

**FACTORS AFFECTING ADOPTION OF CROWDFUNDING AS A SOURCE
OF FUNDING AMONG SMEs IN COLOMBO REGION**



By

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REG NO: EU/IS/2016/MS/094

INDEX NO: MS 1944



Project Report
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A project report submitted to the Faculty of Commerce and Management,
Eastern University, Sri Lanka, as partial fulfillment of the requirement for the
Degree of Bachelor of Business Administration (BBA)

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
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ABSTRACT

Small and medium enterprises (SMEs) are regarded as the backbone of economies, whether it is just for a single state or country or if considered for the globe as a whole. There are many challenges that SMEs face in the modern economy such as lack of finance, deficiencies in marketing, low human resource capabilities and technological challenges. Out of these the financial aspect such as insufficient access to financial resources and investment capital can be a significant barrier to the growth of these SMEs. There is a suitable new way funding for this problem that is emerging in the modern world known as crowd-funding. This method mostly involves using the internet to collect money in small and medium amounts from several individuals thereby collecting the needed capital. Therefore, this study focuses on the factors affecting adoption of crowdfunding as a source of funding among SMEs in Colombo region. In this study the researcher attempts to determine the current level of Intention to use crowdfunding among owners/managers of SMEs and determine the relationship between Intention to use crowdfunding and factors such as Crowdfunding awareness, Perceived ease of use, perceived usefulness and Attitude. Questionnaire was the tool selected to collect data for this study and 160 responses were collected and analyzed.

In this study, the statistical tools that used to analyze the levels of variables are mean and standard deviation values, while relationships were measured by Pearson coefficients for further analysis ANOVA was also used. Moreover, the result shows low level of intention to use crowdfunding and strong significant positive relationship between intention and the variables Crowdfunding awareness, perceived ease of use, perceived usefulness and attitudes to use crowdfunding. Further analysis showed that there are no significant differences in Intention among the groups in age and education. This study provides useful information to crowdfunding services on the best way to promote their products as well as policy makers to improve the use of crowdfunding service and thereby potentially reducing the finance problems among the SMEs.

Keywords: Crowdfunding, SMEs, Perceived Ease of Use, Perceived Usefulness, Attitude.

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