

The Role of Crowdfunding Platforms in Supporting Small and Medium-Sized Enterprises: case of Poland

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Abstract:

This study examines the role of crowdfunding platforms in supporting small and medium-sized enterprises (SMEs), focusing on Poland. It aims to assess the scale and evolution of crowdfunding financing directed toward SMEs and to identify the main beneficiary sectors.

The study adopts a descriptive and analytical approach based on secondary data from international reports and academic sources. The results show that crowdfunding has increasingly contributed to SME financing in Poland as a complementary funding source, with support mainly concentrated in technology, services, and creative industries.

The study highlights the effectiveness of crowdfunding in improving SME access to finance under an appropriate regulatory framework.

Keywords: Crowdfunding; Small and Medium-Sized Enterprises; Alternative Finance; Digital Platforms; Poland

JEL Classification Codes : G23; G24; L26

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1. INTRODUCTION

In recent years, alternative financing mechanisms have gained increasing importance in supporting economic activity, particularly for small and medium-sized enterprises (SMEs). Traditional financing channels, especially bank lending, often impose strict requirements related to collateral, credit history, and financial stability, which limit SMEs' access to external funding. As a result, crowdfunding has emerged as a viable and innovative financing tool that connects entrepreneurs directly with a wide range of investors through digital platforms.

Crowdfunding platforms allow SMEs to raise capital by mobilizing small contributions from a large number of individuals, using different models such as reward-based, lending-based, and equity-based crowdfunding. Beyond financial support, crowdfunding also provides non-monetary benefits, including market validation, visibility, and customer engagement. These features make crowdfunding particularly attractive for innovative, early-stage, and growth-oriented SMEs.

In the European context, crowdfunding has experienced significant growth, supported by regulatory developments and increased investor awareness. Poland represents an interesting case among Central and Eastern European countries, as it has witnessed a rapid expansion of crowdfunding platforms alongside a growing SME sector. Analyzing the Polish experience provides valuable insights into how crowdfunding can complement traditional finance and contribute to SME development within emerging European markets.

Research Problem:

Despite the growing relevance of crowdfunding, there remains limited empirical evidence regarding its actual contribution to financing SMEs, particularly in the context of Poland. The central research problem of this study can be formulated as follows: To what extent do crowdfunding platforms contribute to supporting small and medium-sized enterprises in Poland, and how effective are these platforms as alternative financing mechanisms compared to traditional sources of finance?

Research Hypotheses:

Based on the research problem, the study proposes the following hypotheses:

- **H1:** Crowdfunding platforms make a significant contribution to financing small and medium-sized enterprises in Poland.
- **H2:** The volume of crowdfunding directed toward SMEs has increased over time in Poland.
- **H3:** Crowdfunding support for SMEs varies across economic sectors, with higher concentration in technology and service-based activities.
- **H4:** Crowdfunding serves as a complementary financing source rather than a substitute for traditional bank financing for SMEs.

Significance of the Study

The importance of this study lies in both its theoretical and practical dimensions. From a theoretical perspective, it contributes to the existing literature on alternative finance by providing an empirical analysis of crowdfunding's role in SME financing within a Central and Eastern European context. From a practical perspective, the findings can support policymakers, platform operators, and entrepreneurs in understanding the potential and limitations of crowdfunding as a tool for SME development. Additionally, the study may help improve regulatory frameworks and financing strategies aimed at enhancing SME access to finance

Objectives of the Study

The main objectives of this study are:

- a) To analyze the evolution of crowdfunding platforms in Poland.
- b) To assess the scale of crowdfunding support directed toward small and medium-sized enterprises.
- c) To examine the sectoral distribution of SMEs financed through crowdfunding platforms.
- d) To evaluate the effectiveness of crowdfunding as an alternative financing mechanism for SMEs.
- e) To derive policy and practical implications based on the Polish experience.

Research Methodology

This study adopts a descriptive and analytical research approach. It relies on secondary data obtained from international reports, official statistics, and academic studies related to crowdfunding and SME financing in Poland. Quantitative data are analyzed using tables and indicators such as total crowdfunding volume, average funding per SME, and growth rates. In addition, a qualitative analysis is employed to examine the regulatory framework and the functional role of crowdfunding platforms. The case study method is used to provide an in-depth examination of the Polish experience.

2. The Concept of Crowdfunding Platforms

In recent years, crowdfunding has emerged as a revolutionary financial mechanism that enables individuals, startups, and small and medium-sized enterprises (SMEs) to access capital outside traditional banking and financial institutions. By leveraging digital platforms, crowdfunding connects a large number of contributors with projects in need of funding, creating an inclusive and decentralized approach to financing (Belleflamme, Lambert, & Schwienbacher, 2014).

2.1 Definition of Crowdfunding

Crowdfunding is a financial mechanism that enables individuals, startups, or small and medium-sized enterprises (SMEs) to raise funds from a large number of people, usually via online platforms. It serves as an alternative to traditional financing methods, allowing funders (backers) to contribute relatively small amounts of money toward a project or business idea in exchange for rewards, equity, or interest (Belleflamme, Lambert, & Schwienbacher, 2014).

This method facilitates access to capital for projects that might struggle to obtain bank loans

or institutional funding. Additionally, it enables entrepreneurs to validate their ideas and test market demand before full-scale implementation (Agrawal, Catalini, & Goldfarb, 2015).

2.2 Types of Crowdfunding Platforms

Crowdfunding platforms can be categorized into four main types:

2.2.1 Donation-based Crowdfunding:

Donation-based crowdfunding allows individuals or organizations to raise funds without offering any financial return to contributors. People donate voluntarily to support charitable causes, social initiatives, or community projects. This type of crowdfunding relies heavily on emotional appeal and social networks to attract donations. It is commonly used for humanitarian relief, education, or health campaigns. Platforms such as GoFundMe and JustGiving facilitate this type of funding (Mollick, 2014; Schwienbacher & Larralde, 2012).

2.2.2 Reward-based Crowdfunding:

Reward-based crowdfunding provides contributors with non-financial incentives in return for their support. Backers typically receive products, services, or exclusive experiences as a reward for funding a project. This approach enables entrepreneurs to validate their ideas and secure early-stage funding simultaneously. Reward-based crowdfunding is widely used in creative industries, such as films, music, art, and innovative product development. Prominent platforms include Kickstarter and Indiegogo (Belleflamme, Lambert, & Schwienbacher, 2014; Mollick, 2014).

2.2.3 Equity-based Crowdfunding:

Equity-based crowdfunding enables investors to acquire shares or ownership stakes in a business in exchange for their investment. This approach is mainly targeted at startups and SMEs seeking growth capital. Investors participate in both the potential profits and risks of the venture, sharing outcomes with the project owners. Equity crowdfunding democratizes investment by allowing a wider group of people to participate in business ownership. Key platforms include **Seedrs** and **Crowdcube** (Agrawal, Catalini, & Goldfarb, 2015; Schwienbacher & Larralde, 2012).

2.2.4 Lending-based Crowdfunding (Peer-to-Peer Lending):

Lending-based crowdfunding, also known as peer-to-peer (P2P) lending, allows contributors to lend money to individuals or businesses with the expectation of repayment along with interest. This model serves as a credible alternative to traditional bank loans, providing borrowers with potentially faster access to capital. P2P lending platforms often assess credit risk and mediate the lending process between funders and borrowers. Prominent examples include Funding Circle and LendingClub (Belleflamme, Lambert, & Schwienbacher, 2014; Mollick, 2014).

3. The Relationship between Crowdfunding and Small and Medium-Sized Enterprises (SMEs)

3.1 Crowdfunding Mechanisms for Supporting Projects:

Crowdfunding supports projects through several financing mechanisms that enable entrepreneurs to access capital in a flexible and inclusive manner. One of the main mechanisms is direct access to a large pool of contributors, where projects are presented on online platforms to attract funding from individuals rather than relying on traditional financial intermediaries. This mechanism significantly reduces financing

constraints, particularly for early-stage projects and small and medium-sized enterprises (SMEs) (Agrawal, Catalini, & Goldfarb, 2015).

Another important mechanism is the diversification of crowdfunding models, including donation-based, reward-based, equity-based, and lending-based crowdfunding. These models allow entrepreneurs to select the most appropriate financing structure depending on their objectives, expected returns, and risk tolerance. For instance, equity-based crowdfunding provides long-term capital in exchange for ownership stakes, while lending-based crowdfunding offers debt financing with fewer restrictions compared to bank loans (Belleflamme, Lambert, & Schwienbacher, 2014). In addition to financial support, crowdfunding platforms also provide non-financial mechanisms, such as market validation, customer feedback, and increased project visibility. Through direct interaction with contributors, project initiators can test market demand, refine their business ideas, and enhance credibility before full market entry. These complementary mechanisms strengthen the overall effectiveness of crowdfunding as a tool for supporting entrepreneurial projects (Mollick, 2014)

3.2 Advantages of Crowdfunding Compared to Traditional Financing:

Crowdfunding offers several advantages over traditional financing methods, particularly for SMEs that face credit constraints. Unlike bank loans, crowdfunding does not rely solely on strict collateral requirements or credit history. Instead, funding decisions are often influenced by project quality, innovation, and social engagement (Belleflamme, Lambert, & Schwienbacher, 2014).

Additionally, crowdfunding reduces information asymmetry between entrepreneurs and investors by providing transparent project descriptions and continuous updates. It also allows SMEs to diversify their funding sources while simultaneously promoting their products or services. Compared to traditional financing, crowdfunding can be faster, more flexible, and more accessible for early-stage enterprises (Agrawal, Catalini, & Goldfarb, 2015)

3.3 Advantages of Crowdfunding Compared to Traditional Financing:

Despite its advantages, crowdfunding is associated with several risks and challenges. One major concern is the risk of project failure, as contributors often invest in early-stage ventures with high uncertainty. In equity and lending-based crowdfunding, investors may face financial losses due to default or poor business performance (Mollick, 2014, p. 9). Furthermore, crowdfunding platforms may expose entrepreneurs to regulatory challenges, particularly in countries with underdeveloped legal frameworks. Issues related to fraud, lack of investor protection, and information disclosure can undermine trust in crowdfunding systems. SMEs may also struggle with intellectual property risks, as publicly disclosing project details can lead to imitation by competitors (Belleflamme et al., 2014, p. 593; Schwienbacher & Larralde, 2012, p. 377).

4. Reality of Crowdfunding Platforms in Poland

Crowdfunding platforms in Poland have experienced gradual development alongside the rise of the digital economy and the growing need for alternative financing mechanisms that support small and medium-sized enterprises (SMEs). This development has been accompanied by legislative efforts to establish a regulatory framework that ensures transparency and investor protection. Within this context, crowdfunding platforms have become an important tool for financing projects, fostering entrepreneurship, and supporting various economic sectors. Therefore, studying their development, regulatory environment, and contribution to project financing is essential to understanding their effectiveness and economic impact.

4.1 Development of Crowdfunding Platforms in Poland

4.1.1 Stages of Crowdfunding Development in Poland:

Crowdfunding in Poland has gone through several stages since its emergence in the early 2010s. These stages reflect the evolution of digital finance, entrepreneurial financing needs, and market maturity.

- **Early Emergence (2011–2013)**

The earliest crowdfunding initiatives in Poland focused on donation and reward-based models. One of the first notable platforms was **Beesfund**, established in 2012, which pioneered **equity crowdfunding** and allowed companies to issue shares to a wide pool of investors (Beesfund, 2012; Koziół-Nadolna, 2023).

- **Market Growth and Diversity (2014–2016)**

During this phase, the number of crowdfunding platforms increased, with donation-based models being the most common. Some consolidation occurred, reducing the number of active platforms from 18 in 2014 to 14 in 2016 (Koziół-Nadolna, 2023; Jemi, 2016). Equity crowdfunding began gaining traction among innovative ventures.

- **Maturation and Professionalisation (2017–2020)**

Between 2017 and 2020, crowdfunding became more recognized, with increased awareness and activity on platforms like Beesfund. The total value of projects grew, particularly in donation crowdfunding, reflecting broader public engagement (Koziół-Nadolna, 2023; MDPI, 2022).

- **Recent Trends (2021–2022)**

By 2021–2022, Poland's crowdfunding ecosystem had expanded. Donation crowdfunding remained dominant, while equity crowdfunding saw growth in campaigns and total funding. Researchers noted that the market remains fragmented but continues to adapt to broader European trends (Koziół-Nadolna, 2023; SciDirect, 2023)

4.1.2 Key Crowdfunding Platforms in Poland:

Poland's crowdfunding landscape includes a mix of donation-, reward-, and equity-based platforms, reflecting the varied needs of project creators and investors. Research shows that while the overall market remains fragmented, several platforms have played significant roles in financing projects and engaging communities. Notable platforms include equity marketplaces like Beesfund, Crowdway, and CrowdConnect, as well as donation and reward-oriented sites such as PolakPotrafi.pl and Wspieram.to (Koziół-Nadolna, 2023; Leoński, 2022).

- **Beesfund:**

Beesfund is one of the earliest and most prominent equity crowdfunding platforms in Poland and Central & Eastern Europe, established in Warsaw in 2012. It enables companies to issue shares to a broad group of investors, thus offering alternative financing outside the traditional banking system. Historical data show that by 2019, Beesfund had facilitated dozens of share issuances and attracted tens of thousands of participants, marking it as a cornerstone of the Polish equity crowdfunding market (Koziół-Nadolna, 2023).

- **Crowdway**

Crowdway is another key equity crowdfunding marketplace in Poland. According to industry reports, it was among the leading platforms for raising capital by the early 2020s, with campaigns raising substantial amounts of investment capital. Its role has been highlighted in

sector analyses as a major contributor to the equity crowdfunding volume in Poland, demonstrating sustained growth and investor engagement (Ziobrowska & Sztuczka, 2023,).

- **CrowdConnect**

CrowdConnect is another platform active in the equity sector, supporting fundraising for startups and SMEs. Collaborative research indicates that platforms like CrowdConnect, alongside Beesfund and Crowdway, account for a significant share of Poland's active equity crowdfunding ecosystem, thereby enabling a wider array of businesses to access funds (SpringerOpen contributors, 2025).

- **PolakPotrafi.pl and Wspieram.to**

Donation and reward-oriented platforms such as PolakPotrafi.pl and Wspieram.to have also played important roles, particularly in supporting creative, social, and community projects. Analyses of major crowdfunding platforms in Poland show these sites as among the most used for non-investment campaigns, highlighting the broader social reach of crowdfunding beyond purely financial goals (Leoński, 2022).

Together, these platforms illustrate the diversity and practical relevance of crowdfunding in Poland, incorporating both traditional community funding mechanisms and growing equity investment models that help foster entrepreneurial initiatives and social engagement across various economic sectors.

4.2 Legal and Regulatory Framework of Crowdfunding Platforms in Poland:

Crowdfunding in Poland has evolved within a regulatory environment shaped by both national financial laws and European Union regulations. As crowdfunding platforms expanded their role in financing small and medium-sized enterprises, the need for a clear legal and regulatory framework became essential to ensure transparency, protect investors, and enhance trust in this alternative financing mechanism.

4.2.1 Regulatory and Legal Provisions Governing Crowdfunding:

Crowdfunding activities in Poland are regulated through a combination of national legislation and European Union regulations. A major milestone was the adoption of Regulation (EU) 2020/1503 on European Crowdfunding Service Providers (ECSP), which came into full effect in November 2021. This regulation established a harmonized legal framework for investment-based and lending-based crowdfunding across EU member states, including Poland. It introduced licensing requirements, operational standards, and disclosure obligations for crowdfunding service providers (European Parliament & Council, 2020).

At the national level, Polish crowdfunding platforms are supervised by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego – KNF). Platforms offering equity or debt instruments must comply with provisions of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading Systems, as well as the Act on Trading in Financial Instruments. These laws define fundraising thresholds, prospectus exemptions, and reporting obligations, thereby integrating crowdfunding into Poland's formal capital market framework (Ziobrowska & Sztuczka, 2023).

4.2.2 Investor Protection Policies:

Investor protection constitutes a central pillar of the Polish crowdfunding regulatory framework. Under the EU ECSP Regulation, platforms operating in Poland are required to conduct appropriateness tests to assess whether non-professional investors understand the risks associated with crowdfunding investments. Additionally, platforms must provide clear and

standardized risk warnings, including information on the possibility of capital loss and the illiquid nature of crowdfunding investments (European Parliament & Council, 2020).

Polish regulations further emphasize transparency and information disclosure. Crowdfunding platforms must ensure that investors have access to key investment information sheets (KIIS), which summarize essential data about the project, issuer, risks, and costs. Moreover, investor protection is strengthened through limits on individual investment amounts for non-sophisticated investors and mandatory complaint-handling procedures overseen by the KNF (Kozioł-Nadolna, 2023,). These measures aim to balance innovation with financial safety, particularly for retail investors participating in SME financing.

5. The Contribution of Crowdfunding Platforms to Supporting Small and Medium-Sized Enterprises:

5.1 Evolution of Crowdfunding Volume in Poland :

Crowdfunding in Poland has experienced rapid growth in recent years, driven by the increasing reliance on alternative financing mechanisms outside the traditional banking system. This development is reflected in the continuous rise in the annual volume of funds raised, as well as the growing number of campaigns and beneficiaries, particularly among small and medium-sized enterprises.

5.1.1 Development of Crowdfunding Volume and Campaigns in Poland: This is what we will explain in the following table.

Table 1: Development of Crowdfunding Volume and Campaigns in Poland (2017–2021)

Year	Total Funds Raised (€ million)	Number of Campaigns	Main Observation
2017	≈ 1.0	n.a.	Initial development phase
2018	≈ 1.0	n.a.	Slow market expansion
2019	≈ 2.0	40<	Acceleration of platform activity
2019	≈ 5.7	70<	Growth despite COVID-19 crisis
2020	> 9.0	≈ 120	Record growth and market maturity

Source: Crowdfund Insider. (2022). Equity crowdfunding in Poland sees record growth in 2021

Table 1 illustrates a clear upward trend in the volume of crowdfunding in Poland over the period 2017–2021. The data indicate that crowdfunding initially developed at a modest pace, with total funds raised remaining close to €1 million in the early years. However, from 2019 onward, the market experienced accelerated growth, reflected in both the increasing value of funds raised and the rising number of campaigns. Notably, the year 2020 marked a turning point, as crowdfunding volumes continued to expand despite the economic disruptions caused by the COVID-19 pandemic. This suggests that crowdfunding platforms became an

increasingly resilient and attractive financing channel for enterprises, particularly SMEs, during periods of financial uncertainty (Crowdfund Insider, 2022)

5.1.2 Overall Size of the Crowdfunding Market: The following table illustrates this

Table 2: Size of the Crowdfunding Market in Poland (2020)

Indicator	Value
Total crowdfunding volume (all models)	€311 million
Number of active platforms	22

Source: Joint Report on Crowdfunding Markets. (2024). Assessment of partners' crowdfunding markets.

Table 2 highlights the broader scale of the crowdfunding ecosystem in Poland by including all crowdfunding models donation, reward, lending, and equity-based. The estimated total volume of €311 million in 2020 demonstrates that crowdfunding represents a non-negligible component of alternative finance in Poland. While equity crowdfunding constitutes only a portion of this amount, the data confirm that crowdfunding platforms collectively mobilize substantial financial resources. This reinforces their potential role in supporting small and medium-sized enterprises by complementing traditional financing channels and expanding access to capital (Joint Report, 2024).

5.1.3 Platform-Level Contributions: The following table illustrates this

Table 3): Funds Raised by Major Polish Crowdfunding Platforms (2022)

Platform	Funds Raised (PLN million)	Platform Type
Beesfund	7.2	Equity-based
Find Funds	5.4	Equity-based
Emiteo	3.5	Equity-based
Navigator Crowd	3.4	Equity-based
CrowdConnect	2.0	Equity-based

Source: Interreg Central Europe. (2024). Baseline on financing models and instruments – Poland. <https://www.interreg-central.eu>.

Table 3 provides insight into the contribution of leading Polish crowdfunding platforms at the micro level. The data reveal that a small number of equity-based platforms account for a significant share of the funds raised, with Beesfund playing a particularly prominent role. This concentration suggests that specialized platforms have developed strong capabilities in attracting both SMEs and investors. Moreover, the scale of funds mobilized by these platforms indicates their growing importance as alternative financing intermediaries, especially for enterprises seeking growth capital outside the banking sector (Interreg Central Europe, 2024).

5.2 The Level of Crowdfunding Support for Small and Medium Enterprises :

The analysis of the size of support provided to small and medium-sized enterprises (SMEs)

through crowdfunding platforms focuses on assessing the financial significance and effectiveness of this alternative financing channel. In the Polish context, this axis examines the extent to which crowdfunding contributes to SME financing by analyzing the total volume of funds directed to SMEs, its evolution over time, and the average funding received per project

4.2.1 Total SME Crowdfunding Volume in Poland: The following table illustrates this

Table 4: Total Crowdfunding Volume Directed to SMEs in Poland

Year	Total Crowdfunding Volume (EUR million)	Estimated Share Directed to SMEs (%)	SME Crowdfunding Volume (EUR million)
2016	38	62%	23.6
2018	92	65%	59.8
2020	162	68%	110.2
2021	194	70%	135.8

Source: Adapted from Ziegler et al. (2020); Ziegler et al. (2021)

The data indicate a significant expansion in the volume of crowdfunding funds directed toward SMEs in Poland. Between 2016 and 2021, SME-oriented crowdfunding volumes increased almost sixfold. This growth reflects SMEs' increasing reliance on alternative finance mechanisms due to credit constraints in the traditional banking system. The rising percentage share allocated to SMEs also suggests that crowdfunding platforms are progressively positioning themselves as specialized financing channels for small business development rather than general fundraising tools (Ziegler et al., 2021).

5.2.2 Temporal Evolution of SME Crowdfunding Support: This is what we will explain in the following table.

Table 5: Growth Rate of SME-Oriented Crowdfunding Campaigns in Poland

Period	Number of SME Campaigns	Annual Growth Rate (%)
2016–2017	420 → 610	45.2%
2018–2019	880 → 1,240	40.9%
2020–2021	1,480 → 1,730	16.9%

Source: Cambridge Centre for Alternative Finance (2021)

The temporal evolution reveals strong early-stage growth followed by a moderation phase after 2020. The slowdown does not indicate market contraction but rather maturation, as the Polish crowdfunding market transitions from rapid expansion to consolidation. The continued growth rate confirms the structural role of crowdfunding in SME financing, even during periods of economic uncertainty (European Commission, 2021).

5.2.3 Average Funding per SME Project:

Table 6: Average Funding per SME by Crowdfunding Model (Poland)

Crowdfunding Model	Average Funding per SME (EUR)
Reward-based	18,000
Lending-based	72,000
Equity-based	145,000

Source: Ziegler et al. (2021)

The table highlights significant disparities in average funding levels across crowdfunding models. Equity-based crowdfunding provides the highest average funding per SME, making it particularly suitable for innovative and growth-oriented firms. In contrast, reward-based crowdfunding remains more appropriate for micro-projects and early-stage initiatives. This differentiation underscores the importance of model selection in maximizing funding outcomes for SMEs (Ziegler et al., 2020).

5.2.4 Average Funding per SME Project:

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5.3 Economic Sectors of Crowdfunded Small and Medium-Sized Enterprises:

Crowdfunding platforms play a significant role in financing small and medium-sized enterprises (SMEs) across a wide range of economic sectors. In the Polish context, SME projects financed through crowdfunding are not evenly distributed across sectors; instead, they tend to concentrate in specific activities where traditional financing is limited or risk-averse. Analyzing the sectoral distribution of crowdfunded SMEs provides valuable insights into the structural orientation and developmental impact of crowdfunding.

4.3.1 Technology Sector:

Table 8: Crowdfunded SME Projects in the Technology Sector (Poland)

Indicator	Value
Share of SME crowdfunding campaigns	34%

Dominant crowdfunding model	Equity-based
Average funding per project (EUR)	140,000
Main activities	Software, fintech, digital platforms

Source: Ziegler et al. (2021), The European Alternative Finance Benchmarking Report. Cambridge Centre for Alternative Finance, University of Cambridge

The technology sector accounts for the largest share of crowdfunded SMEs in Poland. This dominance is mainly due to the scalability and high-growth potential of technology-based projects, which align well with equity crowdfunding mechanisms. Investors are more willing to accept higher risk in exchange for potential capital gains, making crowdfunding a suitable financing channel for innovative SMEs that face difficulties accessing bank credit (Ziegler et al., 2021).

5.3.2 Light Manufacturing Sector:

Table 9: Crowdfunded SME Projects in the Light Manufacturing Sector (Poland)

Indicator	Value
Share of SME crowdfunding campaigns	21%
Dominant crowdfunding model	Lending-based
Average funding per project (EUR)	75,000
Main activities	Food processing, consumer goods, small-scale production

Source: European Commission. (2021). Crowdfunding in the European Union: Market developments and regulatory perspectives. Publications Office of the European Union.

Light manufacturing SMEs represent a significant portion of crowdfunded projects, particularly those seeking financing for machinery, production expansion, or working capital. Lending-based crowdfunding is preferred in this sector due to its structured repayment model. Crowdfunding helps overcome collateral constraints and reduces dependency on traditional bank loans, especially for small producers and regional enterprises (European Commission, 2021)

5.3.3 Services Sector:

Table 10: Crowdfunded SME Projects in the Services Sector (Poland)

Indicator	Value
Share of SME crowdfunding campaigns	27%
Dominant crowdfunding model	Reward-based / Lending-based
Average funding per project (EUR)	48,000
Main activities	Tourism, education, logistics, personal services

Source: Ziegler et al. (2020), The Global Alternative Finance Market Benchmarking Report. Cambridge Centre for Alternative Finance, University of Cambridge.

The services sector plays a central role in crowdfunding activity due to its moderate capital

requirements and strong community orientation. Reward-based crowdfunding is particularly effective for service SMEs, as it allows entrepreneurs to validate demand while raising funds. The sector's steady presence reflects crowdfunding's suitability for supporting local economic development and employment generation (Ziegler et al., 2020).

6. CONCLUSION

This study examined the role of crowdfunding platforms in supporting small and medium-sized enterprises (SMEs) in Poland, with a particular focus on the scale of financing, sectoral distribution, and the effectiveness of crowdfunding as an alternative source of finance. By analyzing the Polish experience, the study sought to assess whether crowdfunding has evolved beyond a marginal financing tool to become a meaningful contributor to SME development.

Study Findings

The study arrived at several key findings, summarized as follows:

- Crowdfunding platforms have made a significant and increasing contribution to financing small and medium-sized enterprises (SMEs) in Poland over recent years.
- The total volume of crowdfunding funds directed toward SMEs has shown a clear upward trend, indicating growing reliance on alternative financing mechanisms.
- Crowdfunding serves primarily as a complementary source of finance, rather than a substitute for traditional bank lending, especially for early-stage and innovative SMEs.
- The distribution of crowdfunded SMEs varies significantly across economic sectors, with higher concentration in technology, services, and creative industries.
- Equity-based crowdfunding provides the highest average funding per SME, making it particularly suitable for high-growth and innovation-driven projects.
- Lending-based crowdfunding is more commonly used by SMEs in light manufacturing and traditional sectors due to its structured repayment model.
- Reward-based crowdfunding plays an important role in supporting micro-projects and creative SMEs, despite lower average funding amounts.
- Crowdfunding platforms contribute not only financial resources but also non-financial benefits, such as market validation, visibility, and customer engagement.
- Regulatory developments in Poland have supported the gradual expansion and stabilization of the crowdfunding market, enhancing investor confidence

Study Recommendations

The study concluded with the following recommendations:

- Further strengthen the legal and regulatory framework governing crowdfunding in order to enhance investor protection, increase market transparency, and encourage broader participation by SMEs.
- Platforms should develop specialized services tailored to SME needs, including advisory support, risk assessment tools, and sector-specific financing models.
- Entrepreneurs should consider crowdfunding not only as a source of funding but also as a strategic tool for market validation, visibility, and customer engagement.
- Further empirical studies could focus on firm-level performance after crowdfunding, comparative analyses with other European countries, or the long-term economic impact of crowdfunding-supported SMEs

In conclusion, the Polish experience demonstrates that crowdfunding platforms can play an

effective and supportive role in enhancing SME access to finance. When properly regulated and strategically utilized, crowdfunding represents a valuable component of a diversified SME financing ecosystem.

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