A Study on Crowdfunding Awareness and Adoption Among Indian Start-ups

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Abstract

While there is promise in the alternative financing source of crowdfunding in the context of start-ups, the awareness level of entrepreneurs in India regarding crowdfunding and the connection with adoption has not been studied extensively. This study compares the perception of crowdfunding with traditional financing resources (bank loans, angel investment and venture capital) of young entrepreneurs/entrepreneurs in India. Primary data was gathered using a structured online questionnaire of five-point Likert-type with twenty-five statements. 22 unique responses were analyzed after the removal of duplicate responses using one-sample t-tests, chi-square tests of independence, one-way ANOVA and ordinary least squares regression to test four hypotheses, including a moderation model. The mean favourability score for the respondents was 3.34 (on a scale from 5 to 1, with 5 representing the most positive attitude and 1 the most negative attitude), which is still within the moderate range; however, the perceived accessibility score was not significantly different from the neutral point ($M = 3.24$, one-tailed $p = .152$). There was no significant difference between experience level (ANOVA $p = .795$) and role ($p = .172$) with regard to favourability. The only significant predictor of preference for crowdfunding was financial literacy ($B = 0.63$, $p = .004$), and those who had high digital/financial awareness were significantly more likely to be highly favourable towards crowdfunding ($\chi^2 = 9.21$, $p = .002$). There was no interaction effect among perceived accessibility and preference ($B = -0.02$, $p = .896$). Due to the small size of the sample and the business students' prevalence, the results are exploratory and should be replicated on a larger population of founders in practice.

Keywords: crowdfunding; start-ups; financial awareness; alternative finance; adoption; India

1. Introduction

Start-ups are an important factor in fostering innovation, job creation, economic growth and entrepreneurship. But one of the biggest hurdles for start-ups is access to good financing, especially in their initial development phase. When it comes to obtaining capital, traditional funding options like bank loans, venture capital, angel investment, and personal savings might not be readily available for new ventures due to the strict eligibility criteria, high financial risk, limited credit history, or collateral requirements of these funding sources. Crowdfunding, a different financing source where entrepreneurs receive financial assistance from a large amount of people, mainly via online platforms, has become a solution in this context. Crowdfunding offers start-ups a way to access capital and build visibility and engagement with potential customers, investors and supporters.

Crowdfunding is a process that involves pooling relatively small amounts of money from many individuals, typically via online platforms. The type of crowdfunding may vary depending on the structure of the campaign, such as a donation-based crowdfunding, reward-based crowdfunding, lending-based crowdfunding or equity crowdfunding. Of these, one is equity crowdfunding, where investors can invest in a business in return for an equity stake. Digital technology and online communication have helped grow crowdfunding as it has become easier for entrepreneurs to put their business ideas in front of a larger number of people. Estrin, Gozman and Khavul (2018), looked at the development and adoption

of equity crowdfunding and noted how entrepreneurs and investors participate in the new financial market. Their study illustrates the key points to consider before analyzing participation and adoption in crowdfunding markets.

Crowdfunding can be a valuable alternative to traditional funding sources for Indian startups, offering access to a larger audience of potential backers. Entrepreneurship, start-up activity, digital payments, social media consumption, and tech-enabled business models are areas where India has seen tremendous growth. The changes have set the stage for the potential growing significance of digital financing methods in entrepreneurship. But just because there's a financing option doesn't automatically mean that entrepreneurs know about it, and don't want to use it. Hence, it becomes essential to have an understanding of such awareness and the influencing factors with regard to the adoption of crowdfunding among start-ups in India.

One of the key determinants that can affect an entrepreneur's interest in the idea of using crowdfunding as a source of funding is awareness. Entrepreneurs should familiarize themselves with the workings of crowdfunding, know the types of crowdfunding, how to create a campaign, and potential pros and cons of crowdfunding.

G P and Ghosh (2020), investigated the correlation between social media marketing and crowdfunding in entrepreneurship in India. Their research underscores the need for social media to be used for visibility and awareness building of crowdfunding as an entrepreneurial finance source. This relationship is especially relevant in the Indian context where start-ups are increasingly using digital platforms to connect with customers, and market their products and services.

What entrepreneurs think about the advantages and disadvantages of crowdfunding, apart from their awareness, can affect the adoption. Some of the advantages of using crowd funding may include alternative funding, exposure, customer engagement, product validation and promotional opportunities. Meanwhile, entrepreneurs could have issues with their lack of knowledge, campaign preparation, investor expectations, platform credibility, information disclosure, competition, and unsuccessful fundraisings.

Bernardino and Santos (2020), looked into the knowledge, perceived benefits and barriers associated with crowdfunding from the perspective of young potential entrepreneurs. The results give relevant information about the understanding and interest in crowdfunding among entrepreneurs, and the role played by the knowledge and perceptions of an entrepreneur.

The financing choices of young and emerging entrepreneurs are also affected by the entrepreneurial environment. While the Millennial Generation and young entrepreneurs may know more about the digital platforms and social media, they are less likely to know about and use other financing options.

Gołembski and Narojczyk (2025) analysed the problems encountered by the Generation Z in the process of starting a business and determined the problems related to entrepreneurship. Their study, which isn't specifically on crowdfunding or India, will nonetheless be valuable background information to understand the issues that the younger entrepreneurs might face while setting up a business and looking for financial resources.

Even though the phenomenon of crowdfunding is gaining popularity, there is a need to explore the understanding and the adoption of this financing option by the start-ups in India. Prior studies have investigated various facets of the crowdfunding phenomenon, such as entrepreneurial funding, digital visibility, knowledge, perceived benefits, barriers and adoption of equity crowdfunding. But these studies cannot fully capture the relationship between the awareness and actual/ intended adoption of crowdfunding among Indian start-ups. Specifically, the study can investigate how aware entrepreneurs are, what their attitudes and perceptions are, and if they have any effect on entrepreneurs becoming more willing to use crowdfunding.

Hence, this study is conducted under the title “A Study on Crowdfunding Awareness and Adoption among Indian Start-ups” to understand the awareness of the Indian start-up entrepreneurs regarding crowdfunding and the factors affecting its adoption. The study takes into account the knowledge of entrepreneurs on crowdfunding, perceived benefits, perceived barriers, attitudes and willingness to use crowdfunding as an alternative source of funding. It also aims to

identify preferred types of crowdfunding and possible demographic and firm characteristics that could be related to the decision to adopt crowdfunding.

The study is important because it helps entrepreneurs to consider and understand other financing options and whether there are things that will help or hinder them from getting involved in crowdfunding. The results could also be relevant for financial institutions, financial intermediation providers, financial policy makers, entrepreneurship promotion institutions and researchers in the field of alternative sources of entrepreneurial financing. This study aims to add to the burgeoning literature on digital entrepreneurial finance and to gain a deeper understanding of the opportunities and challenges of incorporating crowdfunding into the entrepreneurial finance landscape in India, by exploring the phenomenon from the lens of Indian start-ups.

2. Review of Literature

Evolution of entrepreneurial finance and crowdfunding research. The field of entrepreneurial finance has changed substantially with the advent of new players such as accelerators, angel networks, crowdfunding, corporate and governmental venture capital, family offices and venture debt. Block, Colombo, Cumming and Vismara (2018) attribute this to a combination of supply-side factors (the financial crisis, regulatory change and technology) and demand-side factors (winner-take-all markets, disintermediation and the rising importance of intellectual property). They observe that research is concentrated on venture capital and crowdfunding, and venture debt, angel networks and family offices are under-studied. Subsequent reviews support this fragmentation. Stephen and Sanesh (2025) show with bibliometric analysis that research on crowdfunding has exploded since 2015, with information asymmetry, signalling, ESG-driven crowdfunding and decentralised finance being the dominant themes. He, Tröbinger and Murray (2023) argue that the field views campaigns as isolated events and call for a processual view encompassing pre-campaign preparation, campaign dynamics and post-campaign obligations.

Market development, inclusion and regulation. Studies of equity crowdfunding markets explore its role in bridging private and public finance. Estrin, Gozman and Khavul (2018) find that UK equity crowdfunding is largely an incremental addition to angel and venture capital rather than a substitute for it. This is supported by light regulation and the EIS/SEIS tax incentives. Butticè and Vismara (2022) find that democratisation is only partially supported. While participation has increased, evidence from gender and rural inclusion is mixed, and platforms in the UK and Europe have stagnated compared to the continued growth in the USA. In terms of regulation, Ahmed (2025) compares four GCC countries and finds that lower capital and funding limits in conjunction with proportional investor protection are associated with higher financial inclusion. Cortinovis (2026) provides evidence of regional development: using about 300,000 Kickstarter projects, he links crowdfunding exposure to a rise of approximately 3% in establishments in the receiving industry-location the following year, especially in rural counties with strong bridging social capital.

Signalling, quality certification and investor decisions. There is a large body of work applying signalling theory to explain how crowd investors reduce information asymmetry. Naiki and Ogane (2022) show, using 3,974 Japanese firms, that industry-specific experience is the only human capital factor that significantly reduces fundraising difficulty, and this can outweigh the effect of entrepreneurial motivation. Gama, Correia, Augusto and Duarte (2023) show that third-party signals matter on Kiva: refugee entrepreneurs affiliated with microfinance institutions with low default rates, an entrepreneurial-support orientation, a multi-country presence and a digital presence attract more funding and lenders. Capizzi, Carta, Cavezzali and Rigoni (2026) show that the reputation of business angels (selectivity, portfolio success and network membership) certifies venture quality to later crowd investors. Pedrazzoli, Bongini, Rossolini and Vismara (2025) find a similar pattern in ICO-funded start-ups, where co-investment by crypto funds raises the probability of follow-on funding by about 78%, whereas ICO success and prior traditional investment do not.

Gender, identity and inequality. Prokop and Wang (2022) find no gender gap in initial German equity crowdfunding offerings, but a significant gap in seasoned offerings, with ventures with more female managing directors attracting fewer investors and less capital. The gap narrows when female entrepreneurs set higher funding thresholds. Useche and Butticè (n.d.) add an intersectional perspective: ethnic women entrepreneurs on Kickstarter attract fewer local backers and less money, but more foreign backers and the value of a signal depends on both the entrepreneur's identity and the audience's location.

Awareness, barriers and entrepreneurial intentions among young people. There is a wealth of work on the demand side in young and prospective entrepreneurs. In India, Girish and Ghosh (2020) find a strong association between the duration of social media use and crowdfunding awareness among Bangalore start-ups (Cramer's V = 0.869). Bernardino and Santos (2020) report that Portuguese business students only have moderate knowledge of crowdfunding and mainly understand donation and reward models, and that they fear missing funding goals and disclosing business information. Gołembski and Narojczyk (2025) find that lack of financial resources is the strongest barrier for Generation Z in Poland: 60.68% intend to start a business but only 4.58% currently run one. For the motivations of established entrepreneurs, Yacoub, Mitra, Ratinho and Fatalot (2022) identify six drivers behind sustainable entrepreneurs' choice of crowdfunding type (funding alternative, creating a craze, springboard for another project, production funding, market testing and sales argument) and distinguish key drivers from conditional ones.

3. Conceptual Framework and Research Gap

3.1 Conceptual framework

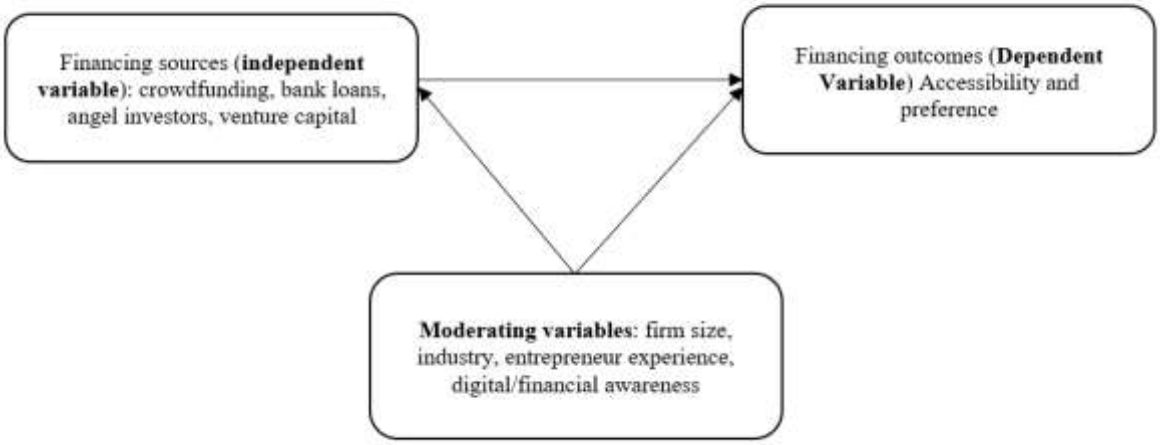
The research article considers financing sources as an independent variable and the financing outcome, such as the perceived accessibility and preference, as a dependent variable. The study hypothesizes that firm characteristics, entrepreneur characteristics, and digital awareness will moderate the relationship.

Figure 1. Conceptual framework

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Conceptual Model



3.2 Research gap

Respondents held moderately positive. The existing crowdfunding literature mostly originates from studies carried out in advanced economies such as the US, UK, Germany, Italy, Japan, and Portugal, as well as studies in emerging economies such as India and GCC countries – each of which investigated crowdfunding platforms' dynamics, investor's signaling, crowdfunding gender gaps, and regulatory design in relatively mature crowdfunding markets. Research on crowdfunding in India is limited and fragmented, with the only study (Girish & Ghosh, 2020) focusing on a single city (Bangalore) and linking crowdfunding awareness only to the duration of social media use, while leaving crowdfunding types (donation, reward, lending, and equity crowdfunding) out and not attempting to link crowdfunding awareness to actual crowdfunding adoption. Furthermore, no study has tried to establish how crowdfunding awareness as a financing mechanism influences actual crowdfunding adoption by start-ups in India, and how it differs qualitatively from crowdfunding awareness in the US or other developed countries, or how crowdfunding regulation (Ahmed, 2025) and start-up environments in India differ from those in the GCC countries studied by Ahmed (2025). Consequently, there is a need to explore empirically what proportion of Indian start-up founders is aware of crowdfunding as a financing mechanism and what factors (if any) influence crowdfunding awareness among Indian start-up founders and actual crowdfunding adoption in India.

4.1 Problem statement

Although crowdfunding has emerged as an alternative financing option globally, its adoption is limited among Indian start-ups, and it is unclear whether this is due to limited awareness, inadequate understanding of its models, or perceived barriers such as regulatory ambiguity and trust deficit. Existing studies examine crowdfunding awareness and adoption separately, rarely in the Indian context, and the link between the two is unexplored. The present study addresses this gap by examining awareness levels among Indian start-up founders and investigating how far this awareness translates into actual adoption of crowdfunding as a financing mechanism.

4.2 Objectives

• To compare crowdfunding with traditional financing sources (bank loans, angel investment, venture capital) in terms of accessibility and preference among start-ups.

• To examine the effect of firm-level characteristics (firm size, industry type) on the relationship between financing source choice and financing accessibility.

• To assess the influence of entrepreneur-level characteristics (experience, digital/financial awareness) on preference for a given financing source.

• To evaluate whether digital/financial awareness strengthens the relationship between perceived financing accessibility and the entrepreneur's ultimate financing decision.

4.3 Hypotheses

H0(1): There is no significant difference between crowdfunding and traditional financing sources in terms of accessibility and preference among start-ups.

H1: There is a significant difference between crowdfunding and traditional financing sources in terms of accessibility and preference, with crowdfunding perceived as more accessible and more preferred.

H0(2): Firm size and industry type do not significantly moderate the relationship between financing source choice and financing accessibility.

H2: Firm size and industry type significantly moderate the relationship between financing source choice and financing accessibility.

H0(3): Entrepreneur experience and digital/financial awareness have no significant influence on financing source preference.

H3: Entrepreneur experience and digital/financial awareness have a significant influence on financing source preference.

H0(4): Digital/financial awareness does not significantly strengthen the relationship between perceived financing accessibility and the entrepreneur's financing decision.

H4: Digital/financial awareness significantly strengthens the relationship between perceived financing accessibility and the entrepreneur's financing decision.

5. Research Methodology

5.1 Research design

The study employed a quantitative, cross-sectional survey design. It is descriptive, as it profiles respondents' perceptions of crowdfunding, and explanatory, as it tests hypothesised relationships between financing perceptions, firm-level and entrepreneur-level characteristics and digital/financial awareness. Secondary sources such as journal articles and reports were reviewed in developing the framework and the questionnaire.

5.2 Sampling and data collection

Convenience sampling was used. A structured, self-administered questionnaire was circulated online through Google Forms, and responses were recorded between 20 and 26 September 2026. The respondents were young adults (all aged 18–24) comprising business students, entrepreneurs, start-up founders and others with an interest in starting a business.

The form export contained 98 submissions. Screening showed that 76 of these were exact duplicates of previous submissions (identical timestamp and identical answers to every question), probably an export or data-entry duplication rather than separate respondents. These were removed and the first occurrence of each was retained, giving 22 distinct responses, which form the analysis sample (n = 22). [Author to insert the number of questionnaires distributed, if recorded.]

Respondents' names and e-mail addresses were not used in the analysis.

5.3 Instrument and measures

The questionnaire contained (a) five demographic and background questions (age group, gender, education, current role and years of business experience), (b) twenty statements (Q6–Q25) measured on a five-point Likert scale (1 = strongly

disagree, 5 = strongly agree) and (c) an open question on the respondent's business idea, which was not analysed. Item Q19 was recorded in binary (True/False) form in the data export and is therefore reported separately. The statements are listed in Appendix A. Scale scores were computed as item means (Table 1).

Table 1. Constructs, items and internal consistency

Construct	Items	Linked hypothesis	Cronbach's α
Perceived accessibility	Q6, Q7, Q9	H1 / H4	n/a (3 items)
Preference for crowdfunding	Q8, Q10	H1 / H3 / H4	n/a (2 items)
Overall favourability (CF Index)	Q6–Q10	H1 – H4	0.897
Firm-level influence	Q11–Q15	H2	0.868
Entrepreneur experience and literacy	Q16–Q18 (single items)	H3	–
Digital/financial awareness	Q20–Q25	H3 / H4	0.921

Note. Cronbach's α above 0.70 indicates acceptable reliability; the three multi-item scales exceed this threshold.

5.4 Statistical tools and analysis plan

All analyses were carried out in Microsoft Excel using built-in functions (AVERAGE, STDEV, TDIST, CHITEST/CHIDIST, FDIST and LINEST) on the cleaned data sheet, with a 5% level of significance. Table 2 links each hypothesis to the tests used. For the chi-square tests, favourability (CF Index ≥ 3.5) and awareness (score ≥ 3.5) were classified as “High” or “Not high”; experience was grouped as under 1 year versus 1 year or more (chi-square) and as under 1 year, 1–5 years and over 5 years (ANOVA); and role was grouped as student, entrepreneur/founder and other. Groups were collapsed because several categories contained very few respondents.

Table 2. Hypotheses and tests

Hypothesis	Focus	Tests applied
H1	Crowdfunding vs traditional sources: accessibility and preference	One-sample t-tests of accessibility, preference and CF Index against the neutral midpoint (3)
H2	Firm-level characteristics	Chi-square (entrepreneurial status × favourability); ANOVA (favourability by role); simple regression (accessibility on firm-level influence)
H3	Entrepreneur experience and financial/digital awareness	Chi-square (experience × favourability); ANOVA (favourability and awareness by experience); multiple regression of preference on experience, digital confidence and financial literacy

Hypothesis	Focus	Tests applied
H4	Awareness strengthening accessibility → decision	Chi-square (awareness × favourability); moderated regression of preference on accessibility, awareness and their interaction

6. Data Analysis and Results

6.1 Respondent profile

Table 3. Profile of respondents (n = 22)

Characteristic	Category	n	%
Age group	18–24	22	100.0
Gender	Male	19	86.4
	Female	3	13.6
Education	Undergraduate	20	90.9
	Postgraduate	2	9.1
Current role	Business student	15	68.2
	Entrepreneur	3	13.6
	Start-up founder	1	4.5
	Other	3	13.6
Business experience	Less than 1 year	17	77.3
	1–3 years	1	4.5
	3–5 years	2	9.1
	More than 5 years	2	9.1

The sample is young, predominantly male and predominantly made up of business students (68.2%); only four respondents (18.2%) described themselves as entrepreneurs or start-up founders, and most (77.3%) had less than one year of business experience. On the binary item Q19, 18 respondents (81.8%) agreed that more experienced entrepreneurs prefer traditional financing over crowdfunding.

6.2 Descriptive statistics

Table 4. Scale means and standard deviations (scale 1–5)

Scale	Mean	SD	Cronbach's α
Perceived accessibility (Q6, Q7, Q9)	3.24	1.08	–
Preference (Q8, Q10)	3.48	1.14	–
Overall favourability, CF Index (Q6–Q10)	3.34	1.05	0.897
Firm-level influence (Q11–Q15)	3.52	1.01	0.868
Digital/financial awareness (Q20–Q25)	3.51	1.07	0.921

All scale means lie slightly above the neutral midpoint of 3. Item means ranged from 3.00 (Q6, crowdfunding is easier to access than bank loans) to 3.86 (Q15, firm size and industry affect the terms offered by financing sources). Four respondents gave the same answer to every item (two selected 5 throughout and two selected 4 throughout).

6.3 Crowdfunding versus traditional sources (H1)

Table 5. One-sample t-tests against the scale midpoint of 3 (df = 21)

Measure	Mean	SD	T	p (two-tailed)	p (one-tailed)	95% CI
Accessibility	3.24	1.08	1.05	0.304	0.152	2.76 – 3.72
Preference	3.48	1.14	1.97	0.063	0.031	2.97 – 3.98
CF Index	3.34	1.05	1.51	0.147	0.073	2.87 – 3.80

Mean accessibility (3.24) and overall favourability (3.34) were not significantly above the neutral midpoint, so H0(1) cannot be rejected for these measures. Preference for crowdfunding (M = 3.48) exceeded the midpoint on the one-tailed test implied by H1 ($t(21) = 1.97$, $p = .031$), but the two-tailed p-value (.063) and a confidence interval that includes values below 3 show that this evidence is weak. H1 is therefore only tentatively supported for preference and is not supported for accessibility.

6.4 Chi-square tests of independence

Table 6. Chi-square tests (favourability: High = CF Index ≥ 3.5)

Test	Observed (High / Not high)	χ^2	df	p	Cramér's V	Fisher exact p
1. Experience × favourability (H3)	Under 1 yr: 8 / 9; 1+ yrs: 3 / 2	0.259	1	0.611	0.109	1.000
2. Entrepreneur/founder status × favourability (H2)	Entrepreneur/founder: 2 / 2; other: 9 / 9	0.000	1	1.000	0.000	1.000
3. Awareness level × favourability (H4)	High awareness: 10 / 3; not high: 1 / 8	9.214	1	0.002	0.647	0.008

Note. In all three tests two of the four cells have expected counts below 5, so the chi-square approximation is unreliable; Fisher's exact p-values (computed outside Excel as a check) lead to the same conclusions.

Favourability towards crowdfunding was independent of business experience (χ^2 (1) = 0.26, p = .611) and of entrepreneurial status (χ^2 = 0.00, p = 1.000). In contrast, awareness and favourability were strongly associated ($\chi^2(1)$ = 9.21, p = .002, Cramér's V = .65): 10 of the 13 high-awareness respondents were highly favourable towards crowdfunding, compared with only 1 of 9 respondents with lower awareness. The association remains significant under Fisher's exact test (p = .008).

6.5 One-way ANOVA

Table 7. Group means (SD) for the ANOVA tests

Test and dependent variable	Group 1	Group 2	Group 3
1. CF Index by experience	Under 1 yr (n=17): 3.27 (0.82)	1–5 yrs (n=3): 3.73 (1.70)	Over 5 yrs (n=2): 3.30 (2.40)
2. CF Index by role	Student (n=15): 3.05 (0.95)	Entrepreneur/founder (n=4): 4.05 (1.10)	Other (n=3): 3.80 (1.20)
3. Awareness by experience	Under 1 yr (n=17): 3.47 (0.95)	1–5 yrs (n=3): 4.06 (0.42)	Over 5 yrs (n=2): 3.00 (2.83)

Table 8. One-way ANOVA summary

Test	SS between	SS within	df	F	p	η^2
1. CF Index by experience	0.549	22.442	2, 19	0.232	0.795	0.024
2. CF Index by role	3.884	19.107	2, 19	1.931	0.172	0.169
3. Awareness by experience	1.439	22.698	2, 19	0.602	0.558	0.060

None of the three ANOVAs was significant. Favourability did not differ by experience group ($F(2, 19) = 0.23$, $p = .795$) or by role ($F(2, 19) = 1.93$, $p = .172$), and awareness did not differ by experience ($F(2, 19) = 0.60$, $p = .558$). Entrepreneurs and founders had a higher mean favourability (4.05) than students (3.05), and the effect size for role was moderate ($\eta^2 = .17$), but with only four entrepreneurs/founders the test lacks the power to establish this difference. Homogeneity of variance and normality were not formally tested, and group sizes are very unequal, so these results should be read cautiously.

6.6 Regression analysis

Table 9. Model 1 (H3): preference for crowdfunding regressed on experience, digital confidence and financial literacy

Predictor	B	SE	t	p
Intercept	1.019	0.651	1.566	0.135
Experience (code 1–4)	−0.065	0.203	−0.321	0.752
Digital confidence (Q17)	0.105	0.207	0.509	0.617
Financial literacy (Q18)	0.627	0.191	3.275	0.004

Note. $R^2 = .558$, *adjusted* $R^2 = .484$, $F(3, 18) = 7.57$, $p = .002$; *standard error of estimate = 0.818; n = 22.*

Table 10. Model 2 (H4): preference regressed on accessibility, awareness and their interaction (mean-centred)

Predictor	B	SE	t	p
Intercept	3.497	0.220	15.936	< 0.001
Perceived accessibility (centred)	0.802	0.309	2.591	0.018
Awareness (centred)	0.040	0.341	0.117	0.909
Accessibility × Awareness	−0.022	0.166	−0.133	0.896

Note. $R^2 = .629$, *adjusted* $R^2 = .567$, $F(3, 18) = 10.17$, $p < .001$; *standard error of estimate = 0.749; n = 22.*

Table 11. Model 3 (H2): perceived accessibility regressed on firm-level influence

Predictor	B	SE	t	p
Intercept	−0.145	0.373	−0.388	0.702
Firm-level influence (Q11–Q15)	0.963	0.102	9.440	< 0.001

Note. $R^2 = .817$, adjusted $R^2 = .808$, $F(1, 20) = 89.11$, $p < .001$; standard error of estimate = 0.474; Pearson $r = .904$; $n = 22$.

Model 1 was significant and explained 55.8% of the variance in preference. Financial literacy was the only significant predictor: each one-point increase in agreement that financial literacy affects preference was associated with a 0.63-point higher preference score (p = .004), whereas experience (p = .752) and digital confidence (p = .617) were not significant. Model 2 explained 62.9% of the variance in preference; perceived accessibility was a significant predictor (B = 0.80, p = .018), but awareness (p = .909) and the accessibility × awareness interaction (B = −0.02, p = .896) were not, so there is no evidence that awareness strengthens the accessibility–preference relationship. Model 3 showed a very strong positive association between firm-level influence and perceived accessibility (B = 0.96, p < .001, $R^2 = .82$).

6.7 Summary of hypothesis tests

Table 12. Hypothesis outcomes (n = 22, α = 0.05)

Hypothesis	Key evidence	Outcome
H1	Accessibility M = 3.24 (one-tailed p = .152); preference M = 3.48 (one-tailed p = .031, two-tailed p = .063)	Not supported for accessibility; tentative for preference
H2	Status × favourability p = 1.000; ANOVA by role p = .172; firm-level influence predicts accessibility (B = 0.96, p < .001)	Partially supported (association only; moderation not directly testable)
H3	Experience not significant in chi-square (p = .611), ANOVA (p = .795) or regression (p = .752); financial literacy significant (B = 0.63, p = .004)	Partially supported (financial literacy, not experience)
H4	Awareness × favourability χ^2 p = .002, but interaction term p = .896	Not supported as moderation; awareness is associated with favourability

7. Discussion

Respondents held relatively positive views of crowdfunding, but the evidence does not suggest that they felt it more accessible than bank loans or other traditional sources; mean accessibility was barely above neutral and statistically indistinguishable from it. This matches the finding by Bernardino and Santos (2020) that young potential entrepreneurs have only moderate knowledge of crowdfunding and is compatible with the idea that the mere availability of a financing mechanism does not guarantee perceived accessibility or adoption.

The clearest finding is concerning respondents' awareness and financial literacy: those with high digital/financial awareness were far more likely to be highly favourable towards crowdfunding, and financial literacy was the only significant Predictor of preference when controlling for experience and digital confidence. This corresponds to Girish and Ghosh (2020), who associated awareness of crowdfunding with digital visibility and social media use in an Indian setting, although the present study measured self-reported awareness. Business experience, on the other hand, bore no relationship to favourability in any test. This contrasts with the reported importance of industry-specific human capital for fundraising by Naiki and Ogane (2022), but the two studies measure different phenomena, and here 77% of respondents had under one year of experience, so there was little variance to detect an effect.

Awareness was not a moderator. In Model 2, perceived accessibility predicted preference, but neither awareness nor the interaction term provided additional explanatory power. Awareness and accessibility are themselves strongly related (awareness and preference correlate at $r = .67$), so once accessibility is in the model, awareness provides little further benefit. The strong link between firm-level influence and perceived accessibility ($R^2 = .82$) should be interpreted with caution: several respondents answered all items identically, and the items were self-reported at a single point in time, so common-method effects and response style almost certainly inflate this relationship.

Taken together, the evidence suggests that, among these young respondents, the distinction between those favourable to crowdfunding and those who are not is less their role or experience than how financially literate and aware they are. That this translates into actual adoption cannot be concluded from the data, as the questionnaire measured perceptions and preferences rather than actual fundraising actions.

8. Conclusion

This study assessed crowdfunding awareness and perceived adoption amongst young Indian entrepreneurs and aspiring founders using chi-square tests, one-way ANOVA and regression in Excel. Crowdfunding was viewed with moderate favourability but not significantly more accessible than traditional finance. There was no variation in favourability by experience or role, whereas financial literacy and awareness were most strongly linked to a preference for crowdfunding. Awareness did not mediate the relationship between accessibility and preference. The primary practical implication is that boosting financial and digital awareness is likely to be more important than targeting more experienced entrepeneurs, although further research is needed given the small sample size.

9. Implications

- For start-ups and aspiring entrepreneurs: improving financial literacy and awareness of how crowdfunding works may help these groups to better compare crowdfunding with other financing options such as bank loans, angel investment and venture capital.

- For crowdfunding platforms and financial institutions: awareness and education initiatives, especially those relating to the differences between donation/reward/lending/equity crowdfunding and campaign preparation, are likely to be more valuable than focusing on more experienced entrepreneurs.

- For policymakers and entrepreneurship-supporting organisations: encouraging financial literacy amongst students and early-stage founders may increase the usage of alternative finance.

- For researchers: the results offer hypotheses to test in a larger and more representative sample of practising founders.

10. Limitations and Future Research

- Sample size: only 22 distinct responses were available after removing duplicates, limiting the statistical power, increasing the confidence intervals and meaning that non-significant results do not demonstrate an absence of an effect.

- Sample composition: the sample is convenience-based, contains few older respondents, is skewed towards males (86%) and business students (68%) and has only four entrepreneurs or founders, restricting the implications to young Indian entrepreneurs.

- Chi-square assumptions: all three chi-square tests have less than 5 expected counts in half their cells, violating the test's assumptions, although the Fisher's exact test results were consistent.

- Measurement: perceptions were measured, not crowdfunding adoption or fundraising success, several constructs were measured using two or three items, four respondents provided identical answers to all items, and all data are self-reported at a single time-point.

- Multiple testing: ten hypothesis tests were undertaken without correcting for multiple comparisons, meaning that individual significant results should be treated with caution.

- Moderation by firm size, industry (H2): could not be tested as actual firm size, industry and choice of financing source were not captured.

Future research should use a larger probability or quota sample of practising founders, capture actual financing choices and firm characteristics, undertake structural equation modelling or formally test moderation and compare donation, reward, lending and equity crowdfunding separately.

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Appendix A. Questionnaire Items

Demographic questions: age group; gender; educational qualification; current role (business student, entrepreneur, start-up founder, other); years of business/entrepreneurial experience (less than 1 year, 1–3 years, 3–5 years, more than 5 years). Statements Q6–Q25 were rated from 1 (strongly disagree) to 5 (strongly agree); Q19 was recorded as True/False.

Item	Statement
Q6	I find crowdfunding easier to access compared to bank loans.
Q7	Traditional financing sources involve more paperwork and delays than crowdfunding.
Q8	I would prefer crowdfunding over a bank loan for raising start-up capital.
Q9	Crowdfunding offers more flexibility in eligibility criteria than traditional sources.
Q10	Overall, I consider crowdfunding a more viable option than traditional sources for early-stage start-ups.
Q11	The size of my firm affects which financing source I can access.

Item	Statement
Q12	Firms in my industry find it easier to raise funds through crowdfunding than through banks.
Q13	Smaller firms face more barriers in accessing traditional financing compared to larger firms.
Q14	My industry type influences investor interest in my business.
Q15	Firm size and industry sector significantly affect the terms offered by financing sources.
Q16	My prior business experience influences which financing source I choose.
Q17	I am confident in using online/digital platforms to raise funds.
Q18	My level of financial literacy affects my preference for crowdfunding over traditional sources.
Q19	Entrepreneurs with more experience prefer traditional financing sources over crowdfunding. (True/False)
Q20	My awareness of digital financing options has shaped my funding decisions.
Q21	My awareness of digital financing platforms makes it easier for me to access funding.
Q22	Higher financial awareness increases my confidence in choosing the right financing source.
Q23	I actively research and compare financing options before making a decision.
Q24	Digital awareness has a strong influence on my final financing decision.
Q25	Entrepreneurs with higher financial/digital awareness make better-informed financing choices.