

Institute of Financial Services Zug IFZ

Crowdfunding Monitor Switzerland 2022

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 2021 **CHF 791.8 million (+31%)** was raised in Switzerland.

Some **CHF 3 billion** has been raised through crowdfunding since the launch of the first crowdfunding platform in Switzerland 14 years ago.

The highest growth from 2020 to 2021 was posted by **Crowdlending (+35%, to CHF 607.0 million)**.

The volume in the **Crowdinvesting segment (+29% to CHF 147.2 million)** increased, while the volume in the **reward-based crowdfunding / crowd-donating segment (-16% to CHF 37.6 million)** declined slightly compared to 2020.

About **250,000 people** backed crowdfunding campaigns in Switzerland in 2021.

37 crowdfunding platforms

were operating in Switzerland at the end of April 2022 (domiciled in Switzerland). That said, 2021 saw funding campaigns recorded on only 28 Swiss-based platforms.

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. Nevertheless, 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.

We currently still have 37 active platforms in Switzerland, with only 28 platforms actually funding campaigns in 2021. After only very modest growth in 2020 (caused by the Covid-19 pandemic), growth in 2021 was once again encouraging. Overall, around 31 percent more crowdfunding projects were brokered in 2021 than in 2020. CHF 792 million was raised in total.

The Institute of Financial Services Zug IFZ of the Lucerne School of Business publishes this Crowdfunding Monitor annually. 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 transparency in this market.

We rely on collaboration with crowdfunding platforms for our analyses. The following platforms supported our endeavours by sharing their data: Acredius, Beedoo, Cashare, CG24 Group, Conda.ch, Creditworld, Crowd4cash, Crowdhouse, Crowdify, Dagobertinvest, Foxstone, Funders, Fundoo, GivenGain, I believe in you, Imvesters, Lend, Lendora, Lokalhelden, Neocredit, Progettiamo, Projectstarter, Raizers, SigImpact, Splendit, Swisslending, Swissspeers, There for you, Wemakeit, Yes We Farm and 3CircleFunding. We are grateful to them all for their input. We are also indebted to our research associates Anja Stutz and Florian Estermann, who helped us prepare this Monitor for publication.

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1 Objective and structure of the report

The objective of this study 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.

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 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 2021. The published figures are based on regarding information provided by the platforms and on larger-sized campaigns that did not run on established platforms or other websites.

The Monitor 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 changes are shown and commented on from an overall market perspective as well as split up into the various crowdfunding segments. Section 4 contains a special item on crowdfunding in politics. Section 5 presents an analysis of the Swiss crowdfunding market in the international context. The last section of the Monitor 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 typically receives a fee for the transaction. This referral commission typically takes the form of a percentage of the amount raised. Those providing funds receive a monetary or non-monetary consideration 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 subsegments: crowdcreation, crowdvoting and crowdwisdom (Howe, 2006).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. As a result, 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. Crowd voting 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 subsegments. 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 / participating in its profit (crowdinvesting) or receiving interest (crowdlending) on the capital 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 sector, crowdinvesting, crowdlending 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 based 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:

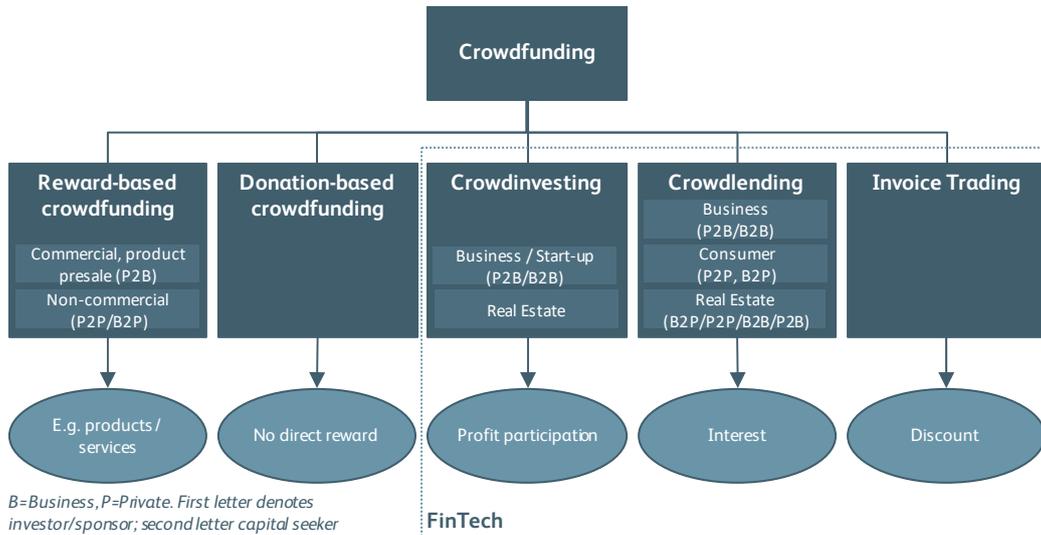


Figure 1: Types of crowdfunding and consideration for each crowdfunding segment

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, in particular, can use reward-based crowdfunding for the pre-financing of products.

Crowddonating

The contributions made in crowddonating are simple donations that are not usually associated with any consideration. Examples include social, charitable and cultural projects. Crowddonating 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 crowddonating 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 (often entered in the Swiss Land Register) 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. Alongside private loans and SME loans, private individuals are able to acquire mortgages without a bank as intermediary. In this Monitor, 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) models, such as where institutional investors provide finance

for companies or corporations under public law. By contrast, this study focuses on crowdlending, i.e. as borrowed capital that can be financed both by institutional and private investors.

Invoice trading

In this form of crowdfunding, investors purchase unsettled business invoices at a discount. Invoice trading thus enables SMEs to obtain short-term liquidity. From the investor's standpoint, the difference between the amount paid for the invoice and the amount of the invoice itself is what constitutes the income received. The direct linking of those seeking funds and those seeking to invest gives rise to a new investment class. At the time of writing, there is no longer any invoice trading platform in Switzerland that is open to the public and non-professional investors with small amounts to invest (unlike in the B2B segment, where there are several such opportunities). This is why statistics show no separate figures for this area from 2020 onwards.

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; 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 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 study's working definition of crowdfunding. Typically, a large number of people provide funding for an undertaking or project. Intermediation between project initiators and backers 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 (blockchain-related) 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 receive funding directly from backers without intermediation by a platform.

From this point on, the Monitor presents only those campaigns conducted under "traditional" crowdfunding scenarios. For a general overview of the topic, please refer to the IFZ FinTech Study, and for a specific overview of the crypto assets ecosystem, see the IFZ Crypto Assets Study.³

³ Ankenbrand, T., Bieri, D., Frigg, M., Kronenberger, T., & Reichmuth, L. (2022). IFZ FinTech Study 2022, and Ankenbrand, T., Bieri, D., Kronenberger, T., Lötscher, D., Sardon, A., Schüpbach, C., & Vincenz, D. (2021). Crypto Assets Study 2021.

3 Crowdfunding in Switzerland

Focused on crowdlending, the first crowdfunding platform to be launched in Switzerland was Cashare; the year was 2008. Numerous new platforms went online in the years that followed until around 2017. The momentum has slowed considerably since then. 37 crowdfunding platforms were maintaining a domiciled office presence in Switzerland as of the end of April 2022. Of these 37 platforms, 28 reported successful funding campaigns in 2021. Three foreign platforms also reported successful campaigns by project initiators from Switzerland: we have taken these into account in the Monitor.⁴ In addition, two large Swiss campaigns have been taken into account that were not transacted via existing platforms.⁵ The 28 Swiss platforms with successfully funded campaigns are listed in Table 1.⁶ The aggregated figures for the Swiss market are thus based on these 28 platforms, the two platform-independent campaigns and the data from the three foreign platforms.

Crowd-investing	Business / start-up
	Real estate Beedoo, Crowdhouse, Foxstone ⁷ , Imvesters
Crowd-lending	All segments Cashare, CG24 Group, Lend
	Business and consumer Crowd4Cash
	Business only Acredius, Creditworld, Funders ⁸ , Neocredit, swisspeers
	Consumer only Lendora, Splendit
	Real estate only Foxstone, Raizers, Swisslending
Reward-based crowdfunding Crowd-donating	Crowdify, Funders, Fundoo, GivenGain, I believe in you, Lokalhelden.ch, Progettiamo, Projectstarter, SIG Impact, there-for-you.com, Wemakeit, Yes We Farm

Table 1: Platforms with active campaigns in Switzerland in 2021 (as of April 2022).

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 Figure 2 includes platforms that have not yet witnessed any campaign activity. Market developments at a platform level can thus far be termed “selective consolidation”. Larger players (relatively speaking) have to date not left the market. Players that have are mainly small with only very small volumes.

The number of crowdfunding platforms in Switzerland is slightly down in 2021. The platforms c-crowd, mybrick and I care for you have withdrawn from the market. The new platform there-for-you.com has acquired the activities of I care for you. Another newcomer to the Swiss market is Conda (with a presence in Switzerland). This crowdinvesting platform is already active in Germany and

⁴ We have not included foreign platforms witnessing only occasional and/or small Swiss projects. The three foreign platforms that have been included are Kickstarter, KissKissBankBank and Dagobertinvest.

⁵ The two campaigns are Neon’s crowdinvesting campaign and Operation Libero’s crowddonating campaign.

⁶ Some platforms did not respond to our survey or explicitly did not wish to participate. As a consequence, there may well have been other platforms conducting successful campaigns. The table shows the platforms on which the study’s figures are based.

⁷ Foxstone operates in the crowdinvesting as well as the crowdlending segments, which is why it appears twice in the above table.

⁸ Funders operates in the crowdlending as well as the reward-based crowdfunding segments, which is why it appears twice in the above table.

Austria and has also been available to Swiss project initiators and investors since November 2021 under conda.ch. Finally, we have added fundoo to the statistics. The company is active since 2018 and specialises in the digitisation of charity runs. Figure 2 and Figure 3 on the next page show the number of entries and exits of platforms in the Swiss market since 2008: the past seven years have seen 24 platforms exit the market.

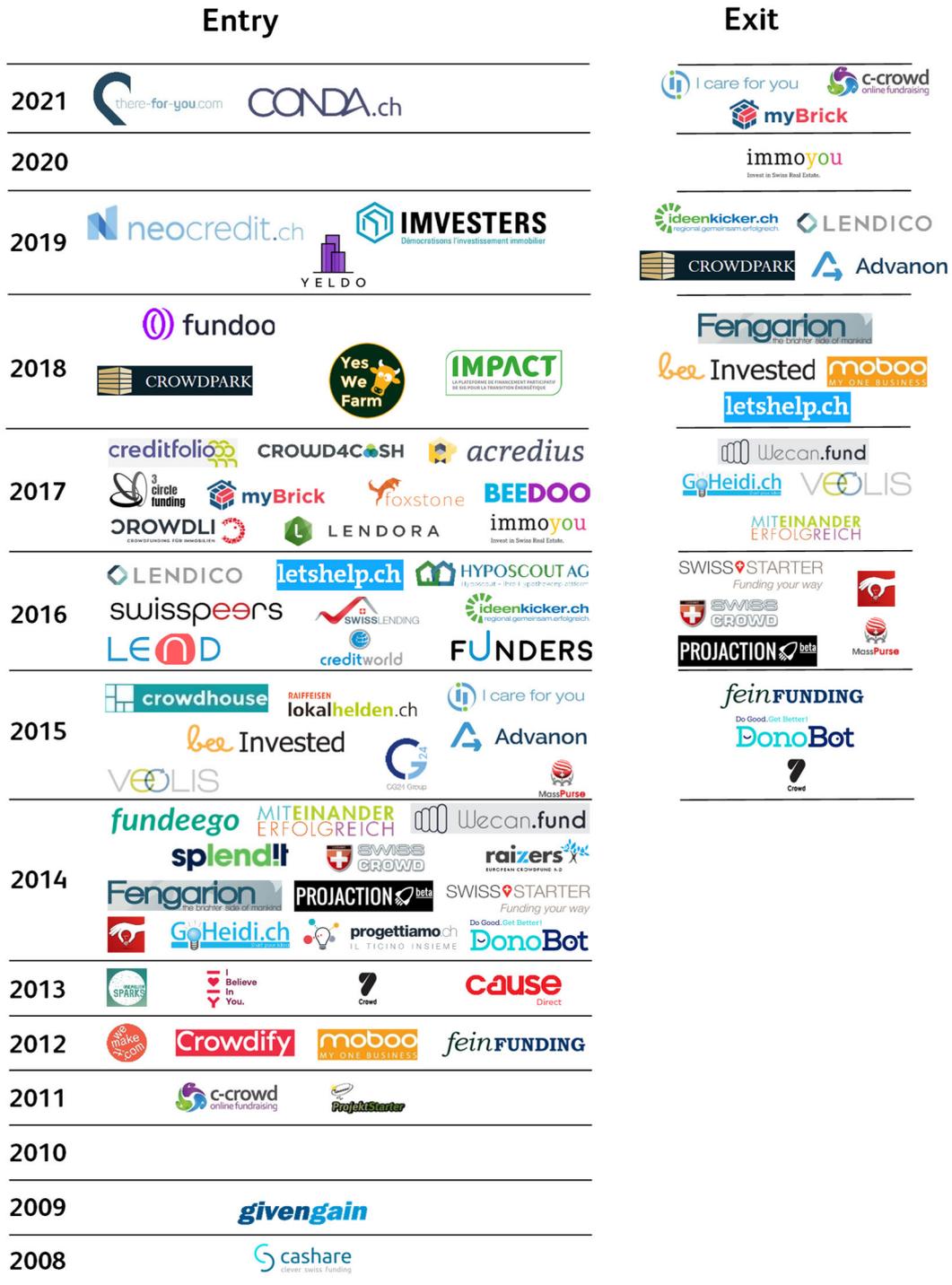


Figure 2: Entries and exits of crowdfunding platforms in the Swiss market

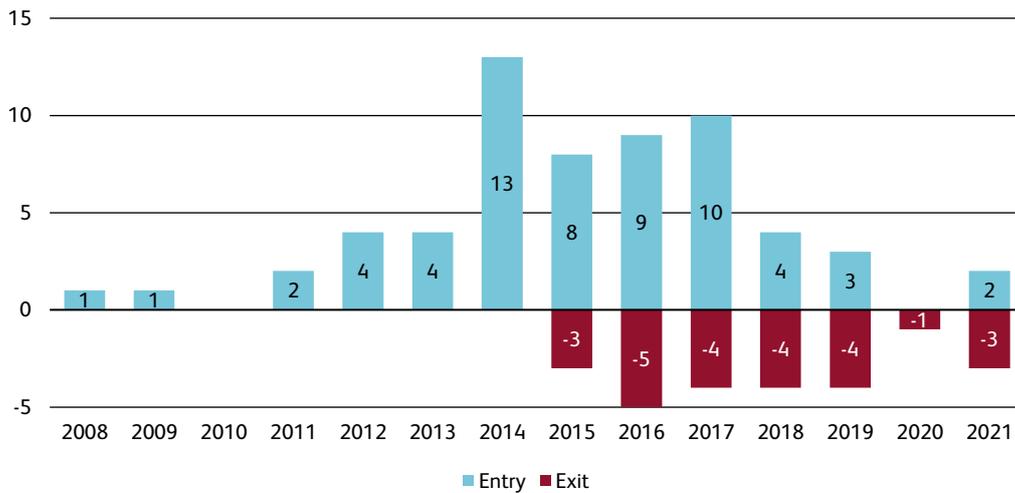


Figure 3: Number of entries and exits of crowdfunding platforms in the Swiss market 2008 to 2021

3.1 Market growth in Switzerland

Figure 4 shows the growth and overall volume across all crowdfunding segments in Switzerland since 2008. The volume of successfully funded campaigns has grown steadily over the years.⁹ 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). 2021 saw a volume of CHF 791.8 million transacted via crowdfunding platforms.

In 2021 there was a significant market growth of 30.5 percent compared to 2020. This, after growth virtually ground to a halt in 2020 due to various effects of the Covid-19 pandemic. Since the launch of the first crowdfunding platform in 2008, crowdfunding has been used to raise CHF 3,080 million in funds. Just over a quarter of this amount was achieved in 2020 alone.

The total volume of CHF 791.8 million for 2021 was spread across 4,971 campaigns.¹⁰ The number of campaigns has decreased by 71.4 percent compared to 2020. This sharp decline is due to the cessation of over 13,000 projects funded on temporary platforms in 2020 to support businesses and individuals during the Covid-19 pandemic. Not counting the campaigns of the temporary platforms, the number of projects in 2021 shows an increase of 16.5 percent compared to 2020.

The largest of all the crowdfunding segments in terms of volume share was again crowdlending with a volume of CHF 607.0 million. Its growth relative to 2020 stood at 35.5 percent. The second-highest volume of CHF 147.2 million (+29.1 %) was generated by the crowdinvesting segment. The reward-based crowdfunding / crowddonating volume was down in 2021 (CHF 37.6 million) compared to 2020 (-15.8 %). As touched on earlier, this change is due to the “special effect” of the Covid-19 pandemic with its numerous support campaigns in 2020.

⁹ A campaign is considered “successfully funded” when the funds contributed by 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 still 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.

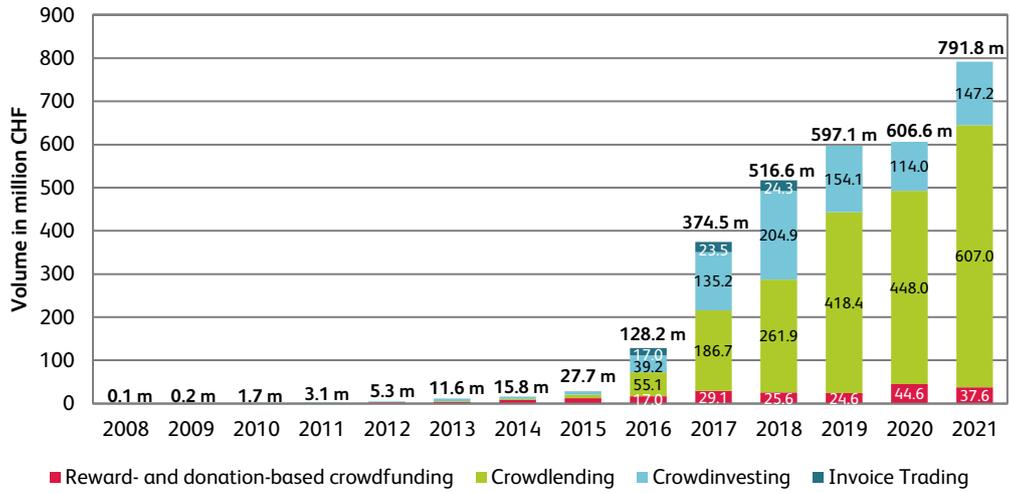


Figure 4: Trend in successfully funded campaigns by funding volume 2008-2021

3.2 Reward-based crowdfunding / crowddonating

2021 saw 1,867 campaigns funded in the reward-based crowdfunding / crowddonating segment, generating a volume of CHF 37.6 million. This represents a drop in volume of around 15.8 percent compared to 2020. However, it should be noted that the reward-based crowdfunding / crowddonating segment witnessed the creation of additional temporary Covid-19 platforms in 2020, which made themselves felt in the statistics. These temporary platforms saw 13,092 campaigns with a volume of CHF 12.6 million funded in 2020. Without these temporary campaigns in 2020, a volume increase of 17.3 percent would have been recorded for 2021 compared to 2020.

In terms of the number of campaigns, the decline in 2021 was 87.6 percent compared to 2020. If only the traditional platforms are considered, the number was down just 1.3 percent compared to 2020.

2020 was strongly marked by the Covid-19 crisis, after which the situation normalised for most platforms in 2021. The crisis triggered a veritable wave of solidarity in 2020, which led to the launch of many campaigns to address it. 2021, on the other hand, saw the arrival once again of projects without a Covid-19 connection. However, many Covid-related initiatives launched by the platforms in 2020 remained in place. Examples of such initiatives were wemakeit's 'we make solidarity' and 'we make tourism' channels, and the colibri 'donation button' wemakeit introduced in partnership with Pro Helvetia. The #LocalSupport campaign by lokalhelden.ch offered SMEs vouchers with a partial monetary equivalent or future benefits, e.g. a dinner. Other platforms, such as Funders, set up Covid-related channels for companies and individuals for raising funds on simplified terms and without a fee. The crisis also led in part to new offerings from platforms. These included things such as increased online training, online fundraising events and virtually conducted "charity runs".

Figure 5 shows the reward-based crowdfunding / crowddonating volumes from 2012 to 2021. The volumes have also been subdivided into individual categories for 2015 to 2021. Details of this subdivision of successful campaigns into the various categories may be seen in Figure 6 and Table 2. The largest category, "Sport & health", recorded very high growth. It chalked up 506 projects generating a volume of CHF 9.3 million, an increase of CHF 5.1 million (+122.0%) and 127 projects (+33.5%) compared to 2020. The platforms report that this strong increase is mainly due to the resurgence of "Sport & health" projects after their collapse, especially during the first Covid-19 wave.

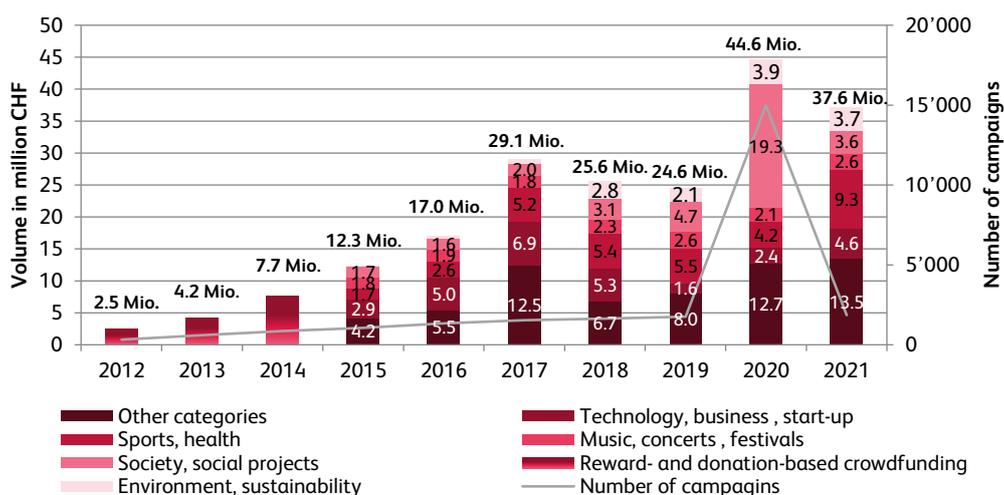


Figure 5: Reward-based crowdfunding / crowddonating volumes and number of campaigns 2012-2021

The second largest category, “Technology, business, start-up”, also grew, resulting in campaigns amounting to CHF 4.6 million (+ CHF 2.2 million / + 4 campaigns). The volume in this category is largely driven by major campaigns with an international orientation, which are often transacted via Kickstarter: one volume of CHF 4.2 million was recorded via Kickstarter alone. As in previous years, the volume trends on Kickstarter were strongly attributable to a few large projects in the area of watches.

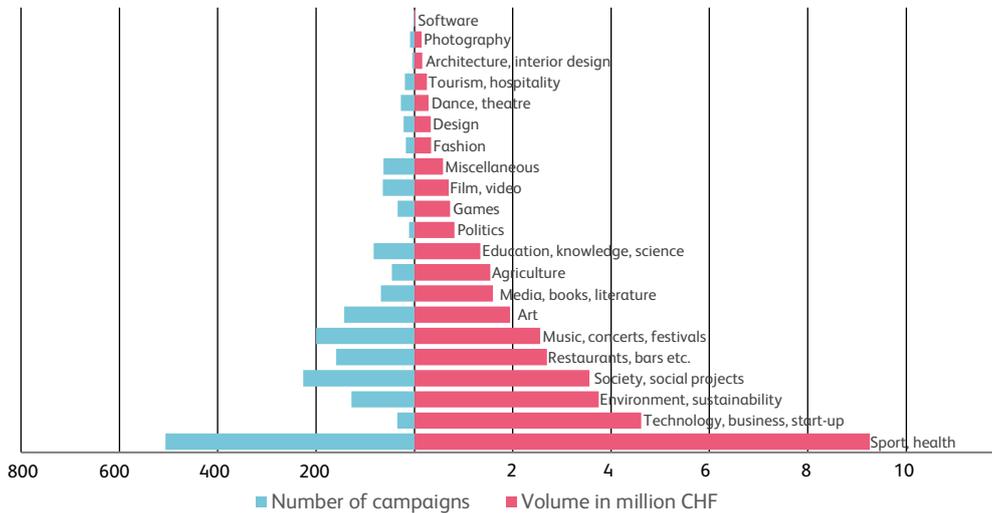


Figure 6: Reward-based crowdfunding / crowddonating campaigns and volumes by category

Category	Volume in CHF			No. of campaigns			Ø volume in CHF		
	2021	2020	Δ	2021	2020	Δ	2021	2020	Δ
Sport, health	9,258,542	4,170,856	5,087,686	506	379	127	18,298	11,005	7,293
Technology, business, start-up	4,613,631	2,425,011	2,188,620	35	31	4	131,818	78,226	53,592
Environment, sustainability	3,746,922	3,991,279	-244,357	128	120	8	29,273	33,261	-3,988
Society, social projects	3,560,631	19,281,666	-15,721,035	226	13,374	-13,148	15,755	1,442	14,313
Restaurants, bars, etc.	2,694,267	2,928,775	-234,509	159	322	-163	16,945	9,096	7,849
Music, concerts, festivals	2,556,796	2,140,563	416,233	200	194	6	12,784	11,034	1,750
Art	1,948,066	2,126,419	-178,353	143	106	37	13,623	20,061	-6,438
Media, books, literature	1,597,645	776,465	821,180	68	57	11	23,495	13,622	9,873
Agriculture	1,544,695	994,896	549,799	46	42	4	33,580	23,688	9,892
Education, knowledge, science	1,344,652	1,426,825	-82,173	83	84	-1	16,201	16,986	-785
Politics	814,903	92,974	721,929	11	14	-3	74,082	6,641	67,441
Games	724,257	624,342	99,915	34	16	18	21,302	39,021	-17,720
Film, video	697,806	364,040	333,766	64	36	28	10,903	10,112	791
Miscellaneous	579,705	761,343	-181,638	63	109	-46	9,202	6,985	2,217
Fashion	340,788	656,487	-315,699	17	41	-24	20,046	16,012	4,034
Design	333,237	196,039	137,198	22	11	11	15,147	17,822	-2,675
Dance, theatre	291,347	207,850	83,497	28	15	13	10,405	13,857	-3,451
Tourism, hospitality	256,315	635,395	-379,080	19	17	2	13,490	37,376	-23,886
Architecture, interior design	156,590	211,792	-55,202	4	6	-2	39,148	35,299	3,849
Photography	147,409	575,208	-427,799	9	9	0	16,379	63,912	-47,533
Software	19,394	39,425	-20,031	2	1	1	9,697	39,425	-29,728

Table 2: Investments in reward-based crowdfunding / crowddonating by category¹¹

¹¹ The volumes raised by these temporary platforms were assigned to the “Society, social projects” category in 2020.

The third largest category in 2021 was “Environment, sustainability”. The volume in this area fell by 6.1 percent to CHF 3.7 million compared to 2020, even though it chalked up eight more campaigns. Volume-wise, “Society & social projects” is now only the fourth largest category. The main reason for this trend is the discontinuation of volumes from 2020’s temporary Covid-19 platforms, which, typically, were allocated to this category. In 2021, 226 projects (-98.3 %) totalling CHF 3.6 million (-81.5 %) were funded for societal and social purposes.

The largest campaign in terms of volume on a reward-based crowdfunding / crowddonating platform was recorded by wemakeit with the Impact Fund 2021. This sustainability project generated CHF 541,690.

Reward-based crowdfunding / crowddonating are of high relevance in the cultural and creative economy.¹² Crowdfunding here generated an estimated CHF 10 to 11 million in 2020. “Music, concerts, festivals” (CHF 2.1 million) and “Art” (CHF 1.9 million) accounted for the lion’s share. Large contributions within the cultural and creative industries were also made in the categories “Media, books, literature” (CHF 1.6 million), “Film, video” (CHF 0.7 million) and “Games” (incl. board and card games; CHF 0.7 million). In terms of numbers of projects, crowdfunding in culture and the creative economy successfully funded some 660 projects or so. This is a remarkable figure. In the cultural sector, however, crowdfunding is often responsible for only part of the funding. The public purse, in particular, also plays a very important role in this regard.¹³

As can be seen in Table 2, the average campaign totals achieved vary greatly between the categories. Across all categories, the average figure was CHF 20,133. The largest average volume was achieved in the “Technology, business, start-up” category with CHF 131,818 (2020 CHF 78,226). Since the number of projects in this category is low, even a few large projects on international platforms can have a major impact on the average value. “Sport, health” witnessed an average project volume of CHF 18,298, an increase of some 66 percent compared to 2020. The average campaign volume in the category “Society, social projects” rose again significantly to CHF 15,755 (2020: CHF 1,442). The large number of small Covid-related campaigns in 2020 caused the average value to drop considerably.

The average sum contributed by backers/investors went down. After rising steadily since 2015, the average fell significantly in 2019. 2020 saw the average contribution increase significantly to CHF 175 (temporary Covid-19 platforms stripped out). The average contribution in 2021 was CHF 140. However, depending on the project category, the amounts contributed per person probably vary widely.

In connection with the level of sums raised by crowdfunding presented above, the question remains as to the relevance (compared to other forms of finance) of this form of funding: in sum, it can be said that reward-based crowdfunding / crowddonating continues to occupy a small niche. While crowdfunding for the cultural and creative economy raised CHF 10 to 11 million in 2022, the public purse contributed some CHF 3 billion for culture (figure for 2019).¹⁴

¹² The cultural and creative economy comprises the following categories in the report: Design; Film, video; Photography; Games; Art; Media, book, 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.

¹³ See also: Dietrich, A., Amrein, S. & Wernli, R. (2016). Crowdfunding in the cultural sector.

¹⁴ Swiss Confederation, Federal Statistical Office (2021). Public funding of culture. Online (24.03.2022): <https://www.bfs.admin.ch/bfs/de/home/statistiken/kultur-medien-informationsgesellschaft-sport/kultur/kulturfinanzierung/oeffentliche.html#1575958137>

The volume of around CHF 13 million in donations collected via crowddonating is also very small compared to the total volume of CHF 2.05 billion raised in the way of traditional donations in Switzerland.¹⁵

Nevertheless, 1,867 successfully funded campaigns in 2021 still represents a sizeable volume. From the time we launched our Monitor, more than 13,000 campaigns attracting 1,180,000 individual donations have found funding in the reward-based crowdfunding / crowddonating segment. If you include 2020's temporary platforms, the number of campaigns even exceeds 26,000.

The success rate of reward-based crowdfunding / crowddonating campaigns in Switzerland, which has been very high for years, should be seen in a very positive light: in 2018 and 2019, this success rate was a very high 68 percent¹⁶, an amount that rose even higher to 76 percent in 2020. This year, too, a high success rate of 74 percent was achieved (i.e. three out of four campaigns successfully funded). Since our report was first published, the rate in Switzerland has always been well above 60 percent, which is above the international average. Compare this with the USA, for example, where the ratio of successfully funded campaigns to the total number of campaigns on Kickstarter is at about 40 percent.¹⁷ The high success rate in Switzerland 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-based crowdfunding / crowddonating segment. The market shares are distributed amongst four large and three medium-sized platforms. The four largest platforms have a market share of 79.9 percent (2020: 78.3 percent), the seven largest 94.2 percent: the relevance (i.e. market share) of the other platforms in this segment is thus 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 (There for you). But then other platforms exhibit a more broadly based thematic focus, such as wemakeit and Crowdify. In addition, several banks are active with their own platforms. Lokalhelden is operated by the Raiffeisen Group, while Funders was launched by the Luzerner Kantonalbank and is now licensed by other cantonal banks.

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

Table 3 shows the fee models of the platforms operating in the reward-based crowdfunding / crowddonating 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.

¹⁵ Figure for 2020: Zewo Foundation (2021). Zewo Donation Statistics 2020. Online (24.03.2022): <https://zewo.ch/wp-content/uploads/2021/08/Spendenstatistik-Zewo-2020.pdf>

For an analysis of fundraising and crowdfunding, see also: Dietrich, A. & Amrein, S. (2020). Crowdfunding und Fundraising. In: M. Urselmann (ed.), Handbuch Fundraising. Springer.

¹⁶ The figures are based on information provided by the established crowdfunding platforms. The temporary platforms created during the Covid-19 crisis could not be taken into account when calculating this key figure.

¹⁷ Kickstarter (2021). Kickstarter in figures. Online (22.03.2022): <https://www.kickstarter.com/help/stats?ref=hello>

Platform	Payment model ¹⁸	Online since	Fee on amount raised	Other fee models, additional information
Crowdfify	all-or-nothing	2012	9 %	11 % in the case of phased projects Social projects 3 % (payment processors' fees) ¹⁹
Funders	all-or-nothing	2016	7 %	
Fundoo	keep-it-all	2018	8 %	Annual licence (CHF 250.00), a service charge per project and transaction fees from third-party providers are passed on
GivenGain	keep-it-all	2001	5 %	Third-party transaction fees continue to be charged
I believe in you	all-or-nothing	2013	12 %	8 % for project support and 4 % payment transaction. Possibility of tailored terms. No fees for unsuccessful projects
Kickstarter	all-or-nothing	2009	8-10 %	5 % processing fee, 3-5 % payment fee
KissKissBank-Bank	all-or-nothing	2009	8 %	5 % processing fee, 3-3.4 % payment fee
Lokalhelden	all-or-nothing	2016	0 %	Third-party transaction fees continue to be charged
Progettiamo	all-or-nothing	2014	0 %	
ProjektStarter	all-or-nothing	2011	8 %	5 % for "young projects"
SIG Impact	all-or-nothing	2018	0 %	10 % of the project sum for customers not supplied with electricity by SIG
There for you	all-or-nothing	2020	10 %	
wemakeit	all-or-nothing	2012	10 %	4 % transaction fee, 6 % commission. colibri (crowddonating): keep-it-all and 5 % payment and service fee
Yes We Farm	minimum 80 %	2018	12 %	

Table 3: Reward-based crowdfunding / crowddonating fee models

¹⁸ An all-or-nothing model is where the amount is paid out to the initiators only if a target amount is reached. Otherwise, the payments are returned to those providing them.

¹⁹ The flat-rate platform fees are reduced in stages if the target amount exceeds CHF 200,000.

3.3 Crowdlending

As previously mentioned, this study differentiates between three different types of crowdlending. In this study, non-mortgage-backed loans to private individuals are referred to as consumer crowdlending, those to companies as business crowdlending, and for loans in the form of mortgages, the study uses the term real estate crowdlending. The various crowdlending platforms each have different strategies. While some platforms are only active in one crowdlending area, other crowdlending platforms offer all three types of loans.

As of the end of 2021, crowdlending loans were being transacted via 14 platforms in Switzerland. One other platform is also online, but was dormant in 2020. No new platforms went live in 2021. The last one to do so was Neocredit in 2019. Alongside the crowdlending platforms are “umbrella” platforms, which pool investments and invest them in loans from the crowdlending platforms. One of them is Lendity, which launched in 2017. In addition, the 1741 Group launched a corresponding fund offering. The same applies to Liechtenstein asset manager NSF Wealth Management, which joined forces with the start-up ‘i2 invest’ to launch an alternative investment fund (AIF) called SME Lending Fund Switzerland SICAV in April 2021.

Various banks and insurance companies are involved in crowdlending platforms. Funders, which is also active in the reward-based crowdfunding segment, is operated by the Luzerner Kantonalbank and licensed to other cantonal banks. The Lendico platform was acquired from PostFinance by Switzerland AG (Lend, splendit) in 2019. In return, PostFinance took a stake in Lend.²⁰ Neocredit, founded in 2019, is backed by the French platform credit.fr and the insurer Vaudoise. Vaudoise holds 50% of the platform.²¹

The crowdlending segment recorded a volume of CHF 607.0 million in 2021 (2020: CHF 448.0 million). The volume thus grew by 35.5 percent. As can be seen in Figure 7, the number of successfully transacted loans rose from 2,323 to 3,055. The significant increase in the number of loans can be attributed, among other things, to the discontinuation of Covid-19 loans, which were guaranteed by the Confederation and interest-free (up to a volume of CHF 500,000). Between 26 March and 31 July 2020, businesses could submit streamlined loan applications to banks to bridge Corona-related liquidity shortages. This loan offering ceased in 2021. Accordingly, the number of loans concluded in 2021 is now back at the pre-Corona crisis levels of 2019.

Of the CHF 607.0 million raised, CHF 110.4 million was accounted for by business crowdlending (loans for SMEs; see Figure 7): Compared to 2020 (CHF 95.9 million), the volume in this segment increased again in 2021, but remains significantly below 2019’s volume of CHF 159.7 million. Consumer crowdlending (loans for private individuals) grew by 43% in relation to 2020 (CHF 55.4 million) and now stands at CHF 78.7 million. As for real estate crowdlending, that grew by a high 40.9 percent to reach CHF 418.0 million in 2021. A key driver here was loans to companies in the real estate business. Many of these loans are only short-term and later redeemed by banks. Platforms are reporting that medium-sized and larger real estate investors in particular are interested in interim financing by means of subordinated mortgages on existing properties. The freed-up capital is needed, for example, for renovations and repairs. The distinctly positive trend of investment property prices has led to somewhat shorter loan terms and, often, to early redemptions through bank loans.

Loans granted through crowdlending vary depending on the subsegment: in the case of loans to SMEs, the average loan was around CHF 260,000 (2020: approx. CHF 330,000). In the case of consumer crowdlending, the average loan amount remained almost constant at around CHF 34,000 (the

²⁰ PostFinance (2019). Press release: LEND acquires Lendico and enters into cooperation with PostFinance (translation). Online (01.04.2020): <https://www.postfinance.ch/de/ueber-uns/medien/newsroom/medienmitteilungen/lend-uebernimmt-lendico-kooperation-mit-postfinance.html>

²¹ Groupe Vaudoise Assurances (2021). Annual Report 2021, p. 104.

figure was CHF 18,000 back in 2013 and has risen steadily in the interim). It is safe to assume that these average loan volumes will now remain at the current level, as they are almost identical to an average consumer loan in Switzerland.²² The average loan amount in the real estate crowdlending subsegment in 2021 was around CHF 1.2 million (same as in 2020).

On average, an investor contributed CHF 14,000 to an SME loan in 2021. The figure for consumer loans was around CHF 8,000. These figures do not reveal very much. Institutional investors, in particular, are becoming increasingly important and invest significantly higher volumes than private individuals. In the subsegment of real estate crowdlending, the average capital invested is CHF 107,000.

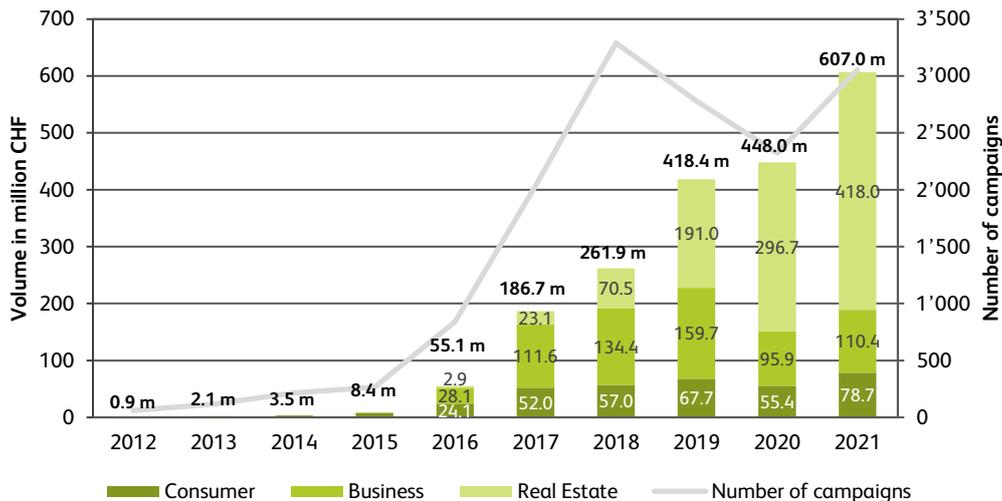


Figure 7: Crowdlending volumes in Switzerland 2012-2021

There are also major differences in the purposes for which loans are used: the focus in business crowdlending is often on project funding, debt rescheduling or short-term loans for liquidity management. In the consumer crowdlending subsegment, loans are primarily needed for debt rescheduling, education/training, cars, travel or weddings. Detailed information on these uses is not forthcoming in Switzerland. The real estate crowdlending subsegment typically involves mortgages for private individuals and interim financing for property developers, as well as mortgage-backed SME loans.

When considering the volumes of the various crowdlending 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 crowdlending platforms operate in. Below we show the overall trend in the consumer credit market (consumer crowdlending), SME loan market (business crowdlending) and mortgage loan market (real estate crowdlending) and the size of the corresponding market share of the crowdlending market.

The total volume of outstanding consumer credit in Switzerland at the end of 2021 stood at CHF 7.8 billion (down CHF 14 million relative to 2020). 2021 saw new consumer credit unchanged at some CHF 3.9 billion.²³ The total amount raised by the consumer crowdlending subsegment – CHF 78.7 million – in 2021 remains tiny relative to the overall market (around 2.0 %, 2020: 1.5 %, see Figure 8).

²² ZEK – Verein zur Führung einer Zentralstelle für Kreditinformation (Swiss central credit information bureau) (2022). Annual Report 2020. p. 13.

²³ ZEK – Verein zur Führung einer Zentralstelle für Kreditinformation (Swiss central credit information bureau) (2022). Annual Report 2021. p. 13.

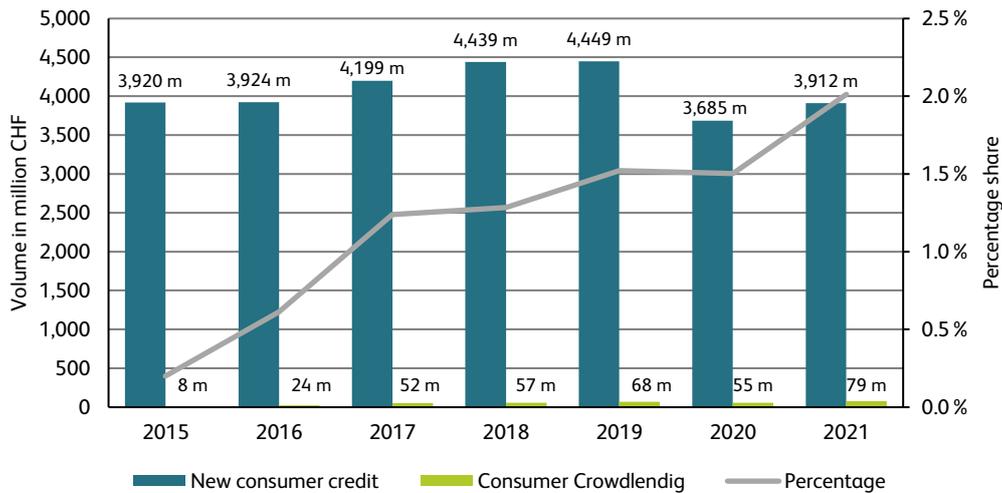


Figure 8: Consumer crowdlending share of new consumer credit 2015-2021²⁴

The total volume of credit granted by Swiss banks in Switzerland to private individuals, business and the public sector amounted to CHF 1,301 billion in 2021. A large proportion of these loans – CHF 1,108 billion – is secured by mortgages. Private individuals accounted for CHF 860 billion as at the end of 2021. CHF 415 billion of the loans went to businesses, 88 % of which are SMEs with fewer than 249 employees. CHF 27 billion of this domestic amount relates to loans to public-sector entities.²⁵

These figures, gleaned from the statistics issued by the Swiss National Bank, are portfolio figures, i.e. volumes that were outstanding at the end of 2021 on the balance sheets of Swiss banks. The volume of loans granted annually can only be estimated: for example, we are assuming that in the Swiss mortgage credit market for private individuals, loans amounting to CHF 150-180 billion are extended or newly concluded every year. The crowdlending volume of CHF 418.0 million for mortgages arranged in 2021 remains insignificant in relation to the overall market.

The same goes for the SME credit market. The CHF 363 billion on banks' balance sheets (CHF 85 million of which is unsecured) is several orders of magnitude larger than the CHF 110.4 million in business crowdlending transacted in 2021.²⁶ A representative survey conducted in 2021 on behalf of the State Secretariat for Economic Affairs SECO by the Institute of Financial Services Zug IFZ showed that, at first glance, there are no bottlenecks in the supply of credit in Switzerland. Banks rejected only three percent of all SME loan applications. This is also a low figure at an international level: the rejection rate in the euro zone in 2020 was, for instance, five percent. Moreover, Swiss SMEs appears basically satisfied with their banking relationships: just 1.4 percent of the SMEs surveyed changed bank in 2021.

Dig a little deeper, though, and the survey reveals a large cohort of “discouraged” borrowers among the respondents. One in ten SMEs has a financing need, but for various reasons they refrain from applying for a bank loan. This is a significant increase compared to 2016. Back then, only six percent of all respondents could be characterised as “discouraged”. The cohort of discouraged businesses is 60-plus times larger than the group of SMEs that failed to secure a loan despite having applied for

²⁴ ZEK – Verein zur Führung einer Zentralstelle für Kreditinformation (Swiss central credit information bureau) (2022). Annual Report 2021.

²⁵ SNB (2021). Data portal of the Swiss National Bank. Online (15.03.2022): <https://data.snb.ch/>

²⁶ SNB (2021). Data portal of the Swiss National Bank. Online (15.03.2022): <https://data.snb.ch/>

one. We estimate that some 16,000 Swiss SMEs are in the “discouraged” camp. The potential they represent could be of interest to crowdlending platforms.

The volume figures for businesses 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.²⁷

Bearing in mind the volumes of all three crowdlending subsegments, it is again safe to say in 2021 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.

Crowdlending fees are typically related to the amount of the loan (see Table 4). 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.

²⁷ A study published in 2019 by the Institute of Financial Services Zug IFZ provided, for the first time ever, information about the Swiss private debt market. See: Birrer, T., Bauer, M. & Amrein, S. (2019). Unternehmensfinanzierung mit Private Debt in der Schweiz.

Platform	Business crowdlending		Consumer Crowdlending		Real estate Crowdlending	
	Borrower	Lender	Borrower	Lender	Borrower	Lender
3Circle Funding	0.75 % p.a.	0.4 % p.a.	0.75 % p.a.	0.4 % p.a.		
Acredius	1 % p.a.	1 % on re-payments				
Cashare	0.75 % p.a. ²⁸	0.75 % p.a. ²⁹	0.75 % p.a. ³⁰	0.75 % p.a. ³⁰	0-0.75 % p.a.	0.5-0.75 % p.a.
CG24 Group	0.6-3 %	1 % ³¹	0.6-3 %	1.25 % ³¹	0.6-3 %	1 % ³¹
Creditworld	0.35-1.95 % once only	none				
Crowd4Cash	0.7 % p.a.	0.85 % p.a.	0.7 % p.a. ³²	0.85 % p.a.		
Foxstone					3 % once only	3 % once only
Funders	0.8 % once only	0.8 % once only				
Lend	0.7-1.3 % p.a.	1 % p.a.	0.2-1 % p.a.	1 % p.a.		
Lendora			0.7 % p.a.	0.5 % p.a.		
Neocredit	2 % once only. 1 % p.a. on outstanding volumes	20 % of interest paid				
Raizers					5-7 %	none
Splendit			CHF 120 p.a.	2 % once only		
Swisspeers	0.75 % p.a. ³³	0.5 % p.a.				
Swisslending					1.5-5 % once only	none

Table 4: Crowdlending fee model

²⁸ 1.5 % p.a. for short-term loans (final maturity up to 12 months), minimum fee CHF 500, with a fee charged only if the financing is successful.

²⁹ Fee applies to whatever is the outstanding balance

³⁰ Minimum fee CHF 75, with a fee charged only if the financing is successful.

³¹ Fee applies to all repayment amounts.

³² Terms of less than 12 months: additional flat rate 1 % of the loan amount (up to max. CHF 1,000 per loan)

³³ Plus a one-off settlement fee of 1-1.25 % depending on the rating.

3.4 Crowdfunding

2021 saw successful crowdfunding campaigns conducted via five Swiss platforms. In addition, some "Swiss" campaigns were also financed via the Austrian platform Dagobertinvest. Finally, there was a fairly major crowdfunding campaign by smartphone bank Neon, which was not handled via a platform. Neon's campaign falls into the equity (start-up) category, all the others into the real estate category. A total of 49 successful campaigns were run (2020: 57). The funds raised rose from CHF 114.0 million in 2020 to CHF 147.2 million.

The bulk of the volume in crowdfunding again came from the real estate category in 2021 (see Figure 9). This category, which emerged in Switzerland only in 2015, reached CHF 142.2 million in funds raised in 2021 (2020: CHF 69.0 million). This figure relates to the portion of equity capital raised through crowdfunding. The mezzanine capital amount is typically provided by banks. Platforms crowdfunder (founded in 2015) and Foxstone (2017) continue to account for a large part of the crowdfunding volume. Others contributing to the market volume are Beedoo (2017), Imvesters (2019) and Dagobertinvest (2015). For most of the platforms, minimum amounts invested are typically in the several tens of thousands of francs.

Demand for home ownership is at a markedly higher level than before the pandemic. The purchase of real estate is stimulated by the low mortgage interest rates, the working from home trend and the negative interest rates.³⁴ At the same time, supply has decreased significantly. Despite this challenging scenario, the real estate crowdfunding market has more than doubled in volume. In 2020, all 48 properties on offer were funded through real estate crowdfunding. The average equity portion per property was CHF 3.0 million (2020: CHF 2.7 million). The average amount invested by an investor was in the region of CHF 110,000.³⁵

In the area of business (start-up) crowdfunding, data from Verve Ventures (formerly investiere) was not included in this year's study, as its business model no longer counts as crowdfunding. Only Neon's campaign was included in the business (start-up) crowdfunding category. Following a successful financing round of CHF 7 million among existing investors, digital bank Neon launched a crowdfunding campaign on 28 June 2021 to allow customers and private investors to participate in Neon's success as well. The resulting capital is to be used for Neon's growth. Neon originally aimed to generate CHF 1.5 million of equity through crowdfunding. In the end, the campaign raised some CHF 5 million. More than 1,700 investors were able to acquire shares in Neon in the form of tokenised non-voting shares.³⁶

Conda.ch was a newcomer to the Swiss market at the end of November 2021, although it was already active in Germany and Austria. Although no projects had been completed by the end of 2021, two projects were successfully financed by the end of March 2022. The businesses issued registered shares or participation certificates in the amount of CHF 2.2 million.³⁷

The platform equityhub.ch plans to enter the market in the fall of 2022. It will be possible to subscribe to participation certificates or shares of Swiss start-ups via the platform. The minimum investment amount for investors will be around CHF 2,000.

³⁴ Credit Suisse AG (2022). Real Estate Study 2022.

³⁵ Figures from Dagobertinvest are not included here. The minimum investment amount at Dagobertinvest is only EUR 250. Thus, the average investment volume of an investor per property is significantly lower than on platforms that require a minimum investment of several tens of thousands of francs per object.

³⁶ Neon (2021). Crowdfunding – we have reached [an] incredible 5 million CH. Online (17.03.2022): <https://www.neon-free.ch/en/blog/about-neon/crowdfunding/>

³⁷ Conda.ch (2021). Investieren mit Crowdfunding. Online (23.03.2022): <https://www.conda.ch/projekte-entdecken/>

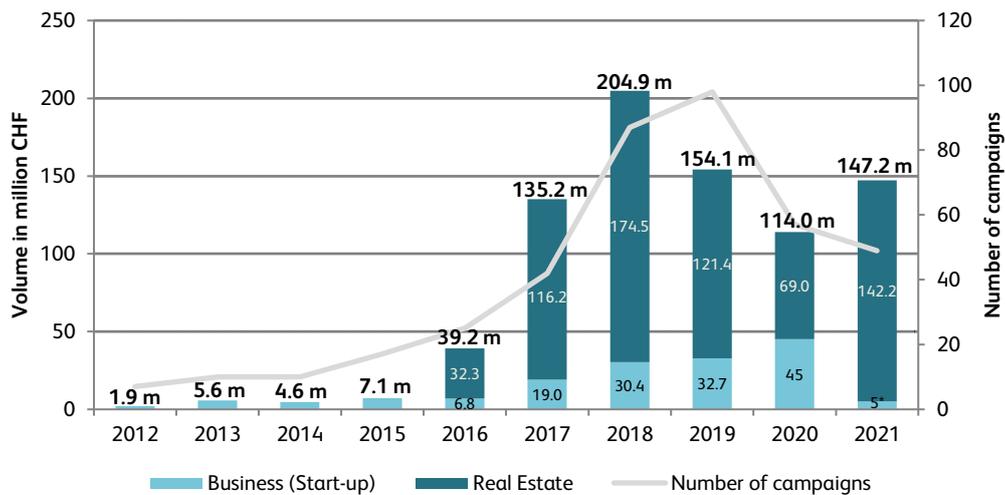


Figure 9: Crowdfunding volumes in Switzerland 2012-2020³⁸

Table 5 provides an overview of the fees charged by crowdfunding platforms.

Category	Platform	Online since	Payment model	Fee models
Business (start-up) crowdfunding	Conda	2021	Keep all once minimum is reached ³⁹	Preparation costs and success fee
Real estate Crowdfunding	Beedoo	2017	Keep all once minimum is reached	Flat fee for valuation and structuring, plus success fee
	Crowdhouse	2015	all-or-nothing	3% of the property purchase price for brokerage, then 5-7% on net rental income for property asset management
	Dagobertinvest	2015	Keep all once minimum is reached	Free of charge for investors, borrowers pay a total of approx. 12-14%.
	Foxstone	2017	all-or-nothing	3% of the property purchase price. Then 0.5%-1% of the purchase price as management fee
	Imvesters	2019	all-or-nothing	3% of the property purchase price, then 3% of the net rental income (only after reaching 75% of the target return)

Table 5: Crowdfunding fee models

In addition to the traditional crowdlending business models outlined above, many other platforms have emerged in the last four years aimed at professional investors. Many of these platforms follow a B2B (business-to-business) business model and, on the borrowers' side, often focus on large companies or corporations under public law. We analyse the corresponding business models and their trends in the Marketplace Lending Study Switzerland.⁴⁰

³⁸ The decrease in business (start-up) crowdfunding can be explained by the fact that Verve Ventures was no longer included in this year's evaluation.

³⁹ This funding model requires the setting of a target amount as well as a minimum amount (as with all-or-nothing). There are thus two target figures. The money raised can be kept if the minimum amount is reached. The (higher) target amount does not necessarily have to be reached.

⁴⁰ Amrein, S. & Dietrich, A. (2021). Marketplace Lending Report Switzerland 2021.

4 Crowdfunding in Switzerland's politics

*Guest authors: Peter Buomberger and Daniel Piazza**

Political donations from private individuals and companies have a long tradition in Switzerland. However, the resources and forms of fundraising deployed by political actors have changed over the last twenty years. Until the late 1990s, all it took to quickly raise funds for political campaigns was a few phone calls at top management level. Today, the prevalent approach to political financing is no longer top-down but bottom-up. Crowdfunding is an example of this.

In order to develop progressive solutions for political financing in Switzerland, you need to take account of the significantly accelerated evolution in the technological and social context at the beginning of the 2020s. This includes the increasing digitisation of the economy and society, the general rise in societal demands for transparency, but also the growing attractiveness of ad hoc campaigns. These trends pose new challenges for political parties and non-governmental organisations (NGOs) alike.

The question arises whether digital resources will play an even greater role in politics going forward and whether they will permanently influence and change the working environment or even the political processes. Most of the push towards digitisation that was amplified by the Covid-19 pandemic is likely to be irreversible. In fact, digitisation will not only lead to simpler logistics and efficiency gains in politics, it will also simplify and deepen the interaction between citizens and political actors. These interactions are becoming more direct – and bidirectional: citizens can address their concerns directly to a political actor. In return, the political actor can directly provide their donors with information or even involve them in their decision-making.

Since 2010, if not before, the term crowdfunding has increasingly appeared in connection with the funding of Swiss political actors. The basic principle of crowdfunding as such is nothing new: joint stock companies in the private sector offering shares in small denominations have been making use of this facility for a long time. Myriad crowdfunding platforms and social media now make it possible for political actors to approach large numbers of potential donors quickly and easily. The upshot is that small contributions can be made available quickly and easily.⁴¹ When it comes to political donations, crowdfunding tends to take the form of the variants reward-based crowdfunding / crowddonating.

Alongside the digitisation of fundraising and increased numbers of political crowdfunding campaigns, a related trend has emerged in the shape of crowdlobbying: using digital platforms, demands can be injected into the legislative process by pooling like-minded people. The reverse is also possible, whereby parliamentary draft laws can be assessed for consultation not only by organised political actors, but also directly by numerous participative citizens. It remains to be seen how quickly these and other opportunities presented by digitisation will be leveraged going forward. What is clear is that digitisation can and will strengthen direct democracy by facilitating direct contact between political actors and citizens.⁴²

⁴¹ Urselmann, M. (2020). Fundraising. Professionelle Mittelbeschaffung für gemeinwohlorientierte Organisationen. 7th edition. Springer Gabler. On the subject of crowdfunding for not-for-profit organisations, see also: Amrein, S. & Dietrich, A. (2020). Crowdfunding und Fundraising. In M. Urselmann (ed.), Handbuch Fundraising pp. 719-732. Springer Gabler.

⁴² Serdült, U. (2019). Reconnecting Citizens to Politics via Blockchain – Starting the Debate.

Examples of crowdfunding in politics

Example 1: reward-based crowdfunding a party's referendum campaign

To finance the party's 2021 campaign for a Yes in the "marriage for all" referendum, Switzerland's Green Liberal Party (GLP) emailed out a newsletter to its members two weeks after the launch of a crowdfunding campaign and about two-and-a-half months before the vote. In it, the party said that it had already reached half of its fundraising target, i.e. some CHF 10,000 out of CHF 20,000. Incorporated in the newsletter was a button "I support crowdfunding for 'marriage for all'". This led to the crowdfunding section of the GLP's campaign website with five donation packages, each containing a "goodie", i.e. something in return. A donation of CHF 670 earned the donor a four-course meal for two from a professional chef at home including washing up; CHF 300 bought you a two-hour archery course for two ("Archery – like Cupid"), while supporters donating CHF 55 received a fairtrade, environmentally friendly "Marriage for All" campaign flag. There was also an opportunity to make free donations starting at CHF 5.

Example 2: Crowddonating to fund the activities of a political actor

Operation Libero announced to its followers in December 2020: "We'll come straight to the point: Operation Libero is financially on the brink."⁴³ The political movement combined this message with an appeal for donations. The first 24 hours saw CHF 130,000 donated; this rose to more than CHF 200,000 after three days, and around CHF 470,000 after three weeks. Operation Libero was primarily financed by small donors: most people gave CHF 100. This is in line with many years of experience, according to which "99 percent of donations" fall below the CHF 500 limit.⁴⁴ After the crowdfunding campaign was launched, the co-president of Operation Libero said in a statement: "This crowdfunding is a plebiscite on how many people think we are still needed, or at least in what form."⁴⁵ The fundraising was successfully concluded after about a month.⁴⁶

Strengthening political legitimacy

Swiss political actors, especially from the left/green spectrum and, after a delay, the bourgeois spectrum, are now increasingly financing their operations as well as their campaigns through crowdfunding. Fundraising campaigns of this nature can be more transparent than traditional fundraising mail-outs, which also target small donations. This leads to an interesting advantage of crowdfunding: funding by means of a large number of small donations via crowdfunding can be better communicated to the public. It boosts the perceived legitimacy of a political actor, since a large cohort of donors can be seen to be supporting the stance of the political actor and their position. Signalling such broad support thus gives the political actor and their position increased democratic legitimacy. Moreover, a crowdfunding campaign is not only capable of generating added value in terms of funding individual campaigns, it can also be used to finance the activities of a political actor.

⁴³ Operation Libero (2022). Wir sind Operation Libero. Und dies ist unser Appell 2.0. Online (11.04.2022): <https://www.operation-libero.ch/de/node/1127>

⁴⁴ Tages-Anzeiger (2020). Operation Libero vermeldet Spendenrekord. Online (11.04.2022): <https://www.tagesanzeiger.ch/operation-libero-vermeldet-spendenrekord-195851271949>

⁴⁵ See footnote 3.

⁴⁶ Tages-Anzeiger (2021). Crowdfunding rettet Operation Libero. Online (11.04.2022): <https://www.tagesanzeiger.ch/crowdfunding-rettet-operation-libero-418399574551>

Crowdfunding campaigns are particularly successful in a political context if the initiator is credible, the cause touches people, and the people thus touched are large enough in numbers.⁴⁷ This was evidently the case when Operation Libero launched its appeal (see Example 2 in the box).

Alongside the increasing popularity of political crowdfunding, a new trend can be observed in the bourgeois spectrum, namely the formation of what are sometimes called pop-up economic committees such as Kompass/Europa, autonomiesuisse and progresuisse. Unlike crowdfunding, these are typically funded by a few, mostly private donors contributing large amounts. That said, organisational and economic committees of this nature remain a rarity, probably not least because the donation of large sums by private individuals or companies nowadays attracts mistrust and suspicion from the public at large – especially when they make a substantial contribution to the working budget of a political actor.

The aforementioned pop-up economic committees, some of which have been successfully launched, find themselves tarred with the same brush. Political actors might therefore find it useful to examine whether crowdfunding could be used more systematically, more frequently and more heavily as a means of actively growing the pool of smaller amounts and at the same time boosting the legitimacy of their political stance. This alone could effectively counter the suspicion that individual major donors and their vested interests are exerting undue and opaque influence on the political process.

Great potential

Digitisation opens up a wealth of new opportunities for political actors. On the one hand, the simplified, direct contact with specific donor segments facilitates the funding of particular causes, while on the other hand, crowdfunding can be used to increase the number of paying members. A broader donor base increases the aforementioned legitimacy of political causes, while at the same time watering down the influence of individual large donors.

Various political actors – especially newer political movements – caught onto the grassroots potential of digital channels for their funding several years ago. A few candidates in the 2019 election year were able to fund a large part or even all of their personal election campaigns with crowdfunding. Crowdfunding enabled a far greater number of candidates than in 2015 to conduct professional election campaigns on all digital channels and celebrate successful electoral outcomes. With crowdfunding campaigns gaining traction among political actors as a whole, the principle of swarm logic is gaining importance in Swiss politics – and thus also in Swiss political funding.

The use of electronic channels by political actors shows the fundraising potential that exists in terms of reaching new donors and acquiring them as supporters. Younger generations in particular are increasingly giving traditional media such as print media or television the cold shoulder. Instead, they are obtaining their news online or via social media, which means they are also easier to approach when it comes to commitments and donations.

⁴⁷ Tages-Anzeiger (2016). Mit Spendenrekord gegen SVP-Initiative. Online (11.04.2022): <https://www.tagesanzeiger.ch/schweiz/standard/mit-spendenrekord-gegen-svpinitiative/story/10381415>

Conclusion

Political actors who see crowdfunding as a digitisation opportunity are at an advantage. They will reap rewards if they get to grips with digital processes and try out new things. The fusion of communication, engagement and fundraising on digital channels needs to be practised. Crowdfunding is ideally suited to political actors such as parties and NGOs, since they have citizen-oriented communication strategies and access to the details of potential donors. Crowdfunding can be integrated into existing communication processes. Addresses are a prerequisite for successful crowdfunding campaigns. The goal must therefore be to gather this information. The reward for political actors comes in the form of increased valuable interaction with supporters and new contacts, as well as a useful contribution to the funding and legitimisation of their activities.

Wer finanziert die Schweizer Politik? Auf dem Weg zu mehr Transparenz und Demokratie.
Daniel Piazza, Peter Buomberger. NZZ Libro, Basel, 2022. 280 pages. In German.
ISBN: 978-3-907291-69-6. Price: CHF 34.00.

Political funding in Switzerland is a big secret. Although transparency rules have recently been written into the law, no one knows who is financing whom or the sums involved. This book finds Buomberger and Piazza shining a light into the darkness with the declared aim of guiding private political funding into the future. Over the years, the way Swiss politics is funded has proven to be efficient, effective and not overly susceptible to abuse and corruption. Citizens have another way to exert influence besides voting and casting ballots: through direct financial support for their preferred political actors. However, the current system needs tweaking to make it fit for the future. Buomberger and Piazza's book points the way to a more open, transparent and digitised future for political financing in Switzerland. Their proposals for strengthening the Swiss system are based on the first comprehensive exposition and quantification of political funding in Switzerland. They also suggest a 14-point programme for political fundraising – a guide for parties, NGOs and political movements.

Further information: <https://www.nzz-libro.ch/wer-finanziert-die-schweizer-politik-978-3-907291-69-6>

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**Daniel Piazza (*1978), Dr. rer. soc. HSG, studied banking and finance at the University of St. Gallen, followed by a doctorate in public management. Partner at Dynamics Group and a political communications and fundraising consultant. Was MD and CFO of political party CVP Schweiz (now: Die Mitte), head of corporate communications & public affairs at CKW, and project manager at the Institute of Financial Services Zug IFZ, part of the Lucerne School of Business. Since 2015, Lucerne cantonal councillor and vice-president of Die Mitte.*

5 Crowdfunding: An international comparison

Switzerland's crowdfunding market has evolved steadily in recent years. But how should the changes in the Swiss market be viewed in an international context? How well developed is the Swiss crowdfunding market?

Table 6 shows the crowdfunding volumes of the USA, the UK, Continental Europe and China for 2020 (based on studies conducted by Cambridge University) and the volumes for Switzerland for 2020 and 2021. At the time of compiling this study, only the 2021 figures for Switzerland were known.

The alternative finance sector in China – for years the largest market by volume – has become virtually insignificant. Its volume peaked at CHF 332.9 billion in 2017, but the market was characterised by a bubble and numerous instances of fraud. By the end of 2020, following massive regulatory interventions the volume had fallen to just CHF 27.8 million. In the USA, the volume in 2020 was CHF 38.0 billion, in the UK CHF 11.3 billion and in Continental Europe (excluding the UK) CHF 8.5 billion. It has not been possible to achieve a complete breakdown of the different types of crowdfunding for countries neighbouring Switzerland, so no direct comparisons can be made. That said, it is worth pointing out that Switzerland chalked up a considerable volume of CHF 774.9 million in 2021.

Crowdlending accounts for a large share of the total crowdfunding volume, especially in highly developed countries. In the USA, some 90 percent of the total crowdfunding volume is accounted for by the crowdlending segment. In the UK, crowdlending accounts for 79.2 percent of the total volume. Crowdlending also plays a key role in Switzerland in terms of overall market volume. Unlike other countries, however, real estate crowdinvesting also has a certain significance (see Table 6).

Country	Volume in CHF m	Growth on the previous year	Share of segments in the overall crowdfunding volume 2020						
			Business crowdlending	Consumer crowdlending	Real estate crowdlending	Real estate crowdinvesting	Business crowdinvesting	Crowddonating / reward-based crowdfunding	Invoice trading
USA	37,971.8	42.2%	20.9%	70.9%	0.9%	3.8%	0.8%	2.8%	0.0%
UK	11,269.3	20.2%	27.7%	2.2%	11.2%	0.7%	4.7%	49.6%	3.9%
Europe (excl. UK)	8,546.3	-2.1%	20.7%	32.5%	5.6%	9.2%	3.1%	6.2%	22.6%
China	27.8	-100.0%	1.0%	24.1%	0.0%	0.0%	0.0%	28.6%	46.2%
Switzerland 2021	781.3	28.8%	13.7%	9.8%	53.3%	17.8%	0.6%	4.8%	0.0%
Switzerland 2020	606.6	1.6%	15.8%	9.1%	48.9%	11.4%	7.4%	7.4%	0.0%

Table 6: Crowdfunding volumes of selected countries/regions in 2020 and Switzerland (2020 and 2021) and crowdfunding shares of the overall volume.^{48 49}

⁴⁸ Data: Switzerland: own research. Other countries: studies by the University of Cambridge. Publications. Online. (15.03.2022): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

⁴⁹ The following categories were included in the analysis: P2P/marketplace (consumer lending, business lending, property lending), equity crowdfunding, real estate crowdfunding, invoice trading, reward-based crowdfunding, crowddonating.

Figure 10 shows the trend in per capita volumes for the USA, the UK, Europe and Switzerland from 2013 to 2020 (2021 for Switzerland). One can clearly see the delayed growth spurt in the Swiss market, which is two to three years behind the UK and the US. After the somewhat modest growth rates of recent years, it should be noted that Switzerland is not catching up strongly with the leading countries. That said, Switzerland's per capita volume is considerable and, for example, significantly higher than that in Europe (excluding the UK).

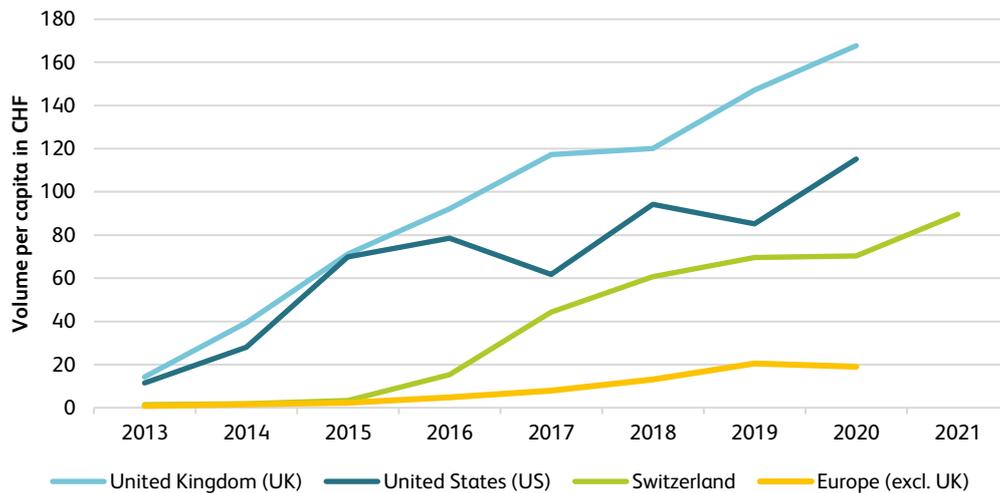


Figure 10: Per capita crowdfunding volumes 2013-2021^{50,51}

⁵⁰ Data: See footnote 48.

⁵¹ The figures for Europe include data from 47 European countries.

6 Forecasts: Crowdfunding in 2022

In light of the above results, we offer the following tentative forecasts for 2022:

1. Crowdlending continues to grow at 30 to 40 percent per year

The growth dynamics of 2020 and 2021 were heavily dependent on the Covid-19 crisis. After crowdfunding's market volume stagnated in 2020, 2021 witnessed a significant growth spurt. The biggest driver of volume growth was – as expected – crowdlending. Crowdlending's forward momentum will continue in 2022 and we again expect growth of between 30 and 40 percent. This would mean that the volume of new loans in the crowdlending segment in 2022 would be somewhere between CHF 780 and CHF 850 million. Although this continues to leave the market in a niche in Switzerland's financing market as a whole, it is increasingly gaining relevance.

2. Crowdlending: faster growth possible from a size of one to two billion francs

If this growth continues, in three to five years the crowdlending market will reach a point at which it becomes of interest to a larger number of institutional investors. It is currently difficult for many institutional investors to invest large volumes due to what is a comparatively small market, and their own criteria. Once a certain market volume is reached, and depending on the interest rate environment, this could change: the total volume in the crowdlending sector could increase significantly.

3. Reward-based crowdfunding / crowddonating: growth even without the Covid effect

In the **reward-based crowdfunding / crowddonating** segment, the volume of new campaigns was down in 2021 compared to the record year of 2020. However, 2020's high volume was mainly due to trends around the Covid-19 pandemic. Numerous temporary crowdfunding platforms emerged at the time to provide financial support for individuals and SMEs affected by the pandemic. These platforms have now disappeared. The loss of this volume could not be offset in 2021 by the 20 to 30 percent or so growth in "normal" crowdfunding campaigns. That said, we are expecting to see more positive growth in 2022 and a campaign volume of around CHF 45 to 49 million.

4. Reward-based crowdfunding: marketing or funding? It depends

The characteristics of reward-based crowdfunding campaigns large and small vary a great deal. Large campaigns of CHF 100,000-plus are generally run more professionally. Accordingly, marketing and communication are much more important than in smaller projects, where the focus is more often on the funding. But large projects in particular must increasingly be unique and innovative in order to meet the funding target. Sustainability aspects are growing in importance.

5. Crowdinvesting remains heavily dependent on the real estate market – new platforms service the start-up segment

The **crowdinvesting market** comprises two very different subsegments: real estate crowdinvesting, and business (start-up) crowdinvesting. Real estate crowdinvesting volumes have shot back up (102% growth) after slumping in 2020. However, the market volume remains volatile due to the low number of property transactions. We expect growth rates of 40 to 50 percent in 2022 (CHF 195-210 million). As for business crowdinvesting, we expect more momentum in 2022 with the arrival of new platforms.

6. 2022 could see the magic threshold of 1 billion exceeded

Overall, we anticipate a volume of between CHF 1 and 1.1 billion for the Swiss crowdfunding market in 2022. According to our forecasts, this would find the crowdfunding market breaking the billion franc barrier for the first time.

Appendix: Market participants

The following profiles have been provided by the platforms featured.

		Name	Acredius www.acredius.ch
		Legal owner	n/a
Managing director(s)	Ghassen Benhadjsalah	Address	Hardturmstrasse 161 8005 Zurich
When established	2017	Email	info@acredius.ch
Number of employees	18 (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 % p.a. of the credit amount. Investor pays 1 % on each monthly repaid instalment.		

		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 employees	1.5	Telephone	+41 22 368 08 08
Form	Crowdinvesting		
Brief profile	For investors seeking real investment opportunities in real estate and impact investing.		
Fee model	Fixed fee for the audit, plus performance-based fee.		

		Name	Cashare www.cashare.ch
		Legal owner	Cashare AG
Managing director(s)	Michael Borter	Address	Bösch 73 6331 Hünenberg
When established	2008	Email	support@cashare.ch
Number of employees	18 (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 crowdfunding platform to launch.		
Fee model	Fees only if successful: Businesses: Borrower: 0.75 % p.a. (instalment loan) - 1.5 % p.a. (short-term loan; final maturity up to max. 12 months) / lender: 0.75 % p.a. on the remaining balance. Minimum fee for both parties CHF 500.00 Consumers: Borrower: 0.75 % p.a. / lender: 0.75 % p.a. on the remaining balance. Minimum fee for both parties CHF 75.00 Real estate: 0.5 - 0.75 % for investors, 0 % for borrowers in the case of mortgages.		

		Name	Conda www.conda.ch
		Legal owner	Conda.ch GmbH
Managing director(s)	Linus Gabrielsson	Address	Rathausstrasse 14 6340 Baar
When established	2021	Email	sales@conda.ch
Number of employees	4 (FTEs)	Telephone	+41 41 588 15 67
Form	Crowdinvesting		
Brief profile	Conda.ch is a crowdinvesting platform founded in 2021 with the aim of closing the gap between SMEs, start-ups and investors.		
Fee model	Preparation costs and success fee		

		Name	CG24 Group www.creditgate24.ch
		Legal owner	CG24 Group AG
Managing director(s)	Christoph M. Mueller	Address	Baslerstrasse 60 8048 Zurich
When established	2015	Email	info@cg24.com
Number of employees	39 (FTEs)	Telephone	+41 44 244 30 24
Form	Crowdlending		
Brief profile	CG24 Group brings borrowers and private/institutional investors together on its highly automated marketplace-lending platform. CG24 Group facilitates funding for private individuals, SMEs and real estate.		
Fee model	0.6-3 % for borrowers (credit product-dependent), investors: SME and real estate loans 1 % on all repayment amounts, personal loans 1.25 % on all repayment amounts.		

		Name	creditworld www.creditworld.ch
		Legal owner	creditworld AG
Managing director(s)	Kai Ren & Philipp Schnyder	Address	Selnaustrasse 5 8001 Zurich
When established	2016	Email	info@creditworld.ch
Number of employees	8 (FTEs)	Telephone	+41 44 510 87 02
Form	Direct lending		
Brief profile	creditworld brings together Swiss SMEs with 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 (0.35-1.95 %). No fees for investors.		

		Name	Crowdhouse www.crowdhouse.ch
		Legal owner	Crowdhouse AG
Managing director(s)	Robert Plantak	Address	Lerchenstrasse 24 8045 Zurich
When established	2015	Email	info@crowdhouse.ch
Number of employees	n/a	Telephone	+41 44 377 60 63
Form	Crowdinvesting		
Brief profile	The Swiss marketplace for investment properties. Switzerland's largest provider of real estate crowdinvesting.		
Fee model	One-off 3% of the property purchase price, then 5-7% of the net rental income for managing the property.		

		Name	Crowdify www.crowdify.net
		Legal owner	Crowdify GmbH
Managing director(s)	Christian Klinner	Address	Ankerstrasse 3 8004 Zurich
When established	2012	Email	klinner@ronorp.net
Number of employees	1.2 (FTEs)	Telephone	043 322 08 83
Form	Reward-based crowdfunding		
Brief profile	Crowdify 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 online community. Other Crowdify services include basic and project workshops, plus campaigning concepts.		
Fee model	All-or-nothing; 3% (third-party payment provider costs) for social projects and Corona campaigns, 9% of the target amount if successful (regular projects), 11% for stage financing. The fees are reduced in stages if the target amount exceeds CHF 200,000.		

		Name	Crowd4Cash www.crowd4cash.ch
		Legal owner	Crowd Solutions AG
Managing director(s)	Andreas Oehninger & Roger Bossard	Address	Bellevueweg 42 6300 Zug
When established	2016	Email	info@crowd4cash.ch
Number of employees	5.8 (FTEs)	Telephone	+41 41 525 33 77
Form	Crowdlending		
Brief profile	Crowd4Cash brings borrowers together with private and institutional investors. Crowd4Cash finances Swiss consumer and SME loans of up to CHF 250,000. With its Loan as a Service (LaaS) offering, Crowd4Cash is already supporting 50-plus SMEs and large companies with instalment payments for their end customers.		
Fee model	Fees only if successful: 0.70 % p.a. (borrower) and 0.85 % p.a. of the invested amount (investor).		

		Name	dagobertinvest www.dagobertinvest.ch
		Legal owner	dagobertinvest gmbh
Managing director(s)	Mag. Andreas Zederbauer	Address	Wohllebengasse 12-14 1040 Vienna
When established	2015	Email	welcome@dagobertinvest.at
Number of employees	12 (FTEs)	Telephone	0800 4000 460
Form	Crowdinvesting		
Brief profile			
Fee model	Free for investors		

		Name	EquityHub www.equityhub.ch
		Legal owner	Simon Roth and Alain Friedrich
Managing director(s)	RA Simon Roth und RA Alain Friedrich	Address	Lex Futura AG, Platz 4, 6039 Root D4
When established	2022	E-Mail	welcome@equityhub.ch
Number of employees	2	Telephone	-
Form	Crowdinvesting		
Brief profile	EquityHub is developing an electronic platform that provides startups with direct access to investors and handles the entire financing process from investor pitch to registration in the commercial register. EquityHub also takes care of the legal execution of the financing round. EquityHub enables investors to invest in startups in a simple and legally secure way and to become shareholders and/or participants. Furthermore, investors will receive regular information about their investments on EquityHub.		
Fee model	If financing round successful: compensation by Startup (success fee of 5-9 % of the total investment amount). The success fee covers the expenses of EquityHub in connection with the search for capital and the costs of the management of the financing round (incl. public notarization). For investors, an investment on EquityHub is free of charge.		

		Name	Foxstone SA www.foxstone.ch
		Legal owner	Foxstone SA
Managing director(s)	Dan Amar	Address	Rue des Bains 35 1205 Geneva
When established	2017	Email	contact@foxstone.ch
Number of employees	23 (FTEs)	Telephone	+41 22 800 26 26
Form	Crowdinvesting & crowdlending		
Brief profile	Foxstone specialises in real estate crowdfunding and offers direct access to the Swiss real estate market from CHF 10,000, thus democratising property investment in Switzerland. Designed for simplicity and transparency, the intuitive platform enables investors to become co-owners of an income-generating building and benefit from the rental income. Foxstone offers a turnkey service where all processes are handled online. From the selection to the management of the building, Foxstone handles all the formalities on behalf of the investors.		
Fee model	3 % on the purchase price or loan amount. Plus 0.5-1 % on the purchase price as management fee.		

		Name	Funders.ch 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 employees	3 (FTEs)	Telephone	+41 41 206 25 01
Form	Reward-based crowdfunding, crowd donating 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	Reward-based crowdfunding: 7 % including transaction costs. Crowdlending: 0.8 % for funders, 0.8 % for borrowers (on the loan amount).		

		Name	Fundoo.ch www.fundoo.ch
		Legal owner	Fundoo AG
Managing director(s)	Daniel Schmidli	Address	Kunklerstrasse 9 9015 St. Gallen
When established	2018	Email	info@fundoo.ch
Number of employees	4.6 (FTEs)	Telephone	+41 76 208 08 63
Form	Crowddonating		
Brief profile	For sports clubs, schools, associations and not-for-profit organisations that want to handle their projects, especially fundraising and sponsored runs, easily and digitally. The platform provides relief from administrative tasks and offers organisers the chance to boost their fundraising income through personal and digital donation requests.		
Fee model	Annual licence, per-project service charges and transaction fees from third-party providers are passed on.		

		Name	GivenGain www.givengain.com
		Legal owner	GivenGain Foundation
Managing director(s)	Marc Freudweiler	Address	Avenue Centrale 122 1884 Villars-sur-Ollon
When established	2001	Email	marc@givengain.com
Number of employees	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 helps 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 %		

		Name	I Believe In You www.ibelieveinyou.ch
		Legal owner	IBelieveInYou AG
Managing director(s)	Philipp Furrer	Address	Kramgasse 5 3011 Bern
When established	2013	Email	info@ibelieveinyou.ch
Number of employees	9 (FTEs)	Telephone	+41 31 544 35 20
Form	Reward-based crowdfunding		
Brief profile	The most successful sports crowdfunding platform in Switzerland, I Believe In You is also available in France and Austria.		
Fee model	4 % payment processing, 8 % project support. Possibility of tailored terms.		

		Name	Imvesters www.imvesters.ch
		Legal owner	S2I (Swiss Innovative Investment) AG
Managing director(s)	Gillian Nespolo	Address	Chemin du Moulin 2 1053 Cugy
When established	2019	Email	info@imvesters.ch
Number of employees	2 (FTEs)	Telephone	+41 21 311 40 40
Form	Crowdinvesting		
Brief profile	Imvesters is a crowdfunding platform focused on real estate transactions. We bring liquidity to the real estate market and at the same time give everyone the opportunity to become co-owners (from CHF 20,000) of real estate in top locations and earn 6 % return per year, which is distributed monthly.		
Fee model	Brokerage commission 3 % and management fees 3 %.		

		Name	LEND www.lend.ch
		Legal owner	Switzerland AG
Managing director(s)	Michel Lalive d'Epina y & Florian Kübler	Address	Hofackerstrasse 13 8031 Zurich
When established	2016	Email	info@lend.ch
Number of employees	18 (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	Lendora www.lendora.ch
		Legal owner	Lendora SA
Managing director(s)	Benjamin Droux	Address	Avenue Edouard Rod 4 1260 Nyon
When established	2017	Email	info@lendora.ch
Number of employees	4 (FTEs)	Telephone	+41 22 562 42 88
Form	Crowdlending		
Brief profile	Lendora brings borrowers and investors together to make loans cheaper and investments more profitable.		
Fee model	0.7 % p.a. (borrower) and 0.5 % p.a. of the invested amount (investor).		

		Name	Lokalhelden.ch www.lokalhelden.ch www.heroslocaux.ch www.eroilocali.ch
		Legal owner	Raiffeisen Switzerland
Managing director(s)	Samuel Weibel	Address	Raiffeisenplatz 9001 St. Gallen
When established	2016	Email	info@lokalhelden.ch
Number of employees	4.2 (FTEs)	Telephone	
Form	Crowddonating / reward-based crowdfunding		
Brief profile	Lokalhelden.ch – the crowdfunding platform for a diverse Switzerland.		
Fee model	Free of charge (transaction fees from third-party providers (TWINT, credit card companies or fiduciaries) are passed on).		

		Name	Neocredit www.neocredit.ch
		Legal owner	Neocredit.ch AG
Managing director(s)	Vincent van Seumeren	Address	Wankdorffeldstrasse 64 3014 Bern
When established	2019	Email	contact@neocredit.ch
Number of employees	8 (FTEs)	Telephone	+41 31 539 19 35
Form	Crowdinvesting		
Brief profile	neocredit.ch connects private and institutional lenders directly with Swiss SMEs. SMEs can finance up to CHF 1,000,000 simply, transparently and completely digitally. Investors benefit from attractive returns from as little as CHF 100.		
Fee model	One-off 2 % of the credit volume, then 1 % per year of the outstanding volume.		

		Name	Progettiamo www.progettiamo.ch
		Legal owner	ERS: Enti Regionali per lo Sviluppo del Canton Ticino (Locarnese e Vallemaggia, Bellinzonese e Valli, Luganese, Mendrisiotto e Basso Ceresio)
Managing director(s)	Regional Managers ERS (Igor Franchini, Stefano Di Casola, Daisy Albertella & Elena Bernaschina)	Address	c/o ERS-LVM via F. Rusca 8, C.P. 323 6600 Locarno
When established	2014	Email	locarnese@progettiamo.ch
Number of employees	1 (FTEs)	Telephone	
Form	Reward-based crowdfunding		
Brief profile	Progettiamo.ch is a 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 %		

		Name	ProjektStarter www.projektstarter.ch
		Legal owner	Designatelier GmbH
Managing director(s)	Lukas Wullimann	Address	Weissensteinstrasse 81 4500 Solothurn
When established	2011	Email	mail@projektstarter.ch
Number of employees	0.8 (FTEs)	Telephone	+41 32 622 07 07
Form	Reward-based crowdfunding		
Brief profile	Platform for the promotion of innovations in companies (new orientation: "innovation management" since May 2021 – funding takes a back seat)		
Fee model	8 %, or 5 % for YOUNG		

		Name	Raizers www.raizers.com
		Legal owner	Maxime Pallain & Gregoire Linder
Managing director(s)	Maxime Pallain & Gregoire Linder	Address	Rue Alice-et-William-Favre 34 1207 Geneva
When established	2014	Email	contact@raizers.com
Number of employees	15 (FTEs)	Telephone	+41 22 575 27 27
Form	Crowdlending		
Brief profile	Raizers is an online investment platform that allows any individual or company to lend to real estate developers and thus gain access to investment opportunities selected by our team of analysts that were previously reserved for institutional investors.		
Fee model	Borrower: 5-7% , lenders: none.		

		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 employees	1 (FTEs)	Telephone	+41 22 420 82 87
Form	Reward-based crowdfunding		
Brief profile	SIG Impact is a sector-based platform that exclusively publicises Geneva-based projects promoting the energy transition, such as energy efficiency, renewable energy and waste reduction projects.		
Fee model	The SIG Impact platform is linked to SIG's demand-side management programme "éco21", so no commission is charged for projects published by its clients. Otherwise 10% of the project sum for non-clients of SIG.		

		Name	Splendit www.splendit.ch
		Legal owner	Switzerland AG
Managing director(s)	Michel Lalive d'Épinay & Florian Kübler	Address	Hofackerstrasse 13 8031 Zurich
When established	2014	Email	info@splendit.ch
Number of employees	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.com
		Legal owner	
Managing director(s)	Dominique Goy	Address	Rue du Général-Dufour 20 1204 Geneva
When established	2016	Email	contact@swisslending.ch
Number of employees	1 (FTEs)	Telephone	+41 22 730 10 08
Form	Crowdlending		
Brief profile	SwissLending is a crowdfunding platform focused on real estate crowdlending. SwissLending connects real estate developers with investors and offers securitised and bridging loans.		
Fee model	1.5% -5% for borrowers, investors incur 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 employees	10 (FTEs)	Telephone	+41 52 511 50 80
Form	Crowdlending		
Brief profile	<p>Swisspeers is an independent direct lending 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: the credit approval process is carried out neutrally by swisspeers on the basis of clear criteria. The price is set through an auction process in the investor market.</p> <p>Swisspeers offers investors the opportunity to make interesting direct investments in SMEs. These alternative investment opportunities with their attractive yield/risk profile help strengthen the Swiss business community.</p>		
Fee model	Borrower: 0.75% p.a.; lender: 0.5% p.a.		

		Name	there-for-you.com www.there-for-you.com
		Legal owner	DAM10 AG
Managing director(s)	Pascal Jenny	Address	Jöri-Jenni-Strasse 32 7050 Arosa
When established	2020	Email	info@there-for-you.com
Number of employees	2.9 (FTEs)	Telephone	
Form	Crowddonating		
Brief profile	there-for-you.com is a neutral crowddonating platform for projects in the realms of climate protection, animal welfare, child aid and humanitarian causes.		
Fee model	Free; successful projects are charged 10% of the donated amount for financial transaction costs and operating expenses		

		Name	Yes We Farm www.yeswefarm.ch
		Legal owner	Nicolas Oppliger
Managing director(s)	Nicolas Oppliger	Address	Rue du Seyon 2 2000 Neuchâtel
When established	2018	Email	info@yeswefarm.ch
Number of employees	1.2 (FTEs)	Telephone	079 858 92 47
Form	Reward-based crowdfunding		
Brief profile	The first Swiss crowdfunding platform for agriculture and nutrition.		
Fee model	12%		

		Name	wemakeit www.wemakeit.com
		Legal owner	wemakeit AG
Managing director(s)	Céline Fallet (Operations) & Leandro Davies (Finance)	Address	Schöneggstrasse 5 8004 Zurich
When established	2012	Email	hello@wemakeit.com
Number of employees	10 (FTEs)	Telephone	
Form	Reward-based crowdfunding & crowddonating		
Brief profile	wemakeit was founded in Switzerland in February 2012, since when it has grown to become one of Europe's largest crowdfunding platforms. It offers creative people the opportunity to present ideas online to a large audience and have those ideas funded by many supporters. In addition to offices in Zurich and Geneva, wemakeit has a presence in Vienna and Bellinzona and reaches an international community with its quadrilingual platform (de/en/fr/it). Launched as a cultural initiative, wemakeit is now open to crowdfunding across all sectors and has established itself as an important financing and marketing tool for creatives, start-ups and organisations.		
Fee model	10% (6% service fee, 4% payment fee) / colibri: 5% payment and service fee.		

		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 employees	4 (FTEs)	Telephone	
Form	Crowdlending		
Brief profile	We offer crowdfunding with the aim of giving investors and borrowers more control and freedom over the loans. We also offer a secondary market for the loans.		
Fee model	Borrower: 0.75% p.a.; lender: 0.4% p.a.		

Appendix: Statistics

No. of campaigns					
Year	Crowd-investing	Reward-based crowdfunding/ Crowddonating	Crowd-lending	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	2,803
2017	42	1,536	2,035	n/a	5,113
2018	87	1,644	3,290	1,500	6,521
2019	98	1,769	2,781	0	4,648
2020	57	14,984 ⁵²	2,323	0	17,364
2021	49	1,867	3,055	0	4,971
2008-2021	411	25,991	15,185	1,500⁵³	45,187

Campaign volumes disbursed in CHF million					
Year	Crowdinvesting	Reward-based crowdfunding / crowddonating	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 ⁵⁴	128.2
2017	135.2	29.1	186.7	23.5	374.5
2018	204.9	25.6	261.9	24.3	516.6
2019	154.1	24.6	418.4	0	597.1
2020	114.0	44.6	448.0	0	606.6
2021	147.2	37.6	607.0	0	791.8
2008-2021	815.9	205.5	1,993.8	65.2	3,080.03

⁵² 13,092 of the total of 14,984 campaigns were on temporary platforms launched as a result of Covid-19.

⁵³ Includes only the 2018 volume.

⁵⁴ The volume in the invoice trading segment comes from Advanon. From 2019, Advanon is no longer included in the statistics.

Authors

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Andreas Dietrich (1976) heads the Institute of Financial Services Zug IFZ and is head of CAS Digital Banking programme. 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 has also had a seat on the board of directors of the Lucerne Cantonal Bank since 2015.

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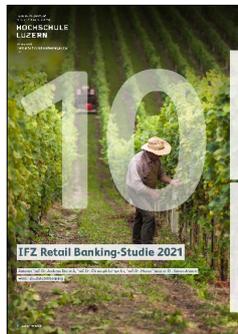
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