



**Categorisation and prioritisation
of quality criteria for CF
Danube Region
(D 4.1.3)**

Symbolic map

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1. Introduction

This document elaborates the achievement of Deliverable D.4.1.3 - Categorisation and prioritisation of quality criteria for CF. It represents the results from international consultation on quality framework (D 4.1.1) and workshops held in each partner's region (D 4.1.2).

Achievement of D 4.1.1 – Consultation on quality framework for CF services and D 4.1.2 – Reports on 9 workshops on quality criteria for CF resulted in identification of quality criteria required for ensuring a high quality of CF services for CF campaigns, feedback from local stakeholders on relevance of specific services and ranking of quality criteria, based on their importance perceived by the stakeholders.

The achievement of the aforementioned deliverables, represents the basis upon which the categorisation and prioritisation of quality criteria (D 4.1.3) was made. The quality criteria is divided into 4 categories – financial, legal, marketing and management and they are prioritised based on their importance identified through previous activities and achievement of D 4.1.1 and D.4.1.2.

The results show that the majority of quality criteria, as well as the most important criteria, fall under the management and marketing categories.

2. Categorisation and prioritisation of quality criteria for CF

After identifying the main problems and challenges in the field of crowdfunding in Danube region, the approach started with online consultations process (D 4.1.1) that resulted in identification of quality criteria. These quality criteria were then evaluated by stakeholder networks within the workshops held in each partner's region (D 4.1.2) in order to categorize and prioritize them.

From the very beginning of identifying the quality criteria for CF service providers, they were divided into 2 categories:

- Criteria for CF service providers (such as IPR experts, marketing agencies, video producers, campaign managers, business plan experts etc.)
- Criteria for CF platforms

Although, CF platforms are considered as CF service provider, they must be looked and evaluated separately from other CF service providers due to the fact they mutually differ a lot, meaning the quality criteria differ for each category.

Main stakeholders that participated in the evaluation of identified criteria include SMEs (start-ups and social enterprises) with CF experience, business support organizations (BSOs) and CF platform representatives.

The results show that the majority of quality criteria, as well as the most important criteria, fall under the management and marketing categories.

2.1. CF service providers

As shown in the table below, the most important quality criteria for CF service providers, based on stakeholder perception, are No. of successful CF campaigns, success rate and experience in CF campaigns. Therefore, when gathering the team for CF campaign preparation, the CF newcomers should look for CF service providers that already participated in successful CF campaigns, have relevant CF experience and good success rate.

Table 1: Categorisation and prioritisation of quality criteria for CF service providers

		Categorisation					
		Financial	Legal	Marketing	Management		
Prioritisation	CF service providers	High importance	No. of successful CF campaigns		X		
			Success rate		X	X	
			Experience in CF campaigns			X	
		Medium importance	Total value of successful CF campaigns	X			
			Positive feedback from other clients			X	
			No. of CF campaigns			X	
		Low importance	Total value of CF campaigns	X			
			General experience				X
			Previous clients			X	

2.2. CF platforms

When choosing a CF platform, other than taking into account the very topics/themes of the campaign and the type of crowdfunding to use (donation-based, reward-based, equity-based or lending-based), CF beginners should also consider the most important criteria recognized by the stakeholders with experience in crowdfunding:

- No. of successfully funded CF campaigns on the platform
- Success rate,
- Total no. of backers, pre-screening of campaigns (before launched on platform)
- Total no. of launched CF campaigns on the platform.

It is also important to consider additional services offered by the platforms such as marketing, legal issues, help with financial/business planning and with post campaign key challenges.

If CF platform has established network with CF service providers, this represents additional value because it can connect CF beginners with experienced service providers which will have direct impact on CF campaign quality and consequently on CF campaign success.

Same as with quality criteria for CF service providers, most of the criteria for CF platforms fall under the marketing and management categories.

As opposed to quality criteria for CF service providers, where there are no legal quality criteria identified at all, a number of legal quality criteria have been identified for CF platforms. Although identified, legal criteria are not yet perceived highly important by the stakeholders in Danube region.

Categorisation and prioritisation of quality criteria for CF platforms is shown in the table below.

Table 2: Categorisation and prioritisation of quality criteria for CF platforms

				Categorisation			
				Financial	Legal	Marketing	Management
Prioritisation	CF platforms	High importance	No. of successfully funded CF campaigns on the platform			X	X
			Success rate			X	X
			Total no. of backers			X	
			Pre-screening of campaigns (before launched on platform)				X
			Total no. of launched CF campaigns on the platform			X	
		Medium importance	Additional services offered by CF platform			X	X
			Interactions (how users interact with the platform)				X
			Frauds (how eventual frauds will be processed)		X		X
			Capital adequacy requirements (by law or platform specific)	X	X		
			Data Treatment (what kind of information is stored and how)		X		X
		Low importance	Specific resolution plans (in case of platform failure)				X
			Payments (how payments are made, client money segregation)	X	X		
			Data aggregation (third party relations managed by the platform)		X		X
			Form of regulation		X		