



Bloxcar's crowdfunding campaign

Case Study: Bloxcar vs. Autolevi

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<p>Sammandrag:</p> <p>Examensarbetets uppdragsgivare Bloxcars slogan är "airbnb för bilar" dvs med hjälp av deras plattform kan privatpersoner hyra ut sina bilar till andra. Bloxcar är en av många företag som beslutat sig att finansiera sin verksamhet via gräsrotsfinansiering, specifikt kapital gräsrotsfinansiering där en viss andel av företaget säljs i utbyte mot kapital. 2019 har 8.7 miljoner gräsrots finansierings kampanjer publicerats vilket är en årlig tillväxt på 35.1%. Summan av transaktionerna är 6.1 miljarder euro vilket är en 30.2% tillväxt från förra året (Statista, 2019). Syftet med detta examensarbete är att göra en kritisk analys av företaget Bloxcars gräsrots finansieringskampanj och jämföra det med konkurrerande företaget Autolevis motsvarande och framgångsrika kampanj. Metoden till detta examensarbete beskrivs som en induktiv fallstudie med omfattande användning av kvalitativ data. Insamling av primär och sekundär data sker i form av semistrukturerade e-post intervjuer, akademiska artiklar och böcker samt statistik från de båda företagens kampanjer. Bloxcars ursprungliga mål att samla in 1 miljon euro blir företaget klart under, medan Autolevi överskrider sitt ursprungliga mål på 75,000 med 338 %. När datan är insamlad kan man poängtera fyra orsaker till stora skillnaden av insamlad kapital mellan företagen. Bloxcars kampanj varar i 81 dagar medan Autolevis kampanj varar i 30 dagar. Bloxcars beslut att förlänga kampanjen över sommarmånaderna (juni-augusti) ger inte önskat resultat. Bloxcars evaluering var hög för ett företag som inte ännu genererar vinst. Autolevi lyckas bättre med att hålla sina investerare uppdaterade under kampanjen.</p>	
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<p>Abstract:</p> <p>This thesis is commissioned by Bloxcar whose slogan is “the airbnb for cars” which has an online platform for Peer to Peer car sharing in Finland whose crowdfunding campaign wasn't as successful as they had hoped. To say that crowdfunding is gaining popularity can be proven by looking at the statistics. The YTD (year to date) growth of 30.2% in transaction value amounts to 6.1 billion euros with 8.7 million campaigns being launched across different platforms during the year 2019 alone. A projected annual growth rate of 14.3% spanning from 2019 to 2023 will see figures over 10.5 billion euros in transaction value (Statista, 2019). The purpose of this thesis is to conduct a critical analysis of the campaign and compare it with a successful campaign by their competitor Autolevi and distinguish similarities and differences between them. Both companies' crowdfunding is equity based so this thesis will strictly concentrate on said form of crowdfunding. The author approaches this thesis as an inductive case study with extensive use of qualitative data from semi-structured email interviews, previously published academic articles and books as well as the data from both companies' crowdfunding platform. Bloxcars target to raise 1 million € is not achieved. Autolevi's target of 75,000 € is achieved with 338% over the target. Four main reasons for the significant difference in capital gain between campaigns are established in this thesis. Bloxcars campaign is too long with 81 days compared to Autolevi's 30 days. Bloxcars decision to launch over the summer holiday is also a reason for not achieving their target. Bloxcars valuation was too high especially for a company still running at a loss. Autolevi also succeeded better in updating investors during the time the campaign was live.</p>	
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1 INTRODUCTION

In today's world, several new companies are established on a daily basis. These companies are often in need of financing and don't want to or cannot get a loan from a bank. This is where crowdfunding comes into play where private people can invest money on a project that they believe will thrive and in the end receive a return on their investment. Companies who usually go through crowdfunding campaigns are start-ups in their beginning phase or established companies who need more capital to expand and accelerate growth within their sector. Since the 2003 launch of the first ever crowdfunding platform Artist Share, increasing popularity within the crowdfunding space as an alternative to increase capital, growth numbers and popularity of this type of investing has increased exponentially each year (Freedman & Nutting, 2014). According to Statista.com the YTD (Year to Date) growth of 30.2% in transaction value amount to 6.1 billion euros. A projected annual growth rate of 14.3% spanning from 2019 to 2023 will see figures over 10.5 billion in transaction value. The staggering statistics provided by Statista don't stop there. 8.7 million campaigns have launched across different platforms during 2019 which is a YTD increase of 35.1%.

The company that commissioned this thesis, Bloxcar, is one of those companies who decided that going through a crowdfunding campaign was the best way to gather new capital but also aiming to increase consumer knowledge. Bloxcar also intend to expand to new countries together with their partners and planning to use gained capital of their campaign to facilitate the planned expansion. Expanding to another country is exactly the reason why one of their competitors, Autolevi based in Estonia crowdfunded to expand to the Finnish market. A thorough introduction of both companies and their campaigns will be presented later in the introduction chapters. Both Autolevi and Bloxcar used the popular form of equitybased crowdfunding meaning that investors invest a certain amount of capital and in return receive an equity stake of the company in proportion to their investment. For their invested capital they also seek to receive returns in the form of dividends or voting rights.

Boxcars campaign was launched on fundedby.me website which is a Swedish based platform that focuses mainly on equitybased funding. Bloxcar markets itself with their official slogan "the Airbnb for cars". Their business idea is exactly like Airbnb, you can rent out your asset, in this case an automobile, when it is not in use, resulting in a new or separate revenue income and covering the cost of ownership for the owner of the asset

that otherwise is costing money and isn't in use. According to a study performed by Bloxcar themselves, a car is highly underutilized with the average car owner using the car only 5-20% of the time.

This thesis will analyze both companies crowdfunding campaigns with the aim to distinguish differences or similarities between the two companies.

1.1 Background

The Finnish people can be divided roughly into two separate groups; car owners and non-car owners. Between these two groups there is a relatively small population of individuals contemplating whether to buy a car or let go of their automobile. According to the Finnish transport ministry Traficom (2019), this is the first group to embark on a car sharing journey since they already are open to change concerning their daily mobility habits.

In a research done by the Finnish insurance company If, in 2015 up to 20% of Finland's 2,5 million car owners are positively open to a car sharing company and becoming a member. This research was done several years ago so one can assume that both the amount of people owning cars and individuals open to a peer to peer service has risen.

The way people are changing their mindset on owning, in this case a depreciating asset has also changed. According to the department of communication and traffic in Finland, the amount of cars registered under a private leasing plan has risen by 67% during this year (Traficom 2019). This is a clear sign that the Finnish people in general don't have the need to own a car by themselves and that the trend is rising and here to stay.

The automobile industry itself is changing rapidly due to new emission regulations set by the EU, forcing companies to frantically seek new ways to become sustainable and profitable at the same time. It is only natural that the end consumers are affected by this trickle-down effect and new services such as Bloxcars P2P (Peer to Peer) services become increasingly popular. The usage of these services are also made easy due to them being accessible over the internet and our phones, helping in increasing the services popularity.

It is not only the car industry that is changing constantly, the world is also changing and the people living on it have become increasingly aware of how, what and why they consume. As a result of this, crowdfunding has become increasingly popular since consumers can easily invest in something that reflects their personal values. The word sustainability is heard almost on a daily basis and is becoming more and more a part of people's daily lives and also on what they invest in.

1.2 Thesis relevance

Earlier studies on the car sharing world have mainly focused on the environmental aspects. The newest study on car sharing from a road user's perspective was conducted by the Department of Communication and Traffic, Traficom (2018). In this survey 1026 people were asked the same question of "how well do you know car sharing as a service?" 57% answered that they have heard of car sharing but don't have any more information about it. 20% had no idea about it and 23% knew something about car sharing. An interesting fact about this particular study is that a third of people under 30 years of age who answered this question had no idea what car sharing means. However, when asked would you use this type of service for a weekend trip or vacation, 50% of all the answers said yes.

The term MaaS (Mobility as a Service) is a term often combined with articles concerning sustainability and on demand services for different forms of transportation. This term not only includes car ownership but all forms of transportation. This type of service is gaining momentum rapidly and is not only going to disrupt the auto-industry but the transport industry as a whole. ABI Research reports that within 2030, the MaaS industry will account for over 1 trillion US Dollars of revenue. (ABI Research, 2017).

A country that has proven its potential in alternative car sharing market and becoming Europe's biggest market for this type of service is Germany. Growth within this market as accelerated significantly from 2016 when an approximate of 260,000 users could be accounted for. The momentum has continued and at the end of 2020 3.1 million users are expected only in Germany (Deloitte, 2017). Europe now represents over half of the global car sharing market with 5.8 million users and approximately 68,000 cars. It is projected that by the end of 2020 the amount of users will rise above 15 million across Europe (Deloitte, 2017).

Studies such as these show that people are constantly searching for new ways concerning an individual's mobility and with it live more sustainably. The biggest reason why this type of service isn't more popular in Finland at least (proved in the previous study made by Traficom), is because of it being relatively unknown to consumers, especially younger ones who tend to be more aware of technology and what possibilities they can give. With this crowdfunding, not only did Bloxcar gain capital to use according to their business plan, they also aimed to gain new customers also increasing knowledge amongst several generations of their service. One of the biggest factors why Bloxcar decided to start a

crowdfunding campaign is when they in SLUSH 2018 won the award for the best mobile service supporting sustainability in Finland. The statistics of the amount of users Autolevi and Bloxcar have is also a strong sign that the subject of P2P car service and car sharing in general is relevant in today's day and age.

1.3 Demarcation and thesis structure

The purpose of this thesis is to analyze Bloxcar and Autolevi's crowdfunding campaigns as a case study. The theory part of this thesis is concentrated strictly on equity based crowdfunding campaigns and what is recommended for an entrepreneur to do in order to increase the possibilities of reaching their capital goal. General knowledge about the crowdfunding concept and how it works are presented to the reader. In this thesis the "definition" between good and bad cases is defined by when a company has reached its target goal set and when they don't receive the amount of capital they had hoped in the beginning.

There are four main parts in this thesis. Firstly an introduction on the thesis is written to give the reader a complete overview of what the thesis includes. Secondly the theoretical and method part is presented where the reader is given the necessary knowledge of how equity based crowdfunding work and what a company should factor into their decision when planning their crowdfunding campaign endeavor. Thirdly, the empirical part with the case study of the companies this thesis is based upon and commissioned by. Finally the results are analyzed and the thesis question will be answered and discussed.

2 THESIS QUESTION

In this thesis there will be one specific questions that will be answered:

1. Were there any significant differences in the company's success raising capital with the help of crowdfunding?

3 COMPANY AND PLATFORM INTRODUCTIONS

3.1 Bloxcar

Bloxcar was founded a couple of years later then Autolevi in 2015 with the goal of making P2P (Peer to Peer) rental easy and safe. They also sought to disrupt the more traditional

way of renting cars from the big established firms. The idea was simple, if you own a car that is not in use all the time, you can rent it out to another private person. Like Autolevi, this will generate otherwise unseen revenue and your asset will potentially depreciate and add to the total cost of ownership. The big difference between AutoLevi is that Bloxcar operates in Finland and during the first four years of operations, they have already broken the 1000 active users' barrier. In all of Finland over 600 cars are listed on their sight and an average of 150 cars are available every single day. Bloxcar also differentiate themselves from other competitors in Finland by being the only one who cover the whole of Finland, not only the biggest cities such as competitors, (City Drivers Club, DriveNow etc.).

During the annual Slush convention held in Helsinki Finland in 2018, Bloxcar won the prestigious award for being the best service supporting sustainable development in Finland. Winning this reward not only added knowledge within the Finnish tech industry, it also gave birth to the whole idea of them beginning a crowdfunding campaign in order to expand accordingly. The company planned to use the gained crowdfunding capital to go global with the intentions of joining the Nordic and central Europe markets. The campaign which they held on the FundedByMe platform, received over 160,000€ of funding during the month they launched.

The CEO of the company Paul Nyman quotes the following. "Amongst the next generation, the need to own is declining with more importance and value added to the possibility to move freely. Our company will be the first of its kind to make it possible for individuals to rent cars on one single platform across several continents".

3.2 Platform Introduction: FundedByMe

"We connect people with financing opportunities worldwide"

Based out of Stockholm Sweden, the crowdfunding company FundedByMe.com was established in March 2011 concentrating mainly being a portal for donation and loan based crowdfunding. Almost two years later in October 2012 they launched their equity based crowdfunding platform which today is their core business.

The company has since then expanded with having joint ventures in United Arab Emirates, Poland, Singapore, Netherlands, Malaysia and Finland. To this day, FundedByMe has raised over 60 million euros from over 500 companies (FundByMe, 2019). An interesting fact about the company is that even though their native language

is English, entrepreneurs and users can list their campaigns in any of the above mentioned countries supported language. Considering the possibility of crowdfunding in the company's native language was a deciding factor when choosing platform for Bloxcar will be answered in the questionnaire. Another quality that differentiates this platform from others is with its recent launch of crowd lending in Germany, it makes them the only global platform to offer three types of crowdfunding (Crunchbase, 2019)

3.3 Autolevi

The founders of the company AutoLevi had had the idea of beginning a new venture with the aim of disrupting the traditional car rental service. In 2013 they began their company journey in Estonia, transforming into one of the biggest providers in the car sharing business around the Baltic regions. Their business idea is simple, making the rental of an individual's privately owned vehicle possible to other customers not having the need to own a car themselves. As already stated in the introduction of the thesis, one of the biggest results when using their services is being able to cut down on the cost of owning a vehicle and generating revenue when a vehicle otherwise would be parked and not in use. The customer themselves decide the price they want to set for their rental, it is important to remember that in the end the laws of supply and demand determines the price. AutoLevi is unique in the fact that it doesn't only operate in Finland like Bloxcar but also in Estonia and Latvia.

In 2016 AutoLevi expanded from Estonia and Latvia to Finland which was a great way to become more international and get a better view of how the market reacts. Finland's population is 4 times the size of Estonia, which CEO Kauri Kärson said was a perfect market to test the possibilities of future expansions to other countries. For this expansion to Finland the company underwent a crowdfunding campaign which was successful reaching the target within 24 hours. AutoLevi used a different platform (Funderbeam) than Bloxcar did (FundedByMe). Funderbeam being a platform based in Estonia, FundedByMe based in Sweden. Questions regarding why the companies chose these particular platforms will be asked by the CEO's and theories will be tested.

According to the company's website, to this day AutoLevi has over 2150 registered cars in their fleet ranging from pickups, vans and people carriers. This results in 4% of all holders of a driver's license using the services this company provides. Other interesting statistics concerning Autolevi

- More than 25000 users
- A total of 40 000 days of rental time has been achieved
- Over 10 000 cases of successful rentals
- On average 200€ a month increased revenue stream for the car owners

3.4 Platform Introduction: Funderbeam

“Funderbeam is the world's first primary and secondary marketplace for early-stage investments, secured by the blockchain.”

Founded in Estonia 2013, Funderbeam was born as an idea to be used as a fun and educational game for investing and trading which eventually evolved and pivoted to a secure platform to help entrepreneurs and companies in need of financial security and to give all the means necessary for companies to succeed. It is important also to know that Funderbeam only offers equity based crowdfunding campaigns particularly for SME's (Small & Medium sized Enterprises). Since they provide a service they naturally also take a commission which is 4% of the target set to raise during a certain campaign. In 2018 Funderbeam has expanded to Singapore and UK to reach a broader market base. During the years of Funderbeam's existence they have successfully connected investors from 119 different countries, collected over 13 million euros over 9,000 different trades.

4 THEORETICAL FRAMEWORK

4.1 Crowdfunding: a brief history

Crowdfunding has been around for a long time except in the earlier days it was called micro lending. Even though micro lending, now called crowdfunding, has become increasingly more popular, similar practice has been around for several hundred years. In the 18th century the first record of a crowdfunding campaign took place in Ireland. Founded by Jonathan Swift, the Irish Loan Fund sought out to help low-income families that other credit establishments neglected due to them not having any experience with credit or liable collateral to take out a loan, for example, from a bank. Swift was successful in helping the less fortunate, resulting in over 300 other institutions around the Ireland area doing business on a similar business model (short term-low capital loans) which during its peak time was utilized by 20% of all Irish households (Clark 2011).

Dr. Mohammad Yunus is said to be the pioneer in modern day microfinance. He too had the same idea as Swift, targeting the low-income individuals with small loans for a short time. He started the project as a research program with his students in Bangladesh giving out small loans particularly to women. This small project received such a warm welcome that within 7 years of its launch the program was converted to a bank which today still borrows 97% of its money to businesses operated by women. Yunus and Grameen bank received the highest honor possible in 2006 when accepting the Nobel Prize for their social and economic efforts (Clark 2011).

The theme of lending to poor and less fortunate people has become abundantly clear. The first micro lending website was launched in 2005 called Kiva.org which still to this day gives you a possibility to lend your money to entrepreneurs around the world. The website gives lending a personal touch with entrepreneurs creating their profiles and reporting to their lenders on progress. This personalized touch might be the biggest reason to the payback rate of 98,8% being exceptionally high (Clark 2011). A few years later in 2009, kickstarter.com was launched which today is one of the biggest crowdfunding platform

4.2 Crowdfunding pros, cons and statistics

“An open call, essentially through the Internet, for the provision of financial resources either in the form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes.” (Schwienbacher & Larralde 2010).

In order for new ventures and companies to begin their success the most critical thing needed is financing. In order to continue with what a company does it all comes down to having enough capital, which is crucial especially in the beginning. Crowdfunding has enabled entrepreneurs around the world to secure financing in new ways not having to seek traditional financing by for example loans banks. In the age of internet and technology there are several platforms that enable anybody from around the world to become part of a project and help the company to secure their finances.

Crowdfunding has of course its pros and cons which everyone thinking about beginning a campaign has to study carefully before they embark on their crowdfunding journey. The most talked about negative that can result in a campaign is it's failing and not reaching the set target. The statistics within crowdfunding may vary, but certain patterns can be seen across the biggest crowdfunding platforms: campaigns tend to fail far more often than succeed. Failed campaigns hosted on the Kickstarter platform only raised 10% of

their goal with very few even reaching half of their goal. Campaigns that have reached their target goal seem to do so by minimal margins. Approximately a quarter of all successful campaigns are 3% or less over their target (Mollick, 2014). With the help of crowdfunding entrepreneurs can also use this as a tool for marketing research providing information about the demand post launch (Agrawal et al. 2013).

4.3 Equity based crowdfunding

“Equity crowdfunding is a method of financing whereby an entrepreneur sells a specified amount of equity- or bond- like shares in a company to a group (small) investors through an open call for funding on internet based platforms” (Ahlers 2013).

After the global economic crisis of 2008, crowdfunding became the most adopted financial alternative giving individuals the possibility to fund entrepreneurs and ideas they believe in without any intermediaries (Bruton et al. 2015). Trust in banks and loans in general were not attractive and small business owners were seeking new ways of financing their endeavors. Companies also began selling equity to be able to pay their loans back to the banks (Freedman & Nutting, 2015). In today's market, companies who seek this form of funding are often SMEs (Small medium sized enterprises) targeting the small investors making it crucial for companies to clearly signal value to potential future investors (Ahlers, 2013). How value and quality are added to the campaigns will be clarified at a later stage of this thesis.

The difference between debt and equity financing is important to define as they can easily get mixed up together. Debt financing is the more traditional way when the company seeks financing from an institution or from an individual, the company receives capital but on the other hand their debt is increased which results in higher risk and increased liability. These are loans that have to be repaid at some point with interest. Depending on if the company is solvent or not this can be a big burden on the company. Equity crowdfunding on the other hand is a completely different way of securing financing potentially reducing risk for the company as well. The company can raise the capital they want by selling shares of their company. Since there is a risk of the investor losing their invested capital, companies have to express high amounts of quality and value during their campaign. This naturally has its tradeoffs, with debt financing the company has to eventually repay the loan with interest. The company selling equity with the help of crowdfunding are obliged to share their profits with investors in the form of dividends or

capital gains. If the same company fails to generate profit there is no obligation toward the crowdfunding investor to share any revenue (Freedman & Nutting, 2015).

The company who is seeking funds have to decide how much equity they are willing to give out in order to reach their target goal. With the help of this type of financing, the company can reach several small investors without having to give out a significant amount of their company shares to investors. The ideal situation is receiving many small donations that in the end adds up to a big amount of capital. Bloxcar and Autolevi, campaigns also had a minimum amount (500€ Bloxcar and 150€ Autolevi) a single investor was able to make. Minimum amounts are usually defined by companies who already have a steady business who are also targeting several donations but not necessarily from small investors but also from individuals and companies who are willing to invest bigger amounts of capital. Bloxcars minimum investment contradicts the statistics that a website called the Crowd Data Center states. According to their statistics an average pledge (crowdfunding definition for donation) of only 96 dollars (87€). The website has tracked over 700 thousand campaigns across the world since 2013. This supports the assumption of having several investors with a small amount of capital vs. fewer investments with a big amount of capital. This assumption will be tested and potential differences will be answered when conducting the interview between the two cases.

4.4 Signaling Theory

In some crowdfunding campaigns investors have to act on partial information and in order to counteract the lack of information, entrepreneurs have to signal quality before, during and after the campaign. Signaling theory concentrates on reducing the lack of information available between two parties, where the entrepreneur sends a quality signal with the intention of giving more information to the investor (Connelly et al. 2011). The core concept of this theory is to deliberately send signals containing positive messages aimed at potential investors with the hope of receiving a positive reaction, eventually investing in a company's campaign (Certo, 2003). The most important part to ensure the effectiveness of this theory is to ensure that the information sent out by the entrepreneur are observable by the receiver (Spence, 1973).

An important aspect of the signaling theory is to ensure that the signal sent to potential investors, in this case updates over the whole course of the campaign, have to be well

though through to ensure signal clarity (Certo, 2003). Studies also show that complexity of the language used by the entrepreneurs decrease the impact of the updates eventually losing clarity and investors (Ahlers et al. 2015) Since crowdfunding happens on internet-based platforms it is also important to ensure that potential investors also receive and read the updates. In order to guarantee and improve the possibility that updates reach investors, companies also use their social media channels and newsletters to increase awareness around the entrepreneurs campaign (Block et al. 2017). Furthermore, updates posted by the entrepreneur don't have an immediate effect on crowds participation because investors simply need time to learn about the new information and eventually invest (Kromidha et al. 2016). Several studies indicate that frequent announcements aimed towards the investor has a significant impact on the success of crowdfunding projects (Block et al. 2017; Dorfleitner et al. 2018; Kromidha et al. 2016; Wu et al. 2015)

5 FACTORS ASSOCIATED WITH SUCCESSFUL CROWDFUNDING

The ever more popular growing sector of crowdfunding has gained more and more traction, resulting in potential investors being increasingly concerned and aware of what factors are associated with a successful campaigns. The biggest factor to take into consideration when an individual invests is the more information the company can publicly present, the better situated you are as an entrepreneur seeking investments on your chosen platform (Mollick, 2013) Investors often have to act on partial information, a promise to achieve something and it causes uncertainty, in the end investors always want good ROI (Return On Investment) (Mollick, 2013).

Below are some factors that need to be planned in your campaign to increase the chances of having a successful campaign:

5.1 Adding quality and value to your campaign

Two key words are named often when potential investors go through their selection process and that is quality and value. Due to the fact that the crowdfunding market is often burdened with lack of information, the ability to signal quality towards investors with the help of your campaign is a crucial factor in securing finance (Vismara, 2015). The quality of the product, preparation, presentation, pitch, promises and values all result in greater

quality. In general projects generating high quality signals towards investors tend to get more funding. Mollick (2013) also states that there is a difference between the traditional venture capitalists and crowdfunding investors. Quality is a more important factor to the newer type of crowdfunding investors when traditional financial institutions tend to look more at the numerical projections and results when making their decisions. Entrepreneurs need to find successful ways to signal quality to potential investors, to increase credibility in order to secure financing (Zimmerman et al. 2002). In both companies cases they had the financial reports from previous years decreasing the sense of uncertainty in the eyes of investors. According to several sources there are however certain easy steps that are good to know going into a campaign on a platform non-dependent on what sort of investor you are seeking after, eventually resulting in the highest possible quality and increasing your chances of reaching your target goal. These theories will be challenged in my interviews with Bloxcar and AutoLevi.

5.2 Provide updates on campaign regularly

This is the second thing that Kickstarter recommended in all cases of crowdfunding. Crowdfunding platforms are unique in the way that they are located on the internet and the possibility of giving rapid updates all through the crowdfunding stages increase the quality and trust between investors and entrepreneurs. Campaigns that manage to gain collective attention and attract investors in the beginning phase of the campaign are significantly more successful (Colombo et al. 2015). A blog crowd 101 run by Joseph Hogue, an investment analyst reports that campaigns who kept their investors up to date on a daily basis raised 126% more capital compared to those who did not. This is also an effective way to show your investors that you are truly invested in your campaign. . In order to guarantee and improve the possibility that updates reach investors, companies also use their social media channels and newsletters to increase awareness around the entrepreneurs campaign (Block et al. 2017).

5.3 Make a video.

Making a video presenting your idea, business plan and why someone should invest in your idea is the most important thing you can do. According to a research done by another platform Fundly, a video attached to your campaign receive 105% more backing than

campaigns without video (Fundly, 2019). Producing a quality video is seen to be the one you can do to greatly project quality towards your campaign.

5.4 Shorter campaigns are usually better

A common misconception in crowdfunding is that the campaign should happen over a long period of time. This statement is false and knowing this also conveys the quality of your campaign and that necessary research has been done beforehand. Campaigns of these type of platforms usually see a lot of traffic in the beginning, slowing down in the middle and generating increased traffic again in the end. Setting a sense of urgency is not a bad thing, putting healthy pressure on investors to not missing out on a campaign. A staggering half of your funds will be received during the first and last three days averaging 42% of total funds raised. Depending on what sort of campaign, the average timeline from the beginning to the end is around 9 weeks (Fundly, 2019)

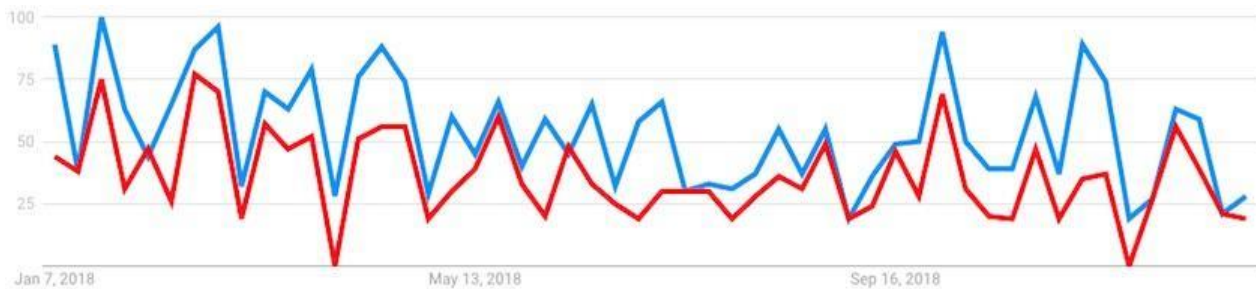
5.5 Check your spelling

Another simple way of providing quality is to check your spelling across your crowdfunding campaign. This is one of the easiest steps to gain more success during your campaign resulting in bettering your chance to reach your set goal. The chance of success is reduced by 13% compared to campaigns never showing spelling mistakes (Mollick 2013)

5.6 Google Analytics

It is highly debated on when the perfect time to go through your campaign, some saying that it is in the beginning of the year some on the other hand think it's in the end of the year. When researching this topic, it is important to set the geographical boundaries to your campaign. If you are looking for investors all over the world it can be difficult to pick a certain time of year. Searching for backers in a specific country can be easier as you can foresee certain trends such as public holidays and other factors. It is impossible to pick out a specific time, but certain trends between countries can be found when studied closer.

The chart below represents the search history and traffic of two words in Finland, crowdfunding (blue line) and joukkorahoitus (red line) in Finland during the year 2018. The latter word is simply a translation of the word crowdfunding in the native tongue. Since Bloxcar and AutoLevi both operate in Finland I decided to only concentrate on the search behavior to this specific country. The scale of the graph is shown 100 being the peak and all other periods during the year relative to that amount.



a Figure 1. Crowdfunding searches on Google 2019 (Blue: Crowdfunding. Red: Joukkorahoitus)

A clear rising trend can be seen beginning in the beginning of the year with traffic being over 50% for the majority of the time. During the summer holidays which people in Finland take very seriously, the traffic is at its lowest. The rise in traffic is seen clearly from the beginning of September, especially in English. The Finnish word gained traction at the end of the year, right about the same time the big tech summit Slush happened.

This same type of behavior in search history and traffic can be seen for the four biggest economies in the world, Germany, China, America and Indonesia. All countries showed similar trends with popularity in the beginning of the year, slowing down during the middle of the year (June-August) and gaining traction again to the end of the year, Indonesia however differing having most of its search traffic at the end of the year (Google Analytics, 2019).

With these studies, certain conclusions can be proved for the best time of year to begin crowdfunding in Finland. The theory behind what time of year a campaign should be started will also be tested in the questionnaire. It is however important to remember that definitive conclusions should not be taken from reviewing the internet's search history and shall not be believed in blindly. The author thought that it would be necessary to analyze the search history of something that happens purely over the internet.

6 METHODOLOGY

In this case study, we will rely on both primary and secondary data (Maxwell, 2005), with qualitative interviewing used as the main approach (Kvale, 1994).

6.1 Research approach

Due to the fact that this thesis was commissioned by a company, this thesis is structured as an inductive case study with extensive use of qualitative data received from the conducted semi-structured email interviews. Traditional case studies combine data collection methods such as archives, interviews, questions, and observations (Eisenhart 1989, p.532). This approach forces the researcher to look for the subtle similarities and differences between cases (Eisenhart 1989, p.540-541). Additionally, since this is a case study between two different companies, the main approach will be to define differences and similarities between their campaigns and also to explain the success or lack of capital gain.

The structure with which the theory will be analyzed and tested will be done according to the inductive reasoning method. This approach is an excellent way in establishing a simple and straightforward link between the research objective and the frequently and reoccurring patterns from the qualitative data eventually providing reliable theories and conclusions (Thomas, 2006). The reader will be presented with general information and background about the companies and in which market they operate in. Relative information and knowledge, specifically concerning equity-based crowdfunding and how it works, will be presented to the reader. After the reader has received all necessary information the author will study the case more thoroughly, resulting in drawing conclusions and testing said theory.

The author will take advantage of combining both qualitative and quantitative research methods with the aim of gaining a much a deeper insight with the help of conducted email interviews and researching the statistical results of the campaigns to draw out significant similarities and differences in the success of raising capital.

6.2 Data collection and analysis

In this thesis, my research is based on the information found from both primary and secondary data collected to analyze this specific topic and gain knowledge on how the

two companies success in capital growth with the help of crowdfunding campaigns differ from one another.

*“We can therefore define **research** as a process that people undertake in a systematic way in order to find out things, thereby increasing their knowledge”*

(Saunders; Lewis; & Thornhill, 2009, p.5)

6.3 Primary data

As primary data the results and analysis of the interviews conducted with the two companies CEO's, who both are experts within the MaaS (Mobility as a Service) field and have both previously undergone crowdfunding campaigns before the ones in this case study. In order to get an as deep as possible insight of these cases by the CEO's, the decision was made to conduct a semi-structured interview which is characterized by the increasing level of flexibility and its lack of structure (Edwards & Holland, 2013).

Timing with this email interview is not optimal due to the COVID-19 outbreak. Follow-up questions were not able to be sent due to the companies having more pressing issues. However, the 11 open ended questions that were sent to the companies proved to be satisfactory and sufficient to answer and prove the assumptions drawn in the theory section together with the help of the secondary data provided. “Some studies showed that when online communication was stretched over a long period of time, participants experienced a degree of affirmation for their participation” (Bowker & Tuffin, 2004; Walther, 1996).

With this comes certain challenges, the biggest one by far is making sure the questions asked are specific and open ended giving as much room as possible for the interviewee to specify their answers to make sure that enough data is acquired since follow-up questions isn't a possibility in this study. One positive thing about email interviews is the elimination of synchronizing the schedule between the two participants. Another positive aspect with this particular type of interview method, due to COVID-19 and geographical issues, there is no other way to gather primary data and eventually distinguish the companies similarities and differences in their crowdfunding campaigns. *“In other studies, data from face-to-face interviews did not reveal any information that was not already discovered via data from e-mail interviews”* (Meho & Tibbo, 2003)

6.4 Secondary data

Secondary data is collected in the form of electronic sources and data conducted from previous research theses. The topic of crowdfunding being relatively new, very few scientific literature in form of written books are available. The space within the crowdfunding industry is constantly evolving and it is important to use references and material that are up to date. In order to secure the validity of this thesis the majority of references used are published after 2010. This results in the use of electronically published articles and other electronic sources. Another reason why online references are important and natural to use is due to the fact that almost all of today's crowdfunding is done on different platforms provided electronically via the internet. In order to furthermore achieve increased significance, secondary data in form of all detailed information from the companies' crowdfunding platform will be used. Both Funderbeam and FundedByMe provide extensive statistical information over the course of the entire campaign. With the help of these statistics, the author can point out specific correlations, similarities and differences based on numerical information received.

Both primary and secondary data will be conducted as part of a qualitative research which is defined by the amount of received information and its characteristics (Saunders; Lewis; & Thornhill, 2009, p.566-570).

7 CAMPAIGN RESULTS

The assumptions that were drawn in the method and theory part of this dissertation were to be tested and proven by interviewing the CEOs of the two companies. A set of 11 specific and identical questions covering the whole duration of the campaign were sent to Autolevi and Bloxcar CEO's to be able to distinguish the differences and similarities in their campaigns. Due to the corona-virus, follow up questions could not be sent since both companies had higher priorities to take care of and sadly did not have the time.

Defining how a campaign has succeeded or not can be difficult depending on what unit is used to measure success. If a campaign's purpose is aimed purely to gain as much new capital from investors as possible and that amount is achieved, it can be defined as a success.

7.1 Bloxcar

Bloxcars campaign began on the 11th of June 2019 and ended on the 31 of August 2019, giving it a campaign length of 81 days. According to several sources the average campaign will last around 9 weeks (Fundly 2018). This campaign was initially meant to be shorter but the company decided to prolong the campaign in hopes of gaining more capital which in hindsight was an unnecessary risk since it was very difficult to engage investors over the peak summer vacation months in Finland.

During the 81 days the campaign was live on the platform, 542,660€ was raised with 84 investors with a minimum investment amount of 500€ for a total of 11,95% of company shares. Bloxcars campaign had a goal of 1 M€ in funding but fell 45,8% short of their target. If you look purely at the numbers and if an individual only defines a successful campaign if the set target is reached, the campaign was a failure. When you look more specifically into the campaign as a whole and compare the amount of gained capital with what the company plans to use the capital it isn't that straight forward. As the CEO himself described the plan was to start a massive marketing campaign with the raised capital gained. The company also checked all of the quality enhancing for the campaign for example with a high quality video 2 minutes and 37 seconds long, keeping investors informed over the duration of the campaign was also done and giving detailed information about their campaign with their business plan and financial forecast.

7.2 Autolevi

Autolevis campaign was also used as a marketing event to increase the awareness of their MaaS (Mobility as a Service) platform. The campaign was timed to begin directly after the company's peak season at the end of fall/beginning of winter.

The campaign was launched 6th of December 2018 and ended 2nd of January 2019. This turned out to be the correct timing for their campaign since they have their already existing clients aware of the upcoming campaign and it is easy to present what sort of results the company can produce during the high season for their potential investors which also are up to date. The campaign's target was achieved within the first 24 hours.

Autolevi also checked all the quality enhancing boxes to show professionalism and that they were well prepared before launching. A campaign video lasting 3 minutes and 13 seconds was produced and constant updates were provided before, during and after the campaign. Over 250 investors became part of this campaign from 18 different countries

such as Estonia, Finland, Germany, France and United Kingdoms. When the campaign closed they had received over 330% their target of 75,000 euros for a total amount of 198,806 euros.

8 CAMPAIGN DIFFERENCES

Two distinct similarities have been established between these two companies. Both have the same business idea; privately owned vehicles can be rented out to private people on a single regulated platform, reducing the cost of ownership, promoting sustainability and both campaigns were also launched in the hope of gaining more capital to expand to different countries and increase consumer knowledge of their service. When studying the differences it becomes more obvious how these two campaigns differ from one another.

8.1 Valuation and target

It was clear from the beginning of Bloxcars campaign that they had overvalued their company which almost ruined their whole campaign. Under and overvaluing your company is something that has to be considered carefully when crowdfunding. Valuing the company based on mathematical earning models while the company is running at a loss is not advised and should be much lower was a clear statement from Bloxcar CEO Paul Nyman. Another popular way to calculate your value is to compare with other companies on the market. This created a problem since there weren't similar companies in Finland at the time and Autolevi had just started their expansion to Finland so a comparison to similar companies in Finland could not be made since nobody had the same business idea at the time. AutoLevi on the other hand had a smaller valuation which turned out to be a good choice.

Bloxcar had set a target of 1 million euros with a minimum investment of 500€. 542,660€ was raised which is 11.95% of the company's stock, giving it a valuation of around 4,5 million euros.

Autolevi had a set target of 75,000€ with a minimum investment being 150€. 31% of the company shares were sold for a total of 198,806€ which is 338% over the target. With the original set target the company's valuation is 225,000€. Post campaign the valuation was around 600,000 euros, still being considerably lower than Bloxcars valuation. Another interesting fact is that Autolevis original target was reached within the first 24 hours of the campaign.

8.2 Time of year and campaign length

Another significant difference between the campaigns was the time of year the crowdfunding was live. Autolevi had a clear vision that they are going to launch the campaign directly after the high season keeping up the momentum and being able to provide fresh information and statistics to their investors during the campaign on how the company works during high season and what to expect from the future. The campaign began on the 6th of November with a significantly shorter campaign of 30 days compared to Bloxcars 81 days. Approximately 42% of all campaign funding will be seen during the first and last three days (Fundly 2018). Having a shorter campaign also conveys a sense of urgency to the investors to make sure they don't miss out on the opportunity.

Bloxcar began their campaign on the 11th of June and ended it on the 31st August. Launching a crowdfunding campaign during the peak holiday season in Europe was not optimal. The company had difficulties engaging investors which resulted in them prolonging the campaign over the whole summer. Bloxcar had also planned to keep their campaign short but since their time of year was not optimal they were forced to extend the timeline of the campaign which in hindsight was not worth it

8.3 Added value

One last distinct difference between the two campaigns was how they added value to their campaign. Both companies had done their due diligence beforehand and produced high quality campaign videos, checked for spelling errors and decided on their campaign lengths. While interviewing both CEO's a big difference in how value was added to their campaigns came forward. Bloxcar answered my question about how often they provided updates during their campaign with "sporadically through different medias, yes" while Autolevi provided daily updates to investors on social media and other channels. Newsletters were sent out every week and quarterly results and most important news post campaign has been sent to all the investor. Keeping your investors informed and up to date creates great amount of value and is something several crowdfunding platforms recommend.

Over the course of Autolevis campaign, 10 updates were posted on their platform Fundbeam. These updates were mainly updates on the campaigns success and encouragements to invest while they still can. The CEO also answered potential investors questions on average within the next 24 hours without withholding information of their financial

reports and other information about Autolevi. The company also shared their updates on their social medias (Facebook, LinkedIn etc.). After the campaign had been closed updates have been posted on a quarterly basis and all the questions that have been posted by investors have been answered by the CEO as well increasing the quality of the campaign. Bloxcar “sporadically through different medias” approach to informing potential investors and crowd engagement became clear when studying their activity on their platform and social media. The company received 4 questions that were answered within 48 hours but failed to post any updates on the performance of the campaign. Bloxcars Facebook page was updated more frequently with 11 updates giving information about the crowd-funding but only one of them had any information about how the campaign was performing.

9 DISCUSSION & CONCLUSION

While writing this thesis, the main goal was always to find out the similarity and differences between seemingly similar companies. Both have the same business models and ideas of what sort of company they are running. The interesting part that arose from conducting the extensive research was how they differed from one another with their success of raising capital and what resulted in such a big difference.

By questioning both CEO’s of the companies with identical questions the similarities and differences could be directly spotted to prove the theory with how to add value to a campaign resulting in more capital gained. The questionnaire gave distinct results to why and the success to raise capital between the two companies differed significantly. With the help of my research, four main reasons why Autolevi’s campaign was more successful in capital gain than the other can be contextualized; time of year for launching the campaign, campaign length, valuation and the quality of the campaign.

The biggest mistake for Bloxcar was overvaluing their company during the campaign. According to the CEO this nearly ruined the campaign before it had launched and is something they weren’t realistic with. Especially a company that is running at a loss should be very careful with their valuation. While Bloxcars received 54% of their target their valuation post-campaign was 4,5 million, Autolevi’s valuation was around 600,000€ after they closed their campaign 338% over the original target

In the email interview I had with Autolevi, the time of year when the campaign was launched played a crucial role in engaging investors and making it to their target goal

within the first 24 hours. Due to the seasonal traits of the market their campaign began directly after their high season to convey the highest rate of growth. They made this tactical decision so that it is easy for investors to compare last year's high season numbers with the newest information also keeping the length to the recommended 30 days according to several crowdfunding platforms e.g. Kickstarter, Funderbeam etc.

All crowdfunding happens on the Internet so I also decided to see if search traffic can provide any evidence of crowdfunding being more popular during a certain time of year. It is important to remember that Autolevi launched on the 6th November and Bloxcar in the middle of summer on the 11th of June. According to Google Analytics, the summer months are not the best time here in Finland but I wouldn't draw too drastic conclusions based on this information but more as a reference to support the difficult decision of when to begin campaigning.

Given the unique situation of all crowdfunding campaigns happening over the internet I think that this was highly underutilized by Bloxcar. A set of 11 updates on their Facebook page were posted over a 81 day period is very low with only one update concerning the performance of the campaign. With a more active role in updating potential investors the company could have significantly increased crowd engagement and potentially increasing the amount of investor. Crowdfunding campaigns are not always launched purely with the goal of gaining as much new seed capital as possible. One of the main reason Bloxcar began crowdfunding was to increase consumer knowledge in their service and being more active on their social media could have increased the amount of capital raised. Several studies indicate that frequent announcements aimed towards the investor has a significant impact on the success of crowdfunding projects (Block et al. 2017; Dorfleitner et al. 2018; Kromidha et al. 2016; Wu et al. 2015)

In a survey conducted by the Department of Communication and Traffic in Finland, 57% of the participants had heard of different car sharing companies but had no more information than that and 20% had no idea that this sort of service existed (Traficom, 2018). The results of this survey indicates that there is a need for this kind of service and both companies decision to increase consumer knowledge is needed, especially for Bloxcar that is still operating at a loss. Autolevi also planned to use their gained capital to tackle a new market here in Finland and accelerate growth. Bloxcar also had similar plans to test the online market in Sweden.

In this thesis we defined failure as not reaching your target goal during a campaign, which Bloxcar failed in due to three reason. The most important was the lack of updates towards

investors and crowd engagement before, during and after their campaign. Over valuing the company and time of year the campaign was launched added difficulty to the campaign yes, it is however important to point out that Bloxcars achievement of being able to raise over 50% of a target of 1M€ should not be considered as a complete failure. When looking at the big picture of both campaigns, both companies set out on their first crowdfunding endeavors with two different financial results. One overachieved and the other underachieved but both companies are able to use the gained capital to further their businesses and keep their promises to their investors in growing in all possible aspects. In the interview it becomes apparent that both companies will take their new found knowledge and put it to use if they were to set out on a second round of crowdfunding in the future.

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https://www.researchgate.net/profile/Silvio_Vismara/publication/317823426_Equity_Retention_and_Social_Network_Theory_in_Equity_Crowdfunding/links/5af5a79aaca2720af9c69c13/Equity-Retention-and-Social-Network-Theory-in-Equity-Crowdfunding.pdf

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APPENDIX 1: INTERVIEWS WITH THE CEO'S

The following email interviews were done during the month of March, 2020. Identical questions were sent to both CEOs Tauri Kärson (Autolevi) and Paul Nyberg (Bloxcar). The abbreviations ZH stand for interviewer, AL for Autolevi and BC for Bloxcar

Interview #1

ZH: Was crowdfunding always your first option or did you have other alternatives planned for funding?

AL: Alternatively, we considered raising again from angels or funds.

ZH: Can you name some of the main reasons equity based crowdfunding was chosen instead of other forms of crowdfunding?

AL: We wanted to give access to our users and fans to become Autolevi owners because we saw that as they are so passionate about what we do then it's always good to keep close your true fans.

ZH: How long did it take for you to launch after deciding to move forward with your campaign?

AL: As we had to prepare some video, go over all the details of our KPI-s and get validated this with the Funderbeam platform then it took 6-9 months. As we had no rush with it then we decided to but more time on the quality of the campaign and it paid off because we achieved our minimum funding target already during the first 24 hours.

ZH: Did you consult any external crowdfunding experts for help? If yes, was it for the preparation stage or somebody helping you through the whole duration of the campaign?

AL: We did not consult any of the external experts. Our external support came mainly from the Funderbeam team who reflected really well our offering, the terms etc. As our own marketing and business development team are really awesome then we planned all the marketing and communication side internally. In the end, as the campaign was so successful then we had to execute actually 70% of the plan.

ZH: Why did you choose the specific crowdfunding platform? Did you receive help/advise before, during or after your campaign from the platform provider?

(Funderbeam / FundedByMe)

AL: We chose Funderbeam because there is aftermarket trading possible. So, it's really easy for investors to come in and make an exit if his strategy changes or life in general changes and they want to cash their investment. We did not want to use a funding solution where we lock in our investors for too long period because we know life changes.

ZH: Did you consider the time of year to launch and how did you decide on the length of your campaign? What were the main reasons?

AL: Sure, we planned our campaign after our high season because car rental is still a bit seasonal so we wanted to give the best expression of the growth when the company works on the high speed. The easiest way is to compare for the investors our latest high season results of the last high season business results additionally for the low season results. The campaign length was not so critical. We considered 30 days, 45 days or 60 days. In the end, we decided on 30 days because the quick and effective campaigns are usually the most productive. Anyway, people do it on the first days of the campaign or the last days of the campaign. On that decision, we listened quite much to our platform Funderbeam and our marketing team advice.

ZH: How much time did you spend on filming and producing your campaign introduction video?

AL: It took something around 1-2 days and some 6-12 hours in total.

ZH: Did you provide updates throughout all the stages of the campaign? How often?

AL: There was like daily updates to investors, in social media and other channels. Sent out weekly newsletters etc. After the campaign, we have reported results quarterly and post the most important news and progress as soon there are any changes.

ZH: What sort of owning strategy were you aiming for? Many investors with smaller amounts or fewer investors with larger amounts?

AL: As I said before Autolevi is platform for people. We would love to have as many people as possible skin in the game. It makes the company more successful and the people on the platform as well.

ZH: Where there any other drivers besides raising capital you wanted to achieve with your campaign?

AL: We were wanting to raise awareness of the service. Thanks to the public offering we got new customers as well and new true fans who discovered our service thanks to the crowdfunding campaign. I would do it again if needed.

ZH: Can you mention some of the things you learned from your crowdfunding campaign? Anything you would've done differently?

AL: I think we undervalued our company a bit. When we launched the campaign and we achieved our minimum target during the 24 hours. We were really surprised. What we would not change is that preparation has to be really good. As I said we had loaded our marketing guns really heavily. In the end, we did not spend any euros for the marketing ads and just executed 70% of our marketing plan. But it is always good if you have plan B - Z if your plan A does not work.

Interview #2

ZH: Was crowdfunding always your first option or did you have other alternatives planned for funding?

BC: No. After bootstrapping and turning to family and friends we availed of Business Finland's grants and several R&D loans. We also turned to FiBan and tried finding anchor/angel investors to back us up before considering different financial instruments such as bridges financing and different crowdfunding platforms.

ZH: Can you name some of the main reasons equity based crowdfunding was chosen instead of other forms of crowdfunding?

BC: Yes. Equity with one share one vote is seen as the most straight forward and fairest model.

ZH: How long did it take for you to launch after deciding to move forward with your campaign?

BC: About four five months.

ZH: Did you consult any external crowdfunding experts for help? If yes, was it for the preparation stage or somebody helping you through the whole duration of the campaign?

BC: Yes. Both.

ZH: Why did you choose the specific crowdfunding platform? Did you receive help/advise before, during or after your campaign from the platform provider? (Funderbeam / FundedByMe)

BC: We chose FundedByMe because of their Finnish subsidiary Privanet that helped us during the way and also because FundedByMe helps investors and companies find a second hand market before. The company itself offers an exit possibility.

ZH: Did you consider the time of year to launch and how did you decide on the length of your campaign? What were the main reasons?

BC: Yes. And with hindsight it was an unnecessary big risk to extend the campaign over the summer. It cost us at least one if not two months in extra time and was especially challenging to be able to engage investors during the peak holiday season. I would not recommend it to others.

ZH: How much time did you spend on filming and producing your campaign introduction video?

BC: Relatively much. We produced all materials in-house.

ZH: Did you provide updates throughout all the stages of the campaign? How often?

BC: Sporadically through different medias Yes.

ZH: What sort of owning strategy were you aiming for? Many investors with smaller amounts or fewer investors with larger amounts?

BC: Many investors with smaller amounts. Small for us was a 500€ minimum investment because we compared it to car owners that had entrusted their cars in our service where their financial risk could potentially have run in the thousands of euros.

ZH: Where there any other drivers besides raising capital you wanted to achieve with your campaign?

BC: Yes. A massive marketing effort and reaching out to more users than ever before. Being a sharing economy company crowdfunding feels to be a very well suited financing tool.

ZH: Can you mention some of the things you learned from your crowdfunding campaign? Anything you would've done differently?

BC: Yes. Better timing. Better research before choosing a platform and securing angel/anchor investors before launching the campaign. Keep the valuation low. Much lower than the mathematical value based on earning models as long as the company is running at a loss. Overvaluation was the worst mistake we did to start with and it threatened the success of the whole campaign.

APPENDIX 2: DEN SVENSKA SAMMANFATTNINGEN

Introduktion

Dagligen grundas flera nya företag som måste säkerställa sin finansiering för att starta upp eller fortsätta sin verksamhet. När företag grundas kan de söka finansiering från flera olika håll, till exempel investeringar från utomstående aktörer eller banklån. Finanskrisen år 2011 förde med sig en stark misstro mot bankverksamheten, vilket resulterade i en ökning av gräsrotsfinansiering, även kallad folkfinansiering. Med gräsrotsfinansiering menas att man på internetbaserade plattformar söker intressenter som investerar i olika projekt.

Den första gräsrotsfinansiering plattformen Artist Share grundades 2003, varefter liknande plattformar och kampanjer har ökat exponentiellt. Detta tyder på att världen är redo att acceptera ett nytt sätt att finansiera företag (Freedman & Nutting 2014). Hela 8,7 miljoner kampanjer har publicerats under 2019 vilket är en årlig tillväxt på 35,1 %. Under samma år var summan av transaktionerna 6,1 miljarder euro vilket är en tillväxt på 30,2 % jämfört med året innan (Statista 2019).

Examensarbetets uppdragsgivare Bloxcars slogan är "Airbnb för bilar", dvs. kan privatpersoner med hjälp av företagets plattform hyra ut sina bilar till andra. Bloxcar är ett av många företag som beslutat sig för att finansiera sin verksamhet via gräsrotsfinansiering, mer specifikt kapital gräsrotsfinansiering, vilket används då företaget bestämmer sig för att sälja en viss andel av företaget i utbyte mot kapital. Med det inkommande kapitalet har företaget planerat att utvidga sin verksamhet till andra länder i Norden och öka konsumenternas kännedom om företaget i fråga. Liknande drag har gjorts av konkurrerande företag som till exempel det estniska företaget Autolevi som gjorde en gräsrotsfinansieringskampanj där kapitalet används för att utvidga verksamheten till Finland. Examensarbetet kommer att jämföra företaget Bloxcar och Autolevis gräsrotsfinansieringskampanjer och besvara forskningsfrågan "Fanns det signifikanta skillnader i företagets framgång vad gällde att samla in kapital med hjälp av sina gräsrotskampanjer?"

Bakgrund och relevans

Finlands befolkning kan delas in i tre kategorier: de som äger en bil, de som inte äger bil och de som antingen funderar på att införskaffa en bil eller sälja den bil de redan har. (Traficom 2019) Till den sistnämnda kategorin hör de som i första hand är intresserade av att börja använda en bildelningstjänst som till exempel Bloxcar erbjuder.

I en undersökning gjord av det finländska försäkringsbolaget If, kunde 20 % av Finlands 2,5 miljoner bilägare tänka sig att använda företag som möjliggör bildelning.

År 2019 ökade mängden bilar som är registrerade av företag som erbjuder privatleasing med 67 %, vilket tyder på en sjunkande trend av privatägda bilar. (Traficom 2019).

I en annan undersökning som gjordes ur bilisters perspektiv svarade 1026 undersökningsslagare på frågan "Hur bekant är du med bil-delning som tjänst?" Hela 57 % svarade att de endast hade hört om tjänsten, 20 % hade ingen aning om att tjänsten fanns och 23 % sade sig veta en del om detta (Traficom 2018). En intressant aspekt var att en tredjedel av de under 30-åriga som deltog i undersökningen aldrig hade hört om en sådan tjänst. Alla dessa undersökningar och all statistik tyder på att det finländska folkets konsumentbeteende förändras hastigt och att individer aktivt funderar på hur och varför man konsumerar.

Metodik

Examensarbetets struktur kommer att vara en induktiv fallstudie med omfattande användning av kvalitativa data som samlats in med hjälp av semi-strukturerade e-postintervjuer med både Autolevis och Bloxcars verkställande direktörer. Traditionella fallstudier kombinerar olika datainsamlingsmetoder som arkiv, intervjuer, frågor och observationer, vilket resulterar i att forskaren måste ta hänsyn till både stora och små skillnader och likheter (Eisenhart 1989).

Primärdata samlas in i form av e-postkorrespondens med Autolevis och Bloxcars verkställande direktörer. På grund av COVID-19-pandemin var det inte möjligt att ställa följdfrågor eftersom bägge företag prioriterade andra saker under detta undantagstillstånd. Elva identiska öppna frågor skickades ut till personerna för att möjliggöra så omfattande svar som möjligt.

Forskningens sekundärdata är insamlad i form av analys av tidskrifter, akademiska artiklar och böcker. För att säkerställa examensarbetets validitet är majoriteten av

källorna publicerade år 2010 eller senare. För att kunna säkerställa att sekundärdata stöder forskningen har författaren också samlat in detaljerad information och statistik från båda plattformarna som företagen använde sig av för sina kampanjer (Funderbeam och FundedByMe).

Teori

Analys av teorin kommer att göras induktivt. Med denna metod strävar man att skapa länkar mellan forskningsfrågan och återkommande mönster från kvalitativa datan för att bevisa pålitliga teorier och slutsatser (Thomas, 2006).

Både Autolevis och Bloxcars kampanjer var kapitalbaserad vilket innebär att bägge företag hade bestämt sig för att sälja en andel av sitt företag i utbyte mot kapital för att finansiera sin verksamhet. När företaget beslutar sig för en sådan kampanj strävar man alltid efter att uppnå sitt mål med den förhandsbestämda andelen av företaget som säljs för kapitalmängden.

Det är även viktigt att inte blanda ihop denna form av folkfinansiering med skuldfinansiering. Skuldfinansiering är det traditionella sättet att finansiera sin verksamhet. Skuldfinansiering innebär att företaget lånar från till exempel en bank och ökar då på skuldmängden i företaget. Ifall företaget går i konkurs och har använt sig av skuldfinansiering måste skulden återbetalas med ränta.

Om gräsrotsfinansiering använts för att öka kapitalet och företaget misslyckas med att generera vinst är man inte skyldig att återbetala det kapital man samlat in (Freedman & Nutting 2015). Detta form av investering innebär större risk för investeraren och kampanjens roll vad gäller att skapa så mycket känsla av kvalitet och säkerhet för alla potentiella investerare växer. Gräsrotsfinansieringskampanjer kräver väldigt mycket förberedelser för att man i slutändan ska kunna uppnå kapitalmålet.

Då sekundärdatan analyserades uppkom fyra sätt att öka mängden kvalitet och i slutändan förbättra möjligheten att ha en lyckad kampanj och uppnå målen. Investerare på gräsrotsfinansieringsplattformar måste ofta agera på partisk information, ett löfte att uppnå något, vilket kan framkalla osäkerhet eftersom investerare givetvis är intresserade av ROI (Return On Investment) (Mollick 2013).

Det första och viktigaste sättet på vilket man kan framföra kvalitet till potentiella investerare är att dagligen hålla sina investerare uppdaterade om hur kampanjen framskrider och därmed öka tilltron mellan entreprenören och investeraren. Företag som

skickade uppdateringar dagligen samlade in 126 % mera kapital än de som inte gjorde detta (Crowd 101, 2017). Flera undersökningar bevisar att man med hjälp av uppdateringar som är riktade mot investeraren ökar betydligt företagets chanser att lyckas med sin kampanj. (Block et al. 2017; Dorfleitner et al. 2018; Kromidha et al. 2016; Wu et al. 2015).

Det andra sättet är att producera en video där man sammanfattar verksamheten och motiverar varför det lönar sig att investera. Orsaken till att videor lyfts fram som ett medel var att kampanjer med videor får 105 % mera investerare jämfört med kampanjer som saknar en video (Fundly 2019).

Det tredje sättet är att minimera slarvfel som till exempel stavfel i alla skeden av kampanjen. Olika slarvfel kan reducera chansen att lyckas med 13 % jämfört med de kampanjer som inte hade någon sorts slarv- eller stavfel (Mollick 2013).

Det fjärde sättet att projicera kvalitet är att hålla längden på kampanjen relativt kort. Rekommenderad genomsnittlig längd oberoende av kampanj är ca nio veckor (Fundly 2019). I genomsnitt samlas 42 % av de totala samlade kapitalet in under de första och de sista tre dagarna av kampanjen. (Fundly 2019).

Resultat och diskussion

Bloxcars kampanj började den 11 juni 2019 och varade i 81 dagar varefter den avslutades 31 augusti 2019. Kampanjen hade ursprungligen planerats att vara mycket kortare men företaget beslöt att förlänga kampanjen över sommarmånaderna (juni-augusti) i hopp om att samla in mera kapital. Bloxcars verkställande direktör Paul Nyman konstaterade att det i efterhand var en onödig risk att ta eftersom det är väldigt svårt att engagera investerare i Finland under semestersäsongen.

Under de 81 dagar som kampanjen pågick samlades totalt 542 660 € in av 84 investerare. Det ursprungliga målet var att samla in 1 miljon euro med en minimiinvestering på 500 €, så kampanjen misslyckades i och med att den stannade 45,8 % under det uppsatta målet. Bloxcar hade gjort allt de kunde för att lyckas med sin kampanj: de producerade en video av hög kvalitet och de uppdaterade investerarna ofta samt gav detaljerad information om företagets verksamhet.

Autolevis kampanj började den 6 december 2018 och varade i 30 dagar då den avslutades den 2 januari 2019. Det ursprungliga målet på 75 000 € uppnåddes på 24 timmar efter att kampanjen börjat. Då kampanjen avslutades hade man samlat in över 198 000 € vilket

var 338 % över målet. Autolevis verkställande direktör Tauri Kärson konstaterade i intervjun att de länge funderade på kampanjens längd och ansåg att en kortare kampanj var det rätta alternativet. Företaget hade också bestämt sig för att börja kampanjen direkt efter deras högsäsong för att visa goda resultat för investeraren. Kampanjen samlade in kapital från över 250 investerare från 18 olika länder vilket tyder på att Autolevi lyckades väl med sin kampanj.

Med hjälp av intervjun blev det också klart vilka de största skillnaderna i kampanjerna var. Årstiden var inte optimal för Bloxcar, och speciellt i ett land som Finland där majoriteten är på semester under sommarmånaderna då kampanjen pågick blev det svårt att nå full potential. Bloxcar hade ursprungligen planerat en mycket kortare kampanj men de tog risken att förlänga den.

Autolevis taktik som innebar att börja kampanjen direkt efter högsäsongen var ett medvetet beslut som bar frukt. Tauri Kärson sade att det var lätt för dem att visa sina investerare hur mycket de har vuxit jämfört med förra årets resultat och att det var lätt att engagera investerare när det var högsäsong. En av de största skillnader mellan kampanjerna var att Autolevi uppdaterade sina investerare dagligen på plattformen, på alla sina kanaler i sociala medier och även efteråt med kvartalsrapporter och nyhetsbrev. Om man endast ser till hur företaget uppnått sitt mål med nytt kapital, vilket man oftast gör i gräsrotsfinansieringsvärlden, misslyckades Bloxcar med sin kampanj och Autolevi lyckades med sin. Det är dock viktigt att poängtera att samla in så mycket nytt kapital som möjligt inte är det enda syftet och motivationen för företagen med sina kampanjer. En stor del av det nya kapitalet skall användas för att expandera till nya länder, öka konsumenternas medvetenhet om företaget i form av marknadsföring och accelerera tillväxt i de länder som företaget verkar i. Det står även klart att både Bloxcar och Autolevi utnyttjar denna kunskap och erfarenhet i eventuella framtida kampanjer.