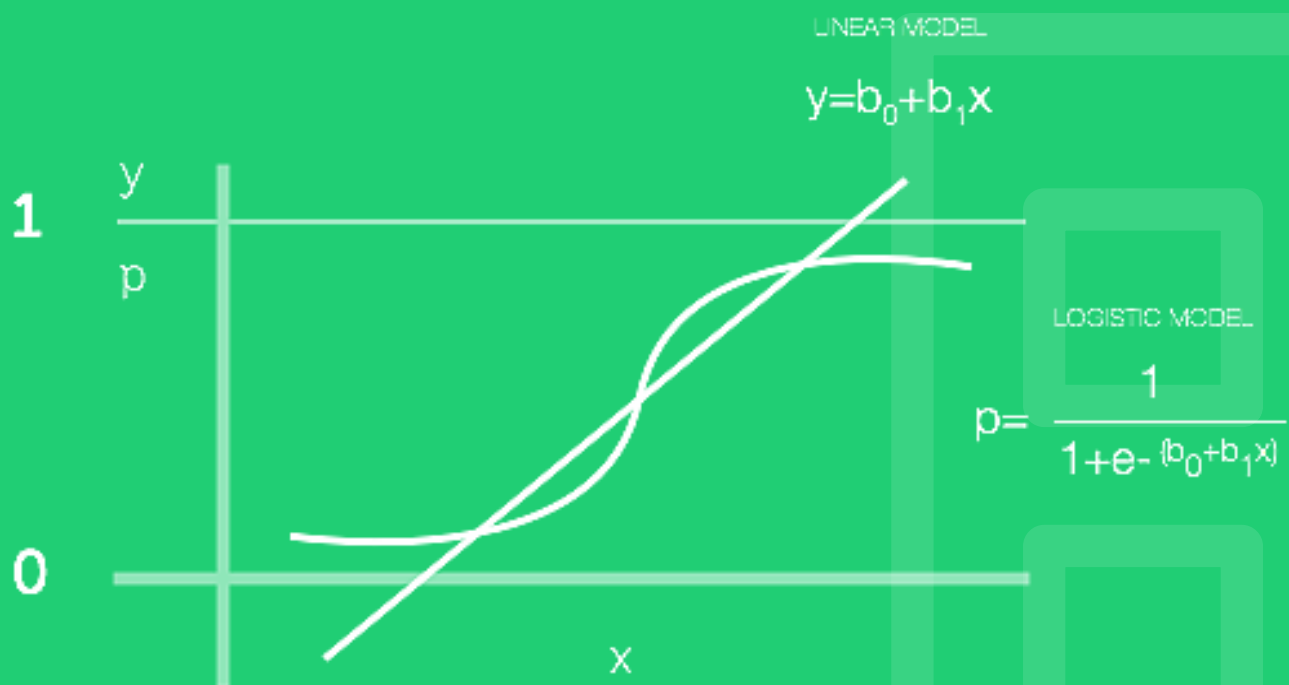
This report also investigates that the analysis conducted has limitations, including a small sample size, different countries and size of campaigns. It reflects signals, that have not been reviewed yet in Equity Crowdfunding such as the correlation between Social Media and campaigns' success, that require further investigation.

---

---

# METHODOLOGY:

---




The campaign outcome was modelled by means of logistic regression as a function of various explanatory continuous and category variables.

The dependent variable was binary and showed either a successful or unsuccessful outcome. Successful outcome was defined as reaching at least 80% of the initial funding goal.

The signs of the calculated coefficients were used as a basis for interpreting the direction of the relationships between the campaign outcome and explanatory variables.

Marginal effects at means reflected the change in the probability of the successful outcome given a one-unit change in the dependent variable holding all other variables constant at their means.

---

A stylized world map in the background, rendered in a dotted pattern. The map is centered on the Atlantic Ocean, with Europe and Africa on the left and North and South America on the right.

---

## European equity crowdfunding market size (UK is excluded)\*

---

**82.56M**

**EURO IN 2014**

**+116%**

**CAGR 2012-14**

**3.7M**

**VOLUME IN  
THE NORDICS**

---

\*BASED ON THE EUROPEAN ALTERNATIVE FINANCE BENCHMARKING REPORT, ROBERT WARDROP, BRYAN ZHANG, RAGHAVENDRA RAU AND MIA GRAY. UNIVERSITY OF CAMBRIDGE AND EY. FEBRUARY 2015.

---

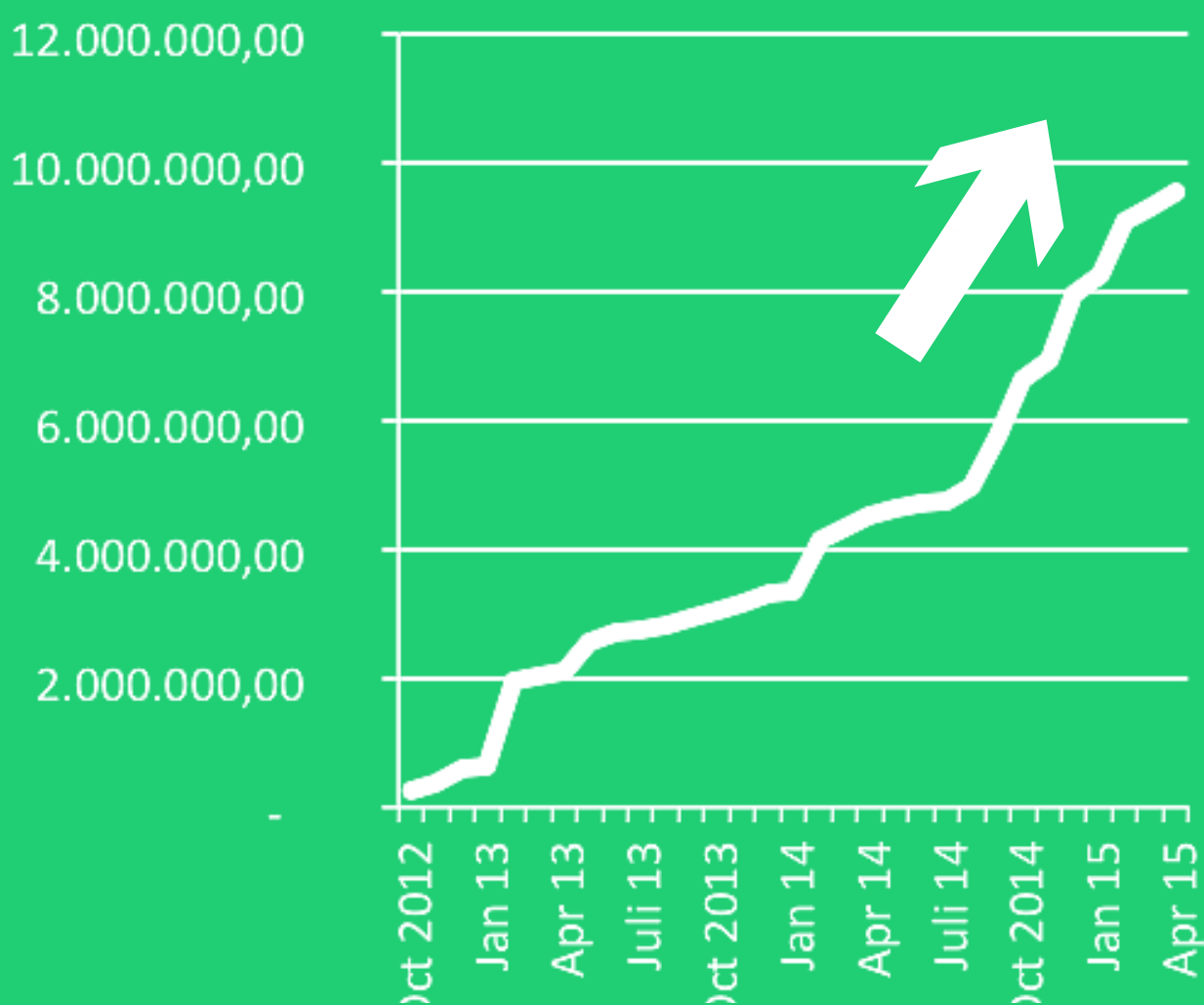
9.541.842 EURO RAISED

---



CUMULATIVE SUM OF  
MONEY RAISED IN EURO  
± Q4 2012 - Q2015

---



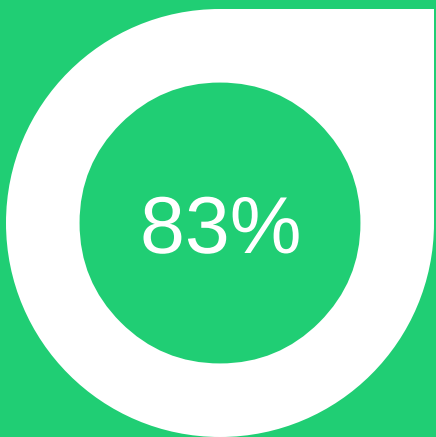
---

PREPARED BY FUNDEDBYME.COM BASED ON OWN  
FINANCIAL DATA FROM OCTOBER 2012 - APRIL 2015

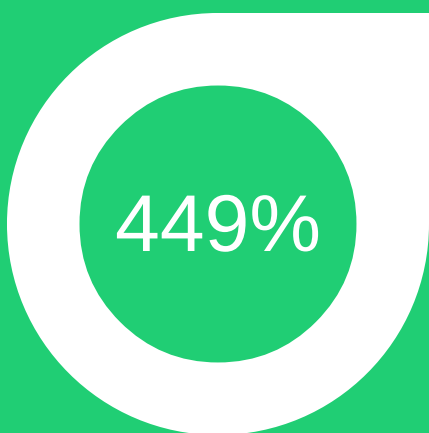


## FUNDEDBYME'S DEVELOPMENT

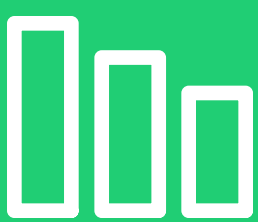
---



Market share in equity crowdfunding in the Nordics



Compound Annual Growth Rate (CAGR) in equity crowdfunding between 2012 - 2014



## CAMPAIGNS STATISTICS

---

€ 149

Average price per share

46

Median amount of investors in a campaign

14%

Average amount of equity offered

€122,706

Average money raised per campaign

€551

Median Investment

€5,935

Average Investment



# SOCIAL MEDIA VS. CAMPAIGNS SUCCESS



10 likes on LinkedIn increase the probability of success by 6%



10 likes on Facebook increases the probability of success by 5,6%



A link to LinkedIn profiles of the company, on the campaign page increases the probability of success by 32,58%



A link to Facebook's profile of the company, on the campaign page increases the probability of success by 31,67%



## GENDER HAS NO EFFECT ON CAMPAIGNS SUCCESS

FEMALE  
49,7%



MALE  
50,3%





---

## CORRELATION BETWEEN A SUCCESSFUL CAMPAIGN AND:

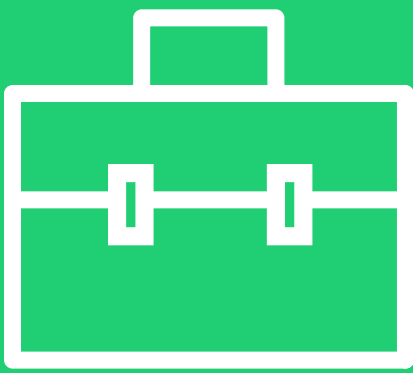
---



Campaigns submitted from capital cities are 21,2% more successful than others



Team members educated with relevant business education increase the success rate of campaigns by 24,98%



Team members with professional careers in management and/or consulting increased the success rate of campaigns by 25,98%



## NO IMPACT

on campaign success rate

---

Amount of employees within the team displayed on campaign



Team members holding masters degrees



Previous entrepreneurial experience



---

## EXTERNAL AWARDS AND RECEIVED FUNDING FROM OTHER SOURCES, DID INCREASE THE SUCCESS RATE OF THE CAMPAIGNS

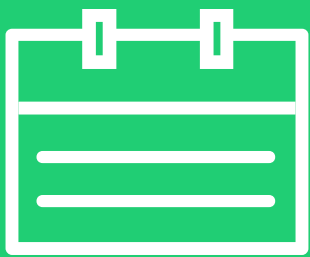
---



Campaigns that have external awards are 27% more likely to succeed



Campaigns that received grants or funding from other institutions are 23% more likely to be successful



Companies which have been mentioned on FundedByMe's blog were 35% more likely to be successful

## DOCUMENTS

---



Uploading market statistics from a reliable source increases the chances of success by 27%



Uploading of reliable financial forecast increases the chances of success by 37,3%



## THIS REPORT HAS BEEN PREPARED BY:



Alina Koutun  
Business Developer  
[alina@fundedbyme.com](mailto:alina@fundedbyme.com)



Michal Gromek  
Head of Int. Financial Services  
[michal@fundedbyme.com](mailto:michal@fundedbyme.com)