Press release, Stockholm June 15th 2015

**Report: crucial factors for success in crowdfunding**

**FundedByMe recently investigated and created a research report on the main elements of crowdfunding campaign success. Social media and the right team seem to be crucial for achieving the funding goal.**

FundedByMe is one of the only full-service crowdfunding platforms offering capital through equity, debt and reward based crowdfunding which has funded some 500 companies from 25 countries. The report analyzes such factors as usage of various social media, the background of a company’s team or documents uploaded.

One of the main conclusions is that placing a link to their **Facebook or LinkedIn** on a company’s pitch page on a crowdfunding platform **increases the probability of success more than** **30%** (**31,37% for Facebook and 32,58% for LinkedIn**). Furthermore 10 likes on the company profile of any of those social media portals adds additional **6% for the success** (6% on LinkedIn and 5,6% on Facebook).

Another important factor is the types of documents delivered to the crowd. **Reliable market statistics can help by 27% and an upright financial forecast by even 37,3%**.

Lastly entrepreneurs pay attention to the background of team. If a member has a background in management and/or consulting this helps company by 26%. Relevant business education can have an influence on a company’s success by 25%. Surprisingly, possessing a master’s degree or previous entrepreneurial experience is not regarded by investors as something relevant.

“That doesn’t mean that fulfilling only one of the conditions will automatically bring you the relevant amount of money. We analyzed a dependent variable binary and checked either successful or unsuccessful outcome. Successful outcome was defined as reaching 80% of the initial funding goal” say Alina Lundqvist and Michal Gromek from FundedByMe, the authors of the report.

The report was based on the analysis of all equity crowdfunding campaigns from the Nordics, run on the FundedByMe platform since 2012. FundedByMe has 83% of market shares in equity in Nordics. The CAGR in equity crowdfunding at FundedByMe was 449%.

“The average amount raised per campaign is €122,706. The average investment amounts €5,935. Statistically there are 46 investors in a campaign” – explain Alina Lundqvist and Michal Gromek.

The European equity crowdfunding market size (excluding UK) was worth €82.56 million in 2014. The CAGR for the industry between 2012 and 2014 was 116%.

**More information:**

|  |  |
| --- | --- |
| **Daniel Daboczy**CEO and Co-founder+46(0)736 26 9985daniel@fundedbyme.com | **Maciej Szulc**Communication & Marketing Director+46 (0) 734 26 68 26maciej@fundedbyme.com |