

REWARD OR EQUITY CROWDFUNDING IN SPORT RELATED PROJECTS

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Abstract: In recent years, the crowdfunding method has generated several billions in funding, no matter the campaign's area of activity. Nevertheless, the efficiency of this tool may be improved, considering that around 60 percent of Kickstarter campaigns fail (Daly, 2017), considering this is probably one of the most popular and efficient global crowdfunding platforms. Through this article we have analyzed a variety of crowdfunding sport related campaigns or case studies, to discover common principles and patterns that may be repeated, to obtain the desired results. We have focused less on crowdfunding donation or non-profit sport projects (*funding without expecting any return*) and we have reviewed more sustainable forms, such as reward or equity crowdfunding, which involve receiving a reward or shares in the company in return for the investment. This article emphasizes that equity funding is used to a very small extent by the campaign's initiators (under 5% of all sport related projects), unlike reward crowdfunding. Some of the guiding principles and best practices common to the hundreds of projects reviewed are:

- The ability to synthesize in one phrase the purpose of the product/project and its unique selling characteristics;
- Complex grill for rewards, differentiated according to the donated amount;
- Integrating the crowdfunding campaign in a larger marketing strategy;
- For sport teams - using their existing fans as a source of external funds.

The results of this research confirm some of the principles found in previous studies. It also provides additional information on the impact of this financing tool, regarding the obstacles met in the process or the state of development of jurisprudence in the field.

Keywords: *crowdfunding campaigns, reward crowdfunding, equity crowdfunding, efficiency rate.*

Introduction

For nearly a decade, crowdfunding campaigns have become a viable financing tool for various businesses or organizations, being an alternative to investment funds or bank loans. On global multidisciplinary online platforms like Kickstarter, sports occupy a major place, even if it is not mentioned as a distinctive category such as Publishing or Design&Technology. At the same time, we find online platforms that are exclusively dedicated to sports (e.g. RallyMe, Sportfunder etc).

There is an increasing empirical literature on the impact of crowdfunding and practical ways to increase the efficiency of this tool (Alatta, 2014; Stegmaier, 2015; Daly, 2017; Rose, 2017). One of the most regulated jurisdictions in this field are found in France, Italy and in the United Kingdom, so we find numerous research papers that refer to crowdfunding campaigns in France or UK. The main reasons are that Italy was the first European country to adopt and implement an equity crowdfunding law in 2013 and the UK was the second of the European states which adopted the national investment-based crowdfunding law (in April 2014, apud. Sadzius L, Sadzius M, 2017). But being the first does not necessarily mean generating the best results, because crowdfunding

in Italy can only be permitted for what the decree described as "innovative start-ups". Therefore, *equity-based financing in Italy is biased in the favor of very high risk and high technology orientated companies* (Alatta, 2014, p.73). In practice we found more projects initiated by French owners than UK or Italian creators, for example. One possible explanation would be that the limits imposed by the legislation have influenced real practices. Some jurisdictions, such as the U. K's., *decided to enforce a limitation for people who do not qualify as professional investors to participate in lending-based crowdfunding*, whilst other countries like France don't restrict the number of investors, the type of investors, or the maximum investment limits (Sadzius L, Sadzius M, 2017, p.60). That may lead to better results for French initiators than for creators in UK or Italy. In Romania there are only few introductory studies and research articles on this topic and they were published after 2010 (e.g. Bălău, 2016). The scarcity of autochthonous review literature reflects the reality in this field, meaning the minor progress of the Romanian crowdfunding platforms compared to the global ones which have grown constantly since 2008/2009. Through the present research we want to analyze the effectiveness of these sport related

campaigns worldwide, in the light of the principles of good practice set out in the international literature.

Methodology

The methods follow empirical research principles, by comparative analysis of relevant sport related projects through principles stated in the review literature on the topic of crowdfunding.

First objective: to create an overview of the typology of funded sport related projects and their success rate. Therefore, this article collected secondary data from more than 300 of sport related crowdfunding campaigns presented on many online platforms, such as Kickstarter, Indiegogo, Sportfunder, RallyMe, FundedByMe and Ulule to create an overview of the efficiency rate (success rate), the budget amount raised from supporters and the percentage of projects using rewards or equity components.

Second objective: to analyze the degree of compliance of the sport related projects with best principles stated in the crowdfunding international literature. For this, from all 300 cases we have selected a smaller lot, in search of the common areas and features that might model certain principles to predict success. The sample of crowdfunding projects analyzed for this second objective was chosen based on three cumulative criteria:

- projects related to sports (promoting sports, supporting sport teams, creating facilities for sports like parks or sites/platforms, innovations and devices useful for sports and physical exercise etc);
- projects that reached the set up financial goal (at least 100% financed);
- projects that pledged for/raised more than \$10.000.

The reason for establishing the limit of minimum raised budget to \$10.000 was to avoid large projects whose pitch are written by specialists (and by default they respect all good principles). In total, for the second part of our objective, we have reviewed a sample of 80 projects worldwide, presented on 5 of the mentioned platforms (excepting FundedByMe because it only uses equity model for funding and this has impeded us from tracking the indicators related to reward model).

We have focused less on crowdfunding donation or non-profit sport projects (where people give money to a sport project without expecting any return) and we have reviewed more sustainable forms such as reward or equity crowdfunding,

which involve receiving a reward or shares in the company.

For model splitting we have followed The Financial Conduct Authority (FCA) regulations, because FCA is the body that oversees the operations of equity based crowdfunding platforms. FCA distinguishes between four type of crowdfunding models:

- Donation Crowdfunding – where people give money to a project without expecting any return;
- Reward Crowdfunding – where people give money to a project/campaign to receive a reward in return;
- Equity Crowdfunding – where people give money to a company's project and in return receive shares in that company;
- Debt Crowdfunding – where people lend money to a project in the hope they will receive a financial return through interest payments as well as a return of capital; and
- Exempt Crowdfunding – which is either equity or debt crowdfunding, but which by satisfying various statutory exemptions is able to fall outside the scope of securities regulations (Goode, 2015). Including a reward (e.g, a product) in the crowdfunding campaign requires the initiator to set a number of limited items per each reward category and to allocate a budget both for the production of those rewards and for their shipping worldwide or to a specific area. For each supporter financing in advance for the creation of a specific product / service, it also involves a benefit (tangible or intangible), which is equivalent to saving a certain amount of the future retail price.

Generally, the rewards may be non-financial items, on different forms:

- receiving acknowledgments on the web site/on the major sponsors' section, on the last cover of the book, displaying his/her name on the first product unit etc;
- receiving one or more items of the product/service that is the subject of the campaign (an autographed book, free access to a certain platform/sport training program/lifetime membership, receiving an innovative sport equipment etc);
- an invitation to the launching event of the product, a meeting/reception with the inventor, an experience related with the sport promoted.

In case of equity crowdfunding, *investors get a return on their investment when the company pays a dividend, if the company is sold or listed on a stock exchange* (Alatta, 2014, p.32). In practice the equity funding represents a tool which may be

less attractive for the public, because it involves a certain degree of risk, in case the company fails. Also, the data collected by us confirm that equity crowdfunding is for the moment, the least used model from those mentioned above. In the same time, the online platforms do not use this type of model on a large scale, because of the gaps within the national laws or because some of the states have not even ratified crowdfunding laws. Up until the year of 2017 national crowdfunding-specific laws have been passed only in 11 out of 28 EU Member States, as follows: Austria, Belgium, Finland, France, Germany, Italy, Lithuania, UK, Netherlands, Portugal and Spain (Sadzius L, Sadzius M, 2017, p.60). In the same time, researchers state that *it was illegal to operate an equity based crowdfunding platform in the United States of America until the passing of The JOBS Act in April 2012* (Alatta, 2014, p.70). Simultaneously, we have isolated from the state-of-the-art literature the common principles that underlie the success of crowdfunding campaigns in general. Then we searched through public sport related crowdfunding campaigns (available in October 2018), to confirm whether these principles apply.

The most cited principles and common practices are:

○ Clear project definition (short and memorable title, able to reflect the objective of the campaign, clarifying the status: on-going or off project, clear objectives, setting reasonable time frame, adapted from Alatta, 2014, p.113);

○ Rewards' attractiveness (no matter of the model of the campaign; *even for a debt-based campaign, the interest rate and the mode of payment of the interest must be commensurate with the industry lending rate*, Alatta, 2014, p.115);

○ Rich creative multimedia content (short and precise videos in MP4 format, good background music, being transparent and uncovering identity etc);

○ Create awareness for the campaign: build network, announce the campaign to the network, contact the press, manage campaign: broadcast on website, post it on social networks, write on the blog and distribute it to blog directories, involve backers in the campaigns; showing appreciation to the supporters, celebrating success, promising the fulfillment including the rewards (Alatta, 2014, pp.117-125);

○ Engaging consumers/fans and uniting them around a project (Goode, 2015).

Results and discussions

Data on General Online Crowdfunding Platforms

3.1.1 Results regarding reward general platforms

On the Kickstarter platform most of the projects that mention sport as a theme in the headline have complementary functionalities to sports disciplines or target individual causes of sport teams. From the 3937 live projects on Kickstarter platform available in October 2018, we found 2657 projects that include sports/physical education in the headline and from all of those, 552 projects have reached their financing goal (signifying a 21% success rate).

The most consistent category within the sports area is that of the projects which promote innovations or devices useful to athletes, followed by documentaries and awareness projects promoting sports benefits to public. We have synthesized the few directions on which successful sports projects embark:

○ A) IMPROVED/INNOVATIVE EQUIPMENT, experimental inventions and suppliers: special suits to record the golf swing or tennis serve, Yoga equipment, collars for athletic sports, surf equipment, ski innovative boots, outdoor equipment for extreme weather conditions, heated polar tops, smart boxing gloves with embedded sensors, equipment designed for water sports, high-tech illuminated vests for nights sports, the world's most powerful jet-engine for water sports gear, sport watches, sport drinks or natural electrolytes etc;

○ B) SUPPORTING DEVICES AND PLATFORMS: Monitoring devices for action sports which makes action sports measurable, sharable, and comparable; wireless headphones including access to hundreds of voice-guided training programs for running, cycling, triathlon, gymnastics; the first multi-sport watch with an SOS safety alert; a mobile-first platform (available on both Android and iOS), with responsive web experiences for football, designed for tablet and desktop with mental, physical and situational features (*Edge Up*); Innovative 3D Motion Capture Software for Physical Education Assessment and Sports Movement; street hockey in virtual reality, simulation strategies games etc;

○ C) DOCUMENTARIES AND ILLUSTRATION: Sport documentaries, sport novels or comics/illustration, sport journalism such as annuals or surf magazines, children's book series promoting sports, sport podcasts, sport tunes, catalogues (e.g. stadiums from the world of sport), books on sports athletes' personalities

(e.g., a unique motocross documentary that examines the life and mind of one of sport's most elite athletes), on legendary sports teams (e.g. a documentary film on the world's greatest sporting rivalry, Real Madrid vs. FC Barcelona) or extraordinary stories of sports fans; autobiographies; motivational pregame stories – for coaching activities; documentaries on how sports empower the physically disabled etc.;

○D) WOMEN IN SPORTS: Female sports equipment, motivating or inspiring films (films about outdoor sport empowered by women, a web series to inspire and open the mind about women in sport, focus on ski-mountaineering; a film on female hockey), books or films empowering women to practice sports (e.g. book chapters on synchronized swimming).

○E) FUNDING COMPETITIONS OR INDIVIDUAL CAUSES (Sport Parkour Championships; battle-gaming events between different martial arts, performance, and sports organizations from all over the world; a cultural festival for the 4 language groups of Africa, including traditional dancing, sports and storytelling), creating a sports park especially for youngsters etc.

On the Indiegogo platform we found only 240 projects that mention certain sport disciplines as a theme in the headline or within its brief presentation and these projects may be categorized on three directions:

○Technology devices, innovation and support for sports and physical exercise: 122 projects of which 78 were fully financed;

○Creative works: 23 projects of which 2 were fully financed;

○Community: 95 projects of which only 8 fully financed.

Even if on the platform Indiegogo we find an obviously smaller number of sports related projects comparing to the global directory Kickstarter, more of them seem to be more related to the core of sport disciplines, as they may be seen not only as support / complementary projects for sports disciplines. But this consistency is observable only in relation to the number of their own projects, not in comparison with other platforms. Further, we want to highlight the most relevant projects in terms of connection with sport disciplines:

○Sybernetics – innovative collection of methods for efficient body building (€201,827 total

funds raised, 195% funded in 2018, project owner – from France);

○Trainerbot – the tennis table partner, the world's first smart ping pong robot that is enjoyable to play with and can teach the player new techniques (\$442,616 USD total funds raised, 324% funded on July 2016, project owner from United States, San Francisco);

○BodyBoss 2.0 - home gym integrative devices (\$1,751,039 USD total funds raised, 3741% funded on September 2016, project owner from United States, Cincinnati);

○BlazePod - a flash reflex exercise system for everyone, using visual cues and prompts to challenge the speed and reaction times, down to the millisecond (\$316,710 USD total funds raised, 324% funded on April 2017, project owner from United States, Miami);

○The Drift W1 - the most revolutionary e-skates designed and manufactured by Segway- Ninebot, a worldwide leader in electric personal transportation (\$988,621 USD raised, 4943% of the \$20,000 flexible goal, project owner from United States, Seattle);

○BionicGym - tested cardio-training wearable device that exercises the body (\$3,050,264 USD total funds raised, 2100% funded on January 2017, project owner from Ireland);

○Tropicfeel – versatile travel shoes providing the benefits of aqua shoes, the comfort of sport shoes, the technical outsole materials of hiking shoes, and the styling of favorite daily pieces (\$3,609,919 USD total funds raised, 17124% funded on June 2018, project owner from Spain, Barcelona);

○Community and education initiatives: supporting different local or national teams in order to develop the activity or to participate in different competitions or for promoting sports (Tennessee Tech Quidditch team, helping Malaysia's national quidditch team to go to the IQA World Cup 2018, supporting the Team of Canada to go to IQA Quidditch World Cup 2016, The Monrovia Football Academy (MFA) which aims to create new opportunities for Liberia's talented youth, Promoting healthy lifestyle in the Republic of Moldova with Basketball and Education, supporting Mills Christmas Basketball Tournament from Zambia in 2014, financing a youth sport park in Chicago, US etc), with general target under \$100.000.

Table 1. Comparative analysis of quantitative results for crowdfunding sport projects worldwide

Name of the platform	Number of sport related projects	% of sport projects that reached its goals	% of fulfilled projects that pledged for/raised more than \$100.000	% of fulfilled sport projects including reward items *	% of fulfilled sport projects including equity features**
KICKSTARTER	2657	21%	1,62%	100%	-
	240	36,66%	37,5%	100%	3,40%

** Note: We cannot analyze this indicator for Kickstarter, as one of this platform’s rules stipulates that *creators cannot offer equity or financial incentives like ownership, share of profits, repayment or loans, cash-value equivalents* (Stegmaier, 2015, p.67)

As it is mentioned in the table no.1, the rate of successful sport projects (meaning those which reached their financial set up goals) is below the success rate of other Kickstarter projects (which is almost 40%). From all 552 successful sport projects, 100% have mentioned some rewards components for the supporters (*backers*) but none offered shares in that company for the financial supporters (not being possible because of internal platform’s rules).

For the *Indiegogo* platform the efficiency is better, with 88 projects financed for at least 100% from all 240 sport related projects presented on the platform. Even the percentage of projects that pledged for more than \$100.000 from the category of fulfilled projects (which achieved the set-up target) is higher than Kickstarter’s performance in terms of percentage (37.5% vs. 1.62%), in terms of absolute figures the report is reverse: while on *Indiegogo* we found 33 fulfilled sport related projects which raised more than \$100.000, on *Kickstarter* we discovered 43 projects which raised this amount of money each.

In addition to a better performance rate of sport related campaigns (reaching financial target), *Indiegogo* permits more flexible rules for *creators* (initiators); we found three projects including an equity component, as it follows:

- o *Windy brand* (wind sports community and forecast application): for a funding of at least

- \$20,000 permeated to a supporter to become an investor receiving shares in the company;
- o *FitHit* - new boutique fitness studio in New York City, \$53,401 raised;
- o *PlayImpossible* – an active gaming system that turns a backyard into a video game with \$146,583 raised.

We mention that all three sport related projects we found are promoted by *Indiegogo* and *MicroVentures* together, this second platform combining parts of *Venture Capital* (*connections, research, deal flow, mentoring*) with the best aspects of *Equity Crowdfunding* (*open access, ease of use, diversification*). That suggests that *Indiegogo* is permitting Equity funding but for the moment it is developing this investing direction in partnership with other experienced entities.

Thus, *Kickstarter* facilitates financing for sport related projects using the reward model, while *Indiegogo* allows more flexibility to *creators* by using mostly reward crowdfunding but without excluding equity funding, direction for which they rely on other partners platforms.

3.1.2 Results regarding equity general platforms

One of the most cited equity crowdfunding platforms, *FundedByMe* is using the equity model for start-up, early stage or growth-phase companies worldwide. In October 2018, we found 92 distinctive projects of which 4 were dedicated to sports. All four projects were fully financed, as it follows:

- o *Shings* equine sports shoes made in Sweden-campaign closed successfully on June 2017 and it raised €49,728 offering 3,33% of company’s shares;

- Falun Whitewater Park in Sweden (Whitewater rafting and kayaking) - campaign closed successfully on December 2016, €1,070,555 raised for 64.33% of company's shares;
- Wobybi Bicycles from Spain - custom bicycles designed online by customers at affordable prices - campaign closed successfully on, €133,889 raised for 10.93% of company's shares;
- High Heaven in Sweden - the world's first site dedicated to women interested in adventure sports - campaign closed successfully on February 2014, €30,929 raised for 7.92% of company's shares.

Results regarding specific platforms - dedicated to sports

Sportfunder is a global leader in crowdfunding for sports with more than 30.000 supporters and over \$2,200,000 raised. It covers a wide range of sport disciplines, from volleyball, basketball, alpine skiing to canoeing or judo. The projects budgets are generally under \$10,000 and the majority runs for reward model of crowdfunding. Some of the most popular and most funded projects are:

- Supporting UQAM Citadins to participate to The National championship Cheerleading (NCA Daytona, \$15,538);
 - The blind Hockey Club “Les Hiboux de Montréal” - financing the creation of a ‘sound’ puck which is better suited to the specific needs of the visually impaired (\$14,060 raised);
 - Sending the UQAM volleyball team to the first league of Quebec, Canada (\$10,235);
 - Assuring sufficient funds for the 2014-15 season for The Carabins Alpine Ski Team from from the Université de Montréal, Canada (\$10,040 raised).
- RallyMe is a crowdfunding platform dedicated strictly to sport, financing sports teams, individual athletes, championships or sport events etc. It has great results for winter sports, even if it mentions that it promotes all sports. RallyMe was founded in 2012 and since then it has raised millions of dollars for thousands of athletes, teams and athletic organizations, becoming the Official Fundraising Partner of 30 National Governing Bodies from USA. The platform uses both donation and reward model, as some of the projects do not promise any reward for the supporters. We mention some typical projects presented on this online platform:
- Raising funds for a capital campaign to improve Mittersill Cannon Mountain in New Hampshire - Franconia Ski Club (\$65,780 raised);
 - Supporting the U.S. Ski Team, U.S. Free-skiing and U.S. Snowboarding to participate to the 2018 Olympic Winter Games in PyeongChang (project

initiated by United States Ski and Snowboard Association, \$58,485 raised);

- Financing U.S. Ski Team's National Training Group to go to the World Cup, for the team does not receive funds from the U.S. government (\$77,634 raised from supporters);
- Individual support: helping Nick Fairall (a member of the USA Ski Jumping team and a 2014 Sochi Olympian) to recover from a serious injury while ski jumping in Bischofshofen, Austria (\$33,508);
- Financial support to prepare team members of U.S. WOMEN SKI JUMPERS for their long-awaited debut in the 2014 Olympic Winter Games in Sochi, Russia (\$32,950 raised);
- Golden Mile Soccer, Youth Soccer club - funding a 4-year plan to make Golden Mile Soccer a permanent part of the lives of the kids in those communities (\$23,800);
- Helping Elite Dinghy Sailing athletes to represent the USA at the 2016 Olympic Games in Rio de Janeiro (\$16,516);
- Raising funds to continue to grow the U.S Aggie Elite Volleyball across all areas (\$14,487);

Testing crowdfunding best principles in sport related projects

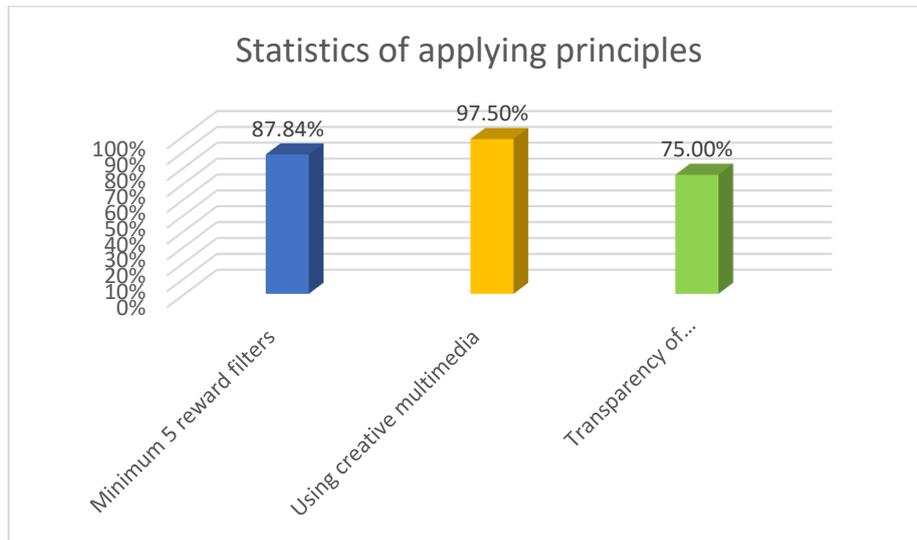
In terms of quantitative analysis, we have collected data from 80 sport related projects, which were fully financed for at least \$10,000, in order to verify to what extent they respect those principles stated in the reviewed literature mentioned in our methodology: attractiveness of rewards, creative multimedia and transparency of ownership (in terms of exposure of the creator's identity and by forging a direct connection with the public). The 80 projects we have analyzed were available in October 2018 as funded on online crowdfunding platforms, as follows: Kickstarter (36 projects), Indiegogo (11), Ulule (10), RallyMe (15), Sportfunder (8). As far as the distribution of the state's ownership is concerned, we found: 45 projects with ownership from USA, 13 from Canada, 11 from France, 2 from Australia, 2 from Belgium, and one by each of the following: Spain, Denmark, Germany, China, Ireland, Italy and Netherlands. It does not seem to be a coincidence that Belgium, France, Spain, Germany and Netherlands were exactly those few countries where the national investment-based crowdfunding laws came into force.

For the first criterion namely, rewards' attractiveness we established a quantitative indicator (under 5 type rewards/more than 5 rewards to choose from). From the 80 campaigns analyzed, 6 were based on a donation model, thus

we didn't include them into the analysis, then we found out that 65 out of those 74 which used the reward model, have conceived more than 5 type of rewards, no matter the nature of the reward (either acknowledgments, physical products,

services or an experience). Also, 26 of them had more than 10 rewards items, meaning that 35% have an extremely complex system for rewarding the supporters.

Figure 1. Quantitative analysis of compliance with best practices, for 80 sport related projects



Source: own processing data using Kickstarter, Indiegogo, Ulule, RallyMe, Sportfunder, 2018

As far as multimedia creative content is concerned, we have discovered that 78 of the 80 campaigns used rich multimedia tools: videos, graphics, charts, testimonials of influencers etc. Also, global platforms such as Kickstarter, Indiegogo and Ulule almost create a competition among project owners in this matter, by providing all the necessary technical tools. For example, the European hub Ulule lets creators to select a custom background image for the entire project page (Stegmaier, 2015, p.33).

Related to uncovering identity of the owner/project team, we have analyzed not the simple presence of a photo or technical description of the project team, but the ability of the owner to create a direct link to its supporters (speaking through a video, original approaches, encouragement of backers to involve in the campaign etc). Thus, we have found that a smaller number of creators have this ability, comparing to the previous two strategies: only 60 of 80 project owners succeeded to create a direct link to its public, as shown is Figure 1. The platform Ulule (even if it is hosting projects with smaller budgets than Kickstarter or Indiegogo) has many campaigns with owners who excel at connecting and approaching their public.

One of the best examples of involving fans in crowdfunding campaigns is the one where

RallyMe platform creates and runs a branded/hosted fundraising website for its partners, U.S. Ski and Snowboard Association (USSA). USSA invited all its membership to use USSA.Rallyme.com to involve and to fundraise. Thus, the website has grown into a community of support for skier and snowboarders around the country. As a result, in less than two years, USSA athletes and clubs raised over \$1.5 million for their development goals.

Franconia Ski Club has raised \$65,780 to improve the Mittersill Cannon Mountain in New Hampshire, by an ingenious method of involving supporters and enhancing the community spirit: during the campaign they have announced that some anonymous donor will double all donations made in a specific day of the campaign by other persons.

Project transparency regarding identity/team presentation and creative multimedia: AirDog: auto-follow drone for sport enthusiastic OR Tokay-Frisbee Cleats from France (Kickstarter), Rokoko Smartsuit Pro (for golf, tennis etc) on Kickstarter is a project that could be a model for transparency of the team presentation and celebrating success with backers. In'Bô Cycle from Ulule platform exemplifies the optimum use of multimedia content. The Water Is My Sky - A

Documentary campaign which excels in mixing social media and classic media for announcing the campaign. STRYVE Ball (on Kickstarter) excels in presenting the project team from Germany, using influencers and multimedia tools within their pitch. Also, the campaign initiated for the Elite Dinghy Sailing athletes on RallyMe is a good example of integrating the campaign in a larger marketing campaign. In the same time, Maniak campaign (a climbing gym in Nivelles, Belgium) posted on Ulule combined creative graphic content with technical characteristics (figures, graphics) creating a direct connection to the project team. Also, there are projects which excel at all principles (excepting number of rewards categories), like Trainerbot from US, BionicGym from Ireland, BodyBoss Portable Gym from US or Domio PRO-helmet from Canada (all published on Indiegogo) but these are large scale projects with big budgets.

Conclusions and further developing

This study emphasizes that sport related projects have a moderate representativeness in campaigns available on general crowdfunding worldwide platforms. In the same time, the specialization of certain platforms (such as RallyMe, Sportfunder) and their increasing results reveal the progress made by real sport disciplines associations and businesses in accessing alternative financing tools. Most of the 300 projects we have analyzed are using a mix of donation and reward crowdfunding model and only a minor percentage (under 5%) uses equity crowdfunding. Besides the inherent risk associated with a start-up equity investment, another explanation might be the small extent to which European states have adopted equity crowdfunding laws. The evidence of 45 US projects from the 80 analyzed campaigns reflects the fact that the US has been pioneering the adoption of crowdfunding legislation. Initiators of sport related projects use to a large extent some of the principles stated as guiding lines by the review literature: more than 97% of these projects embed in their pitch rich multimedia content, almost 88% of them include more than 5 rewards for *backers* and 75% of them show total transparency and

connectivity of the owner/project team with the supporters.

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