

The Crowdfunding: is it a mainstream financial tool with potential?

**2º CONGRESO CIENTÍFICO-PROFESIONAL EN
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*Ethics in Finance
and Governance*

BACKGROUND

- Financial Crisis
- Financing Problems of Corporations
- Banking Problems to give credit

THE PROBLEM

1. Is it possible to consider the Crowdfunding as conventional financial tool?
2. How optimized the Crowdfunding as financial issue element?
3. How is possible to invest the cash surpluses taking into consideration the social interests?

THE AIM

- Develop a model called MUTUAL CASH HOLDING 

“Selfish” approach (contractual theory)

- Asymmetry of Power
- Information Asymmetry
- Opportunistic behavior
- Market Failures
- Opportunity Costs

TRADITIONAL FINANCIAL MODEL

“Mutual Trust” Approach

- Increase trust and collaboration
- Transaction Cost Reduction
- Risk Reduction

MUTUAL CASH
HOLDING



<i>Description</i>	<i>Crowdfunding</i>
<i>Variable</i>	
Qualitative Technique	Web Page review* and Personal interview Plataforma de Guia Completa de Crowdfunding en España (socialia)
Interviewers	Experts of Crowdfunding
Data	From December 2013 to January 2014
Time	4 hours in person + 7 hours action research
Place	Web pages and Bilbao (SPAIN)
Analysis Technique	Delphi Technique using a Cross-impact Matrix



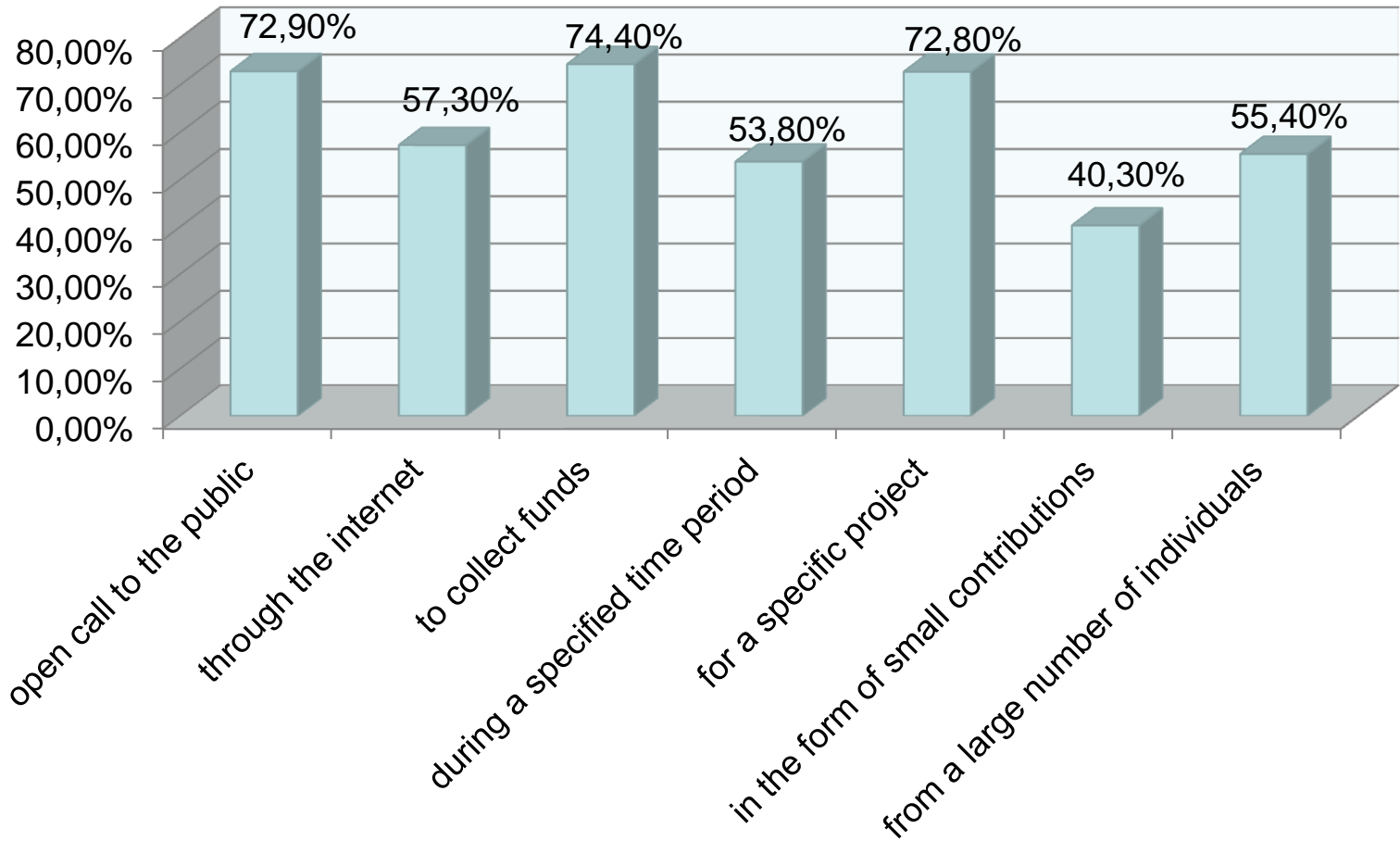
But...

**What are the most important
Crowdfunding **Characteristics?** **Types?**
Is it to be a **mainstream** financial form
(not residual)?**

A proposition of a model: MCH



THE CHARACTERISTICS OF CROWDFUNDING

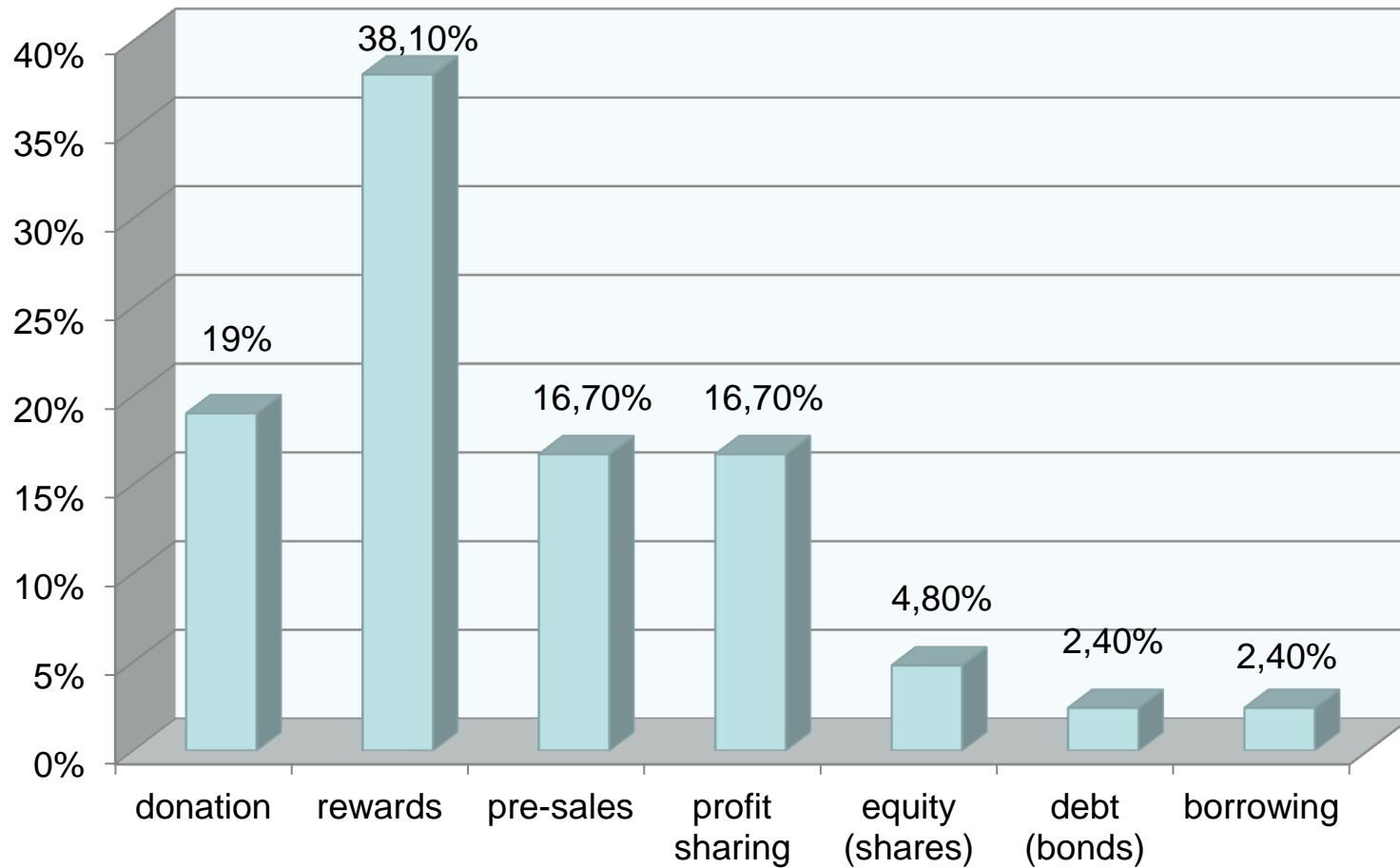


Source: European Commission 2013 Survey.





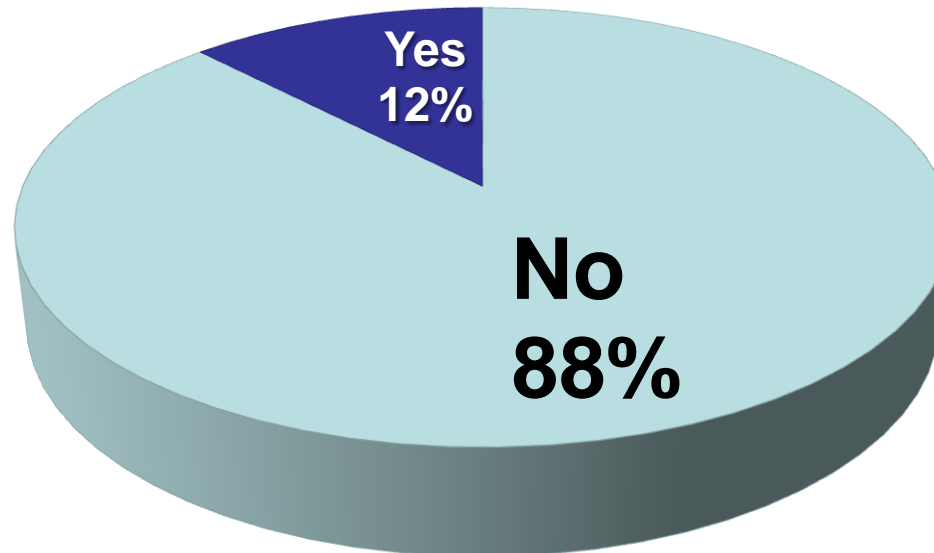
CROWDFUNDING TYPES



Source: European Commission 2013 Survey.



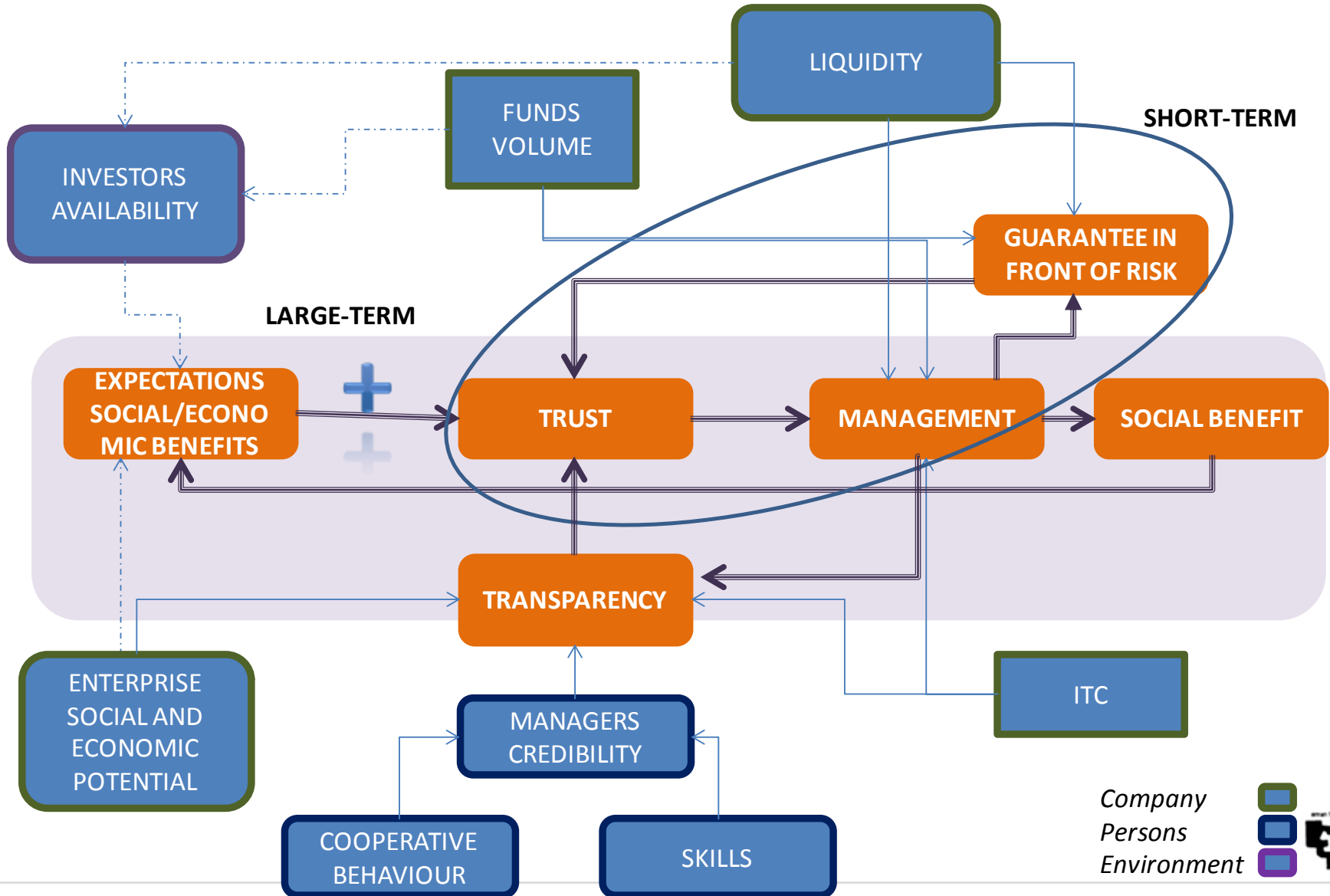
Is Crowdfunding only for Projects with Small Financial needs?



Source: European Commission 2013 Survey.



EXPLORATORY MUTUAL CASH HOLDING FINANCIAL CROWDFUNDING



1. It is possible to consider the **Crowdfunding** as a Mainstream Lending tool: Dimension and Potential
2. The **Reward Crowdlending** permits: finance companies + develop society to the sustainability + increase participation
3. The **Mutual Cash Holding** is not only theoretical model but also practical (MCC, Trocobuy, Crowdfunding) and Reasons and results of MCH are different but the short and long-term determinants are the same: Expectations, Trust, Transparency, Management, Mutual Profit and Guarantees
4. IMPLICATIONS
 1. It should apply in the Creation of the company
 2. It is an alternative or complement to the financial intermediation
 3. It permits the control and evaluation by the media and crowd
 4. It could reduced the chance to fraud



Thank you for your attention!



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