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Title Of the Project: Online Crowdfunding System

# Introduction

With a vision to empower Nepalese innovators and visionaries, this project aims to establish a dynamic online crowdfunding platform that not only catalyzes the realization of creative ideas but also fosters sustainable startup ventures. By bridging the gap between visionary creators and enthusiastic investors, an online crowdfunding platform sets out to be the catalyst for transforming imaginative concepts into tangible successes.

In a country where budding creators often struggle to find avenues for showcasing their innovative ideas, this crowdfunding platform in Nepal emerges as a beacon of opportunity. It not only provides a stage for presenting groundbreaking concepts but also offers a mechanism to secure essential financial support. Our platform serves as a nexus for synergies between creators and investors, resulting in a harmonious convergence of visionary ideas and capital infusion.

This platform isn't just about funding; it's about empowerment and realization. Creators gain a platform to test their concepts in the market, acquire invaluable feedback, and secure essential funds to propel their ventures forward. Simultaneously, investors gain access to a diverse array of investment opportunities spanning technology, art, design, and beyond, fostering an ecosystem that thrives on innovation and creativity.

Problem Statement

Nepal's innovation ecosystem faces a pivotal challenge in the absence of a dedicated platform connecting creators with potential backers. Aspiring entrepreneurs struggle to showcase their inventive ideas, hindering their access to necessary funds. Simultaneously, investors lack a streamlined channel to discover and support promising projects. The conventional funding process is cumbersome, lacking efficiency and accessibility. This disconnect curtails the growth of Nepal's creative economy and hinders the collaboration essential for transformative ventures. Addressing these calls for an intuitive online crowdfunding platform, that bridges this gap, enabling creators to access funds while investors discover and nurture innovation.

Project Aims and Objectives:

# Aims:

The primary goal of this platform is to establish an inclusive and dynamic online crowdfunding platform that fosters innovation, fuels entrepreneurship, and accelerates the growth of Nepal's creative economy. By providing creators with a dedicated space to showcase their ideas and by connecting them with interested investors, the platform aims to democratize the funding process and propel visionary concepts towards tangible success.

# Objectives:

Empower Startups: Facilitate startup ventures in Nepal by providing them with a user-friendly platform to present their innovative ideas and secure the necessary funding for launch and growth.

Enhance Access to Funding: Eliminate traditional barriers to funding by offering a streamlined online channel that allows creators to present their projects directly to a wide range of potential backers.

Boost Creativity: Encourage creators to test the market with their ideas by offering a space where they can gather feedback, refine their concepts, and refine their pitches to attract investors.

Connect Creators and Investors: Forge connections between creators and investors from diverse backgrounds, fostering an ecosystem of collaboration and support that enhances the potential for success.

Amplify Entrepreneurial Network: Cultivate a vibrant community where creators, investors, and stakeholders can interact, share insights, and contribute to the collective growth of Nepal's entrepreneurial landscape.

Facilitate Informed Decision-Making: Provide investors with comprehensive project details, enabling them to make informed investment choices based on well-documented business pitches.

Promote Economic Growth: Contribute to the expansion of Nepal's creative economy by nurturing innovation, generating employment opportunities, and fostering a culture of entrepreneurship.

Catalyze Social Impact: Support projects that have the potential to make positive social changes by facilitating funding and exposure, aligning with the broader developmental goals of Nepal.

Encourage Cross-Industry Collaboration: Create a platform that spans various sectors, allowing creators and investors from technology, art, design, and other domains to come together for mutual growth.

Continuous Enhancement: Evolve the platform over time by incorporating user feedback and industry best practices, ensuring that this platform remains a relevant and effective catalyst for innovation and entrepreneurship in Nepal.

# Literature Review

According to research done by (Althoff, 2015), many crowdfunding platforms which interact over internet allow specific kinds of projects to be funded by targeting large number of people to contribute. With critical analysis of online crowdfunding systems such as fundraiser, DonorsChoose.org and others, it is stated that the success of crowdfunding communities depends upon recruitment and continued engagement of donors. With these popular online platforms having donor attrition rate over 70%, the challenge rises due to problem of donor retention for both online and offline crowdfunding platforms. According to research conducted on DonorsChoose.org, it concluded the main problem of these platforms is donor retention as only 26% of the first donors ever return and donate second time.

Another research conducted by (Stiver, 2013) states that the relationship between a crowdfunding and online community not only limits to financial terms but many non-financial benefits such as networking, collaboration and feedback. The crowdfunding platform creates a strong community, network and pool of creators and investors whose collective efforts can have huge impact on both social and economic factors of the involved. Online exploration and advertisement with just few clicks are one of the impactful benefit any organization or starters can get through online crowdfunding platform over the traditional offline method.

According to the research done by (Bin Gu, 2019), the new technology and advancements being made in information technology will open more doors of success to platforms like online crowdfunding by enabling new business models and new market mechanisms. Online crowdfunding doesn’t only allow creators to access a place to raise fund, but it also acts as a venue for them to obtain demand information before the production and rethink their intention with the product. There is no doubt that a profit driven entrepreneur earns more than that of product driven entrepreneurs on average, as their advantages is limited by their crowdfunding platforms.

Research conducted by (Gabor Kiss, 2014), examined 3169 technology related projects among which 170 projects were successfully funded products which tested different hypothesis regarding crowdfunding platform aiming to find the degree of significance of received funds, total investors, and number of pre-sales. The research concludes that the projects which were categorized under the technology category had received higher number of fundings which generally costs high during product development. The research also showed that reward-based online crowdfunding platforms attracted high number of investors on average while compared to other type of online crowdfunding platforms when examined over technology-based products.

# Similar Product Review

1. Kickstarter (International):

Kickstarter is one of the most renowned crowdfunding platforms globally. It enables creators to present their creative projects, ranging from art and design to technology and films, to a broad audience. Backers can pledge funds to support projects in exchange for rewards or early access. If the project reaches its funding goal within a specified timeframe, the funds are collected, and the project proceeds. Kickstarter's user-friendly interface and diverse project categories have made it a go-to platform for creators seeking financial support.

2. Indiegogo (International):

Indiegogo is another prominent international crowdfunding platform that supports a wide array of projects, from technology innovations to social causes. It offers flexible funding options, allowing projects to receive funds even if they don't meet their full goal. Indiegogo also provides tools for creators to engage with backers, showcase prototypes, and receive feedback. The platform's flexibility and global reach make it an attractive option for creators seeking funding for various ventures.

3. Seedrs (International):

Seedrs is an equity-based crowdfunding platform that allows individuals to invest in startups and early-stage companies in exchange for equity shares. Unlike traditional crowdfunding platforms, Seedrs enables backers to become investors and potentially gain a financial stake in the companies they support. This model fosters a deeper connection between backers and creators and aligns the interests of both parties.

4. GoFundMe (International):

GoFundMe is a prominent global platform that primarily focuses on personal fundraising for various needs, such as medical bills, education expenses, and personal emergencies. It allows individuals to create campaigns for themselves or others, providing a platform for communities to rally around individuals facing challenges. GoFundMe's emphasis on personal stories and causes has contributed to its widespread adoption.

In Nepal, the absence of dedicated crowdfunding platforms tailored to local needs is apparent. Unlike international markets, there is no central platform that allows creators and entrepreneurs to showcase their ideas and access essential funds. This gap hinders innovation, restricts exposure for creative projects, and impedes the growth of startups. The lack of such platforms limits the collaborative ecosystem necessary for success and stifles Nepal's entrepreneurial potential.

# Deliverables:

Fully Functional Crowdfunding Platform: Develop and deploy a user-friendly online crowdfunding platform accessible to creators and investors.

User Profiles and Authentication System: Implement a secure user registration and authentication system for creators and investors, ensuring privacy and data protection.

Project Creation Interface: Design an intuitive project creation interface allowing creators to present their ideas, showcase prototypes, and set funding goals.

Project Discovery and Browsing: Develop a user-friendly project browsing and discovery system that allows investors to explore a diverse range of creative ideas.

Project Funding Mechanism: Create a secure and transparent funding mechanism that enables backers to contribute funds to selected projects.

Payment Gateway Integration: Integrate a secure payment gateway to facilitate seamless financial transactions between backers and creators.

Communication and Feedback Tools: Incorporate features such as messaging and comments to enable interaction between creators and backers, fostering engagement and feedback.

Project Rating and Review System: Implement a mechanism for backers to rate and review projects they've supported, providing valuable insights for future investors.

Creator-Backer Connection: Design tools for creators to communicate with their backers, providing updates on project progress and fostering a sense of involvement.

Dashboard and Analytics: Develop personalized dashboards for creators and investors, offering insights into project performance, funding progress, and engagement metrics.

Responsive Design: Ensure the platform is accessible and user-friendly across various devices, including desktops, tablets, and smartphones.

Legal and Documentation: Provide necessary legal documentation and terms of use for creators, backers, and the platform itself.

Testing and Quality Assurance: Conduct rigorous testing to identify and rectify any bugs, glitches, or security vulnerabilities.

Launch and Deployment: Deploy the fully functional platform on a secure server, making it accessible to the public.

By delivering these outputs, the project aims to create a comprehensive crowdfunding platform that caters to the specific needs of Nepal's entrepreneurial and creative communities, fostering innovation, collaboration, and economic growth.

# Technology Requirements:

Software:

Web Development Framework: Choose a suitable web development framework (e.g., Ruby on Rails, Django, Laravel) to build the crowdfunding platform.

Front-End Technologies: Utilize HTML, CSS, and JavaScript to create an intuitive and responsive user interface.

Database Management: Implement a relational database management system (e.g., MySQL, PostgreSQL) to store user profiles, project details, funding data, and interactions.

Payment Gateway Integration: Integrate a secure payment gateway API (e.g., Stripe, PayPal) to enable seamless financial transactions.

User Authentication: Implement user authentication and authorization using a secure framework (e.g., OAuth, JWT) to protect user data.

Messaging and Notifications: Integrate messaging and notification systems to facilitate communication between creators and backers.

Analytics and Metrics: Incorporate analytics tools (e.g., Google Analytics) to gather insights into user behavior, project performance, and engagement metrics.

Version Control: Use version control systems (e.g., Git) to manage code changes and collaborate effectively with a development team.

Deployment Tools: Choose deployment tools (e.g., Docker, Kubernetes) to efficiently deploy the platform on a production server.

Cost Estimation

Technology and Infrastructure:

Hosting Services: Cost for server hosting, domain registration, and SSL certificates.

Database Management System: Potential licensing or subscription costs.

Payment Gateway Fees: Transaction fees associated with payment processing.

Third-Party Services:

Payment Gateway Integration: Fees associated with integrating a payment gateway (Khalti, Esewa)

# Project Duration

The envisioned timeline for the complete development of this crowdfunding platform is estimated to span around 6 to 7 months. This duration will encompass every crucial phase, starting from meticulous planning and design, progressing through the intricacies of backend and frontend development, testing, eventual launch. While this projection provides a solid framework, it's important to acknowledge that the actual timeline could be subject to minor variations based on unique project intricacies and unforeseen circumstances.