Angel Investor:

An Angel Investor or Seed Investor is an individual who provides financial backing to start-up ventures, in exchange for ownership equity in the company. This money is usually obtained at the early stages of the start-up to get off the ground. The complete analysis about the company is performed by the investor. An Angel Investor is usually a high net-worth individual that he wishes to invest in a start-up to earn greater interests in the future if the stat-up does well in the market.

Venture Capitalist:

Venture Capitalists are organizations that support a start-up through the pool of money invested in it by a group of people or companies who seek to invest in upcoming start-ups. They have a panel of analysts who analyse the return capital of the start-up, and based upon the analysis the amount of stake vs capital is announced. VC’s usually invests in the start-ups that are already established and wish to expand. They usually come in the later stages of the development of a start-up.

Crowdfunding:

Crowdfunding is a method of raising capital through the collective effort of friends, family, customers, and individual investors. This approach taps into the collective efforts of a large pool of individuals—primarily online via social media and crowdfunding platforms—and leverage their networks for greater reach and exposure. There is a risk associated in crowdfunding that is if the business idea is not advertised or marketed properly, future investors might hesitate into investing in that company. The reputation is at higher risk in such cases.