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Institute of Financial Services Zug IFZ

Crowdfunding Monitor Switzerland 2019

hslu.ch/crowdfunding

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



Summary of key results

In 2018 **CHF 516.6 million (+38%)** was raised in Switzerland.
The market thus exceeded the half a billion Swiss franc threshold for the first time.

CHF 1.085 billion has been raised through crowdfunding since the founding of the first crowdfunding platform in Switzerland eleven years ago.

The highest growth between 2017 and 2018 was recorded by
Crowdinvesting (+52%, to CHF 204.9 m), followed by
Crowdlending (+40%, to CHF 261.9 m),
Invoice trading (+3% to CHF 24.3 m) and
Reward/donation-based crowdfunding (-12%, to CHF 25.6 m).

More than 130,000 persons backed crowdfunding projects in Switzerland in 2018.

In the reward/donation-based crowdfunding segment, 2,431 campaigns were funded in 2018 out of a total of 1,644 launched. This equates to a **success rate of 68 percent**.

37 crowdfunding platforms
were operating in Switzerland at the end of April 2019 (domiciled in Switzerland).

Foreword

Crowdfunding is a means of raising finance via online platforms for a wide variety of projects. These can include loans for companies, participating in a business start-up, co-acquiring a property or financing social projects. Crowdfunding projects thus cover a 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.

37 platforms are currently operating in Switzerland. We are increasingly seeing professional investor activity in the crowdfunding market – predominantly in the crowdlending segment. This is having an impact on the size of the market. The volumes reported by Swiss crowdfunding platforms have again exhibited a positive trend in the past year: 2018 saw some CHF 517 million raised. The market grew by 38 percent relative to the previous year. The biggest growth drivers last year were once again investments in real estate via crowdinvesting and the financing of SMEs via crowdlending.

Overall, crowdfunding has continued to gain in relevance as a financing option, even though last year's forecast rather overestimated its momentum. We also note that the market shares of the various crowdfunding segments remain very low compared to their respective market categories, e.g. consumer credit market, SME credit market, venture capital, or donating. That said, we are confident of crowdfunding becoming an increasingly important source of finance in some of these categories over the coming years.

This Crowdfunding Monitor report is published annually by the Institute of Financial Services Zug IFZ, part of the Lucerne School of Business. 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 market transparency.

We rely on collaboration with crowdfunding platforms for our analyses. The following platforms supported our work by sharing their data: 100-days, 3circleFunding, acredius, Advanon, bedoo, Cashare, Creditfolio, CreditGate24, creditworld, Crowd4Cash, Crowdhouse, Crowdli, Foxstone, Funders, I believe in you, I care for you, ideenkicker.ch, Immoyou, investiere, Lend, Lendico, Lendora, Lokalhelden, myBrick, Progettiamo, Projektstarter, Splendit, Swisslending, SwisSpeers, SIG Impact and wemakeit. We are very grateful to them for doing so. We are also indebted to our research associate, Lukas Compagnoni.



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1 Objective and structure of the report

The objective of this report is to illustrate 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. However, we also include certain foreign platforms in the reward-based crowdfunding segment due to their high relevance in terms of projects with a Swiss dimension.

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 Monitor report is not only professionals, but also the general public: it aims to provide a clear overview of each funding option and 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 2018. Between January and December 2018 we recorded active crowdfunding campaigns for projects in Switzerland on the following 29 platforms: 100-days, 3Circlefunding, Advanon, Cashare, Creditfolio, CreditGate24, creditworld, Crowdhouse, crowdli, Funders, Hypothekarbank Lenzburg, Hyposcout, I believe in you, I care for you, ideenkicker.ch, Indiegogo, investiere, Kickstarter, Lend, Lendico, Lendora, Lokalhelden, Progettiamo, ProjektStarter, Splendit, Swisslending, Swisspeers, SIG Impact and wemakeit. The published figures are based on surveys completed by the platforms. Large campaigns not run via these platforms are recorded separately.

The Crowdfunding Monitor report is structured as follows: following an introduction to the subject (Section 2), it traces the development of the Swiss crowdfunding market since 2008 (Section 3). The corresponding trends are shown and commented on as a whole, as well as split up into the various crowdfunding segments. Section 4 presents an analysis of the Swiss crowdfunding market in the international context. The last section of the report ventures to suggest how the Swiss market might evolve over time. The appendix contains profiles of the Swiss platforms and various data tables.

2 Scope and definition

Crowdfunding is a method of funding projects online where, typically, large numbers of people contribute money for cultural, social and commercial projects. Communication between those providing and seeking funds occurs online. The crowdfunding platform assumes the role of intermediary. The intermediary receives a fee for the transaction. This referral commission typically takes the form of a percentage of the amount raised. The funders receive monetary or non-monetary compensation depending on the type of crowdfunding. The term "campaign" will be used from now on to describe the funding phase of projects on crowdfunding platforms.

In the literature, the term "crowdfunding" is often classed as a sub-genre 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 the mass of 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 where a community performs certain tasks. Within a clearly defined framework (e.g. timeframe, conditions for participation, consideration), the community then generates all kinds of added value 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-segments: crowdcreation, crowdvoting and crowdwisdom.²

The terms crowdcreation, crowdvoting and crowdwisdom were later supplemented by the term crowdfunding, which focuses on the gathering of money rather than the aggregation of knowledge, opinions and 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 aggregated 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 aforementioned segments, the focus is not on the knowledge or creative potential of the crowd, but rather on raising funds for projects. The fundraising phase is called a campaign.

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

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

2.1 Definition of crowdfunding: consideration as a decision criterion

The term crowdfunding – defined as the raising online of funds for projects – can be divided further into sub-segments. The main criterion for distinguishing between the different types of crowdfunding is the type of consideration received. The consideration can be of a monetary nature, with the providers of the capital receiving a stake in the company (crowdinvesting) or interest (crowdlending) on the capital that was provided. It follows that invoice trading is often seen as a form of crowdfunding. Invoice trading involves the selling of unsettled invoices. Depending on the platforms' business model, invoice trading is either traditional crowdfunding (several investors funding the invoices) or a model akin to crowdfunding (only one counterparty) – the deciding factor being the number of investors. Due to their proximity to the finance markets, crowdlending, crowdinvesting and invoice trading are covered by the term 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 "reward-based crowdfunding" (called "crowdsupporting" in Switzerland), falls within this segment. In the case of reward-based crowdfunding, consideration may take the form of products or services. Finally, money can also be given without any direct, measurable consideration (crowddonating), in which case social or altruistic motives take centre stage. However, 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 consideration might represent only a small portion of the investment.

The five crowdfunding segments and associated considerations are summarised in Figure 1:

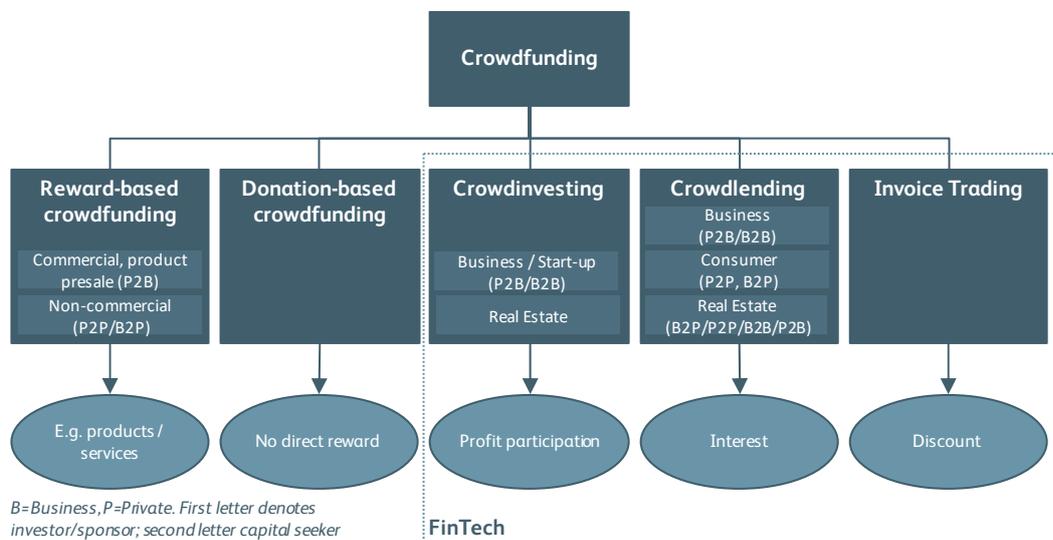


Figure 1: Types of crowdfunding and consideration for each crowdfunding segment

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). Reward-based crowdfunding can have a commercial or a non-commercial purpose: companies with a commercial background can use reward-based crowdfunding for the pre-financing of products.

Donation-based crowdfunding (crowddonating)

The contributions made in donation-based crowdfunding are simple donations that are not usually associated with any consideration. Examples include social, charitable and cultural projects. Donation-based crowdfunding can also be used to raise funds for political campaigns.

The data gathered by the report does not always allow a distinction to be made between donation-based crowdfunding and reward-based crowdfunding, as some platforms allow those providing funds to forego consideration. As a result, the report has viewed these two segments as the same thing, particularly in terms of the trends in volumes traded.

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 borrowed (mezzanine) capital. In the **business crowdinvesting** subsegment, this form of financing is particularly suitable for businesses in the early stages 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 are free to act as they see fit.

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 as and when it is sold.

Crowdlending

Crowdlending refers to the financing of businesses or private individuals by means of loans (borrowed capital). 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 the acquisition of mortgages by private individuals without a bank as intermediary. In this report, loans for private individuals are designated **consumer crowdlending**, while **business crowdlending** covers loans for businesses. The report uses the term **real estate crowdlending** for loans in the form of mortgages.

Crowdlending is also known as peer-to-peer (P2P) or marketplace lending. The term "P2P lending" has established itself in the UK in particular, while the term "marketplace lending" tends to be used in the USA. Marketplace lending can be defined more accurately as a "digital credit marketplace". It also encompasses B2B (business-to-business) business models, such as where institutional investors provide finance for companies or corporations under public law. By contrast, this study focuses on crowdlending, i.e. borrowed capital that can be financed both by institutional and private investors. B2B business models are only briefly discussed in Section 3.6.

Invoice trading

In this form of crowdfunding, investors purchase unsettled business invoices at a discount. From the investor's standpoint, the difference between the amount paid for the invoice and the amount of the invoice constitutes the income. Invoice trading enables SMEs to obtain short-term liquidity. The direct linking of those seeking funds and those seeking to invest gives rise to a new investment class. Until now investors have not been able to invest directly in a business's working capital. 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.

2.2 Project initiators' motives for launching campaigns

Crowdfunding campaigns have both financial and non-financial advantages for project initiators. On the one hand, the main motivation is typically the need to fund a project, while on the other hand, raising funds through crowdfunding can also offer non-financial benefits. Crowdfunding enables businesses or individual project initiators to enter into direct dialogue with (potential) customers and receive immediate responses from them. As a result, crowdfunding campaigns are well suited to customer acquisition and retention. A good project can also enhance the image of a supplier or draw attention to an innovative project. Another advantage of crowdfunding campaigns is that 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 typically 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 Funders' motives for supporting campaigns

Motives can also 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 segments 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-/donation-based crowdfunding. On the one hand, there may be a philanthropic incentive: this may be the case with projects involving a social, cultural or political dimension. The consideration could also come 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.

2.4 Distinction: initial coin offerings as crowdfunding?

Initial coin offerings (ICOs) could be regarded as a form of swarm financing for projects that come under the scope of distributed ledger technology (DLT). Many ICO characteristics are similar to those in this report's working definition of crowdfunding. Typically, a large number of people provide funding for an undertaking or project. Intermediation between project initiators and backers

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

takes place online. Some ICOs offer the possibility of consideration for backers. In this respect, the categorisation in Figure 1 also applies to ICOs. That said, there are also differences. The first difference where ICOs are concerned is that the funding provided is often expressed in the form of a cryptocurrency and/or an equivalent in DLT-based values. It follows that ICOs are typically used to fund highly technology-heavy projects, whereas crowdfunding campaigns are far more diverse. A second difference is that while crowdfunding projects tend to be linked to particular online platforms, ICOs usually receive funding directly from backers without intermediation by a platform.

ICOs can provide consideration in the form of "tokens". The Swiss Financial Market Supervisory Authority (FINMA) distinguishes between three functional types of token: "payment tokens" are synonymous with cryptocurrencies and may in some cases only develop the necessary functionality and become accepted as a means of payment over a period of time. "Utility tokens" are tokens which are intended to provide digital access to an application or service. "Asset tokens" represent financial assets, such as participations in real physical underlyings, companies or earnings streams, or an entitlement to dividends or interest payments. In terms of their economic function, the tokens are analogous to equities, bonds, credit agreements or derivatives.⁴

The three types of token defined by FINMA can also be rendered into the crowdfunding taxonomy in Figure 1. Over time, then, tokens will also find applications within the traditional crowdfunding environment. Asset tokens could be used as consideration in crowdinvesting, crowdlending and invoice trading, while payment tokens and utility tokens could theoretically be used in the reward-based crowdfunding segment. Consideration could thus be linked to a token. The rights of these tokens in the form of smart contracts can be tailored to specific crowdfunding projects. As an alternative, it is also conceivable that a project could have a currency created for it, which would then be used as consideration.

This "tokenisation" process as applied to crowdfunding can be explained by way of a couple of examples. A photo artist could, for instance, issue utility tokens representing entitlement to a book of his photographs. Similarly, payment tokens could be issued in relation to a music festival: these tokens could be used to obtain tickets for the event or services during the event, such as catering. Finally, credit could be issued in the form of asset tokens: based on smart contracts, these tokens would represent a portion of the loaned sum owed. The tokens could then be traded on the secondary market at the going rate. Two Swiss platforms announced their intention to deploy DLT technologies in 2018. Swisspeers can now transact and manage loans with the Ethereum blockchain. Creditors' claims are represented by asset tokens. Wemakeit announced its intention to launch a new platform in 2020. The platform Omnium would make it possible for projects of any kind to issue their own tokens in a standardised process.

The global ICO volume in 2018 was approximately CHF 21 billion.⁵ The ICO volume in Switzerland in 2018 was approximately CHF 800-900 million (previous year CHF 837 million).⁶ The largest ICOs in Switzerland were carried out by Envion (USD 100 million), Nexo (USD 52.2 million) and SwissBorg (USD 50 million). The Crowdfunding Monitor presents only those campaigns conducted under "traditional" crowdfunding scenarios.

⁴ Swiss Financial Market Supervisory Authority FINMA (2018). ICO Guidelines for enquiries regarding the regulatory framework for initial coin offerings (ICOs). Published 16 February 2018. p. 3. Online (29.03.2018): <https://www.finma.ch/de/news/2018/02/20180216-mm-ico-wegleitung/>.

Law, tax and compliance firm MME has adopted a similar approach in its differentiation of ICOs by functionality; it recognises three main classes of ICO. See: MME (2017). Conceptual Framework for Legal & Risk Assessment of Blockchain Crypto Property (BCP). Online (29.03.2018): https://www.mme.ch/fileadmin/files/documents/Publikationen/170926_BCP_Framework_-_Genesis_Version.pdf

⁵ Ankenbrand, T., Dietrich, A., & Bieri, D. (2019). IFZ FinTech Study 2019. An Overview of Swiss FinTech. pp 11 & 36.

⁶ ICObench. ICO Market Analysis 2018. Online (01.05.2019): https://icobench.com/reports/ICO_Market_Analysis_2018.pdf

3 Crowdfunding in Switzerland

At the end of April 2019, 37 platforms were maintaining an active physical presence in Switzerland. Focused on crowdlending, the first crowdfunding platform to be launched in Switzerland was Cashare; the year was 2008. 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. Numerous platforms entered the market, particularly between 2014 and 2017. Also in the market are several nondomestic platforms without an office in Switzerland. Some of these are of some importance for Switzerland, given that many campaigns (some fairly large) are run on them by Swiss companies. Nondomestic platforms of relevance to Switzerland currently include in particular the two US platforms Indiegogo and Kickstarter. Accordingly, the report also considers the figures for campaigns in Switzerland on these two platforms.

Overall, the following platforms were identified as having a relevant volume in terms of active projects in Switzerland (location of project initiators):⁷

Crowd-investing	Business / start-up Beedoo, c-crowd, Crowdpark, investiere, Raizers
	Real estate Crowdhouse, Crowdli, Foxstone, crowdpark, Yeldo
Crowd-lending	Business and consumer 3Circlefunding, Cashare, CreditGate24, Crowd4cash, Lendora
	Business Acredius, Swisspeers, creditworld, Funders, Lendico, Advanon ⁸
	Consumer Creditfolio, Splendit, Lend
	Real estate Cashare, CreditGate 24, Hyposcout, Raizers, Swissslending
Invoice trading	Advanon
Reward-/donation-based crowdfunding	100-days, Cause direct, fundeego, funders, GivenGain, I believe in you, I care for you, Indiegogo, Kickstarter, Lokalhelden.ch, Progettiamo, SIG Impact, ProjektStarter, wemakeit

Table 1: Platforms with active campaigns in Switzerland (as at April 2018)

Figure 2 shows the entries and exits of platforms in the Swiss market since 2008. Unlike Table 1, this illustration shows all the platforms that have ever been online. It means that the illustration also includes platforms that have not (yet) witnessed any campaign activity. The market evolution so far can be termed as "selective consolidation". On the one hand, larger players (relatively speaking) have not yet left the market and in many cases even increased their market share. On the other hand, relatively small players exited the market over time.

⁷ We have not included platforms witnessing only occasional and/or small Swiss projects.

⁸ Although Advanon is principally active in the field of invoice trading, it also offers unsecured short-term loans for businesses, hence its inclusion under business crowdlending as well.

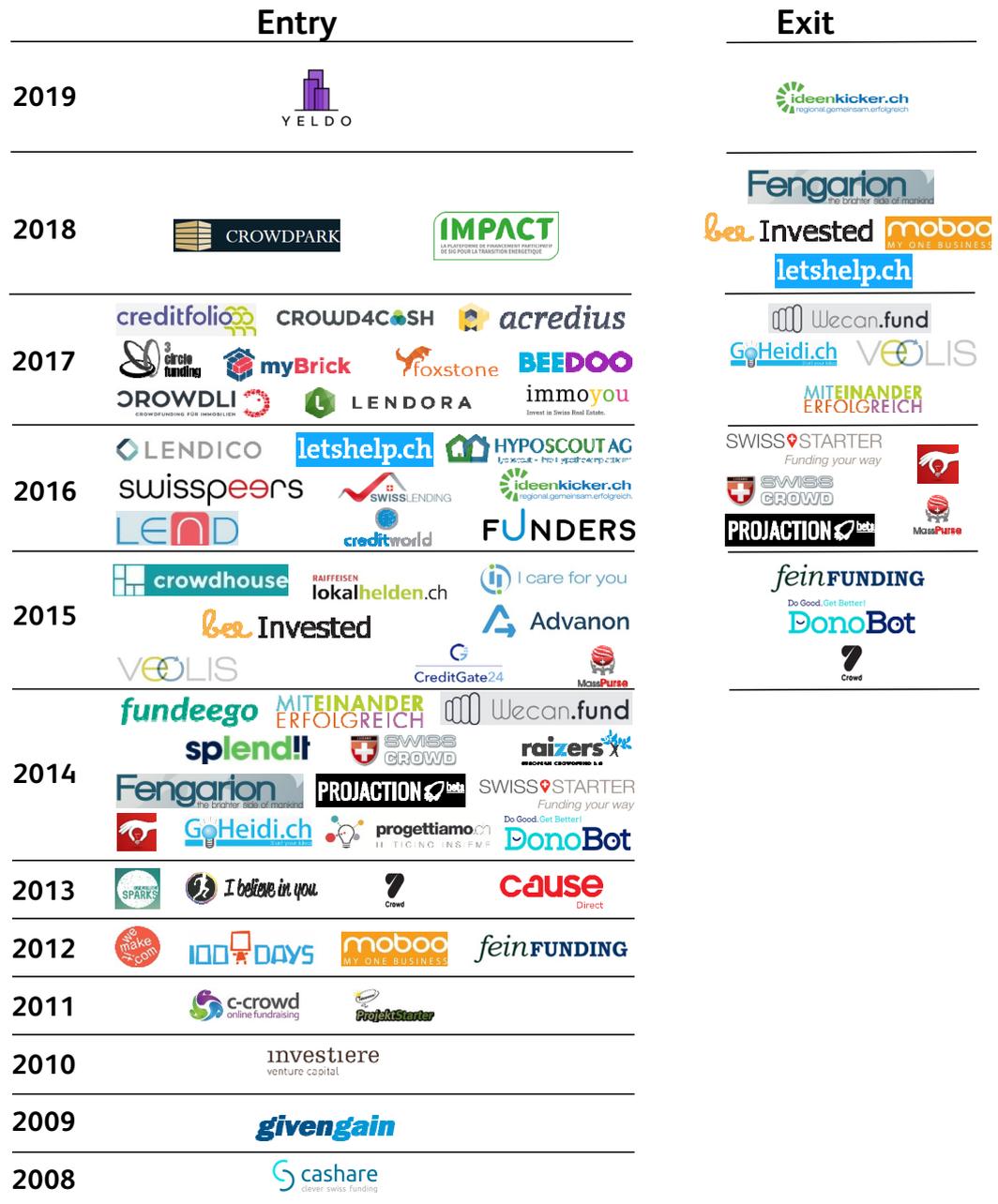


Figure 2: Entries and exits of crowdfunding platforms in the Swiss market 2008-2018

Switzerland witnessed a decline in the number of crowdfunding platforms for the first time: Fengarion, bee Invested, moboo and letshelp.ch withdrew from the market in 2018. Only two platforms entered the market in 2018, Crowdpark and SIG Impact. In addition, the Luzerner Kantonalbank's Funders platform now also offers business crowdending in addition to reward-based crowdfunding. In March 2019, the real estate crowdinvesting platform Yeldo went online. Figure 3 shows the number of entries and departures of platforms in the Swiss market since 2008: sixteen platforms have left the market in recent years.

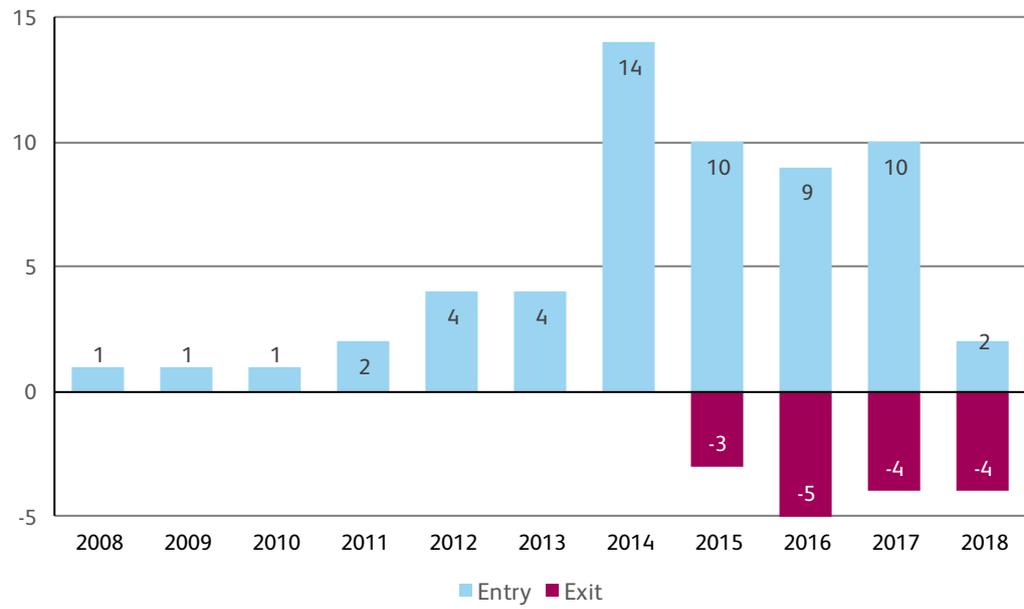


Figure 3: Number of entries and exits of platforms in the Swiss market 2008-2018

3.1 Market growth in Switzerland

Figure 4 shows the growth in volume across all crowdfunding segments in Switzerland since 2008. The volume of successfully funded campaigns⁹ has grown sharply, especially in the last three years. The CHF 100 million barrier was breached in 2016. In 2018, the volume reached another milestone of more than half a billion francs (CHF 516.6 million), representing a growth of 38% compared to the previous year. Compared to 2016, the volume has risen almost four times. Since the first crowdfunding platform's launch in 2008, crowdfunding in Switzerland has been used to raise CHF 1,084.9 million in funds. Around half of this total was raised in the previous year.

The total volume of 2018 was spread across 6,521 campaigns.¹⁰ 2017 witnessed 5,113 successful campaigns (+28%). The lower growth in the number of campaigns compared to the volume traded (+38%) suggests that average campaign volumes have increased. Aside from real estate crowdinvesting, the main driver of this trend was business and real estate crowdlending. The largest crowdfunding segment was crowdlending with a volume of CHF 261.9 million. Growth relative to 2017 stood at 40.3 percent. The second largest segment was crowdinvesting with a volume of CHF 204.9 million (+51.5%). Invoice trading witnessed CHF 24.3 million transacted (+3.2%).¹¹ The reward/donation-based crowdfunding volume fell to CHF 25.6 million (-12.1%). Overall, though, the number of campaigns grew 7.0% to 1,644.

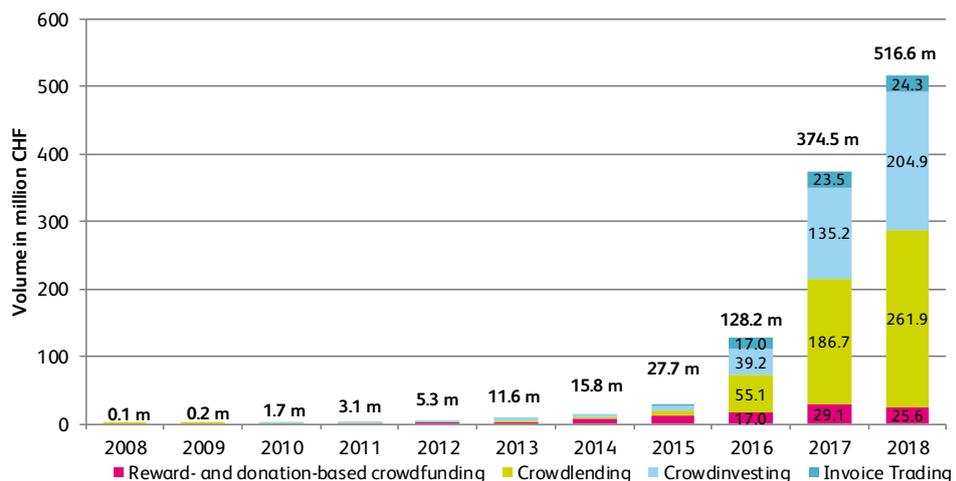


Figure 4: Successfully funded campaigns by funding volume 2008-2018

⁹ 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 report also deems the campaign successful if no fixed target amount is defined but funds are raised. As a result, the amounts listed reveal only the amount of money that changed hands. The report does not consider whether the funded campaign can actually be implemented as a successful project.

¹⁰ The term "campaign" serves as a catch-all term for the funding of projects, credits, businesses and properties.

¹¹ The sole provider of the invoice trading business model in 2018 was Advanon. Advanon distinguishes between "true sales" and "pre-financing". Underlying true sales is a factoring contract. Pre-financing takes the form of unsecured short-term credit. Editions of this report from 2017 onwards are allocating this to the business crowdlending segment. In 2016 we were still allocating Advanon's entire volume to the invoice trading segment. Due to this, growth from 2016 to 2017 must be viewed with caution. Advanon's figures for 2018 are still included, as the company only started focusing exclusively on institutional investors (B2B) in the course of 2018.

3.2 Reward- and donation-based crowdfunding

In the reward-/donation-based crowdfunding segment last year, 1,644 campaigns were funded, generating a volume of CHF 25.6 million. Although growth in terms of the number of campaigns was 7.0 percent, the overall volume compared to 2017 fell by 12.1 percent. The average amount funded per campaign also fell from CHF 29,100 in 2017 to CHF 16,000 in 2018.

This decline in total volume (and average value) was strongly impacted by the absence of two major campaigns in 2017 totalling CHF 5.6 million.¹² The absence of these two campaigns could not be compensated for by the additional campaigns. The positive growth in the number of projects should certainly be seen as positive, although the first-ever decline of volume in this crowdfunding segment is somewhat disappointing. If the two major campaigns of 2017 were ignored, the growth of 8.9 percent would still be well below that of previous years.

Figure 5 shows the reward-/donation-based crowdfunding volumes from 2012 to 2018. The volumes have also been subdivided into individual categories for 2015 to 2018. Details of this subdivision of successful campaigns into respective categories may be seen in Figure 5 and Table 2.

The "Technology, business, start-up" category continues to account for a large share of volume (see Figure 6). CHF 5.3 million in funds was raised for 44 projects in this category in 2018, which makes the average volume per campaign in the region of CHF 120,000. The volume is driven by major campaigns with an international orientation, which are often transacted via Kickstarter. In particular, pre-sales of watches have established themselves on this channel. In 2016, sales of watches alone accounted for CHF 2.1 million, an amount that rose to CHF 4.6 million in 2017. The volume for 2018 was CHF 3.9 million. Few in number but substantial in terms of value, these projects lead to very high average campaign amounts (see Table 2).

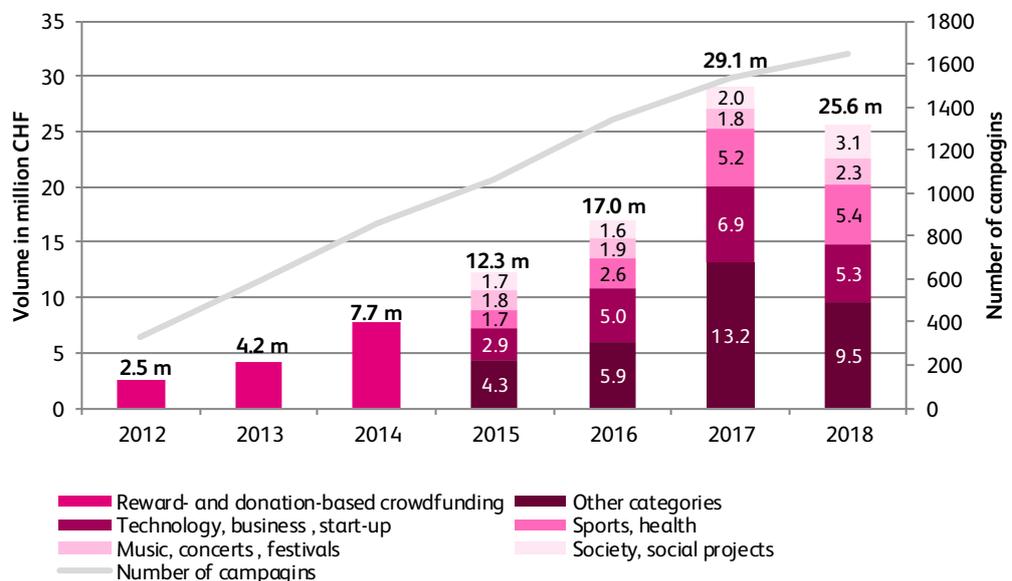


Figure 5: Reward-/donation-based crowdfunding volumes and number of campaigns 2012-2018

¹² *Republik* magazine (CHF 3.5 million) and Dählhölzli Zoo, Bern (CHF 2.1 million)

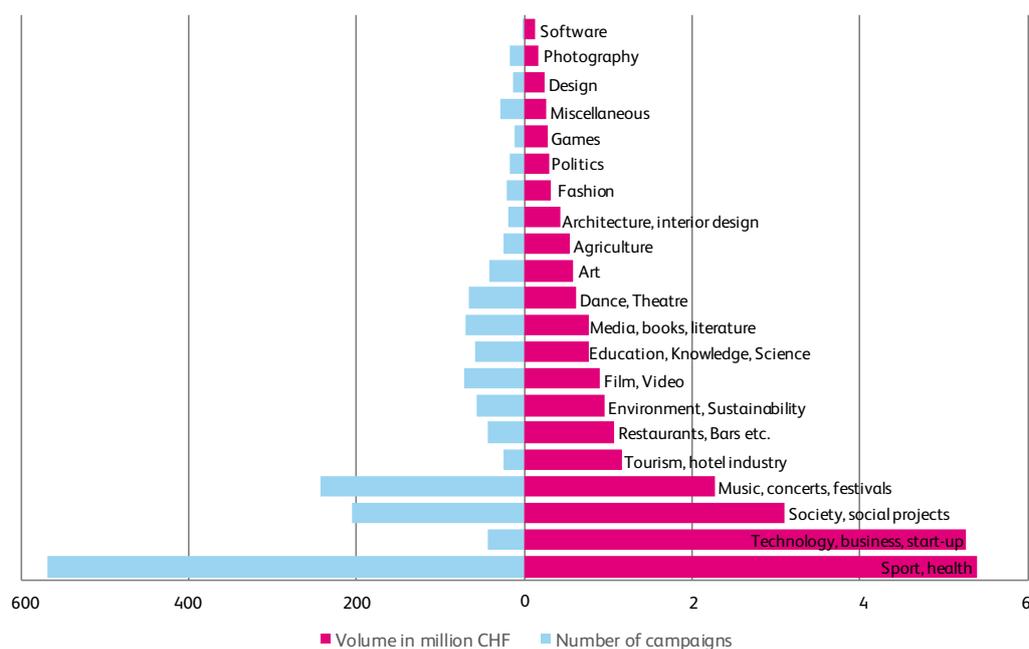


Figure 6: Distribution by category of reward- and donation-based crowdfunding campaigns

Category	Volume in CHF			No. of campaigns			Ø volume in CHF		
	2018	2017	Δ	2018	2017	Δ	2018	2017	Δ
Sport, health	5,391,892	5,225,910	165,981	568	531	37	9,493	9,842	-349
Technology, business, start-up	5,263,279	6,868,414	-1,605,135	44	71	-27	119,620	96,738	22,882
Society, social projects	3,108,381	1,967,973	1,140,408	206	181	25	15,089	10,873	4,216
Music, concerts, festivals	2,276,771	1,835,998	440,773	243	241	2	9,369	7,618	1,751
Tourism, hotel industry	1,172,423	381,812	790,611	24	12	12	48,851	31,818	17,033
Restaurants, Bars etc.	1,068,455	1,630,709	-562,254	43	60	-17	24,848	27,178	-2,331
Environment, Sustainability	955,928	2,844,630	-1,888,702	57	48	9	16,771	59,263	-42,492
Film, Video	907,170	678,400	228,770	72	53	19	12,600	12,800	-200
Education, Knowledge, Science	768,967	698,908	70,058	59	66	-7	13,033	10,590	2,444
Media, books, literature	762,319	4,145,658	-3,383,338	70	48	22	10,890	86,368	-75,478
Dance, Theatre	619,864	478,047	141,817	65	69	-4	9,536	6,928	2,608
Art	589,721	281,500	308,221	41	39	2	14,383	7,218	7,166
Agriculture	535,346	495,019	40,327	25	23	2	21,414	21,523	-109
Architecture, interior design	435,725	52,780	382,945	18	5	13	24,207	10,556	13,651
Fashion	324,775	530,608	-205,833	20	25	-5	16,239	21,224	-4,986
Politics	298,273	150,531	147,742	17	12	5	17,545	12,544	5,001
Games	290,636	201,803	88,833	11	9	2	26,421	22,423	3,999
Miscellaneous	267,687	151,645	116,042	28	28	0	9,560	5,416	4,144
Design	242,543	153,587	88,956	14	10	4	17,325	15,359	1,966
Photography	175,576	249,664	-74,088	17	24	-7	10,328	10,403	-75
Software	131,185	80,978	50,207	2	2	0	65,593	40,489	25,104

Table 2: Investments in reward-/donation-based crowdfunding by category

The "Sport, health" category has also established itself strongly, resulting in campaigns amounting to CHF 5.4 million (previous year: CHF 5.2 million.) The platform 'I believe in you' is the clear category leader, occupying a special position in the market by focusing exclusively on sport. However, other Swiss platforms are also accounting for sport campaigns. The categories "Society, social projects" (CHF 3.1 million) and "Music, concerts, festivals" (CHF 2.3 million) also recorded high volumes.

Reward-/donation-based crowdfunding are of particular relevance in the cultural and creative economy.¹³ Crowdfunding here generated an estimated CHF 7.5-8.5 million last year (previous year: CHF 9.5-10.5 million). "Music, concerts, festivals" accounted for the lion's share (CHF 2.3 million). The categories "Film, video" (CHF 0.9 million), "Media, book, literature" (CHF 0.7 million) and "Dance, theatre" (CHF 0.6 million) also made sizeable contributions within the cultural and creative economy. In terms of numbers of projects, crowdfunding in culture and the creative economy successfully funded some 600 projects or so. This is a remarkable number. In the cultural sector, however, crowdfunding is often responsible for only part of the funding. The public purse also plays a very important role in this regard.¹⁴

As can be seen in Table 2, the average campaign totals achieved vary greatly between the categories. The largest average volume was achieved in the "Technology, business, start-up" category with CHF 119,620. By contrast, the average campaign volume in the "Music, concerts, festivals" category was only CHF 9,369. In the "Sport, health" category it was CHF 9,493, while for "Society, social projects" it was CHF 15,089.

The average sum invested per backer stabilised last year following previously steady growth. The average amount in 2015 was CHF 140, rising to CHF 168 in 2016 and CHF 188 in 2017. In 2018, the average amount remained at the previous year's level (CHF 187). We know only the average figure. The actual amounts paid per person are bound to be very different depending on the campaign category.

In connection with the level of sums raised by crowdfunding presented above, the question remains as to the relevance (in terms of market share) of this form of funding: reward-/donation-based crowdfunding continues to occupy a tiny niche. While crowdfunding for the cultural and creative economy raised CHF 7.5-8.5 million in 2018, the public purse contributed CHF 3.0 billion for culture (figure for 2016).¹⁵

The volume of around CHF 1 to 2 million in donations collected via crowddonating is also very small compared to the total volume of CHF 1.85 billion raised in the way of donations in Switzerland.¹⁶ Years ago, significant growth was expected in the crowddonating sector: this has not happened, and one relevant platform, letshelp.ch, even folded in 2018: letshelp.ch was a joint venture involving Swisscom, swissfundraising and Zewo.¹⁷

¹³ The cultural and creative economy comprises the following activities in the report: design; film, video; photography; games; paintings, pictures; media, books, literature; fashion; music, concerts, festivals; dance, theatre; miscellaneous. The category "Technology, business, start-up" also has a tendency to include numerous cultural/creative projects: we estimate the proportion to be between 15 and 30 percent.

¹⁴ See also: Dietrich, A., Amrein, S. & Wernli, R. (2016). Crowdfunding in the cultural sector.

¹⁵ Swiss Confederation Federal Office of Culture BAK (2019). Statistical overview of culture in Switzerland 2019.

¹⁶ Figure for 2017: Zewo Foundation (2019). Donation statistics 2018. Online (03.05.2019): <https://www.zewo.ch/furhilfswerke/service/spendenstatistik>

¹⁷ Swisscom (2018). Press release: Digital donation platform letshelp.ch ceases trading. Online (29.03.2018):

Nevertheless, 1,644 successfully funded campaigns still represents a sizeable volume. From the word go, more than 7,300 campaigns attracting over half a million individual donations have found funding in the reward-/donation-based crowdfunding segment.

The success rate of reward-/donation-based crowdfunding campaigns in Switzerland, which has been very high for years, should be seen in a very positive light: it has always been well above 60 percent – and even hit 68 percent in 2018 – which is above the international average. In the USA, for example, the ratio of successfully funded campaigns to the total number of campaigns is about 37 percent.¹⁸ Startnext's success rate in Germany is around 56 percent.¹⁹ The figure in the UK is in the order of 40 percent.²⁰ The high success rate is quite likely due to the fact that campaigns are managed by the platforms. The support provided by many Swiss platforms can carry a lot of weight.

Recent years have witnessed the emergence of a clear market structure in the reward-/donation-based crowdfunding segment. The market shares are distributed amongst four large and two medium-sized platforms. The four largest platforms have a market share of 86.3 percent, the six largest 97.8 percent: it means that the relevance (i.e. market share) of the other platforms in this segment is limited as things stand.

The business models of the platforms can vary greatly: on the one hand there are those with narrow thematic focuses, such as sport (I believe in you) or charitable aims (I care for you). On the other hand, other platforms exhibit a more broadly based thematic focus, such as wemakeit and 100-days. Banks have also begun operating in this second area: Lokalhelden is operated by the Raiffeisen Group, while Funders was launched by the Luzerner Kantonalbank and can be licensed by other banks. Ideenkicker.ch was operated by the Hypothekbank Lenzburg. The platform went offline in 2019.

Some Swiss platforms are also active abroad: Wemakeit, for instance is also available in Austria and Germany, while in 2018 'I believe in you' acquired the French platform Fosburit, which is also focused on sport crowdfunding.

¹⁸ Kickstarter (2019). Stats. Online (01.05.2019): <https://www.kickstarter.com/help/stats>

¹⁹ Startnext (2019). Statistics. Online (01.05.2019): <https://www.startnext.com/infos/statistics.html>

²⁰ University of Cambridge. The 4th UK Alternative Finance Industry Report. Online. (06.04.2018): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>. University of Cambridge. Entrenching Innovation. The 5th UK Alternative Finance Industry Report. Online. (01.05.2019): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>.

Table 3 shows the fee models of the platforms operating in the reward-/donation-based crowdfunding segment. The fees are between zero and 12 percent of the funds raised. The two platforms levying no fees are Lokalhelden (a Raiffeisen product), and Progettiamo, which is backed by the public sector.

Platform	Payment model	Online since	Fee on amount raised	Other fee models, additional information
100-days	all-or-nothing	2012	9 %	11 % in the case of phased projects
Funders	all-or-nothing	2016	7 %	
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
Kickstarter	all-or-nothing	2009	8-10 %	5 % admin fee, 3-5 % payment fee
Lokalhelden	all-or-nothing	2016	0 %	1.5 % for credit card payments
Progettiamo	all-or-nothing	2014	0 %	
ProjektStarter	all-or-nothing	2011	8 %	5 % for "junior projects"
SIG Impact	all-or-nothing	2018	10 % / 0 %	10 % of the project sum if not a member of GIS; otherwise no fee
wemakeit	all-or-nothing	2012	10 %	4 % transaction fee, 6 % commission

Table 3: Reward-/donation-based crowdfunding fee models

3.3 Crowdfunding

Six platforms were servicing Switzerland's crowdfunding market in 2018 with successful campaigns based in Switzerland. These platforms were used for 87 successful campaigns (previous year: 42). Funds raised rose markedly from CHF 135.2 million in 2017 to CHF 204.9 million. Again in 2018, the growth in the crowdfunding segment was primarily driven by the property category (see Figure 7). This category, which emerged in Switzerland only in 2015, had by 2018 already reached CHF 174.5 million in funds raised (previous year: CHF 116.2 million). This figure relates to the portion of equity capital raised through crowdfunding. The mezzanine capital amount is typically provided by banks. The platform crowdhouse was mainly accountable for the strong growth in funds raised through real estate crowdfunding. Crowdli, Foxstone (2017) and Crowdpark (2018) were other platforms to come on stream, some of which also contributed significantly to the market's growth. Minimum investment amounts for all the platforms are typically in the several tens of thousands of francs.

In the area of business crowdfunding, start-ups in 2018 received CHF 30.4 million (compared to CHF 19 million in the previous year). Investors backed a total of 36 start-ups. Last year saw the platform investiere transact the lion's share of the funds raised. Only qualified investors may use it, typically with a minimum of CHF 10,000 to invest. This makes investiere quite different from the business models of other crowdfunding platforms, such as 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". After a few years of stagnation, business crowdfunding is, for the second time, posting high growth rates due, in large part, to changes to the investiere business model. The latter has, for instance, solved the problem of having too many small shareholders through the inclusion of a fiduciary function. investiere performs this fiduciary function for equity investments of less than CHF 50,000. Moreover, investiere is increasingly used for growth-stage and later-stage fundings.

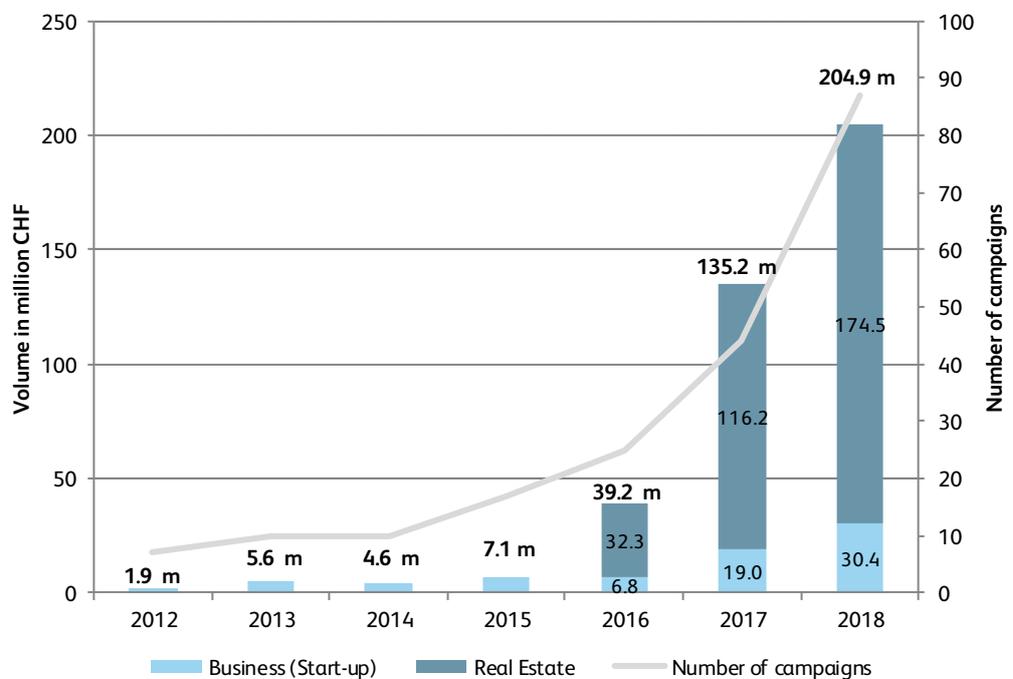


Figure 7: Crowdfunding volumes in Switzerland 2012-2018

In 2018 every company in the business crowdfunding segment was successfully financed: careful project selection, preparation and support play an important role here. The average funding volume was approximately CHF 850,000 (previous year: CHF 1,005,000). In real estate crowdfunding, six out of 57 properties could not be financed. The average equity portion per property was CHF 3.4 million (previous year: 4.8 million).

Category	Platform	Online since	Payment model	Fees	Other fee models, additional information
Business (start-up) crowdfunding	Beedoo	2017	all-or-nothing	10 %	Borrower: 10 % of the funds raised. Investor: 7.5 % of profit when the stake is sold on.
	c-crowd	2011	all-or-nothing	10 %	Borrower: max. 10 % of the funds raised. Investor: max. 5.5 % of the investment.
	investiere	2010	all-or-nothing	4 %	Borrower: no fees Investor: 3-6 % commission of the investment plus carried interest of 15 % at an annual return of at least 5 %.
	Raizers	2015	all-or-nothing		Borrower: max. 10 % of the funds raised. Investor: max. 5.5 % of the investment.
Real estate Crowdfunding	Crowdhouse	2015	all-or-nothing	3 %	3 % of the property purchase price, then 5 % of the net rental income for managing the property.
	Crowdpark	2018	all-or-nothing	3 %	3 % of the property purchase price, then 5 % of the net rental income (only after reaching the target return).
	Crowdli	2017	all-or-nothing	3.6 %	3.0 % brokerage fee and 0.6 % transaction fee of the property purchase price. Management fee of 1.5 % . 4-5 % of net rental income for managing the property.
	Foxstone	2017	all-or-nothing	3 %	3 % of the property purchase price. Then 0.5 %-1 % of the purchase price as management fee.
	myBrick	2017	all-or-nothing	2-3 %	2-3 % of the investment amount.

Table 4: Crowdfunding fee models

3.4 Crowdlending²¹

The crowdlending platforms in Switzerland focus mainly on one or two crowdlending categories. The business and consumer crowdlending segment also features providers offering mortgage-backed loans. Business crowdlending platforms are typically aimed at small to medium-sized enterprises (SMEs), while consumer crowdlending platforms are active in the consumer credit market.

The momentum driving the appearance of new platforms has slowed significantly: Funders was the only new crowdlending platform to enter the Swiss market in 2018. Seven platforms went live in 2016, while 2017 saw three new platforms going online (Acredius, Creditfolio and Crowd4Cash).

2017 and 2018 also witnessed the launch by providers Lendity and Impact Lending of a kind of "umbrella platform" designed to invest in loans on Swiss crowdlending platforms on behalf of institutional investors. In addition, the 1741 Group launched a corresponding fund offering, which currently comprises three different funds.

Two of the crowdlending platforms listed are owned by banks: Funders, which also has a presence in the reward-based crowdfunding segment, is operated by the Luzerner Kantonalbank and licensed to other cantonal banks. The Lendico platform was fully acquired by PostFinance AG in 2018, which means that Lendico Schweiz AG is now independent from Lendico Germany. Lendico also collaborates with Cembra Money Bank, which finances loans on Lendico's platform and consolidates them directly in its own balance sheet.²²

The crowdlending segment recorded a volume of CHF 261.9 million in 2018 (previous year: CHF 186.7 million). The volume thus grew by 40.3%. As can be seen in Figure 8, the number of successfully acquired loans rose from 2,035 to 3,290. Of the CHF 261.9 million raised, CHF 134.4 million is accounted for by business crowdlending (loans for SMEs). The volume in this subsegment was CHF 111.6 million in the previous year. Consumer crowdlending (loans for private individuals) grew by almost 10% in relation to the previous year and now stands at CHF 57.0 million. As for real estate crowdlending, that grew by a very high 206.0% to reach CHF 70.5 million in 2018.

Figure 8 shows how overall growth has slowed significantly compared to the previous year: growth momentum has slowed, particularly in the area of SME funding. This is partly due to a very large individual loan of CHF 8.7 million transacted in the previous year (2017).²³ Although the growth of 20.4% in 2018 is still impressive, it is well below the enormously high momentum of the previous year (+296.7%). Growth in the consumer crowdlending subsegment has also slowed.

Loans granted through crowdlending vary greatly. Consumer crowdlending serves the consumer credit segment, business crowdlending is aimed at SMEs, and real estate crowdlending is used to grant mortgage-backed loans. These differences are clearly reflected in the average loan amounts: the value of loans for SMEs was approximately CHF 300,000, although the average amounts can vary considerably depending on the platform's business model: on the whole, platforms offering very short-term loans appear to fund smaller volumes.

In the case of consumer crowdlending, the average loan amount remained almost constant at around CHF 30,000 (the figure was CHF 18,000 back in 2013 and rose steadily until the previous

²¹ The crowdlending section has been largely adopted from: Dietrich, A., Amrein, S., von der Heyde, F., Heuermann, A. & Rüdüsühli, M., & Müller, G. (2019). Crowdlending Survey 2019.

²² Cembra Money Bank (2018). Press release: Cembra Money Bank signs partnership agreement with start-up Lendico Schweiz AG. Online (28.03.2018): <https://www.cembra.ch/de/investor/news-medien/news-details/?nid=280317>

²³ See Crowdlending Survey 2018.

year). It is safe to assume that these average loan volumes will now remain at the current level, as they practically match an average consumer loan in Switzerland.²⁴

The average loan amount in the real estate crowdlending subsegment was CHF 650,000 (previous year 850,000). The significantly higher average loan amount relative to the other segments is due to its use for residential property.

On average, an investor contributed CHF 17,000 to an SME loan in 2018 (2017: CHF 25,000). The equivalent figure for consumer loans remained unchanged compared to the previous year at CHF 4,000. These figures do not reveal very much. Institutional investors, in particular, are becoming increasingly important and invest significantly higher volumes. A survey of Swiss crowdlending platforms published in the Crowdlending Survey 2019 highlights the increasing relevance of institutional investors.²⁵ Of the eleven Swiss crowdlending platforms surveyed, five indicated that institutional investors accounted for between 0 and 20% of the total volume transacted on their platforms (2017: 7/11). Two indicated that institutional investors accounted for between 20 and 40% of the total volume (2017: 1/11). That figure was between 60 and 80% for three platforms, rising to between 80 and 100% for one platform (2017: 1/11).

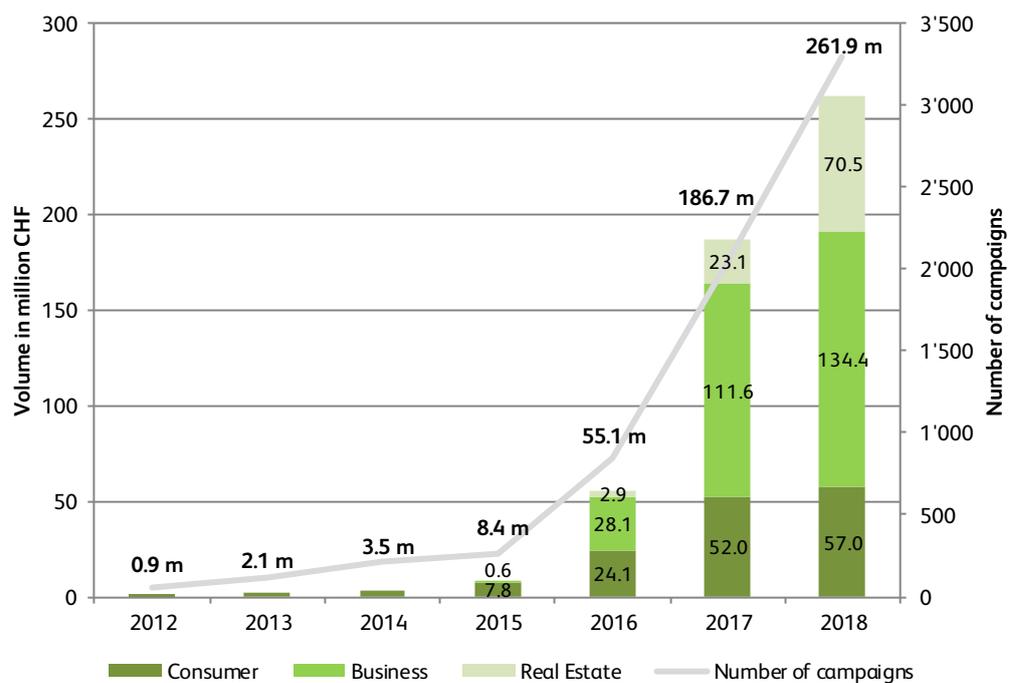


Figure 8: Crowdlending volumes in Switzerland 2012-2018

²⁴ ZEK – Verein zur Führung einer Zentralstelle für Kreditinformation (Swiss central credit information bureau) (2019). Annual Report 2018. p. 13.

²⁵ Dietrich, A., Amrein, S., von der Heyde, F., Heuermann, A. & Rüdüsühli, M., & Müller, G. (2019). Crowdlending Survey 2019.

There are also major differences in the purposes for which loans are used: the focus in business crowdending is often on project funding, debt rescheduling or short-term loans for liquidity management. In the consumer crowdending subsegment, loans are primarily needed for debt rescheduling, education/training, cars, travel or weddings. The real estate crowdending subsegment typically involves mortgages for private individuals and occasionally interim financing for property developers, as well as mortgage-backed SME loans.

When considering the volumes of the various crowdending subsegments, there is always a question as to their relevance in respect of market share. One way to classify the numbers is to compare the submarkets the crowdending platforms operate in. Below we show the overall trend in the consumer credit market (consumer crowdending), SME loan market (business crowdending) and mortgage loan market (real estate crowdending) and the size of the corresponding market share of the crowdending market.

The total volume of outstanding consumer credit in Switzerland at the end of 2018 stood at CHF 7.7 billion (+CHF 419 million relative to the previous year).²⁶ In addition, CHF 8.8 billion worth of leases was owed (+CHF 136 million). 2018 saw new consumer credit to the value of some CHF 4.4 billion taken out. The total amount raised by the consumer crowdending subsegment – CHF 57.0 million – in 2018 remains tiny relative to the overall market (around 1.3 %, see Figure 9).

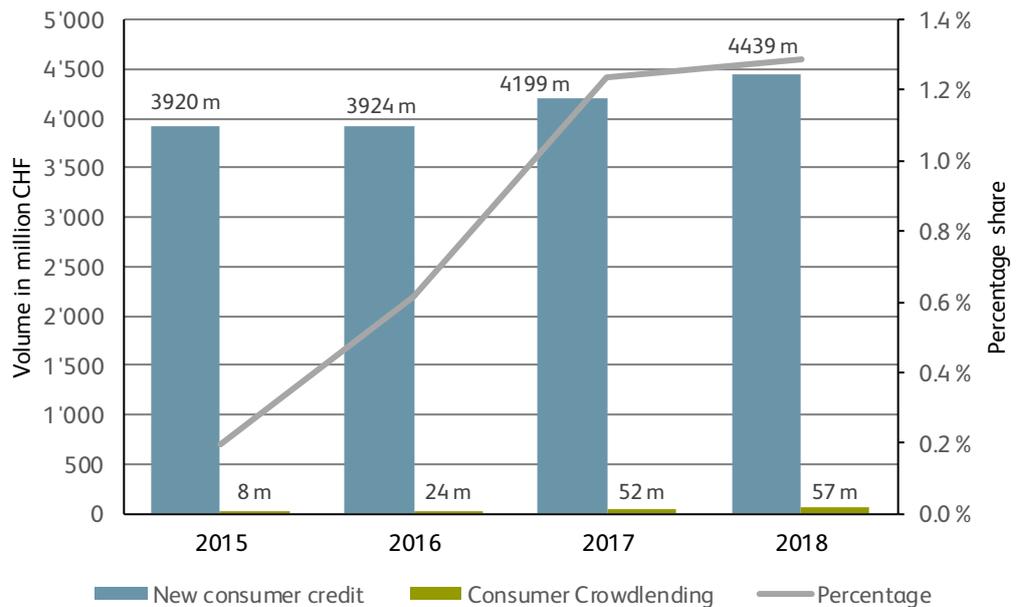


Figure 9: Consumer crowdending share of new consumer credit 2015-2018

²⁶ ZEK – Verein zur Führung einer Zentralstelle für Kreditinformation (Swiss central credit information bureau) (2019). Annual Report 2018. p. 12.

The volume of domestic loans granted by Swiss banks in 2018 came to CHF 1,173 billion. A large proportion of these loans – CHF 1,005 billion – is secured by mortgages. The borrowers are made up of private individuals, companies and the public sector. Private individuals accounted for CHF 788 billion as at the end of 2018. CHF 355 billion of the loans went to companies, 87% of which are SMEs with fewer than 249 employees. CHF 29 billion of this domestic amount relates to loans to public-sector entities.²⁷

The above sums are all stock figures, i.e. volumes that were outstanding at the end of 2018 on the balance sheets of Swiss banks. The volume of loans granted annually can only be estimated: for example, we assume that CHF 150-180 billion in loans are extended or newly concluded each year in the Swiss mortgage credit market for private individuals. The crowdlending volume of CHF 70.5 million for mortgages raised in 2018 is therefore insignificant in terms of the overall market.

The same goes for the SME credit market. The CHF 310 billion on banks' balance sheets is massively larger than the CHF 134.4 million in business crowdlending transacted in 2018. In addition, a representative survey conducted by the State Secretariat for Economic Affairs and the Institute of Financial Services Zug IFZ showed that there are no bottlenecks in the supply of credit in Switzerland: banks turn down only 5% of SME applications for loans. Aside from these SMEs, there are those that have a funding need but do not apply to the bank for a loan: this cohort of "discouraged" SMEs corresponds to around six percent of all Swiss SMEs or 27 percent of those SMEs with a funding need.²⁸ The potential they represent could be of interest to crowdlending platforms.²⁹ The volume figures for companies do not include loans that non-banks transact non-publicly via the private debt market. Lenders here include private debt funds, family offices, insurance companies and pension funds.³⁰

Bearing in mind the volumes of all three crowdlending subsegments, it is safe to say that this remains a niche market. At the same time, the relatively low credit volumes across all three subsegments point to the potential of crowdlending as an alternative source of funding. We continue to expect crowdlending's share of the corresponding markets to rise significantly as time passes. The UK in particular is showing what a market with strong crowdlending platforms can look like: 9.5% of all new SME loan funding in 2017 was transacted via online platforms – the portion in 2012 was just 0.34%. Very small companies in particular avail themselves of this funding option.³¹

The summer of 2017 saw the Federal Council relax the regulatory framework by means of new FinTech regulations. Firstly, the period that funds can be accepted for settlement purposes rose from seven to 60 days. And the "20-lender rule" no longer applied to loans below CHF 1 million made to companies.³² Then in November 2018 the Federal Council finally abolished the "20-lender rule" for loans to private individuals. The 20-lender rule required that loans be financed by no more than 20 persons. The changes to the FinTech regulations came into force on 1 April 2019.³³ The changes were welcomed by the industry.

²⁷ SNB (2018). Data portal of the Swiss National Bank. Online (01.04.2019): <https://data.snb.ch/>

²⁸ Lucerne University of Applied Sciences and Arts/SECO (2017) – Institute of Financial Services Zug IFZ & SECO. Studie zur Finanzierung der KMU in der Schweiz 2016.

²⁹ Dietrich, A. & Amrein, S. (2018). Welches Potenzial hat Crowdfunding in der Schweiz? Blog dated 05.03.2018. Online (01.04.2019): <https://blog.hslu.ch/retailbanking/2018/03/05/welches-potential-hat-crowdlending-in-der-schweiz/>

³⁰ A study to be published in summer 2019 by the Institute of Financial Services Zug IFZ will, for the first time, provide information about the Swiss private debt market. See: Birrer, T., Bauer, M. & Amrein, S. (2019). Unternehmensfinanzierung mit Private Debt in der Schweiz.

³¹ University of Cambridge (2018b). The 5th UK Alternative Finance Industry Report. Cambridge Centre for Alternative Finance.

³² Federal Council (2017). Federal Council ushers in new Fintech rules. Online (11.04.2014): <https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-67436.html>

³³ Federal Council (2019). Federal Council signs off regulations for FinTech approval. Online (11.04.2014): <https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-73186.html>

Crowdlending fees are typically related to the amount of the loan (see Table 5). Fees are often payable by both lenders and borrowers. Moreover, depending on the platform, fees can apply when the transaction is concluded as well as over time. The bandwidths are accordingly broad and the fee models in part hard to compare.

Platform	Business crowdlending		Consumer crowdlending		Real estate crowdlending	
	Borrower	Lender	Borrower	Lender	Borrower	Lender
3Circlefunding	1 % p.a.	0.4 % p.a.	0.75 % p.a.	0.4 % p.a.		
Acredius	1 % once only	1 % on monthly instalments				
Cashare	0.75 % p.a.	0.75 % p.a.	0.75 % p.a.	0.75 % p.a.	0-0.75 % p.a.	0.5-0.75 % p.a.
Creditfolio			n/a	none		
CreditGate24	0.6-0.8 % p.a.	1 % p.a.	0.6-0.8 % p.a.	1 % p.a.	Depends ³⁴	n/a
Creditworld	0.45-1.95 % once only	none				
Crowd4Cash	0.7 % p.a.	0.5 % p.a.	0.7 % p.a.	0.5 % p.a.		
Funders	0.8 % once only	0.8 % once only				
Hyposcout					3 % once only	none
Lend			0.75 % p.a.	1 % p.a.		
Lendico	2-4 % once only	1 % p.a.				
Lendora	0.7 % p.a.	1 % p.a.	0.7 % p.a.	1 % p.a.		
Splendit			CHF 120 p.a.	2 % once only		
Swisspeers	0.5-0.75 % p.a.	0.5 % p.a.				
Swisslending					2-5 % once only	none

Table 5: Crowdlending fee model

³⁴ Fees depend on borrower's financial situation

3.5 Invoice trading

The basic idea of invoice trading is to sell accounts receivable via an online platform. In that respect, the model is similar to that of the well-known principle of factoring. However, invoice trading differs from traditional factoring in respect of its automation, flexibility and risk assignment. Traditional factoring providers (and banks offering this service) still typically process the invoices manually; this process is more standardised in the case of invoice trading platforms. Another key difference compared to conventional factoring is the direct linking of the sellers and buyers/investors of the invoices. In that respect, invoice trading platforms assume no failure risk and do not offer liquidity. Instead, all that the platforms do is intermediate accounts receivable. The recovery of the receivables falls to the seller of the receivables, not the invoice trading provider. That said, it should be noted that businesses can sell individual invoices at certain times only. Flexibility is correspondingly greater than with factoring. Until 2018, only Advanon in Switzerland offered a business model in which private investors could also invest. Following a major fraud, however, Advanon has completely withdrawn from business involving private investors and is now only open to institutional investors. As a result, the platform now no longer comes under our definition of crowdfunding. However, the corresponding figures for 2018 have been included in full in the market statistics. Advanon offers both short-term loans as well as invoice trading, which involves disposing of receivables at a discount. Tradeplus24 pursues a similar business model; it, too, focuses exclusively on institutional investors.

The invoice trading volume stood at CHF 24.3 million in 2018 (2017: CHF 23.5 million³⁵). The number of transactions at Advanon rose from 1,500 to 1,855 in 2018 (this includes the categories "business loan" and "invoice financing"). It is not always easy to distinguish between business models. For instance, Advanon distinguishes between "true sales" and "pre-financing". Underlying true sales is a factoring contract. Pre-financing, on the other hand, is unsecured short-term credit, which can come under business crowdlending. Some of Advanon's overall volume has therefore been allocated to the crowdlending segment. Advanon maintains the platform KMUcash.ch with the Basellandschaftliche Kantonbank.

³⁵ The figure for 2016 is for invoice trading as well as short-term debt financing, while the 2017 figure covers invoice trading only. See footnote 11.

3.6 Other business models in alternative finance

In addition to the traditional crowdlending business models mentioned above, many other platforms have emerged in the last two to three years, primarily aimed at institutional investors. Many of these platforms follow a B2B (business-to-business) business model and, on the borrowers' side, often focus on companies or corporations under public law.

Bank Vontobel launched its cosmofunding money and capital market platform in September 2018. Cosmofunding's offering is aimed at corporations under public law, corporates and institutional investors. The platform works with the Swiss rating agency fedafin, which rates the borrowers. Since its launch, the platform has recorded over CHF 3.8 billion in loan applications. The average volume of funding granted to date is CHF 32.8 million (ranging from CHF 700,000 to CHF 100 million) and the average term is 4.4 years. Cosmofunding does not currently disclose the volume of transacted funding.

Loanboox is also active in the corporations under public law market. The platform has been in operation since September 2016. From its launch until spring 2019, Loanboox had transacted loans in the order of CHF 10 billion. Loanboox, too, pursues an exclusively B2B approach and accepts only institutional and professional investors. On the borrowers' side, the platform can be used by municipalities, towns, cantons and large companies for loans of between CHF 500,000 and CHF 500 million. Most loans have been provided by a single counterparty. Loanboox confines itself purely to providing broking services and charges the borrower a one-off fee amounting to one basis point per year for the life of the loan. Loanboox expanded to Germany in 2017 and to Austria and France in 2018. January 2019 saw the platform raise CHF 22 million in equity. Investors include Deutsche Kreditbank AG and the LGT Group, both in the low single-digit percentage range. According to Loanboox, the company is valued at CHF 122 million.³⁶

Another example of a B2B business model is Remaco with its Direct Lending platform, which connects companies with qualified investors. Instimatch global is also aimed at institutional investors. Compared to the aforementioned platforms, however, instimatch focuses more on short-term transactions and tries to bring part of the traditional money market to its platform. Alongside institutional investors, instimatch is also open to larger companies seeking to optimise their liquidity via the platform.

The end of 2018 saw start-up Systemcredit go online with the aim of establishing a marketplace for SME loans. Acting as an intermediary, the Systemcredit platform provides SMEs with credit offers from several possible lenders. The potential lenders are primarily banks, institutional investors, and crowdlending platforms or their investors. It currently collaborates with Bank Cler and crowdlending platform Swisspeers.

We consider these trends, which can be observed in Switzerland, and the aforementioned B2B platforms to be both interesting and relevant. While the volumes of P2P (private-to-private; e.g. consumer loans via crowdfunding platforms) models and P2B (private-to-business; e.g. SME loans via crowdfunding platforms) models are currently still in the mid three-digit million range, the aforementioned B2B models are already transacting several billion CHF per annum after only a short time. It goes without saying that the banks are keeping a close eye on developments. We predict that other banks will be joining Bank Vontobel (cosmofunding) and UBS (UBS Atrium) in developing similar business models for the marketplace.

³⁶ Loanboox (2019). Loanboox banks 22 million francs. Press release dated 30.01.2019. Online (14.04.2019): <https://www.loanboox.com/landing/ch/news/posts/series-b-01-19>

4 Crowdfunding: an international comparison

Switzerland's crowdfunding market has evolved strongly in recent years. Last year, its volume exceeded the half a billion Swiss franc mark for the first time. That said, the pace of growth slowed somewhat in 2018 compared to the previous year. How should these changes in the Swiss market be viewed in an international context? How far advanced is the Swiss crowdfunding market in terms of volume?

Table 6 shows the crowdfunding volumes of selected countries in 2017 and the shares of the various crowdfunding segments in the overall volume. At the time of publication, the only figures available for 2018 are those for Switzerland, the following comparison focuses on 2017. China in 2017 hosted the world's largest crowdfunding market. Crowdfunding was used to transact the equivalent of CHF 345.1 billion. The figure for the USA was CHF 38.6 billion in 2017, in the UK CHF 7.8 billion. Amongst Switzerland's neighbours, France stood at CHF 725.0 million, Germany at CHF 661.9 million and Austria at CHF 36.6 million. Although the overview of the countries below is not exhaustive, in absolute terms Switzerland is still one of the larger markets (market volume 2017: CHF 374.5 million).

In terms of the relevance of the individual crowdfunding segments, the crowdlending segment leads in almost all the markets: the debt capital market typically accounts for the largest share of the overall volume. Real estate crowdinvesting is comparatively important in Switzerland: in 2017 and 2018, this subsegment contributed 31.0 and 33.8 percent to the crowdfunding volume in Switzerland, a share that is higher than in any other country.

Due to the difference in size and economic strength of the countries listed, information regarding their absolute volume figures should be treated with caution. Figure 10 therefore presents the 2017 volumes as a ratio of the resident population. China saw the largest volume of per capita crowdfunding in 2017 (CHF 249). However, that figure is not shown in the illustration: after the bursting of a crowdlending bubble, we expect to see the figures fall sharply in 2018. In the UK and the USA, the per capita volumes in 2017 were CHF 119 and CHF 118 respectively. The high per capita crowdfunding volumes in continental Europe – particularly Estonia – are noteworthy. The figure for Switzerland in 2018 was CHF 61 (CHF 45 in 2017); in 2016 it was just CHF 15.

In the previous year, we stated here that Switzerland was some three years behind the leading markets in the USA and the UK. We also wondered whether Switzerland would catch up with these countries. The 2017 volumes are now available for the UK and USA, leading to the conclusion that the gap has not narrowed significantly, at least in 2017, despite marked growth in Switzerland. The per capita crowdfunding volume in Switzerland in 2018 was CHF 61, a figure exceeded in the USA and UK back in 2015. Nevertheless, it should be noted that interest in crowdfunding in Switzerland is high compared to other continental European countries.

Country	2017 volume in CHF m	Growth 2016-2017	Share of segments in the overall crowdfunding volume 2017							
			Business crowdending	Consumer crowdending	Real estate crowdending	Real estate crowdinvesting	Business Crowdinvesting	Crowddonating / reward-based crowdending	Invoice trading	Miscellaneous
China	345,067.4	69.5%	29.8%	68.5%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
USA	38,666.7	53.8%	20.8%	76.0%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%
UK	7,796.1	31.8%	33.2%	22.8%	19.8%	3.4%	5.4%	1.4%	12.8%	1.2%
Australia	1,130.8	193.1%	52.0%	23.0%	7.4%	1.8%	0.2%	2.3%	12.4%	0.9%
Canada	854.2	307.5%	58.0%	12.2%	14.0%	1.3%	1.6%	12.9%	0.0%	0.0%
France	725.0	49.2%	18.0%	44.9%	0.0%	10.3%	7.4%	8.5%	4.6%	6.1%
Germany	661.9	88.8%	12.0%	54.6%	0.0%	21.3%	3.3%	7.5%	0.3%	1.0%
Switzerland 2018	516.6	37.9%	26.0%	11.0%	13.6%	33.8%	5.9%	5.0%	4.7%	0.0%
Switzerland 2017	374.5	192.1%	29.8%	13.9%	6.2%	31.0%	5.1%	7.8%	6.3%	0.0%
Japan	341.7	-12.8%	54.4%	0.0%	13.1%	27.9%	1.0%	3.5%	0.0%	0.0%
Netherlands	282.7	33.5%	51.6%	2.4%	0.0%	1.6%	7.0%	3.1%	11.7%	22.7%
Italy	267.9	93.4%	10.0%	24.5%	0.5%	0.0%	2.0%	5.4%	57.6%	0.0%
India	263.8	240.5%	49.8%	34.5%	0.0%	0.0%	6.6%	7.8%	0.6%	0.8%
New Zealand	257.6	24.2%	6.1%	85.5%	1.4%	0.0%	0.5%	6.5%	0.0%	0.0%
Sweden	211.2	125.0%	1.1%	34.9%	4.6%	25.2%	17.9%	0.0%	16.4%	0.0%
Singapore	187.7	20.0%	57.4%	0.1%	0.6%	0.0%	26.0%	0.0%	14.2%	1.7%
Mexico	186.8	240.5%	57.8%	6.8%	3.1%	5.6%	0.8%	6.4%	10.6%	8.9%
Brazil	186.8	597.2%	25.0%	58.7%	0.0%	0.9%	3.1%	11.0%	0.3%	1.0%
Spain	178.5	25.2%	26.6%	19.7%	11.5%	0.2%	13.2%	9.7%	19.2%	0.0%
Finland	161.7	4.4%	17.5%	69.8%	0.0%	3.5%	0.0%	0.8%	4.9%	3.5%
Poland	158.4	280.8%	16.9%	68.6%	0.0%	0.0%	0.5%	6.6%	7.4%	0.0%
Latvia	102.5	246.1%	13.5%	81.9%	4.2%	0.0%	0.0%	0.1%	0.2%	0.0%
Belgium	101.1	80.0%	16.7%	0.0%	0.0%	0.0%	1.1%	1.1%	80.3%	0.9%
Estonia	90.3	0.4%	4.8%	50.1%	22.6%	6.1%	0.7%	1.9%	13.7%	0.0%
Denmark	48.2	-50.3%	22.4%	7.4%	0.0%	0.0%	0.0%	8.3%	62.0%	0.0%
Austria	36.6	55.4%	28.6%	0.0%	5.2%	0.0%	26.5%	18.5%	0.0%	21.3%
Czech Republic	29.5	-14.0%	7.5%	10.2%	0.3%	0.0%	0.0%	1.0%	80.9%	0.0%
Norway	13.1	145.6%	1.7%	0.0%	22.9%	0.0%	11.9%	63.6%	0.0%	0.0%

Table 6: Crowdfunding volumes of selected countries in 2017 and the shares of the various crowdfunding segments in the overall volume³⁷

³⁷ Data: Switzerland: own surveys. Other countries: various market studies by the University of Cambridge. Publications. Online. (15.05.2019): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

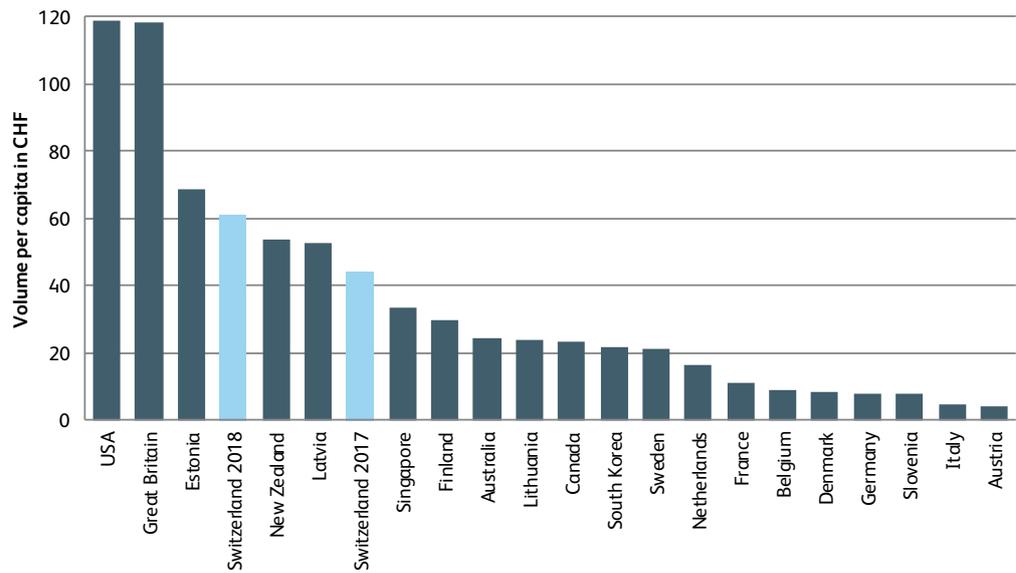


Figure 10: Per capita crowdfunding volumes in selected countries 2017³⁸

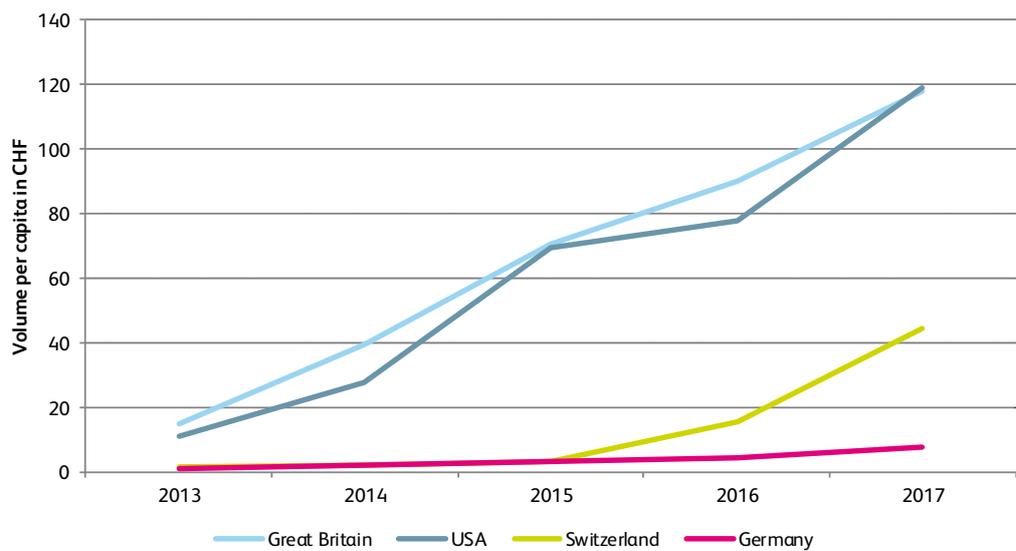


Figure 11: Per capita crowdfunding volumes 2013-2017³⁹

³⁸ Data: See footnote 37. Population: The World Bank. Population total. Online (15.05.2019): <https://data.worldbank.org/indicator/sp.pop.totl>

³⁹ Data: See footnote 37. Population: The World Bank. Population total. Online (15.05.2019): <https://data.worldbank.org/indicator/sp.pop.totl>

5 Forecasts: crowdfunding in 2019

In light of the above results, we offer the following forecasts for trends in Switzerland's crowdfunding market in 2019:

1. Sustained growth

The growth rates in 2018 were very positive, but below our expectations. We are expecting the total volume to grow in the double-digit percentage range in 2019, resulting in a volume of between CHF 700 and 900 million in the Swiss crowdfunding market. Growth will be strongly driven by real estate crowdinvesting and crowdlending.

2. Increased market concentration – fewer market launches

Most of the crowdfunding segments are dominated by the three to five largest platforms. We are expecting this trend to accentuate: launches of new platforms on the Swiss market will be few and far between. At the same time, there may be increased collaboration between, and merges of, individual platforms in 2019.

Numerous platforms in Switzerland remain online without having funded many campaigns: we expect some of them to exit the market in 2019.

3. Crowdfunding moving away from its original concept

The original idea of crowdfunding was to fund a project by mobilising large numbers of people. This core notion is being increasingly watered down in two areas: in the crowdlending variant of crowdfunding, not only are platforms increasingly facilitating transactions between borrowers and lenders without any public tendering process, but also many loans are now being financed by a single professional investor rather than a swarm. This is diminishing the role of the private individual. Similar trends are observable in business crowdinvesting, a subsegment of crowdinvesting.

We expect the role of the professional investor to grow in importance in line with market growth to the detriment of the role of the private individual. The increased involvement of institutional investors will further accelerate the growth of the crowdlending segment.

On the other hand, the crowd of private individuals remains central to the reward- and donation-based crowdfunding segment. Here too, however, it may well be that ever-closer cooperation between companies/foundations and platforms will lead to changes in the composition of the backers.

4. The Swiss crowdfunding market will retain its importance in an international comparison

Looking at per capita crowdfunding volumes, Switzerland is one of the more relevant markets in an international comparison. Despite the relatively modest size of the domestic market, crowdfunding in Switzerland has achieved a considerable volume in absolute terms, too. Although it will be difficult to catch up with the leading markets in the UK and the USA, the Swiss market will continue to transact high volumes in the continental European context.

Appendix: Market participants

The following profiles were provided by the platforms featured.

		Name	3circlefunding www.3circlefunding.ch
		Legal owner	3circlefunding GmbH
Managing director(s)	Anthony McCarthy	Address	Höschgasse 25 8008 Zurich
When established	2017	Email	anthony.mccarthy@3circlefunding.ch
Number of staff	4 (FTEs)	Telephone	
Form	Crowdlending		
Brief profile	We offer crowd-based funding aimed at giving investors and borrowers more control and freedom regarding the loans. We also offer a secondary market for the loans.		
Fee model	Listing & service fee		

		Name	100-DAYS www.100-days.net
		Legal owner	100-Days.net GmbH
Managing director(s)	Romano Strelbel & Christian Klinner	Address	Ankerstrasse 3 8004 Zurich
When established	2012	Email	support@100-days.net
Number of staff	1.2 (FTEs)	Telephone	
Form	Reward-based crowdfunding/crowddonating		
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	all-or-nothing, 9 % of the target amount if successful (11 % for stage projects)		

		Name	Acredius www.acredius.ch
		Legal owner	n/a
Managing director(s)	Ghassen Benhadjsalah	Address	Hardturmstrasse 161 8005 Zürich
When established	2017	Email	info@acredius.ch
Number of staff	4 (FTEs)	Telephone	
Form	Crowdlending		
Brief profile	Acredius is a secure online platform that provides an innovative way of linking investors with borrowers. Investors can diversify their portfolios and tap into interesting revenue streams. Borrowers obtain access to fair financing solutions.		
Fee model	Borrower pays the platform 1 % of the amount owed. Investor pays the platform 1 % of each monthly instalment.		

		Name	Advanon www.advanon.com
		Legal owner	
Managing director(s)	Phil Lojacono	Address	Baslerstrasse 60 8048 Zurich
When established	2015	Email	info@advanon.com
Number of staff	33	Telephone	+41 44 585 38 50
Form	Invoice trading		
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	Beedoo www.beedoo.ch
		Legal owner	Beedoo SA
Managing director(s)	David Croisier	Address	Chemin de Chaumets 19b 1277 Borex
When established	2017	Email	info@beedoo.ch
Number of staff	1.3	Telephone	+41 22 368 08 08
Form	Crowdinvesting		
Brief profile	For investors and entrepreneurs looking for more than finance.		
Fee model	Flat fee for assesement and success fee.		

		Name	Cashare www.cashare.ch
		Legal owner	Cashare AG
Managing director(s)	Michael Borter	Address	Bösch 65 6331 Hünenberg
When established	2008	Email	support@cashare.ch
Number of staff	11 (FTEs)	Telephone	
Form	Crowdlending		
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 Swiss crowd-funding platform to launch.		
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 AG
Managing director(s)	Philipp Steinberger	Address	Zeughausstrasse 13 9053 Teufen
When established	2010	Email	info@c-crowd.com
Number of staff	0 (FTEs)	Telephone	+41 43 300 80 20
Form	Crowdinvesting		
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	CONDA www.conda.ch
		Legal owner	CONDA AG
Managing director(s)	Daniel Horak & Paul Pöltner	Address	Zugerstrasse 76b 6341 Baar
When established	2015	Email	team@conda.ch
Number of staff	20 (FTEs)	Telephone	+41 41 720 02 12
Form	Crowdinvesting		
Brief profile	International crowdinvesting platform for start-ups, SMEs & property projects in Austria, Germany, Switzerland, Slovenia, Slovakia and Poland		
Fee model	Mostly transaction-based		

		Name	Creditfolio www.creditfolio.ch
		Legal owner	Creditfolio AG
Managing director(s)	n.a.	Address	Solothurnerstrasse 72 4053 Basel
When established	2017	Email	info@creditfolio.ch
Number of staff	1 (FTEs)	Telephone	
Form	Crowdlending		
Brief profile	Creditfolio AG aims to bring together persons requiring a loan with investors/lenders. To achieve this, Creditfolio AG has established an online platform that allows borrowers to announce their need for loan (credit project). Potential investors can browse the platform for opportunities and participate in credit projects by advancing funds. Investors receive interest from borrowers by way of consideration.		
Fee model	n/a		

 CreditGate24		Name	CreditGate24 www.creditgate24.ch
		Legal owner	CreditGate24 (Schweiz) AG
Managing director(s)	Stefan Benkert	Address	Alemannenweg 6 8803 Rüslikon
When established	2015	Email	info@creditgate24.com
Number of staff	26 (FTEs)	Telephone	+41 44 515 94 09
Form	Crowdlending		
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		

 creditworld		Name	creditworld www.creditworld.ch
		Legal owner	creditworld AG
Managing director(s)	Kai Ren, Philipp Schneider & Philipp Schnyder	Address	Selnaustrasse 5 8001 Zurich
When established	2016	Email	info@creditworld.ch
Number of staff	8 (FTEs)	Telephone	+41 44 510 87 02
Form	Crowdlending		
Brief profile	creditworld brings together Swiss SMEs with private individuals and professional investors. Businesses benefit from attractive terms and fair contractual conditions. Investors gain access to a new investment class offering interesting returns while at the same time supporting the backbone of the Swiss economy.		
Fee model	Depends on loan amount for the borrower (0.45-1.50 %), but min. CHF 1,000. No fees for investors		

 crowdhouse		Name	Crowdhouse www.crowdhouse.ch
		Legal owner	Crowdhouse AG
Managing director(s)	Robert Plantak, Ardian Gjeloši	Address	Lerchenstrasse 24 8045 Zurich
When established	2015	Email	info@crowdhouse.ch
Number of staff	100 (FTEs)	Telephone	+41 44 377 60 63
Form	Crowdinvesting		
Brief profile	Crowdhouse is the first platform for investing online in existing Swiss investment properties with joint ownership entered in the Swiss Land Register. The minimum investment is CHF 25,000.- 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. Following a successful purchase, Crowdhouse manages the property.		
Fee model	One-off 3 % of the property purchase price, then 5 % of the net rental income for managing the property.		

		Name	Crowdli www.crowdli.ch
		Legal owner	Crowdli AG
Managing director(s)	Felix Helling	Address	Zürcherstrasse 310 8500 Frauenfeld
When established	2017	Email	helling@crowdli.ch
Number of staff	2 (FTEs)	Telephone	+41 41 525 33 77
Form	Crowdinvesting		
Brief profile	Crowdfunding to invest in Swiss properties.		
Fee model	3.0% brokerage fee and 0.6% transaction fee. 1.5% of the net rental income as management fee.		

		Name	Crowdpark www.crowdpark.ch
		Legal owner	Crowdli AG
Managing director(s)	Sébastien Demartines	Address	Chemin des Buclines 20 1224 Chêne-Bougeries
When established	2018	Email	office@crowdpark.ch
Number of staff	2 (FTEs)	Telephone	+41 22 518 14 52
Form	Crowdinvesting		
Brief profile	Crowdfunding to invest in Swiss properties.		
Fee model	Brokerage fee : 3% of the acquisition price ; Management fee : 5% of the net rental income		

		Name	Crowd4Cash www.crowd4cash.ch
		Legal owner	Crowd Solutions AG
Managing director(s)	Roger Bossard	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		
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. Investments can be transacted using cryptocurrencies.		
Fee model	Fees only if successful: 0.70% p.a. (borrower) and 0.50% p.a. (investor)		

		Name	Foxstone SA www.foxstone.ch
		Legal owner	Dan Amar
Managing director(s)	Dan Amar	Address	Rue des Bains 35 1205 Genève
When established	2017	Email	info@foxstone.ch
Number of staff	12 (FTEs)	Telephone	
Form	Crowdinvesting & crowdlending		
Brief profile	Foxstone is a real estate investment platform which aims to democratize property investing in Switzerland. Users can invest in existing and rented residential buildings (crowdinvesting) or real estate development projects through a loan to a property developer (crowdlending) with a minimum investment threshold at CHF 50,000 and a turnkey service.		
Fee model	3 % commission on the asset gross amount and management fees between 0.10 % and 0.50 % annually		

		Name	Funders www.funders.ch
		Legal owner	Luzerner Kantonalbank AG
Managing director(s)	Guido Hauser & Daniel Lütolf	Address	Pilatusstrasse 12 6003 Lucerne
When established	2016	Email	info@funders.ch
Number of staff	2.5 (FTEs)	Telephone	+41 41 206 25 01
Form	Reward-based crowdfunding and crowdlending		
Brief profile	Funders is a platform for reward-based crowdfunding and crowdlending projects. Initiators (inventors, creatives, start-ups, SMEs, clubs/societies, event organisers and not-for-profit organisations) can realise projects with the backing of numerous funders. Crowdfunding: realising innovations, dreams and projects together.		
Fee model	7 % including transaction costs in the case of reward-based crowdfunding. Crowdlending: 0.8 % for funders, 0.8 % for borrowers (on the overall sum).		

		Name	GivenGain www.givengain.com
		Legal owner	GivenGain Foundation
Managing director(s)	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		
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 %		

 HYPOSCOUT AG Hyposcout – Ihre Hypothekenplattform		Name	Hyposcout AG www.hypo-scout.ch
		Legal owner	Hyposcout AG
Managing director(s)	Beyzade Han	Address	Neugutstrasse 66 8600 Dübendorf
When established	2016	Email	info@hypo-scout.ch
Number of staff	20 (FTEs)	Telephone	+41 44 533 75 00
Form	Crowdlending		
Brief profile	Hyposcout AG provides intermediation between investors and persons seeking a mortgage, bringing both sides together.		
Fee model	Hyposcout AG receives 3% of the capital amount from the borrower (min. 5,000 CHF).		

 <i>I believe in you</i>		Name	I believe in you www.ibelieveinyou.ch
		Legal owner	I believe in you AG
Managing director(s)	Nick Gast	Address	Kramgasse 5 3011 Bern
When established	2013	Email	info@ibelieveinyou.ch
Number of staff	9 (FTEs)	Telephone	+41 31 544 35 20
Form	Reward-based crowdfunding		
Brief profile	I believe in you is the first crowdfunding platform to focus wholly on the funding of Swiss sporting projects. IBIY is open to everyone. Individual athletes, teams, recreational / amateur / elite athletes, clubs/societies and promoters can publicise and fund their projects via the platform. IBIY's operations are funded by administration fees and sponsors.		
Fee model	4% payment fee, 8% consultancy fee. Fees incurred only if project is successful.		

		Name	I care for you www.icareforyou.ch
		Legal owner	I care for you Foundation
Managing director(s)	Corinne Wissing	Address	Kramgasse 5 3011 Bern
When established	2015	Email	corinne.wissing@icareforyou.ch
Number of staff	2 (FTEs)	Telephone	+41 31 544 35 21
Form	Reward-based crowdfunding		
Brief profile	Crowdfunding for social and humanitarian projects run by organisations or private individuals.		
Fee model	10% inclusive transaction fee		

		Name	investiere www.investiere.ch
		Legal owner	Verve Capital Partners AG
Managing director(s)	Steffen Wagner & Lukas Weber	Address	Oberdorfstrasse 38 6340 Baar
When established	2010	Email	info@investiere.ch
Number of staff	24 (FTEs)	Telephone	+41 44 380 29 35
Form	Crowdfunding		
Brief profile	<p>Investiere.ch is one of the leading online start-up investment platforms in Europe. The 13,000 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 60 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 ranks amongst the best-known Swiss FinTechs internationally.</p>		
Fee model	3-6 % 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(s)	Michel Lalive d'Epinay, Florian Kübler	Address	Hofackerstrasse 13 8031 Zurich
When established	2016	Email	info@lend.ch
Number of staff	8.4 (FTEs)	Telephone	
Form	Crowdlending		
Brief profile	Peer-to-peer lender in Switzerland		
Fee model	Borrower: 0.75 % p.a., investor: 1 % of the amount invested		

		Name	Lendico Schweiz AG www.lendico.ch
		Legal owner	PostFinance AG
Managing director(s)	Myriam Reinle	Address	Talacker 34 8001 Zurich
When established	2016	Email	info@lendico.ch
Number of staff	9.2 (FTEs)	Telephone	+41 43 508 71 58
Form	Crowdlending, Marketplace Lending		
Brief profile	This digital marketplace brings investors and persons seeking credit together as a simple, flexible alternative to conventional business credit.		
Fee model	Borrower: one-off fee of 2-4 % on the loan amount, 1 % on repayments		

		Name	Lendora www.lendora.ch
		Legal owner	Lendora SA
Managing director(s)	Simon Pelletier	Address	Chemin 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		
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	Lokalhelden.ch www.lokalhelden.ch
		Legal owner	Raiffeisen Switzerland
Managing director(s)	André Stöckli and Elodie Schwab	Address	Raiffeisenplatz 9000 St. Gallen
When established	2016	Email	info@lokalhelden.ch
Number of staff	1.9 (FTEs)	Telephone	
Form	Crowddonating / reward-based crowdfunding		
Brief profile	Raiffeisen's crowdfunding portal for clubs/societies, institutions and private individuals with not-for-profit projects.		
Fee model	0 %, 1.5 % on credit card payments		

		Name	myBrick.ch www.mybrick.ch
		Legal owner	myBrick SA
Managing director(s)	Waleed Julier & Yashar Rahmatollahi	Address	Avenue de Chailly 1, 1012 Lausanne
When established	2017	Email	info@mybrick.ch
Number of staff	3 (FTEs)	Telephone	
Form	Crowdinvesting		
Brief profile	myBrick.ch is a real estate crowdfunding platform focusing on the Swiss market. Our platform is a marketplace that matches investors to property sellers. We provide the opportunity for individuals to co-invest and become property owners by investing smaller amounts than traditionally required. Our target market is the French-speaking part of Switzerland.		
Fee model	2-3 % of the invested 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(s)	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		
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(s)	Lukas Wullimann	Address	Weissensteinstr. 81 4500 Solothurn
When established	2011	Email	mail@projektstarter.ch
Number of staff	1.2 (FTEs)	Telephone	+41 32 622 07 07
Form	Reward-based crowdfunding		
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		

		Name	Raizers www.raizers.com
		Legal owner	Maxime Pallain & Grégoire Linder
Managing director(s)	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		
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	SIG Impact www.sig-impact.ch
		Legal owner	Services industriels de Genève (SIG)
Managing director(s)	Christian Brunier, Jean-Marc Zraggen Frédéric Godmer	Address	Chemin Château-Bloch 2 1219 Le Lignon
When established	2018	Email	jean-marc.zraggen@sig-ge.ch
Number of staff	1 (FTEs)	Telephone	+41 22 420 82 87
Form	Reward-based		
Brief profile	SIG Impact is a sectoral platform that only publishes Geneva-based projects aimed at promoting the energy transition, such as energy efficiency, renewable energies and waste reduction projects.		
Fee model	The SIG Impact platform is linked to our Demand side management program "éco21", so there is no commission charged on projects published by our clients.		

		Name	Splendit www.splendit.ch
		Legal owner	Switzerland AG
Managing director(s)	Michel Lalive d'Epinay, Florian Kübler	Address	Hofackerstrasse 13 8031 Zurich
When established	2014	Email	info@splendit.ch
Number of staff	0.5 (FTEs)	Telephone	
Form	Crowdlending		
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(s)	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		
Brief profile	SwissLending is a crowdfunding platform focused on real estate crowdlending. It brings together property developers and investors		
Fee model	5% for borrower, investor incurs no fee		

		Name	swisspeers www.swisspeers.ch
		Legal owner	swisspeers AG
Managing director(s)	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		
Brief profile	<p>Swisspeers is an independent crowdlending 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.</p> <p>Swisspeers offers investors the chance to invest directly in SMEs and thus get around the investment crisis in Swiss franc fixed-rate transactions. These alternative investment opportunities with their attractive yield/risk profile help strengthen the Swiss business community.</p>		
Fee model	Borrower: 0.5 % p.a.; lender: 0.25 % p.a.		

		Name	wemakeit www.wemakeit.com
		Legal owner	Verein Wemakeit.ch
Managing director(s)	Céline Fallet & Leandro Davies	Address	Schöneeggstrasse 5 8004 Zurich
When established	2012	Email	hello@wemakeit.com
Number of staff	6 (FTEs)	Telephone	
Form	Reward-based crowdfunding		
Brief profile	<p>wemakeit was founded in Switzerland in February 2012, since when it has grown to become one of Europe's largest crowdfunding platforms. Alongside the continuous growth in projects and expansion of partnerships and consultancy services, wemakeit took a step into the digital future in 2017 by introducing Bitcoin as a means of payment. The decision by the management to remain an independent, owner-managed enterprise has proved a wise decision. wemakeit records profits without the need for outside funding or investors, and has firmly stood its ground as market leader in Switzerland.</p>		
Fee model	10 % (6 % commission, 4 % transaction fee)		

Appendix: Statistics

Number of campaigns					
Year	Crowdinvesting	Reward- & donation-based crowd-funding	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	n/a	2'203
2017	42	1'536	2'035	n/a	5'113
2018	87	1'644	3'290	1'500	6'521
2008-2018	207	7'371	7'026	1'500	18'204

Total volume (in CHF million)					
Year	Crowdinvesting	Reward- & donation-based crowd-funding	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 ⁴⁰	128.2
2017	135.2	29.1	186.7	23.5	374.5
2018	204.9	25.6	261.9	24.3	516.6
2008-2018	400.5	98.7	520.4	65.2	1'084.9

⁴⁰ The volume for invoice trading is from Advanon. For 2016, the volume could not be differentiated between crowdlending and invoice trading.

Authors

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Prof Dr Andreas Dietrich (1976) heads the Institute of Financial Services Zug IFZ and is Head of Studies of the MSc in Banking and Finance and CAS Digital Banking at the Lucerne School of Business. He studied at the University of St. Gallen (HSG), where he also obtained his doctorate. He worked as a research associate at the HSG and completed a research year at DePaul University in Chicago. He has been at the IFZ since 2008. He also has a seat on the board of directors of the Lucerne Cantonal Bank.

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Simon Amrein (1985) is a PhD researcher at the European University Institute (EUI) in Florence and has been a senior research associate at the Institute of Financial Services Zug IFZ 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, a department of the Lucerne School of Business, is the leading financial institute at a university of applied sciences level in Switzerland. The IFZ provides research and advisory services and offers wide-ranging continuing and executive education programmes for specialists and managers in the financial sector. It also offers bachelor and master of science degree programmes with a specialisation in banking and finance.

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- DAS Private Banking & Wealth Management
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Selected publications from the IFZ

Crowdfunding Monitor 2018



60 pages
available from
hslu.ch/crowdfunding
- Development of the Swiss market
- Crowdfunding platforms
- International comparison

Crowdfunding in the cultural sector



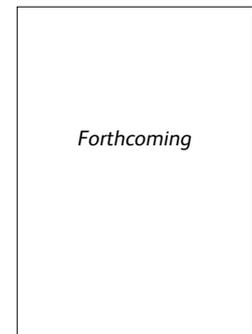
40 pages
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- Analysis of customer needs

IFZ Retail Banking-Studie 2018



200 pages, CHF 290.-
- Benchmarking and corporate governance analysis of Swiss retail banks

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