

Lucerne University of
Applied Sciences and Arts

**HOCHSCHULE
LUZERN**

Business

Institute of Financial Services Zug IFZ

Crowdfunding Monitoring Switzerland 2017

www.hslu.ch/crowdfunding

Prof. Dr. Andreas Dietrich, Simon Amrein

FH Zentralschweiz

We are grateful to the following platforms for supporting this study by providing data:



Key results

In 2016, **CHF 128.2 million (+362%)** was raised for **3,098 campaigns** in Switzerland.

The highest growth between 2015 and 2016 was posted by **crowdlending (+597%, to CHF 55.1 m)**, followed by **crowdinvesting (+453%, to CHF 39.2 m)**, **reward-based crowdfunding and crowddonating (+37%, to CHF 17.0 m)** as well as **invoice trading (CHF 17.0 m)**.

CHF 193.8 million was raised within **seven years** through crowdfunding in Switzerland.

More than 100,000 people backed crowdfunding projects in Switzerland in 2016.

In the reward-based crowdfunding/crowddonating segment, 1,338 campaigns were funded in 2016 out of a total of 2,042 launched. This equates to a **success rate of 65.5 percent**.

Around **50 crowdfunding platforms** were operating in Switzerland at the end of April 2017.

Foreword

Crowdfunding is an alternative way of raising finance. This method of finance enables all kinds of projects to be funded via online platforms. These can include loans for SMEs, participating in a business start-up, co-acquiring a property or financing a photo book. Crowdfunding projects thus cover a vast range of areas. That said, they all have one thing in common: typically, a large number of people provide an amount that is often small, enabling the project to be realised. Direct, internet-based communication between those providing funds and those seeking funds is a key element of all types of crowdfunding. At the end of 2016, well above 40 platforms were operating in Switzerland, a figure that had risen to around 50 by April 2017.

In previous years, we have usually commented that the market had grown rapidly, but the absolute volumes of funding remained at a low level. This year, though, the market has grown markedly in percentage as well as in absolute terms. For the first time, crowdfunding has been instrumental in raising substantially more than CHF 100 million. This compares to just under CHF 28 million in the previous year. The structure of the market has also changed greatly: as expected, real estate crowdinvesting and the financing of SMEs via crowdfunding (business crowdlending) have made considerable contributions to this growth. The platforms in these two segments witnessed markedly higher transaction volumes. On the investor side, this has increasingly sparked the interest of professional investors capable of supplying the requisite volumes. Given these fundamental changes in 2016, we are expecting 2017 to again witness a substantial acceleration in growth.

The Institute of Financial Services Zug IFZ of the Lucerne School of Business publishes this Crowdfunding Monitoring report annually. The purpose of this publication is to illustrate crowdfunding trends in Switzerland, profile the existing platforms and analyse the drivers of future trends. It also aims to further improve transparency in this market.

We rely on collaboration with crowdfunding platforms for our analyses. The following platforms supported our endeavours this year: 100-days, Advanon, Cashare, c-crowd, CreditGate24, creditworld, Crowdhouse, Crowd4Cash, Foxstone, Funders, Gemeinsam unterwegs, GivenGain, Hyposcout AG, I believe in you, I care for you, ideenkicker.ch, investiere, KissKissBankBank, Lend, Lendico, Lendora, letshelp.ch, Lokalhelden, Miteinander erfolgreich, moBOo.ch, Progettiamo, Projektstarter, Raizers, splendit, Swisslending, Swisspeers, Wecan.Fund and wemakeit. We are very grateful to them for doing so. We are also indebted to our Research Associate, Philip Künzli.



Prof Dr Andreas Dietrich
Head of the Financial Services Management
Competence Centre,
Institute of Financial Services Zug IFZ



Simon Amrein
Senior Research Associate,
Institute of Financial Services Zug IFZ

Contents

1	Objective and structure of the study	1
2	Scope and definition	2
3	The crowdfunding market in Switzerland	6
4	Crowdfunding: an international comparison	20
5	Forecasts: crowdfunding in 2017	25
	Appendix: Market participants	27
	Appendix: Figures	44
	Authors	45
	Institute of Financial Services Zug IFZ	46
	Selected publications from the Institute of Financial Services Zug IFZ	47

1 Objective and structure of the study

The objective of this study is to present and discuss the trends of the Swiss crowdfunding market with a focus on platforms that have offices in Switzerland and on crowdfunding campaigns involving projects in Switzerland. Publishing the market figures on an annual basis is aimed at improving the transparency of the Swiss market and providing an overview of the key trends. The target readership of the Crowdfunding Monitoring report is not only experts, but also the general public: it aims to offer the latter a clear overview of each funding option and each market participant.

To achieve this, the Institute of Financial Services Zug IFZ, part of the Lucerne School of Business, once again gathered the data of all the crowdfunding platforms which were active in Switzerland in 2016. Between January and December 2016 we recorded active crowdfunding campaigns for projects in Switzerland on the following 31 platforms: 100-days, Advanon, Cashare, c-crowd, CreditGate24, creditworld, Crowdhouse, Funders, Gemeinsam unterwegs, GivenGain, I believe in you, I care for you, ideenkicker.ch, Indiegogo, investiere, Kickstarter, KissKissBankBank, Lend, Lendico, letshelp.ch, Lokalhelden, Miteinander erfolgreich, moBOo.ch, Progettiamo, ProjektStarter, splendit, Startnext, Swisslending, Swisspeers, Wecan.Fund and wemakeit. Nondomestic platforms which only very sporadically host campaigns in Switzerland are not included.

The survey is structured as follows: following an introduction to the subject (Section 2), it describes the growth of the Swiss crowdfunding market since 2008 (Section 3). Section 4 presents an analysis of the Swiss crowdfunding market in an international context. The final section of the study ventures to suggest how the Swiss market might evolve in 2017. The appendix contains profiles of the Swiss platforms and additional data tables.

2 Scope and definition

Crowdfunding is a method of funding projects online where, typically, large numbers of people raise funds for cultural, social and commercial projects. Those providing funds and those seeking funds communicate through the internet, where a crowdfunding platform takes on the role of an intermediary. The intermediary receives a fee for the transaction. This referral commission is usually defined as a percentage of the amount raised. Those providing funds receive a monetary or non-monetary consideration depending on the type of crowdfunding. The term "campaign" will be used from now on for the funding phase of projects on crowdfunding platforms.

In the literature, the term "crowdfunding" is often classed as a sub-segment of crowdsourcing, both notionally and conceptually. The term crowdsourcing is a combination of the words 'crowd' and 'outsourcing'. In the context of crowdsourcing, the crowd stands for internet users, often also simply referred to as the community. The term outsourcing refers to the practice of contracting certain tasks out to external sources. The outsourcing process can, for instance, take place between individuals and/or businesses. Accordingly, the basic idea of crowdsourcing is letting a community perform certain tasks. Within a clearly defined framework (e.g. timeframe, conditions for participation, consideration), the community then generates added value of great diversity for the principal.¹

The term crowdsourcing was essentially coined by journalist Jeff Howe, who in 2006 illustrated the crowdsourcing process with various examples in an article in *Wired* magazine and proposed three sub-categories: crowdcreation, crowdvoting and crowdwisdom (Howe, 2006).² These terms were later supplemented by the term crowdfunding, which focuses on the acquisition of money rather than the aggregation of knowledge, opinions or creativity.

The four types of crowdsourcing can be distinguished as follows:

- **Crowdwisdom:** crowdwisdom (swarm intelligence) leverages the intelligence of a community. The crowd is asked to activate and reflect on their knowledge.
- **Crowdcreation:** the objective of crowdcreation is to leverage the creative potential of a crowd. The collected ideas of the crowd are deployed in the form of texts, audio files, illustrations and so forth.
- **Crowdvoting:** crowdvoting leverages the opinions and judgement of the crowd to assess ideas or content. The opinions generated by this process then serve as the basis for decisions by the crowd. Crowdvoting can consequently be used as a forecasting tool.
- **Crowdfunding:** in crowdfunding, use of the internet and the crowd are also key elements. However, in contrast to the above categories, the focus is not on the knowledge or creative potential of the crowd, but rather on raising funds for all types of projects.

¹ For more on the subject, see e.g. Kaltenbeck, J. (2011). *Crowdfunding und Social Payments*. Berlin: epubli.

² Howe, J. (2006). *The Rise of Crowdsourcing*. *Wired* magazine. Issue 14.06.

2.1 Definition of crowdfunding – consideration as decision criterion

The term crowdfunding – defined as the online raising of funds for projects – can be divided into the following categories. The main criterion for distinguishing different types of crowdfunding is the nature of consideration received. The consideration can be of a monetary nature, with those providing funds receiving a stake in the business or a share in its profit (crowdinvesting) or interest income (crowdlending) on the capital provided. Invoice trading is also often seen as a form of crowdfunding. Invoice trading involves the disposal of unsettled invoices. From the investor's standpoint, his income constitutes the difference between the amount he has paid for the invoice and the amount of the invoice itself. Depending on the business model of the individual platforms, invoice trading is either "classic" crowdfunding (several investors funding the invoices) or a model akin to crowdfunding (only one counterparty) – it depends on the number of investors. Due to their proximity to the finance markets, crowdlending, crowdinvesting and invoice trading are often defined as forms of FinTech (financial technology).

The consideration for the support provided by a crowdfunding campaign can also be non-monetary in nature. The model defined in this study as "crowdsupporting", which is often referred to in the English-speaking world as "reward-based crowdfunding" (and is referred to as such in this report), falls within this segment. In the case of reward-based crowdfunding, consideration may take the form of products or services. Funding can also be provided without any direct and measurable consideration for the investment (crowddonating), in which case the focus is on social or altruistic motives. This is also often the case for reward-based crowdfunding where there is a strong focus on supporting a specific idea, as it is very difficult to objectively measure the consideration in the form of goods or services and, depending on the campaign, the value of the consideration might represent only a small part of the investment.

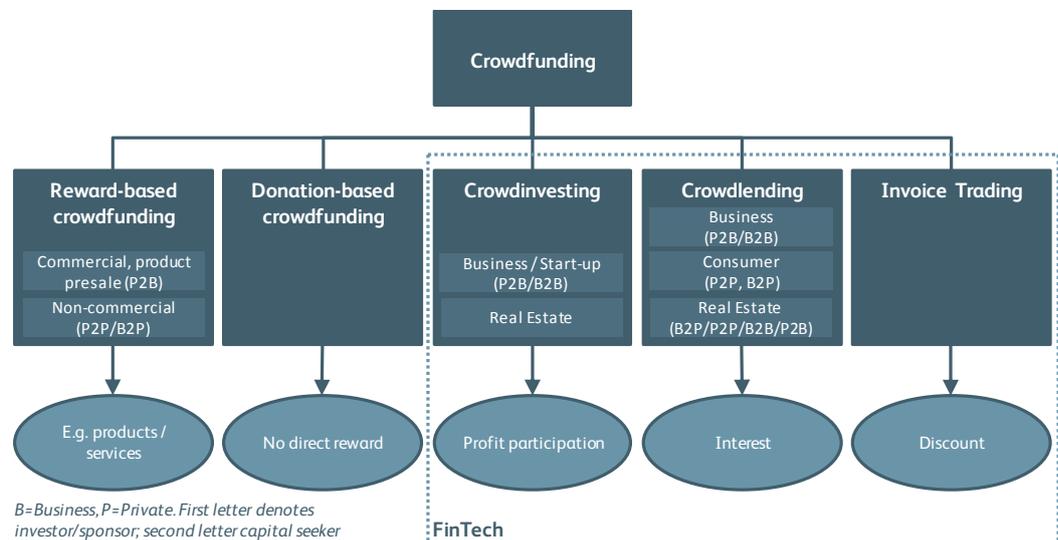


Figure 1: Types of crowdfunding and consideration for each crowdfunding segment

These five crowdfunding categories are shown in Figure 1 and can be defined as follows:

- **Reward-based crowdfunding:** the reward-based crowdfunding segment often includes creative, cultural or commercial projects as well as sport projects. With this type of funding, those providing funds usually receive one-off consideration in the form of products, works of art or services. There is no limit to the creativity of those seeking funding (e.g. invitations to events, special editions or pre-release access to a product). Depending on whether the project initiator is a business or a private individual, reward-based crowdfunding can have a commercial or a non-commercial purpose.
- **Crowddonating:** the contributions made in crowddonating are simple donations that are usually not associated with any consideration. Examples include social, charitable and cultural projects. Crowddonating can also be used to raise funds for political campaigns.
- **Crowdinvesting:** instead of funding a project, the purpose of crowdinvesting is to acquire a stake in a business or property via equity or mixed forms of equity and mezzanine (borrowed) capital.

In the area of **business crowdinvesting**, this form of financing is particularly suitable for businesses in an early stage of development, e.g. start-ups. Depending on the platform, crowdinvesting also provides small investors with the opportunity to support start-ups in their growth phase. In return, these investors typically receive shares in the business and/or a share in the profit it generates. It should be noted that voting power is limited for many types of investments in this area in order to ensure that the owners of the business have freedom of manoeuvre.

Alongside business crowdinvesting, **real estate crowdinvesting** is also part of the crowdinvesting segment. With real estate crowdinvesting, investors become co-owners of a property. Rather than individual freehold apartments, co-ownership involves purchasing a percentage of an existing tenanted property. As a result, the investors take a stake in the rental income and in any rise in value of the property itself.

- **Crowdlending:** crowdlending mainly refers to the financing of businesses or private individuals by means of loans (borrowed capital). Crowdlending is also known as peer-to-peer (P2P) or marketplace lending. Lenders receive interest payments in return for their loan. The amount of interest payable depends typically on the risk presented by the borrower. Aside from private loans and SME loans, Switzerland has recently authorised private individuals to acquire mortgages without a bank as intermediary. In this study, loans for private individuals are designated **consumer crowdlending** (while **business crowdlending** cover loans for businesses). The study uses the term **real estate crowdlending** for loans in the form of mortgages.
- **Invoice trading:** in this form of crowdfunding, investors purchase unsettled business invoices at a discount. Invoice trading helps SMEs in need of liquidity at short notice. This direct linking of lender and investor creates a new investment class. Until now, investors have not been able to invest directly into the working capital of a business. In exchange for purchasing the invoices, investors receive a return consisting of the difference between what they pay for the invoices and the amounts stated on the invoices themselves.

The data gathered by the study does not always allow a clear distinction to be made between crowddonating and reward-based crowdfunding, as some platforms allow those providing funds to forego consideration. Therefore, the study treats these two forms of crowdfunding as one category.

2.2 Motives for launching crowdfunding campaigns

Crowdfunding campaigns have both financial and non-financial advantages for project initiators. On the one hand, the main (financial) motivation is generally the need to fund a project. On the other hand, crowdfunding can also offer non-financial advantages. Crowdfunding enables businesses or private project initiators to enter into direct dialogue with their potential customers and receive immediate responses from them. As a result, crowdfunding campaigns are also well suited to customer acquisition and retention. A good project can also promote the image of a supplier or draw attention to an innovative project. Another advantage of crowdfunding campaigns is that the project initiators can use successful campaigns to demonstrate that there is a market for their products or services – a kind of market test. And finally, crowdfunding can also find capital for good ideas which usually do not fit the model required by traditional lenders. As a result, swarm intelligence can lead to recognition and support for trends and good ideas.

2.3 Motives for supporting crowdfunding campaigns

Backers'/investors' motives can be subdivided into financial and non-financial aspects, which are largely dependent on the respective crowdfunding segment. Those providing funds in the crowdinvesting and crowdlending categories almost exclusively pursue financial objectives. In return for their investment, investors in a project expect a risk-adjusted return consisting of interest payments and repayment of the loan amount (crowdlending), or value appreciation and/or dividends from a stake in a business or property (crowdinvesting).

The motives of those providing funds often go beyond the financial aspect when it comes to reward-based crowdfunding / crowddonating. On the one hand, there may be a philanthropic incentive: this may be the case with projects involving social, cultural or political causes. The consideration could also be in the form of an expression of thanks or the chance to meet an artist. On the other hand, many campaigns feature an incentive in the form of a promise of a product. The advantage here could be the ability to receive a product at a better price, an earlier time or in a specially equipped version.³ Given the fact that crowdfunding typically involves no, or only minimal, minimum investment amounts, some funds are ultimately contributed purely for the sake of fun or to make a political statement.

A survey conducted by the IFZ last year examined the individuals who backed crowdfunding campaigns, the frequency with which they did so, and the reasons why other individuals have not (yet) backed a campaign (see Crowdfunding Monitoring 2016). Analysis of the survey showed that of all the respondents who had ever backed a crowdfunding campaign, most (40 %) had backed just one. While around one fifth of respondents said they had backed two campaigns to date, one eighth (13 %) said they had backed three. A not inconsiderable quarter of respondents reported having backed more than three campaigns.

Those respondents who were aware of crowdfunding but had never backed a campaign declared that they did not want to go to the trouble of finding a crowdfunding campaign they might want to back. Other oft-quoted reasons were a lack of disposable income or a lack of suitable campaigns. Security concerns seem to have played a subordinate role in the responses: only nine respondents (5 %) gave concerns about crowdfunding platform security as a reason not to back a campaign.

³ See e.g. Mollick (2014). The dynamics of crowdfunding. *Journal of Business Venturing*, 29(1).

3 The crowdfunding market in Switzerland

Focused on crowdlending, the first crowdfunding platform to be launched in Switzerland was Cashare in 2008. Since then, numerous other platforms have entered the market. Crowddonating platform GivenGain launched in 2009, followed by crowdinvesting platform investiere in 2010 and the two reward-based crowdfunding platforms 100-days and wemakeit in 2012. Around 50 crowdfunding platforms were maintaining a physical presence in Switzerland at the end of April 2017. Also in the market are several nondomestic platforms without an office in Switzerland. Some of these are very significant for Switzerland, given that many large campaigns are run on them. Nondomestic platforms of relevance to Switzerland currently include in particular the US platforms Indiegogo and Kickstarter. Accordingly, these two platforms are included in this survey, as well.

As per the end of April 2017, the following platforms were active in Switzerland (see Figure 2):

- **Crowdinvesting**
 - **Business crowdinvesting:** c-crowd, investiere, Raizers
 - **Real estate crowdinvesting:** Crowdhouse, Crowdli, Foxstone, Swiss-Crowd
- **Crowdlending**
 - **Consumer and/or business crowdlending:** Cashare, CreditGate24, creditworld, Crowd4cash, Lend, lendico, Lendora, Miteinander erfolgreich, splendit, Swisspeers, Wecan.Fund
 - **Real estate crowdlending:** Foxstone, Hypo Scout, Hypotheko, Swisslending
- **Invoice trading:** Advanon
- **Reward-based crowdfunding / crowddonating:** 100-days, Cause direct, Fairfundr, Fengarion, fundeego, Funders, GivenGain, GoHeidi, I believe in you, I care for you, ideenkicker.ch, Indiegogo, International Create Challenge, Kickstarter, KissKissBankBank, LémaNéo, letshelp.ch, Lions Funding Val Müstair, Lokalhelden.ch, Masspurs, Miteinander erfolgreich, moBOo.ch, Progettiamo, Projection, ProjektStarter, Startnext, Veolis (also active in other categories), wemakeit

Swiss Starter and Masspurs exited the market in 2016. Also, March 2017 saw the platform Gemeinsam unterwegs – run by an individual Raiffeisenbank branch – exit the market to make way for the Raiffeisen Group's Lokalhelden. New entrants to the market in 2016 were creditworld, Funders, Hyposcout, Hypotheko, ideenkicker.ch, Lend, Lendico, letshelp.ch, Swisslending and swisspeers. The first three months of 2017 witnessed the entry of real estate crowdinvesting platforms Crowdli and Foxstone, and crowdlending platforms Crowd4Cash and Lendora. In net terms, the number of crowdfunding platforms in Switzerland at the end of 2016 had risen by nine compared to 2015.

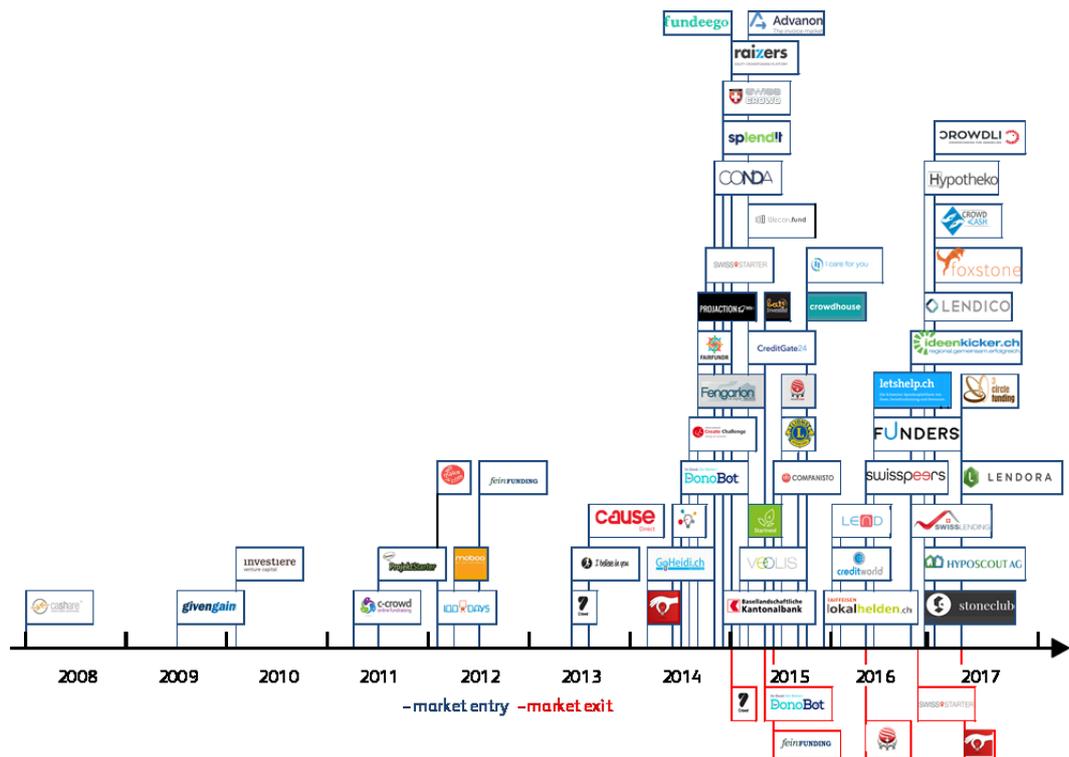


Figure 2: Entries and exits of crowdfunding platforms in/from the Swiss market

3.1 Market growth in Switzerland

Figure 3 shows both the growth of the volume (left axis) and the number of campaigns (right axis) of all crowdfunding categories in Switzerland since 2008. Both the number of successfully funded campaigns⁴ and the volume of funds raised have experienced strong growth in recent years. The volume in 2016 exceeded the CHF 100 million mark for the first time and now lies at CHF 128.2 million. Compared to the previous year (total volume: CHF 27.7m) the crowdfunding market has thus soared by an impressive 363 percent. The volume has risen more than tenfold in comparison to 2013. Since the first crowdfunding platform's launch in 2008, crowdfunding has been used to raise CHF 197.2 million in funds. 65 percent of this total was raised in 2016.

That has been clear growth in terms of the number of campaigns. While 2015 saw 1,342 campaigns funded, that figure rose to 3,098 in 2016. So while the funding volume rose by 362 percent, the number of campaigns rose by "only" 131 percent. This shows that the average amount raised by each campaign has risen sharply. The main driver of this trend was, aside from real estate crowdinvesting, the strong growth of business crowd lending in the last year (see Section 3.3 and 3.4 for details).

⁴ A campaign is considered "successfully funded" when the funds contributed by the lenders are released to the project initiators. Campaigns with a fixed target amount are successful only if this amount has been reached (all-or-nothing model). Our study also deems the campaign successful if no fixed target amount is defined but funds are still raised. As a result, the amounts listed reveal only the amount of money that changed hands. The survey does not consider whether the funded campaign can actually be implemented as a successful project.

For the first time since 2012, reward-based crowdfunding / crowddonating was no longer the top crowdfunding segment in terms of funding volumes. Crowdinvesting and crowdlending overtook it by a substantial margin in 2016. Invoice trading posted the same volume as reward-based crowdfunding / crowddonating.

Compared to the previous year, reward-based crowdfunding / crowddonating rose by 37 percent from CHF 12.3 million to CHF 17.0 million. During the same period, crowdlending volumes rose by a remarkable 597 percent from CHF 7.9 million to CHF 55.1 million. Crowdinvesting also posted strong growth: in 2015, businesses and real estate received funding to the tune of CHF 7.1 million, a figure that rose in 2016 to CHF 39.2 million (+453%). Invoice trading posted a volume of CHF 17.0 million in 2016, whereas that figure was just CHF 0.4 million in the year before.

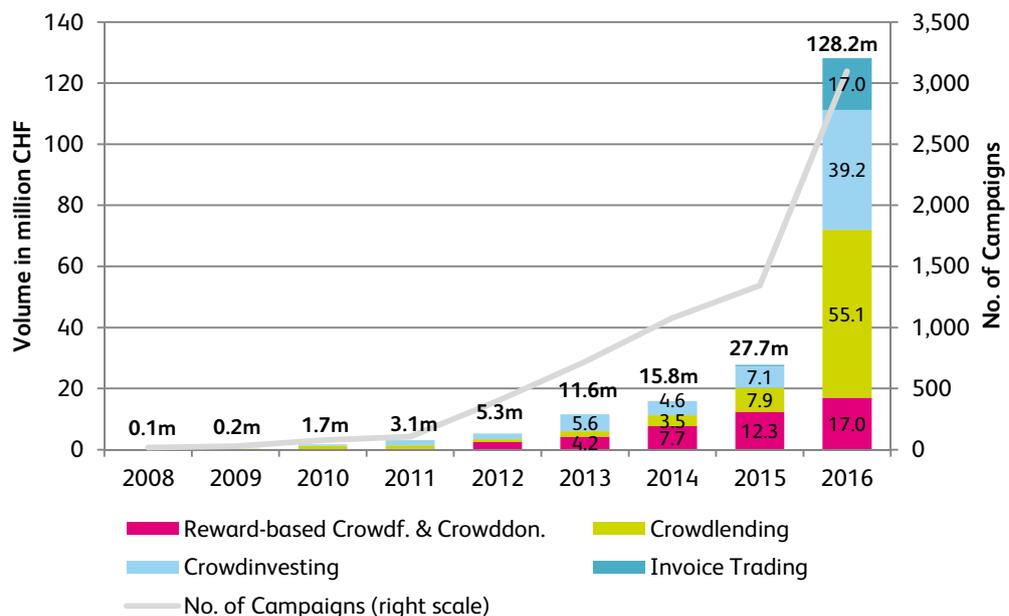


Figure 3: Successfully funded campaigns by funding volume and number 2008-2016

The study did not take account of the “we make it happen” campaign run by the Bergbahnen Saas-Fee cableways company. It was offering ski season passes for one, three and 15 years at the end of 2016 on condition that it had received 99,999 preorders for such passes by 27 November. If the campaign was successful, the price for a season pass would be CHF 222 (one year), CHF 622 (three years) and CHF 2,999 (15 years; the price of a standard four-day ski pass in the 2016/17 season was CHF 259!). A few days before the deadline, the company reduced the target to 75,000 preorders. According to the company, the project raised some CHF 20 million. The venture was supported by a wide-ranging media and marketing campaign across a number of channels (online, TV, print media). Bergbahnen Saas-Fee have already announced their intention to repeat the campaign in the 2017/2018 winter season.

A key element of commercial crowdfunding campaigns is that they are typically used as a pre-sales channel for a new product. With the Bergbahnen Saas-Fee campaign, the season pass is by contrast an existing product, for which the “we make it happen” platform acted as just another sales channel. The core of the product – use of the company’s cableway installations and ski area for a season – would have existed in this form even if there had been no crowdfunding campaign. The only variable which was dependent on the campaign was the price. The Bergbahnen Saas-Fee data has therefore not been included in our crowdfunding statistics.

3.2 Reward-based crowdfunding / crowddonating

The growth in reward-based crowdfunding / crowddonating slowed considerably between 2015 and 2016. While funding volumes grew by 60 to 80 percent between 2013 and 2015, the rise last year was 38 percent. In all, 1,338 campaigns were successful in 2016 (previous year: 1,059 campaigns, +26%). The average campaign volume rose from CHF 11,660 in 2015 to CHF 12,672 in 2016.

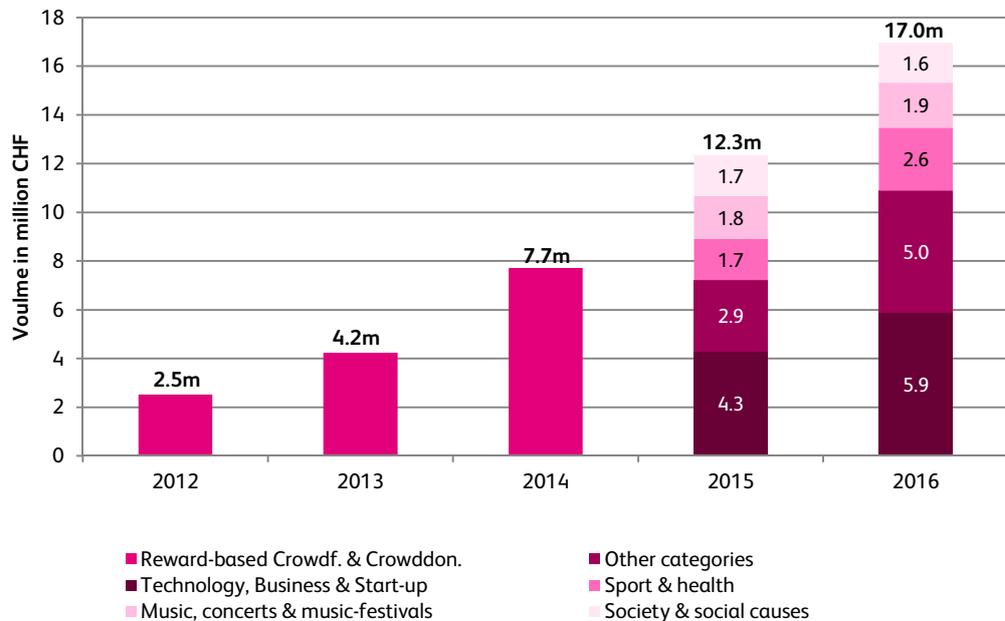


Figure 4: Reward-based crowdfunding / crowddonating volumes in Switzerland 2012-2016

Figure 5 shows the detailed subdivision of the successfully funded reward-based crowdfunding / crowddonating campaigns. The sizes of the circles in Figure 5 reflect the total amounts raised by segment. The colours differentiate the campaign sums achieved, the number of campaigns and the corresponding average campaign sums. The relevant figures may also be found in Table 1.

The analyses in Figure 5 show that reward-based crowdfunding / crowddonating are particularly well established for projects in the realm of technology, business and start-ups. CHF 5.0 million in funds were raised for 45 projects in this area in 2016. The amounts raised in this segment are, however, skewed by a small number of large projects, some of which were conducted on non-domestic platforms. This leads to the erroneous impression that the average amount raised per campaign is high. In particular, projects whose end-products are targeted at private consumers appear to have been successful on the US platforms. In all, 14 campaigns exceeding their targets of CHF 100,000 or more ran successfully on Indiegogo and Kickstarter. Five campaigns even raised in excess of CHF 400,000. Many of these projects are raising funds for new products. Last year's hot ticket was the use of crowdfunding to fund watches. On the two US platforms alone, watch-oriented campaigns from Switzerland raised CHF 2.1 million in 2016.



Figure 5: Categories of reward-based crowdfunding and crowddonating campaigns

For some time now, reward-based crowdfunding / crowddonating has figured prominently in the area of culture and the creative industries.⁵ Crowdfunding last year generated an estimated CHF 6.5-7.0 million (previous year: CHF 4.5-5.0m). The largest part (CHF 1.9m) was devoted to the category "music, concerts, music-festivals", followed by "film, video" (CHF 0.8m) and "media, books, literature" (CHF 0.7m). In terms of numbers of projects, crowdfunding in culture and the creative industries successfully funded an estimated 600-620 projects. This is a remarkable number. In the realm of culture, however, crowdfunding is often responsible for only part of the funding. In many projects, crowdfunding is used as an additional form of funding. Alongside culture and the creative industries, crowdfunding plays an important role in the categories "sport, health" (CHF 2.6m) and "society, social projects" (CHF 1.6m).

As can be seen in Table 1, wide variations exist amongst the activities in terms of averages raised by campaigns (from CHF 5,700 for "dance, theatre" to CHF 111,296 for "technology, business, start-ups").⁶ The average amount raised by "music, concert, music-festivals" and "sport, health" campaigns was just under CHF 7,600. The figure for "society, social projects" was CHF 9,200.

The average individual amounts contributed by backers in 2016 was around CHF 168 (previous year: CHF 140). We know only the average figure. The actual amounts paid are bound to be very different depending on the product category.

Segment	Volume in CHF			No. of campaigns			Ø Volume in CHF		
	2016	2015	Δ	2016	2015	Δ	2016	2015	Δ
Technology, business, start-up	5,008,308	2,924,131	2,084,177	45	49	-4	111,296	59,676	51,620
Sport, health	2,574,473	1,686,880	887,593	339	228	111	7,594	7,399	196
Music, concerts, music-festivals	1,856,348	1,759,798	96,550	245	238	7	7,577	7,394	183
Society, social projects	1,631,496	1,682,845	-51,349	178	154	24	9,166	10,928	-1,762
Restaurants, bars, etc.	802,353	566,910	235,442	49	32	17	16,375	17,716	-1,341
Film, video	793,966	606,696	187,270	70	58	12	11,342	10,460	882
Media, books, literature	681,343	492,518	188,826	63	57	6	10,815	8,641	2,174
Environment, sustainability	665,283	409,523	255,760	31	18	13	21,461	22,751	-1,291
Software	549,301	19,632	529,669	14	3	11	39,236	6,544	32,692
Fashion	467,788	300,808	166,980	35	12	23	13,365	25,067	-11,702
Design	364,171	306,771	57,400	26	17	9	14,007	18,045	-4,039
Dance, theatre	362,662	399,008	-36,346	64	70	-6	5,667	5,700	-34
Paintings, pictures	336,489	383,793	-47,304	41	39	2	8,207	9,841	-1,634
Architecture, interior design	326,984	182,587	144,397	17	12	5	19,234	15,216	4,019
Agriculture	321,651	102,275	219,376	13	8	5	24,742	12,784	11,958
Photography	312,170	234,248	77,922	35	27	8	8,919	8,676	243
Politics	286,323	0	286,323	10	0	10	28,632	0	28,632
Tourism, hotels	250,222	15,369	234,853	15	1	14	16,681	15,369	1,313
Education, knowledge, science	198,644	90,702	107,942	19	11	8	10,455	8,246	2,209
Games	171,997	61,447	110,550	7	8	-1	24,571	7,681	16,890
Other	147,439	121,827	25,611	27	17	10	5,461	7,166	-1,706

Table 1: Investments in reward-based crowdfunding / crowddonating by activity

⁵ Culture and the creative industries comprises the following activities: design; film, video; photography; games; paintings, pictures; media, books, literature; fashion; music, concert, festivals; dance, theatre; other. Technology, business, start-ups also has a tendency to include numerous cultural/creative projects: we estimate the proportion to be between 15 and 30 percent.

⁶ These figures refer only to the platforms 100-days, Funders, Gemeinsam unterwegs, I believe in you, I care for you, ideenkicker.ch, Indiegogo, Kickstarter, KissKissBankBank, Lokalhelden, Miteinander erfolgreich, moBOo.ch, Progettiamo, ProjektStarter and wemakeit, which provided us with detailed figures on the distribution of projects. These cover a large section, though not all, of the Swiss market.

In connection with the level of sums raised by crowdfunding discussed above, the question remains as to the relevance of this form of funding. It is true that rates of growth are high. However, a comparison of those amounts with amounts sourced from other sources of finance shows that reward-based crowdfunding / crowddonating occupies a tiny niche. While crowdfunding for culture and the creative industries raised CHF 6.5-7.0 million in 2017, the public sector contributed CHF 2.7 billion for culture (figure for 2012).⁷ It follows that the donations received via crowdfunding platforms of just below CHF 1 million, compared to the CHF 1.8 billion generated through conventional channels are, for now at least, insignificant.⁸ That said, it is worth noting that reward-based crowdfunding / crowddonating platforms facilitated no fewer than 1,338 campaigns.

In addition, the campaigns generated around 100,000 contributions (previous year: ca. 88,000). The number of persons backing crowdfunding campaigns must be lower, however, as individuals can make multiple donations/investments. A survey conducted by the IFZ has shown that around one third of individuals backing crowdfunding campaigns back more than one project.⁹ Nevertheless, contributions on this scale for a country like Switzerland with 8.3 million inhabitants is worthy of note.¹⁰

⁷ Statistical overview of culture in Switzerland 2015.

⁸ Figure for 2015: ZEWO Foundation. Donation statistics 2015. Online (12.03.2017): <https://www.zewo.ch/fur-hilfswerke/service/spendenstatistik>

⁹ See Dietrich, A. & Amrein, S. (2016): Crowdfunding Monitoring 2016

¹⁰ Figure for 2015. Swiss Federal Statistics Office. Inhabitants. Online (12.03.2017): <https://www.bfs.admin.ch/bfs/de/home/statistiken/bevoelkerung.html>

The reward-based crowdfunding / crowddonating sphere comprises platforms with very different business models. On the one hand there are those with narrow thematic focuses, such as sport (I believe in you) or charitable aims (letshelp.ch, I care for you). On the other hand, other platforms exhibit a more broadly based thematic focus, such as wemakeit and 100-days.

Moreover, there is evidence of businesses entering the crowdfunding market with their own platforms. These include banks such as the cantonal banks of Basel Landschaft (Miteinander erfolgreich) and Lucerne (Funders), the Hypothekarbank Lenzburg (ideenkicker.ch) and the Raiffeisen Group (lokalhelden.ch). Swisscom has collaborated with swissfundraising and ZEWO in launching the platform letshelp.ch.

Table 2 shows the fee models of the platforms operating in the reward-based crowdfunding / crowddonating sphere. The fees are between zero and 12 percent of the funds raised. Three platforms do not charge a fee – two of which are operated by banks (Lokalhelden and Gemeinsam unterwegs). Progettiamo is backed by the public sector. Letshelp.ch charges very low fees, as it operates primarily in the charitable sphere. The fees charged by the other platforms are between five and 12 percent.

Platform	Payment model	Online since	Fee on amount raised	Other fee models, additional information
100-days	all-or-nothing	2012	6 %	
Funders	all-or-nothing	2016	7 %	
Gemeinsam unterwegs	all-or-nothing	2013	0 %	
GivenGain	Keep it all	2001	5 %	
I believe in you	all-or-nothing	2013	12 %	8 % for advice and 4 % payment transaction. No fees for unsuccessful projects
I care for you	all-or-nothing	2015	10 %	6 % admin fee and 4 % transaction fee
ideenkicker.ch	all-or-nothing	2016	4 %	4 % transaction fee
Indiegogo	optional	2008	8-10 %	Fee depends on type of payment
KissKissBank-Bank	all-or-nothing	2009	8 %	
Kickstarter	all-or-nothing	2009	8 %	5 % admin fee, 3 % payment fee
letshelp.ch	keep-it-all	2016	1.5-2 %	Fees for aid organisations depend on amount. Maximum CHF 3,500
Lokalhelden	all-or-nothing	2016	0 %	1.5 % for credit card payments
Miteinander erfolgreich	all-or-nothing	2014	10 %	
moBOo.ch	keep-it-all	2012	10 %	
Progettiamo	all-or-nothing	2014	0 %	
ProjektStarter	all-or-nothing	2011	8 % (5 % for junior projects)	
Startnext	all-or-nothing	2010	4 % transaction fee plus optional commission	Optional commission at least 1 %
wemakeit	all-or-nothing	2012	10 %	4 % transaction fee, 6 % commission

Table 2: Reward-based crowdfunding / crowddonating fee models

3.3 Crowdfunding

Three platforms with campaigns based in Switzerland were servicing Switzerland's crowdfundering market at the end of 2016. These platforms were used for 25 successful campaigns (previous year: 17). The funds raised rose sharply from CHF 7.1 million in 2015 to CHF 39.2 million.

The growth was driven principally by real estate crowdfundering (see Figure 6). This segment, which emerged in Switzerland only in 2015, had by 2016 already reached an eye-popping CHF 32.4 million in funds raised. This figure relates to the portion of equity capital raised through crowdfunding. Debt and mezzanine capital amounts, typically provided by banks, are not included. The platform crowdhouse was responsible for most of the funds raised through real estate crowdfunding in 2016.

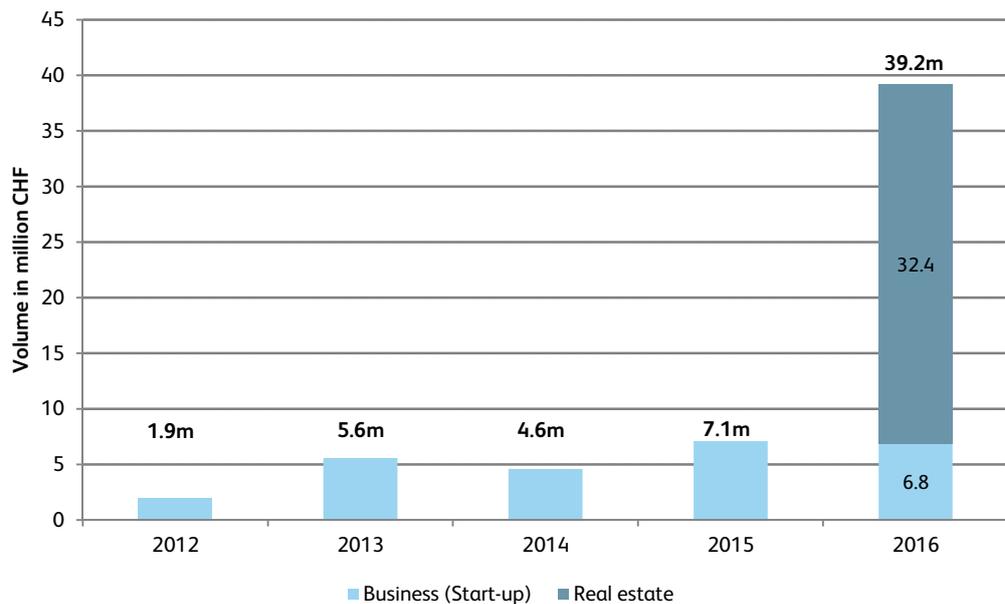


Figure 6: Crowdfunding volumes in Switzerland 2012-2016

In the area of business crowdfunding, start-ups in 2016 received CHF 6.8 million (compared to CHF 7.1m in 2015). The investors backed a total of 13 start-ups. Last year saw the platform investiere handle the lion's share of the funds raised. It can be used only by qualified investors, typically with a minimum of CHF 10,000 to invest.¹¹ This makes investiere quite different from the business models of other crowdfunding platforms, such as c-crowd or Raizers, which do not place access restrictions on the crowd. In that respect, investiere is not a typical crowdfunding platform, as access is restricted to what might be called a "qualified crowd".

In comparison to other crowdfunding areas, business crowdfunding has grown slowly since 2013 (2013: CHF 5.6m). It is conceivable that nascent businesses remain only dimly aware of these funding opportunities, or perhaps they prefer not to open up their business models via this channel. It could also be that nascent businesses obtain their capital from private sources or business angels and have no need to resort to the crowdfunding market. That said, there are many good reasons why crowdfunding could make sense for businesses seeking extra capital. Furthermore, institutional investors are becoming increasingly aware of the opportunities it presents, as a result of which we can expect to witness larger transactions. Worth noting is the fact that collective foundation Nest is

¹¹ Investiere states that its business model is inspired by those of Angellist and FundersClub (USA) and OurCrowd (Israel), which also pursue a "qualified investor" approach.

the first Swiss pension fund to enter into a partnership with investiere with the aim of investing systematically in start-ups. It is probable that crowdfunding platforms will increasingly be used for later funding rounds, not just early-stage funding as now. Finally, it is possible that the collaboration announced between Raizers and C-Crowd will provide the equity crowdfunding market with renewed stimulus.

Crowdfunding's overall success rate in 2016 was an exceedingly high 96 percent. This is not least a result of careful project selection and professional project support on the part of the aforementioned platforms.

The average amounts raised vary greatly. Whereas the figure for real estate crowdfunding is in the order of CHF 2.7 million (equity capital portion of the funds), the average funding round in business crowdfunding generates roughly half a million francs. This average figure for business crowdfunding has remained fairly stable in recent years. As for real estate crowdfunding, it has not been in existence long enough for any meaningful conclusions to be drawn.

Segment	Platform	Online since	Payment model	Fee on amount raised	Other fee models, additional information
Equity crowdfunding	Bee Invested	2015	all-or-nothing	7 %	
	c-crowd	2011	all-or-nothing	10 %	Fees do not exceed 10 %, but can be less
	investiere	2010	all-or-nothing		4 % success-based commission on funds raised through investiere, paid by start-up. 1.5-4 % commission paid by the investor plus carried interest of 15 % at an annualised return of at least 5 %
	Raizers	2015	all-or-nothing		Borrower: dependent on volume, max. 10 % Investor: max. 5.5 %
Real estate crowdfunding	Crowdhouse	2015	all-or-nothing	3 %	3 % of the property purchase price
	Crowdli	2017	all-or-nothing	3 %	
	Foxstone	2017	all-or-nothing	n/a	

Table 3: Crowdfunding fee models

3.4 Crowdlending

The crowdlending market has experienced the strongest year-on-year growth of all the crowdfunding categories. The funds raised rose by almost 600 percent from CHF 7.9 million to CHF 55.1 million, while the number of successfully acquired loans increased from 266 to 840.

Of the CHF 55.1 million, CHF 28.1 million are accounted for by business crowdlending (loans for SMEs), a crowdfunding segment that came on stream in 2015 but remained insignificant during that year. Consumer crowdlending (loans for private individuals) raised CHF 24.1 million in 2016. The figure for the previous year was a little under CHF 8 million (see Figure 7). Thus, the largest growth in the crowdlending segment was generated by SMEs seeking loans. The relatively large overall amount is also related to the different levels of the average amounts. Whereas the average transaction size in the case of SME loans was around CHF 171,000, a corresponding consumer-related loan was significantly lower at CHF 36,000.

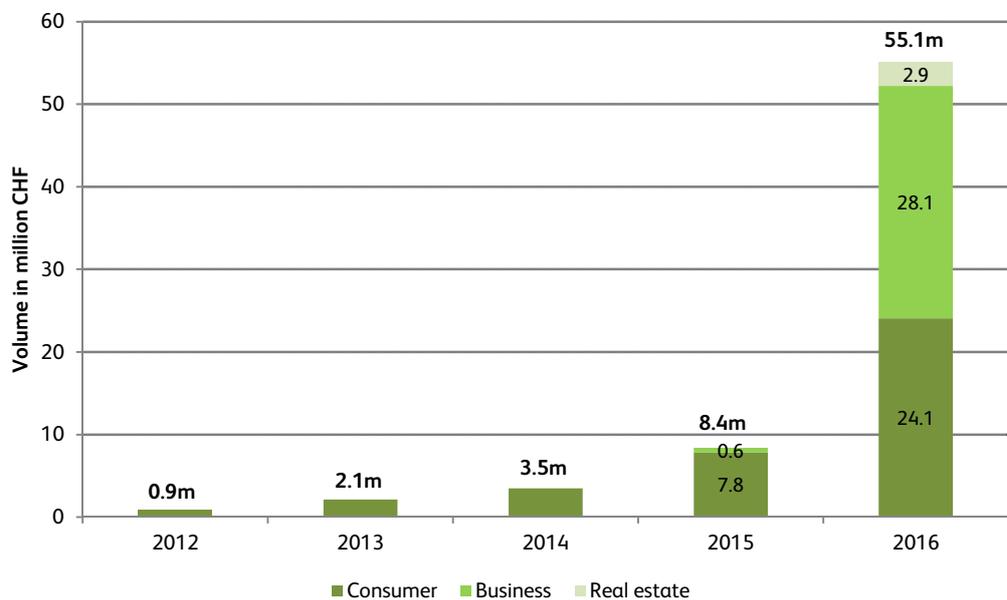


Figure 7: Crowdlending volumes in Switzerland 2012-2016

Providers of loans for SMEs invested an average of CHF 18,000 in 2016. The equivalent figure for consumer loans was CHF 4,000. It is safe to assume, however, that the loan amounts vary greatly, so these averages should be treated with caution. Alongside private investors, it is also interesting to note that institutional investors and family offices are becoming increasingly active. They are typically able to make considerably larger investments than private individuals in this new (to them) investment class.

A comparison of current volumes (CHF 28.1m and CHF 24.1m) with relevant comparable markets shows that these amounts remain very low, despite their high growth rates. In 2015, the consumer loan market alone accounted for CHF 3.9 billion's worth of new loans.¹² The volume of bank loans issued to SMEs stood, at the end of 2016, at CHF 291.1 billion.¹³

The platforms active in the crowdlending markets at the end of 2016 focused mainly on loans for SMEs and private individuals. More mortgage providers for private individuals such as Hypotheko and Hyposcout have recently entered the market. Others launched in 2016 include creditworld, Lend, Lendico, Swisslending and Swisspeers. Swisslending concentrates on real estate crowdlending, while creditworld and Swisspeers focus their crowdlending activities exclusively on businesses. Lend and Lendico make loans available to businesses and individuals.

Generally speaking, it continues to be the case that crowdlending platforms in Switzerland are hugely constrained in terms of growth and funding by Article 6 of the country's Banking Ordinance and its prescribed limit of 20 lenders per project. The law as it stands permits funds to be received without the need for official approval from no more than 20 persons. Extending the number of people able to provide backing without the need to seek approval would do much to boost the crowdlending market. The Federal Council has brought forward corresponding proposals for change and, at its meeting of 1 February 2017, opened a consultation process on proposed changes to the Banking Law and the Banking Ordinance in the area of FinTech.

Crowdlending fees are typically related to the amount of the loan (see Table 4). Fees are often payable on both sides, lender and borrower. The fee bandwidths are very wide, both for consumer and business crowdlending and lie between 0.45 and 5.0 percent. With real estate crowdlending, the fees lie between 0.4 and 5.0 percent of the loan sum.

¹² Association of Swiss Credit Banks and Financial Institutions VSKF. Facts and figures. Online. (13.03.2017): <http://vskf.org/67/de/zahlen-und-fakten/konsumkredite>

¹³ Loans used by businesses with 1-249 employees as at December 2016. Swiss National Bank SNB. Data portal. Corporate loans by size of business. Online (13.03.2017): <https://data.snb.ch/>

Segment	Platform	Online since	Payment model	Fee on amount raised	Other fee models, further information
Business crowd lending	creditworld	2016	all-or-nothing	0.45-1.5 %	Depends on loan amount and rating (0.45-1.50 %), but min. CHF 1,000. Investors incur no fees
	Lendico	2016	all-or-nothing	2-4.5 %	One-off fee of 2-4.5 % for the borrower (dependent on the loan period). Fee deducted when loan released. Lenders incur a 1 % fee on repayments
	Miteinander erfolgreich	2014	all-or-nothing	3 %	3 % on the loan amount plus CHF 50 when the project goes live. Lenders incur CHF 50 charge if the project is successful
	Swisspeers	2016	all-or-nothing	0.5 % (borrower) 0.25 % (lender)	Borrowers pay 0.5 % p.a. on the outstanding loan plus a one-off fee of CHF 2,000 on release of the loan Lenders pay 0.25 % p.a. on the outstanding amount invested
	Wecan.Fund	2016	all-or-nothing	1-5 %	Borrowers pay between 1-5 % of the loan received. Investors incur no fees
Consumer crowd lending	Lend	2016	all-or-nothing (min. 80 % of the target sum)	0.5 % (borrower) 1 % (investor)	Investors pay 1 % p.a. of the amount invested Borrowers pay 0.5 % p.a. of the loan received. Deducted from the funds released based on the overall loan period.
	splendit	2014	all-or-nothing	2 % (investor)	Monthly fee of CHF 10 for students during loan period. Investors pay a one-off 2 % when the funds are released
Consumer and business crowd lending	Cashare	2008	keep-it-all	0.75 % (borrower) 0.75 % (investor)	Fees only if successful: Min. fee of CHF 50 for borrowers Investors pay 0.75 % on the outstanding balance
	CreditGate24	2015	Various scenarios	0.6-0.8 % (borrower) 1 % (investor)	Borrowers pay 0.6-0.8 % p.a. of the net loan amount Investors pay a fee of 1 % on the actual monthly repayments (amortisation plus interest payments) to the investor
	Crowd4Cash	2017	all-or-nothing	0.75 % (borrower) 0.65 % (investor)	
	Lendora	2016	all-or-nothing	0.7 % (borrower) 1 % (investor)	Investors incur a 1 % fee on repayments received
Real estate crowd lending	Hyposcout	2016	all-or-nothing	3 % (borrower) 0 % (investor)	Borrower pays a one-off fee of 3 % on the capital received. Investors incur no fee
	Hypotheko	2016	all-or-nothing	CHF 500 (borrower) 0.39 % / 0.49 % (investor)	Investor pays and annual fee of 0.39 % on investments in mortgages for owner-occupied homes and 0.49 % on those for buy-to-let properties.
	SwissLending	2016	all-or-nothing	5 % (borrower)	Investor incurs no fee

Table 4: Crowdlending fee model

3.5 Invoice trading

This study is including invoice trading for the first time. Only CHF 0.41 million were raised in 2015, a figure that rose to CHF 17.0 million in 2016. The invoice trading platform is operated by the start-up Advanon. Advanon makes it possible for SMEs to realise the value of their invoices. Under the scheme, SMEs use the online platform to attract investors, who acquire an interest in their outstanding invoices and release the inherent liquidity, minus a discount, typically within 24 hours. It is worth noting that Advanon has forged partnerships with Hypothekarbank Lenzburg and Basel Landschaft's cantonal bank.

3.6 Other business models in the realm of alternative finance

Alongside the classic crowdfunding platforms, other schemes exist that match online capital providers with capital seekers, yet do not meet the crowdfunding criteria laid down by this study. These include the B2B (business-to-business) platforms loanboox and Remaco, which match professional investors with businesses and/or the public sector.

loanboox went live on 1 September 2016 as an online brokerage platform for corporations under public law and professional investors. It is the first platform in Switzerland to provide these services via the internet. In its first five months of operation, the platform achieved impressive growth and brokered funding to the tune of over CHF 1.3 billion. Unlike typical crowdfunding platforms, its business model has adopted a B2B approach, being receptive to institutional and professional investors only. The platform can be used by municipalities, towns and cantons to solicit loans ranging between CHF 500,000 and CHF 500 million. Institutional investors (but not private individuals) are then able to respond with their offers. The loans can be provided by one or more lenders. Until now, most loans have been provided by a single counterparty. loanboox confines itself purely to providing broking services and only charges the borrower a one-off fee amounting to one basis point per year for the life of the loan. Lenders incur no costs. loanboox also announced in March 2017 its intention to broaden its activities to include interbank lending.

Another example is Remaco with its corporate direct lending model. Remaco's direct lending platform links businesses seeking capital with a circle of professional qualified investors (in accordance with Swiss Collective Capital Investment Law). As an alternative to bank loans, businesses are able to source their capital via the Remaco platform. Some CHF 80 million were sourced in this way in 2016.

Interestingly, this development signals the positioning of the first B2B platforms in Switzerland. While the total amounts raised via P2P models (private-to-private, e.g. consumer loans via crowdfunding platforms) or P2B models (private-to-business, e.g. SME loans via crowdfunding platforms) are currently in the low three digit millions, B2B models with their high funding volumes are also being watched closely by the banks.

4 Crowdfunding: an international comparison

Switzerland's crowdfunding market has witnessed strong growth in terms of funds raised. Although market data for 2016 was not yet available for other countries at the time of this report's publication, it is reasonably safe to assume that the Swiss market has also risen disproportionately strongly in an international comparison. Nevertheless, the Swiss market is still much less developed than the leading markets such as the USA or Great Britain, either in terms of overall funding volumes or per capita crowdfunding volumes.

Figure 8 shows the crowdfunding volumes of selected countries. Since little by way of market data for 2016 is currently available, the following comparison focuses on 2015. China hosted the world's largest crowdfunding market. In 2015 crowdfunding was used to generate the equivalent of CHF 97.8 billion.^{14,15} The corresponding volume in the USA was CHF 34.8 billion¹⁶ and in the UK CHF 4.7 billion¹⁷. Amongst Switzerland's neighbours, France stood at CHF 340.7 million, Germany at CHF 266 million and Austria at CHF 12.8 million.¹⁸ Switzerland in 2015 chalked up CHF 27.7 million, and CHF 128.2 million in 2016.

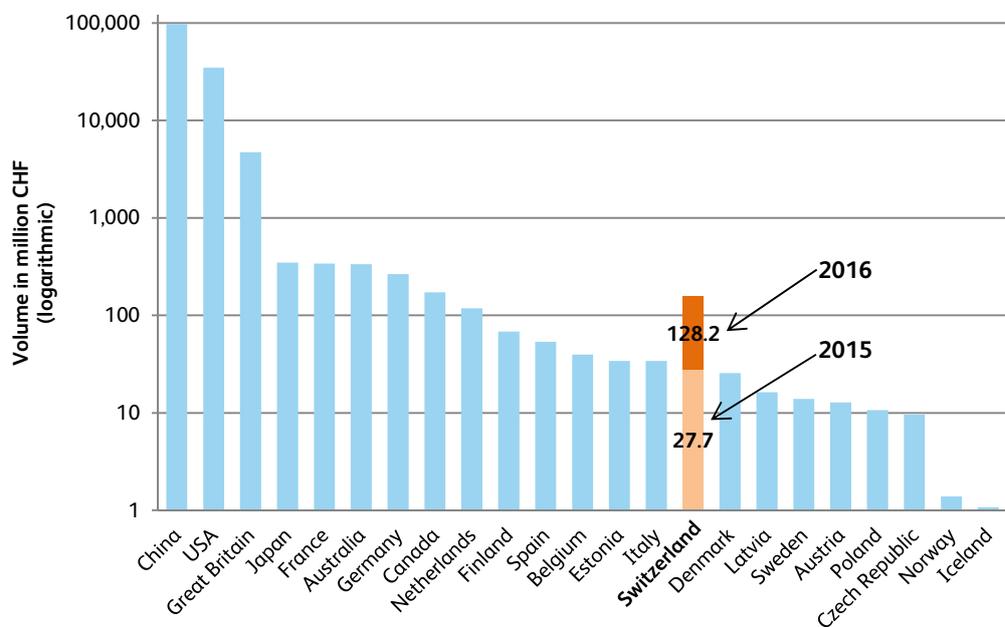


Figure 8: Crowdfunding volumes in selected countries in 2015^{14,15,16,17,18}

¹⁴ In RMB: 638.79 billion. Source: University of Cambridge. Harnessing Potential. The Asia-Pacific Alternative Finance Benchmarking Report. Online. (04.04.2016): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>.

¹⁵ Annual average exchange rate used. Federal Tax Administration. Annual average exchange rate. Online (06.04.2017): <https://www.estv.admin.ch/estv/de/home/direkte-bundessteuer/wehrpflichtersatzabgabe/dienstleistungen/jahresmittelkurse.html>

¹⁶ University of Cambridge. Breaking New Ground. The Americas Alternative Finance Benchmarking Report. Online. (04.04.2016): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>.

¹⁷ University of Cambridge. Pushing Boundaries. The 2015 UK Alternative Finance Industry Report. Online. (06.04.2017): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

¹⁸ University of Cambridge. Sustaining Momentum. The 2nd European Alternative Finance Industry Report. Online. (06.04.2017): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

Due the difference in size and economic strength of the countries outlined above, assertions as to their absolute volumes should be treated with caution. Figure 9 therefore presents the 2015 volumes as a ratio of the resident population. The reader will notice that the USA, China and the UK also come top in this ranking but in a slightly different order. In the USA, around CHF 108 per head of population was generated for or via crowdfunding. In China and the UK, the figures were CHF 71 and CHF 70, respectively. In continental Europe it is noticeable that crowdfunding generates high amounts per head particularly in Estonia. The figure for Switzerland in 2015 (CHF 3.30) was equal to that for Germany and slightly less than that for France (CHF 5.10). Switzerland, however, leapt forward in 2016, with the amount raised per head now standing at CHF 15.50.

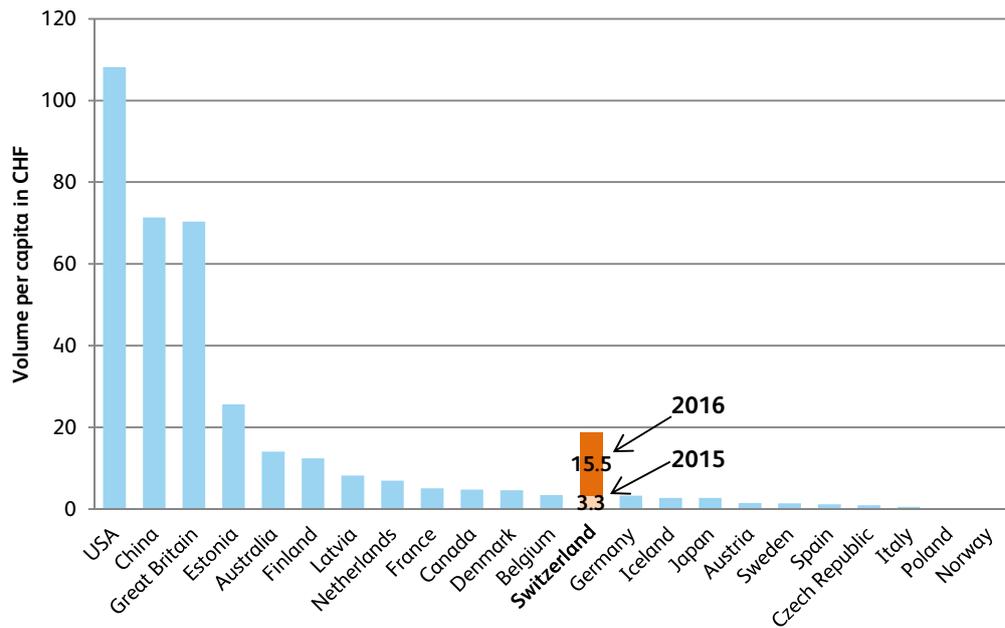


Figure 9: Crowdfunding volume per capita in selected countries in 2015 ^{15,16,17,18,19}

¹⁹ The World Bank. Population, total. Online (06.04.2017): <http://data.worldbank.org/indicator/SP.POP.TOTL>

4.1 Volumes and structure of selected crowdfunding markets

Table 5 again shows the crowdfunding volumes of the individual countries in absolute terms and relative to their gross domestic product (GDP) and size of the resident population. Also shown is the portion (in terms of volume) of the individual crowdfunding forms against the overall market.

Country	Volume in CHF m	Volume per capita	Volume in % GDP	Market structure			
				Crowd-lending	Business crowdinvesting	Real estate crowd-investing	Reward-based crowdfunding
China	97,896	71.4	0.936%	96.6%	1.0%	0.0%	0.8%
USA	34,773	108.2	0.201%	87.8%	1.6%	1.3%	1.7%
UK	4,705	70.4	0.172%	75.2%	7.7%	2.7%	1.3%
Japan	347	2.7	0.009%	90.5%	2.4%	0.5%	6.6%
France	341	5.1	0.015%	52.2%	23.6%	4.0%	15.0%
Australia	335	14.1	0.026%	49.0%	7.5%	2.2%	8.1%
Germany	266	3.3	0.008%	74.2%	9.6%	3.2%	8.5%
Canada	172	4.8	0.012%	48.1%	2.8%	0.4%	24.8%
Switzerland 2016	128	15.5	0.020%	43.0%	5.3%	25.3%	13.2%
Netherlands	119	7.0	0.016%	74.1%	15.0%	0.5%	10.1%
Finland	68	12.4	0.031%	85.0%	9.7%	n/a	5.0%
Spain	53	1.2	0.005%	44.6%	10.6%	5.8%	18.8%
Belgium	40	3.5	0.009%	n/a	n/a	n/a	n/a
Estonia	34	25.7	0.156%	88.1%	0.6%	7.5%	1.9%
Italy	34	0.6	0.002%	34.4%	16.9%	0.0%	27.8%
Switzerland 2015	28	3.3	0.004%	28.5%	25.6%	0.0%	44.4%
Denmark	26	4.6	0.009%	32.5%	0.0%	0.0%	10.4%
Latvia	16	8.2	0.062%	98.7%	0.0%	0.0%	1.3%
Sweden	14	1.5	0.003%	15.0%	48.9%	n/a	34.6%
Austria	13	1.5	0.004%	16.7%	60.8%	0.8%	20.0%
Poland	11	0.3	0.002%	19.0%	2.0%	4.0%	30.0%
Czech Republic	10	0.9	0.005%	16.7%	0.0%	0.0%	21.1%
Norway	1	0.3	0.000%	0.0%	0.0%	0.0%	84.6%
Iceland	1	2.7	0.007%	0.0%	0.0%	0.0%	80.0%

Table 5: Volume and market structure of selected countries in 2015 ^{15,16,17,18,19}

There are various explanations for the difference in absolute and relative terms of the importance – which can be very marked – of crowdfunding in the countries outlined above. For one thing, the regulatory environment can and does exert a major influence on the development of crowdfunding. For another thing, it should be noted that the financial systems of countries in continental Europe differ greatly from those of the USA and the UK. In the latter two countries, more of the finance intermediation occurs directly via the capital markets, while the financial systems of the other countries could be characterised as bank-oriented, such that much of the intermediation takes place via the banks. Also worth noting are the cultural differences, such as the willingness – related to innova-

tiveness or tradition – to invest in nascent businesses. Finally, there is a greater awareness of crowdfunding in the USA and the UK than in other countries.

Table 5 also demonstrates that the structure of large crowdfunding markets is often marked by significant shares of crowdlending. In the case of the four largest crowdfunding markets (viewed in absolute as well as in relative terms), crowdlending contributes more than 75 percent to the market volume. In China, crowdlending in 2015 contributed a swingeing 97 percent to the overall market. Here, the volume of loans for private individuals (CHF 50.6bn) was somewhat higher than that for SMEs (CHF 44bn). Crowdlending in the USA contributed CHF 30.5 billion to the total of CHF 34.8 billion. According to their own figures, the two largest crowdlending platforms in the USA, Prosper and Lending Club, raised USD 2.2 billion (Prosper) and USD 8.6 billion (Lending Club), respectively.

Moreover, the make-up of lenders is evolving in these markets. The entry of professional investors has, in particular, led to a sharp rise in volumes. In 2015, they contributed no less than 33 percent of the funds raised via Lending Club.²⁰

Across most of the markets, business crowdfunding currently generates more funds than real estate crowdfunding. In 2015, some CHF 360.3 million was raised in the UK through business crowdfunding, while real estate accounted for CHF 127.7 million. The figures for the USA in 2015 were just under CHF 568 million (business) and CHF 450.7 million (real estate). By contrast, the figures for Switzerland last year are the other way round: real estate crowdfunding has seen strong gains and now outstrips business crowdfunding by quite a way.

4.2 Number, diversity and depth of business models

Alongside the number of active platforms, indicators of the growing maturity of crowdfunding markets include the diversity of their business models and the ancillary services offered. In terms of numbers of active platforms, the Swiss market has come on in leaps and bounds in the past two years. In terms of diversity, here too clear progress has been made since 2015. For instance, platforms have appeared servicing the real estate crowdfunding and invoice trading segments. Equally, the market for SME loans raised via crowdfunding platforms began emerging in 2015. Since 2016 offerings in the area of real estate crowdlending have appeared, as well as more platforms in the crowddonating segment. In short, we have registered a gratifying improvement in the diversity of the Swiss crowdfunding market, especially in the past 18 months, and interpret this as an indication of its evolving maturity.

As for ancillary services, Switzerland remains nowhere near a top ranking. There are some interesting services, such as the secondary market for loans recently launched by CreditGate24 or the new Lendity platform, which acts as an aggregator by bundling investments and investing the capital in a diversified way across various crowdlending platforms. Overall, though, there is plenty of room for improvement in this field. Moreover, we have also seen a lack of “industry” surrounding the crowdfunding scene. This is hardly surprising in view of the low volumes we are still seeing.

²⁰ Financial Times. Online (21.4.2016): <https://www.ft.com/content/9e966ff2-ed48-11e5-9fca-fb0f946fd1f0>

4.3 Conclusion

International trends exhibit continuing strong growth in transaction volumes (absolute and relative) across all categories of crowdfunding. Moreover, it can be seen that many of the various crowdfunding categories across the European markets vary in terms of their size. One striking feature, however, is the major role contributed by the crowdlending segment to the high-value Chinese, USA and UK markets. Also noteworthy is the offer by established platforms of new features and services in a bid to differentiate themselves from rivals and extend their value-added chain.

In terms of development, the Swiss crowdfunding market remains in the middle of the field on an international comparison basis. We find, however, that both the number of active platforms as well as the diversity and depth of their business models and business fields have increased markedly over the past almost two years. The domestic market is showing signs of strongly accelerated development. We are expecting the trends in the SME crowdlending and real estate crowdinvesting segments in the Swiss market to contribute significantly to higher volumes.

It should be pointed out, however, that compared to markets such as those of the UK, China or the USA, the modest size of the Swiss market will always exert an “economy-of-scale disbenefit”. At the level of individual platforms, this problem could be countered by, for example, extending offerings beyond the country’s borders. Very few Swiss platforms have yet availed themselves of this opportunity.

5 Forecasts: crowdfunding in 2017

In light of the above results, we offer the following forecasts for the development of the crowdfunding market in 2017:

1. Continuing strong growth

The growth spurt in the business crowdlending and real estate crowdinvesting segments materialised as forecast last year. Volume-wise, our expectations were in fact exceeded. The two aforementioned segments contributed substantially to last year's strong growth in the crowdfunding market.

We believe that this accelerated growth trajectory will continue in 2017. We are anticipating a volume of CHF 300-400 million for Switzerland's crowdfunding market in 2017:

- **Crowdlending:** as in the previous year, crowdlending will experience an above-average surge in growth in comparison to other crowdfunding categories. Platforms, including the recent ones, will consolidate their positions, and awareness of crowdfunding will continue to make progress. We anticipate business crowdlending volumes to rise sharply. The average volume per transaction will also increase. The new real estate crowdlending market will also make substantial gains and contribute greatly to overall volumes. In terms of capital provision, we also anticipate greater participation by institutional investors and family offices (see also below).
- **Crowdinvesting:** in terms of the business financing segment, we anticipate a positive growth trajectory and double-digit growth rates. Compared to other categories, the above-average strong upwards trend of the overall crowdinvesting volume in 2017 will once more be driven by real estate. We anticipate established providers to be able to boost the volume further and that new market participants will generate tangible extra volumes in comparison to the overall volume of the crowdfunding market.
- **Crowddonating:** last year we thought larger, higher-profile not-for-profit organisations would make increasing use of crowddonating opportunities. What materialised was in line with our expectations. Overall volumes in this segment remain, however, low. That said, we continue to view the potential of this market as high and anticipate it developing more dynamically in 2017 than in previous years.
- **Reward-based crowdfunding:** the reward-based crowdfunding market will continue its path of growth. Awareness of this segment in Switzerland is now high and the channel is well established in a variety of areas. Reward-based crowdfunding in Switzerland will continue consolidating its position as a means of raising finance in the area of culture and the creative industries. We are now anticipating growth in the area of sport. Moreover clubs and associations will increasingly discover crowdfunding as a potential source of funding.

2. Expectation of further entrants to the market and selective consolidation

We are anticipating the launch of new platforms in 2017. This will probably be accompanied by an increasing number of departures from the market. Consolidation or merging of platforms will occur on an isolated basis only. Platforms enjoying strong growth will, in the short term at least, continue to operate independently. On the other hand, some of those crowdfunding platforms still posting low volumes after two or three years will quietly exit the market.

3. Participation of large businesses and investors in crowdfunding

We anticipate the increasing involvement of large, well-known businesses in the crowdfunding market. On the one hand, established businesses will employ crowdfunding not only as a digital sponsorship channel, but also, increasingly, for marketing purposes. On the other hand, especially in the crowdlending and invoice trading segments, professional investors, e.g. pension funds and family offices, will play an ever greater role in the financing of loans/invoices.

4. New regulatory moves in support of crowdfunding

In February 2017, Switzerland's Federal Council opened a consultation process on proposed changes to the banking legislation and ordinance in the area of FinTech. The revision ought to ease the hurdles for FinTech businesses and thus also for crowdfunding platforms. The changes will affect the crowdfunding industry in two key areas: firstly, the maximum period that funds can be held for settlement purposes will rise from today's seven days (current regulatory practice) to 60 days. The 60 days are to be enshrined in the Banking Ordinance. Secondly, the proposal is to "soften" the impact of the highly restrictive "20 lender rule" for crowdfunding loans by raising the threshold to which it applies to CHF 1 million. Or to put it another way: loans of less than CHF 1 million will be able to attract finance from more than 20 lenders. This will help smaller investors make smaller investments and thus improve the diversification of their crowdlending portfolios. The two proposed changes to the legislation will be of immense benefit to Switzerland's crowdfunding industry by boosting volumes further.

Appendix: Market participants

The following profiles were provided by the platforms featured.

		Name	100-DAYS www.100-days.net
		Legal owner	100-Days.net GmbH
Managing director	Romano Strebhel and Christian Klinner	Address	St. Jakobstrasse 54a 8004 Zurich
When established	2012	Email	support@100-days.net
Number of staff	1.2 (FTEs)	Telephone	
Form	Reward-based crowdfunding/crowddonating	Funds released	When target amount is met
Target market	Switzerland, Germany, France		
Brief profile	100-Days is a Swiss crowdfunding pioneer and leader in service and project campaigning in three languages D/E/F. Project initiators benefit from a user-friendly project dashboard, tools and widgets, an exclusive manual, all the usual payment channels and access to Ron Orp, Switzerland's most urban community. Other 100-Days services include basic and project workshops, plus campaigning concepts.		
Fee model	5% of the amount raised		

		Name	Advanon https://www.advanon.com
		Legal owner	
Managing director	Phil Lojacono	Address	Hardstrasse 301 8005 Zurich
When established	2015	Email	info@advanon.com
Number of staff	20	Telephone	+41 44 585 38 50
Form	Invoice trading	Funds released	
Target market	Swiss SMEs		
Brief profile	Advanon offers a platform that allows SMEs to sell their invoices directly to investors. The result is that SMEs have access to liquidity and investors can invest in a new asset class.		
Fee model	SMEs: 1% of the funding amount. Investors: 10-20% of the profit on successful repayment		

		Name	Bee Invested https://www.beeinvested.ch
		Legal owner	Bee Invested Partners Sàrl
Managing director	Hichame Metatla	Address	Route de Saint Julien, 184 A 1228 Plan-les-Ouates
When established	2015	Email	contact@beeinvested.ch
Number of staff	3 (FTEs)	Telephone	
Form	Crowdinvesting	Funds released	On reaching a defined threshold
Target market	Switzerland, start-ups, small innovative businesses		
Brief profile	We want everyone to become a business angel. For us, the link between the private individual and business harbours immense potential in terms of sourcing capital. It also drives entrepreneurship and innovativeness.		
Fee model	7 % of target amount		

		Name	Cashare www.cashare.ch
		Legal owner	Cashare AG
Managing director	Michael Borter	Address	Bösch 65 6331 Hünenberg
When established	2008	Email	support@cashare.ch
Number of staff	11 (FTEs)	Telephone	
Form	Crowdlending	Funds released	Keep it all
Target market	Switzerland		
Brief profile	Cashare provides a platform for alternative investment and funding opportunities via the crowd for private individuals and SMEs. Founded in 2008, Cashare was the first ever crowd-funding platform in Switzerland.		
Fee model	Fees only if successful: 0.75 % p.a. per party. Min. fee for borrowers: CHF 50 (private individuals), CHF 300 (SMEs). No fee in event of early repayments to lenders or for checks.		

		Name	c-crowd www.c-crowd.com
		Legal owner	c-crowd Ltd
Managing director	Philipp Steinberger	Address	Zeughausstrasse 13 9053 Teufen
When established	2010 (started in April 2011)	Email	info@c-crowd.com
Number of staff	0 (FTEs)	Telephone	+41 43 300 80 20
Form	Crowdinvesting	Funds released	When target amount is met
Target market	Switzerland / no sector focus		
Brief profile	c-crowd is a Swiss online platform that brings together entrepreneurs and investors. It hosts crowdfunding campaigns for Swiss public limited companies (AG) and acts as a marketplace for Swiss and nondomestic entrepreneurs. Entrepreneurs and investors contact each other in the c-crowd marketplace and negotiate equity stakes. c-crowd is not involved in this process, it only provides the platform.		
Fee model	10% of target amount		

		Name	CreditGate24 www.creditgate24.com
		Legal owner	
Managing director	Board: Christoph M. Mueller (founder & CEO) Management team: Teddy Amberg, Peter Baumli, Peter Schütz and Christoph R. Züllig	Address	Alemannenweg 6 8803 Rüschiikon
When established	2015	Email	info@creditgate24.com
Number of staff	20 (FTEs)	Telephone	+41 844 365 247
Form	Crowdlending	Funds released	Various scenarios
Target market	Switzerland, microcredit & private loans, credit for SME		
Brief profile	CreditGate24 brings borrowers and private/institutional investors together on its highly automated direct-lending platform. It also operates in the area of consumer/private loans and loans for SMEs/self-employed.		
Fee model	0.6-0.8% for borrowers, 1% for investors		

		Name	creditworld www.creditworld.ch
		Legal owner	creditworld AG
Managing director	Kai Ren, Philipp Schneider and Nicolas Meier	Address	Baarerstrasse 88 6300 Zug
When established	2016	Email	info@creditworld.ch
Number of staff	8 (FTEs)	Telephone	+41 44 520 99 59
Form	Crowdlending	Funds released	When target amount is met
Target market	SMEs throughout Switzerland		
Brief profile	creditworld is Switzerland's first P2P platform specialising in raising finance for SMEs.		
Fee model	Depends on loan amount for the borrower (0.45-1.50 %), but min. CHF 1,000. No fees for investors		

		Name	Crowdhouse www.crowdhouse.ch
		Legal owner	Bricks & Bytes AG
Managing director	Robert Plantak, Ardian Gjelogshi	Address	Nidelbadstrasse 2 8038 Zurich
When established	2015	Email	info@crowdhouse.ch
Number of staff	25 (FTEs)	Telephone	+41 44 377 60 60
Form	Crowdinvesting	Funds released	When target amount is met
Target market	Swiss German-speaking property market		
Brief profile	Crowdhouse is the first platform for investing online in existing Swiss investment properties with joint ownership entered in the Swiss Land Register. Minimum investment: CHF 25,000, annual yield 5-6%. Crowdhouse searches for properties, finds co-investors via the platform, conducts the negotiations with the banks providing mortgages and takes care of the purchase formalities and transfer of ownership with the notary and authorities.		
Fee model	3% of the property purchase price		

		Name	Crowd4Cash https://www.crowd4cash.ch
		Legal owner	Crowd Solutions AG
Managing director	Doris Bossard, Peter Keller	Address	Bellevueweg 42 6300 Zug
When established	2017	Email	info@crowd4cash.ch
Number of staff	3 (FTEs)	Telephone	+41 41 525 33 77
Form	Crowdlending	Funds released	When target amount is met
Target market	Switzerland		
Brief profile	Crowd4Cash brings borrowers and private/institutional investors together on its user-friendly crowdlending platform. Crowd4Cash finances Swiss consumer and SME loans of up to CHF 250,000.		
Fee model	Fees only if successful: 0.70 % p.a. (borrower) and 0.65 % p.a. (investor)		

		Name	Fengarion www.fengarion.org
		Legal owner	Georgios Topoulos
Managing director	Christine Do Phan	Address	78 Av. Vaudagne 1217 Meyrin
When established	2010	Email	contact@fengarion.org
Number of staff	20 volunteers	Telephone	+41 76 576 20 48
Form	Crowddonating:	Funds released	Keep it all
Target market	The Fengarion platform encompasses the following areas: development, environment, health, education/training, humanitarian aid, social welfare, human rights, culture. The Fengarion platform hosts not-for-profit organisations that are independent of the state, politics or religion. Most charitable organisations using Fengarion are based in Switzerland. Their projects relate to various countries in Europe (including Switzerland), Asia, Africa and South America.		
Brief profile	Fengarion is a registered charitable organisation domiciled in Meyrin, Canton Geneva. Fengarion is funded exclusively by its members. Fees are not levied on donations to projects. The funds raised through crowdfunding flow directly to the project initiators. All Fengarion does is administer the collection of donations.		
Fee model	0 %		

		Name	Foxstone SA www.foxstone.ch
		Legal owner	Dan Amar
Managing director	Dan Amar	Address	50 Avenue de la Praille 1227 Carouge
When established	2017	Email	info@foxstone.ch
Number of staff	4 (FTEs)	Telephone	
Form	Crowdinvesting	Funds released	When target amount is met
Target market	Real estate in Switzerland, residential, commercial and industrial.		
Brief profile	Foxstone aims to democratize real estate investments in Switzerland. The platform allows everybody to invest in real estate deals in Switzerland. The minimum investment is CHF 25'000. Foxstone offers three types of deals: co-buy of existing building or development projects, co-investment with developer, debt mezzanine to refinance existing buildings or to fill the equity gap in real estate developments.		
Fee model	n/a		

		Name	Funders www.funders.ch
		Legal owner	Luzerner Kantonalbank AG
Managing director	Daniel Lütolf	Address	Pilatusstrasse 12 6003 Lucerne
When established	2016	Email	info@funders.ch
Number of staff	2.5	Telephone	+41 78 661 46 00
Form	Reward-based crowdfunding and crowdlending	Funds released	When target amount is met
Target market	German-speaking Switzerland (clubs/societies, private individuals, SMEs, start-ups)		
Brief profile	Classic reward-based crowdfunding platform with possibility to take partners on board (Obwaldner Kantonalbank, Nidwaldner Kantonalbank, others to follow). Also crowdlending from Q3 2017.		
Fee model	7% (reward-based crowdfunding)		

		Name	GivenGain www.givengain.com
		Legal owner	GivenGain Foundation
Managing director	Johannes van Eeden	Address	Avenue Centrale 85 1884 Villars-sur-Ollon
When established	2001	Email	marc@givengain.com
Number of staff	5 (FTEs)	Telephone	
Form	Crowddonating	Funds released	Keep it all
Target market	Worldwide (non-profit organisations and dedicated individuals)		
Brief profile	GivenGain was founded by two brothers in July 2001. The company motto is: "it is more blessed to give than to receive". GivenGain offers not-for-profit organisations improved management, network set-up and maintenance, and help to create ideas that people can believe in. Donations for projects through GivenGain are administered within a certified "non-profit-compliant" environment.		
Fee model	5 %		

		Name	Hyposcout AG www.hypo-scout.ch
		Legal owner	Hyposcout AG
Managing director	Jean-Pierre Pfenninger	Address	Neugutstrasse 66 8600 Dübendorf
When established	2016	Email	info@hypo-scout.ch
Number of staff	16 (FTEs)	Telephone	+41 44 533 75 00
Form	Crowdlending	Funds released	When target amount is met
Target market	Any real estate in Switzerland. The possibility to invest is however open to all natural persons and legal entities.		
Brief profile	Hyposcout AG is a business active throughout Switzerland that aims to bring those seeking capital with those providing it in the area of second/subordinate mortgages. As a brokerage platform we facilitate the financing of real estate by bringing together property owners and capital providers.		
Fee model	The borrower pays Hyposcout a one-off fee of 3 % of the capital received from the capital provider. Capital providers incur no fees.		

		Name	I believe in you www.ibelieveinyou.ch
		Legal owner	
Managing director	Nick Gast	Address	Kramgasse 5 3011 Bern
When established	2013	Email	info@ibelieveinyou.ch
Number of staff	6 (FTEs)	Telephone	+41 31 544 35 20
Form	Reward-based crowdfunding	Funds released	When target amount is met
Target market	Sport in Switzerland, in Austria (ibelieveinyou.at) and Norway		
Brief profile	I believe in you is the first crowdfunding platform to focus wholly on the funding of Swiss sporting projects. I believe in you is open to everyone. Individual athletes, teams, recreational / amateur / elite athletes, clubs/associations and promoters can publicise and fund their projects via this new platform. IBİY's operations are funded by administration fees and sponsors.		
Fee model	12 % (8 % for advice and 4 % for the payment transaction)		

		Name	I care for you www.icareforyou.ch
		Legal owner	I care for you Foundation
Managing director	Corinne Wissing	Address	Mainaustasse 15, 8008 Zurich (Administration: Kramgasse 5, 3011 Bern)
When established	2015	Email	corinne.wissing@icareforyou.ch
Number of staff	1.4 (FTEs)	Telephone	+41 31 544 35 21.
Form	Reward-based crowdfunding/crowddonating	Funds released	When target amount is met
Target market	Social and humanitarian projects worldwide (organisations / private individuals in Switzerland)		
Brief profile	The I care for you platform is available to organisations and individuals looking to finance a social or humanitarian project in Switzerland or abroad. The organisation/individual initiating the project must be resident in Switzerland. ICFY is funded through administration fees.		
Fee model	10 % (6 % administration, 4 % transaction fee)		

		Name	Ideenkicker www.ideenkicker.ch
		Legal owner	Municipal association of the Lebensraum Lenzburg Seetal (LLS) / Hypothekbank Lenzburg AG (HBL)
Managing director	Jörg Kyburz and Marianne Wildi	Address	Niederlenzerstrasse 25 5600 Lenzburg
When established	2016	Email	info@ideenkicker.ch
Number of staff	0.1 (FTEs)	Telephone	+41 62 885 11 11
Form	Reward-based crowdfunding/crowddonating	Funds released	When target amount is met
Target market	Conglomeration municipalities in the Lenzburg Seetal region		
Brief profile	Platform of the municipal association of the Lenzburg-Seetal region for promoting the region's appeal.		
Fee model	4 % (pure transaction costs)		

investiere venture capital		Name	investiere www.investiere.ch
		Legal owner	Verve Capital Partners AG
Managing director	Steffen Wagner (CEO)	Address	Grafenastrasse 9 6300 Zug
When established	2010	Email	info@investiere.ch
Number of staff	12 (FTEs)	Telephone	+41 44 380 29 35
Form	Crowdinvesting	Funds released	When target amount is met
Target market	Switzerland, Europe, high-tech (excluding pharma) and ICT		
Brief profile	<p>Investiere.ch is one of the leading online start-up investment platforms in Europe. The 10,000 members currently constituting the investiere.ch community use the platform to identify the most promising start-ups, which are then carefully scrutinised and selected by industry experts and the investiere team. investiere.ch offers accredited private individuals and institutional investors direct and professional access to start-up investments and makes venture capital investing available to a broad public. To date investiere.ch has successfully completed 50 financing rounds. This portfolio is representative of Switzerland's innovation landscape across industry sectors. investiere.ch was launched in 2010 and operates offices in Baar, Zurich and Geneva. With its minority shareholder Zürcher Kantonalbank, investiere.ch is Switzerland's leading start-up investor and belongs to the best internationally known Swiss Fintechs.</p>		
Fee model	Start-ups pay no fees. 2.5-6 % commission paid by the investor plus carried interest of 15 % at an annualised return of at least 5 %		

		Name	LEND www.lend.ch
		Legal owner	Switzerland AG
Managing director	Claudio Schneider, Andy Siemers, Florian Kübler, Michel Lalive d'Epina y and Tom Stierli	Address	Hofackerstrasse 13 8031 Zurich
When established	2016	Email	info@lend.ch
Number of staff	8 (FTEs)	Telephone	
Form	Crowdlending	Funds released	When 80% of target amount is met
Target market	Private loans, Switzerland		
Brief profile	Peer-to-peer lender in Switzerland		
Fee model	Borrower: 0.5% p.a., investor: 1% of the amount invested		

		Name	Lendico www.lendico.ch
		Legal owner	Joint venture between the Lendico Group and PostFinance AG
Managing director	Myriam Reinle	Address	Talacker 35 8001 Zurich
When established	2016	Email	info@lendico.ch
Number of staff	3 (FTEs)	Telephone	+41 43 508 71 97
Form	Crowdlending	Funds released	When target amount is met
Target market	SMEs in German-speaking Switzerland		
Brief profile	The Lendico loans marketplace offers digital, straightforward access to corporate finance. Investors also have the chance to invest in loans to Swiss SMEs.		
Fee model	Borrower: one-off fee of 2-4.5% on the loan amount, 1% on repayments		

		Name	Lendora www.lendora.ch
		Legal owner	
Managing director	Simon Pelletier	Address	Chemain du Bocage 7 1066 Epalinges
When established	2016	Email	info@lendora.ch
Number of staff	3 (FTEs)	Telephone	+41 43 508 71 97
Form	Crowdlending	Funds released	When target amount is met
Target market	Consumer crowdlending in Switzerland, and business crowdlending from mid-2017		
Brief profile	Lendora is a crowdlending platform that leverages technology to offer easier access to loans and make investing more appealing.		
Fee model	0.7 % p.a. for borrowers and 1 % of the monthly repayments for investors		

		Name	lets help.ch www.lets help.ch
		Legal owner	Swisscom Schweiz AG
Managing director	Urs Schächli	Address	Alte Tiefenastrasse 6 3050 Bern
When established	2016	Email	info.lets help@swisscom.ch
Number of staff	1.5 (FTEs)	Telephone	+41 58 221 61 73
Form	Crowddonating	Funds released	Keep it all
Target market	Switzerland, Zewo-certified organisations, young donor audience		
Brief profile	Crowdfunding platform specialising in crowddonating.		
Fee model	1.5 % -2 % depending on amount, max. CHF 3,500. One-off set-up fee of CHF 400		

		Name	Lions Funding Val Müstair www.lions-funding-vm.ch
		Legal owner	Club Lions Val Müstair
Managing director	Plinio Meyer	Address	Hotel Münsterhof 7537 Müstair
When established	2015	Email	info@muensterhof.ch
Number of staff	n/a	Telephone	+41 81 858 55 41
Form	Reward-based crowdfunding/crowddonating	Funds released	Keep it all or when target reached
Target market	Val Müstair		
Brief profile	Lions Club, promotion of Val Müstair as a business location.		
Fee model	0%		

		Name	Lokalhelden.ch www.lokalhelden.ch
		Legal owner	Raiffeisen Switzerland
Managing director	André Stöckli and Elodie Schwab	Address	Raiffeisenplatz 9000 St. Gallen
When established	2016	Email	info@lokalhelden.ch
Number of staff	3.1 (FTEs)	Telephone	
Form	Crowddonating / reward-based crowdfunding	Funds released	When target amount is met
Target market	Switzerland, not-for-profit projects		
Brief profile	Raiffeisen's crowdfunding portal for clubs/societies, institutions and private individuals with not-for-profit projects. Raise/donate simple, no-cost money, material or assistance on lokalhelden.ch.		
Fee model	0% (1.5% on credit cards)		

		Name	miteinander erfolgreich www.miteinander-erfolgreich.ch
		Legal owner	Basellandschaftliche Kantonalbank
Managing director	John Häfelfinger	Address	Rheinstrasse 7 4410 Liestal
When established	2014	Email	support@miteinander-erfolgreich.ch
Number of staff	3	Telephone	+41 61 925 94 94
Form	Reward-based crowdfunding and crowdlending	Funds released	When target amount is met
Target market	German-speaking Switzerland		
Brief profile	Basellandschaftliche Kantonalbank considers itself the leading bank in the canton. In 2014 it became the first bank in Switzerland to launch its own crowdfunding platform.		
Fee model	Reward-based crowdfunding: 4 % transaction costs + 6 % commission; crowdlending: 3 %		

		Name	moBOo.ch www.moboo.ch
		Legal owner	Michel Grand
Managing director	Michel Grand	Address	Chemin des Rairettes 23 1997 Haute-Nendaz
When established	2012	Email	contact@moboo.ch
Number of staff	1 (FTEs)	Telephone	
Form	Reward-based crowdfunding	Funds released	Keep it all
Target market	French-speaking Switzerland		
Brief profile	A project that aims to help others. Bringing international attention to local projects.		
Fee model	10 % of target amount		

		Name	Progettiamo www.progettiamo.ch
		Legal owner	Enti Regionali per lo Sviluppo del Canton Ticino (Locarnese e Vallemaggia, Bellinzonese e Valli, Luganese, Mendrisiotto e Basso Ceresio)
Managing director	Igor Franchini, Daisy Albertella, Roberta Angotti, Nicolò Mandozzi and Alan Sisini	Address	c/o ERS-LVM C.P. 323 6600 Locarno
When established	2014	Email	info@progettiamo.ch
Number of staff	1 (FTEs)	Telephone	
Form	Reward-based crowdfunding	Funds released	When target amount is met
Target market	Ticino		
Brief profile	Progettiamo.ch is an institutional platform that supports projects in Canton Ticino with traditional fundraising and crowdfunding. The projects are supervised by regional project managers up to implementation. Progettiamo is funded by public and private sponsors.		
Fee model	0% of target amount		

		Name	ProjektStarter www.projektstarter.ch
		Legal owner	Designatelier GmbH
Managing director	Lukas Wullimann	Address	Weissensteinstr. 81 4500 Solothurn
When established	2011	Email	mail@projektstarter.ch
Number of staff	1.1 (FTEs)	Telephone	+41 32 622 07 07
Form	Reward-based crowdfunding	Funds released	When target amount is met
Target market	Switzerland, creativity, innovation, ideas, juniors		
Brief profile	Platform for documenting and funding creative projects. It aims to develop, promote and design products and project ideas.		
Fee model	8% of target amount, 5% for junior projects		

 <small>EQUITY CROWDFUNDING PLATFORM</small>		Name	Raizers www.raizers.com
		Legal owner	Maxime Pallain & Grégoire Linder
Managing director	Maxime Pallain	Address	41 avenue du Mont d'Or 1007 Lausanne
When established	2015	Email	contact@raizers.com
Number of staff	12 (FTEs)	Telephone	+41 22 575 27 27
Form	Crowdinvesting and crowdlending	Funds released	When target amount is met
Target market	Switzerland, France, Luxembourg and Belgium		
Brief profile	Raizers is a crowdfunding platform specialising in equity capital. It is active across all sectors, analyses every project and evaluates its potential for funding success.		
Fee model	Borrower: depends on volume, max. 10%; investor: max. 5.5%		

		Name	Splendit www.splendit.ch
		Legal owner	Splendit AG
Managing director	Michel Lalive and Florian Kübler	Address	Hofackerstrasse 13 8031 Zurich
When established	2014	Email	info@splendit.ch
Number of staff	1.2 (FTEs)	Telephone	
Form	Crowdlending	Funds released	When target amount is met
Target market	Switzerland		
Brief profile	Splendit is a crowdlending platform for students. Crowdlending broker and facilitator of student loans.		
Fee model	Monthly fee of CHF 10 for students during loan period. Investors pay a one-off 2% when the funds are released.		

		Name	SwissLending www.swisslending.ch
		Legal owner	
Managing director	Dominique Goy	Address	Rue du Général-Dufour 20 1204 Genève
When established	2016	Email	contact@swisslending.ch
Number of staff	1 (FTEs)	Telephone	+41 22 730 10 08
Form	Crowdlending	Funds released	When target amount is met
Target market	Continental Europe		
Brief profile	SwissLending is a crowdfunding platform focused on real estate crowdlending. SwissLending offers real estate professionals the chance to invest in loans for transparent projects offering returns of 6% to 12% p.a. Property developers currently face two major problems: 1. Long product cycles and 2. Banks demand high capital requirements. This slows the development of new real estate projects. Crowdlending offers a chance to skirt these problems by offering access to a different type of finance that avoids conventional bank loans.		
Fee model	5% for borrower, investor incurs no fee		

		Name	swisspeers www.swisspeers.ch
		Legal owner	swisspeers AG
Managing director	Alwin Meyer	Address	Zürcherstrasse 12 8400 Winterthur
When established	2016	Email	info@swisspeers.ch
Number of staff	6 (FTEs)	Telephone	+41 52 511 50 80
Form	Crowdlending	Funds released	When target amount is met
Target market	Switzerland, all sectors		
Brief profile	Swisspeers is an independent online platform that allows businesses to source capital directly from investors without intermediaries such as financial institutions. This peer-to-peer funding model is a straightforward alternative to traditional bank loans and is completely transparent: the credit rating is a neutral process conducted by swisspeers in accordance with clear criteria, and the price is set by means of an auction in the investment market. Swisspeers also offers ancillary services surrounding the creation of investment and business plans. Swisspeers offers investors the chance to invest directly in SMEs and thus get around the investment crisis in Swiss franc fixed-rate transactions. This new alternative investment opportunity with its attractive yield/risk profile helps strengthen the Swiss business community. swisspeers' platform in Switzerland is fees-based. Internationally: franchising model.		
Fee model	Borrower: 0.5% p.a.; lender: 0.25% p.a.		

 WeCan.fund		Name	WeCan.Fund www.wecanfund.ch
		Legal owner	
Managing director	Vincent Pignon	Address	Bahnhofplatz 17 8400 Winterthur
When established	2016	Email	contact@wecan.fund
Number of staff	5 (FTEs)	Telephone	+41 22 730 10 08
Form	Crowdlending	Funds released	When target amount is met
Target market	Switzerland, then Europe		
Brief profile	WeCan.Fund is a crowdlending platform that allows savers to lend their money directly to SMEs.		
Fee model	1-5 % for borrowers. Lenders incur no fee		

		Name	wemakeit www.wemakeit.com
		Legal owner	Verein Wemakeit.ch
Managing director	Melina Roshard	Address	Schöneeggstrasse 5 8004 Zurich
When established	2012	Email	hello@wemakeit.com
Number of staff	6.2 (FTEs)	Telephone	
Form	Reward-based crowdfunding	Funds released	When target amount is met
Target market	Culture, creative economy, technology, science, journalism, community, design, games, social sector, agriculture, start-ups, Switzerland and neighbouring countries (F/D/AT)		
Brief profile	wemakeit is the largest crowdfunding platform in Switzerland with one of the highest project success rates in the world. It offers project initiators the opportunity to fund projects or products within a short period of time, allowing them to present themselves to their own community and a wider public in three languages, D/F/E. Each campaign that goes online receives tailored advice from staff in our offices in Zurich, Lausanne, Berlin and Vienna. Other regional offices provide initiators with free consultations.		
Fee model	10 % (6 % commission, 4 % transaction fee)		

Appendix: Figures

Number of successful campaigns					
Year	Crowdinvesting	Reward-based crowdfunding / crowddonating	Crowdlending	Invoice trading	Total
2008	0	0	17	0	17
2009	0	0	28	0	28
2010	3	0	74	0	77
2011	6	15	85	0	106
2012	7	331	61	0	399
2013	10	594	116	0	720
2014	10	854	214	0	1,078
2015	17	1,059	266	n/a	1,342
2016	25	1,338	840	865	3,098
2008-2016	78	3,132	1,701	865	6,865

Campaign volumes disbursed in CHF million					
Year	Crowdinvesting	Reward-based crowdfunding / crowddonating	Crowdlending	Invoice trading	Total
2008	0	0	0.1	0	0.1
2009	0	0	0.2	0	0.2
2010	0.4	0	1.3	0	1.7
2011	1.7	0.3	1.1	0	3.1
2012	1.9	2.5	0.9	0	5.3
2013	5.6	4.2	1.8	0	11.6
2014	4.6	7.7	3.5	0	15.8
2015	7.1	12.3	7.9	0.4	27.7
2016	39.2	17.0	55.1	17.0	128.2
2008-2016	60.5	44.0	71.9	17.4	193.8

Authors

Prof Dr Andreas Dietrich

Andreas Dietrich (1976) is a Professor of Banking and Finance and head of the Financial Services Management Competence Centre at the Institute of Financial Services Zug IFZ, part of the Lucerne School of Business. He studied at the University of St. Gallen, where he also obtained his doctorate. While working on his doctorate, he was a research associate at the University of St. Gallen and spent a research year at DePaul University in Chicago with the financial support of the Swiss National Science Foundation. He has been at the IFZ since 2008.

Simon Amrein

Simon Amrein (1985) is a PhD researcher at the European University Institute (EUI) in Florence. He has also been a Senior Research Associate at the Institute of Financial Services Zug IFZ of the Lucerne School of Business since 2009. He holds an MSc in Banking and Finance from the Lucerne School of Business, an MSc in Economic History from the London School of Economics and Political Science, and a Master of Research.

Institute of Financial Services Zug IFZ

The Institute of Financial Services Zug IFZ of the Lucerne School of Business is the leading financial institute among the Swiss universities of applied sciences. The IFZ offers continuing and executive education and provides research and advisory services. The IFZ's courses include Bachelor and Master of Science degree programmes with a specialisation in banking and finance. The IFZ also offers a large number of recognised continuing and executive education courses, such as the CAS Digital Banking.

The IFZ's course portfolio comprises the following programmes.

Master of Advanced Studies MAS

- MAS Bank Management
- MAS Controlling
- MAS Corporate Finance
- MAS Economic Crime Investigation
- MAS Pension Fund Management
- MAS Private Banking & Wealth Management
- MAS Real Estate Management
- MAS Risk Management

Diploma of Advanced Studies DAS

- DAS Accounting
- DAS Bank Management
- DAS Compliance Management
- DAS Controlling
- DAS Corporate Finance
- DAS Economic Crime Investigation
- DAS Pension Fund Management
- DAS Private Banking & Wealth Management
- DAS Risk Management

Certificate of Advanced Studies CAS

- CAS Commodity Professional
- CAS Digital Banking
- CAS Finance and Accounting for Lawyers
- CAS Financial Investigation
- CAS Financial Management for Non-Financial Experts
- CAS Management Skills for Financial Experts
- CAS Sustainable Investments
- CAS Swiss Certified Treasurer (SCT) ®
- CAS Tax Compliance Management

Alongside continuing education programmes, the IFZ supervises numerous Bachelor and Master degree programmes.

Selected publications from the Institute of Financial Services Zug IFZ

Crowdfunding Monitoring Switzerland 2016/2015/2014



- 60 pages** available on hslu.ch/crowdfunding
- Development of the Swiss market
 - Taxation aspects
 - Crowdfunding platforms
 - International comparison

Crowdfunding in the cultural sector



- 40 pages** available on hslu.ch/crowdfunding
- Crowdfunding in the cultural sphere of the Swiss market
 - Characteristics of crowdfunding campaigns in the cultural sphere

Digital corporate client business 2016



- 50 pages** available on hslu.ch/retailbanking
- Digital offerings from Swiss banks
 - Needs of corporate customers

Digital investing 2015



- 50 pages** available on hslu.ch/retailbanking
- National & international market overview
 - Interests of potential customers
 - Overview market volumes

IFZ FinTech Study 2017



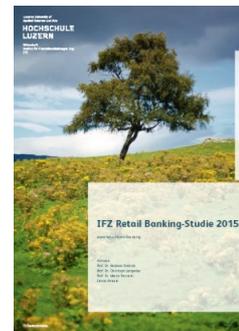
- 112 pages, CHF 290**
- Hub Comparison
 - Political & Legal Environment
 - Economic, Social & Technological Environment
 - Swiss FinTech Companies

IFZ Retail Banking Study 2016



- 220 pages, CHF 290**
- Government guarantees for cantonal banks
 - Market analysis of real estate financing
 - Benchmarking analysis
 - Corporate governance analysis

IFZ Retail Banking Study 2015



- 180 pages, CHF 50**
- Strategic priorities of retail banks
 - CIO survey
 - Benchmarking analysis
 - Corporate governance analysis

IFZ Retail Banking Study 2014



- 190 pages, CHF 50**
- Impact of digitalisation on the banking business
 - Mobile payment
 - Analysis of the mortgage business
 - Benchmarking analysis
 - Corporate governance analysis

We are grateful to the following platforms for supporting this study

100-Days

Advanon

Cashare

c-crowd AG

Creditgate 24

creditworld

Crowd4Cash

Crowdhouse

Foxstone

Funders

Gemeinsam Unterwegs

GivenGain

Hyposcout AG

I believe in you

I care for you

Ideenkicker.ch

investiere

KissKissBankBank

Lend

Lendico

Lendora

letshelp

Lokalhelden

miteinander erfolgreich

moBOo

Progettiamo

Projektstarter

Raizers

Splendit

Swisslending

Swisspeers

Wecan.fund

wemakeit

Lucerne School of Business

Institute of Financial Services Zug

IFZ

Grafenauweg 10

PO Box 7344

6302 Zug

www.hslu.ch/crowdfunding

ISBN 978-3-906877-19-8