

THE INFLUENCE OF CROWDECONOMY ON A SMALL-SCALE BUSINESS OF BELARUS

DARYA PATUREMSKAYA, INHA ZIANKOVA
Polotsk State University, Belarus

The article explains a small-scale business as a business carried on by the subjects of the market economy, in certain specified laws, government agencies or other representative organizations of the criteria.

It is defined here that small and medium enterprises, having a greater mobility than large businesses are able to respond more quickly to changing economic conditions and fluctuations in consumer demand.

The rapid development of crowdeconomy was a surprise to many analysts. Today many of the tools of traditional economics that seemed innovative yesterday, is rapidly becoming obsolete under the pressure of crowd economy. Despite the fact that the crowd economy in Belarus was spoken about not so long ago, in a short period of time she managed to gain popularity. Experts believe that in the future Belarus may become one of the leaders in the field of crowd economy.

The collaborative economy enables people to get efficiently what they need. Producers can achieve maximum efficiency, producing products at the direct request of consumers.

The growth of the crowdfunding market in 2014 amounted to \$16.2 billion, an increase of 167% from \$6.1 billion in 2013. In 2015, the industry reached the level of \$34.4 billion, an increase of more than 2 times. According to World Bank estimation the capitalization of the industry in 2020 will reach \$90 billion. If the doubling trend continues, we will be able to see these figures by 2017 [1].

According to the theoretical approach of the Director platform Ulej.by Irina Sidorova: "the growing popularity of crowdeconomy due to the fact that traditional economies are facing deadlock situations: the problems of overproduction, growing marketing budgets, wrong market strategy. All this can lead to the loss of huge financial resources. The crowdeconomy is a system that deprives us of incorrect expert decisions and helps build model that is the best bringing together the producer and the consumer. Intermediate analytics, that determine which goods and services to create, where and how much to build is the idea of the past for most economy sectors" [2].

An important property crowdeconomy is not only an alternative way to finance new products and technologies, but the ability to predict the emergence of new. Participating (through funding) in the creation of new products, as well as suggesting the companies direction for the development and improvement of current services, users create a pre-order for the creation of the next. The trend is relevant not only in commercial sphere but also in the social, urban life and other areas.

The market system is adaptive, but not to any product which the market is ready with, especially as innovative as the result of social entrepreneurship. It is advisable to test the products, no matter how great it seemed to the manufacturer, before presenting it to the General public.

Obviously, the format of relations of the seller and the buyer should be comfortable for both. Surely the Internet has become such a space. Great test tool, and simultaneously a marketing tool and PR is crowdfunding, the algorithm of which is not complicated: the online platform is the descriptive part of the project formulated its goal, define the problem, create the amount and the time frame in which you need to dial this threshold [3].

Today in Belarus the banks are primarily interested in the crowdeconomy. This interest is not accidental, as it is entirely consistent with the trends in the provision of financial services. According to many analysts, quite clearly there has been a shift from the "economy intermediaries", which are characterized by including the availability of traditional financial institutions (banks). For example, countries near and far abroad show that banks, stock exchanges and venture capital funds are gradually excluded from the process of financing, the investor cooperates directly with the beneficiary of the funds [4].

One of the main new Millennium features of the Bank is the integration in social networks. The Bank should use social network as a support channel. The new Millennium Bank is a Bank for the new generation so-called Millennials, have a different mentality, different habits and values. That is why there are several factors that should be considered in the new generation:

1. Mobility. Millennials are the first generation that most of their time at a computer or a smartphone, 90% of its members use the Internet go to mobile services for daily banking operations.

2. There are no receipts. The new generation is using P2P transfers, pay for services via the Internet and making interbank transfers.

3. No minimum balance account and without commissions. That is the condition for previsor Bank.

4. Indicator of customer loyalty. Millennials make sure that your Bank is not a Bank different from your competitor in the next building.

5. Fear of being in debt. They do not know how to distribute the money
6. The need for financial advice. For them it is important to service individual financial planning.
7. "Underbanked". 92% of them have Bank accounts, but 45% of the majority also use various non-banking products.
8. Effect Amazon. These people have grown up ordering most things online. On banks they also valued: free shipping and mobile services priority.
9. Openness. They are willing to post information and share it in social networks [5].

"I think that in terms crowd economy Belarus is moving in the right direction. The first resources using such devices, in our market appeared long ago. These are "old-timers" as "Talaka", Maesens, attracting grant funding for socially important projects. Recently "Ulej" and WikiBank have started to work recently. And speed of movement in the direction crowdeconomy, I think, will grow", – said the head of development of digital banking technologies the National Bank of Belarus AleksandrSotnikov [6].

Crowdfunding is the collective financing of projects and initiatives. In "crowdfunding" a large number of people are interested in support the project in small or large amounts in return for the results from the implementation of the financed project.

To apply the desire to attract funding to your project, you should be elaborated and prepared a draft. People must know what they invest. The more attractive you describe your idea the better.

Also you must be clear what amount you need. To do this, make a business plan, conduct a cost estimate of all expenses and claim on the crowdfunding website a specific figure of the necessary funds. Info about how much is collected and how much is left, should be free for all [7].

In Belarus the interest in the crowdeconomy just however, its innovative model has attracted the attention of big business. Her driving force in our country has become "Belgazprombank", rated crowdfunding, crowdsourcing, and crowdinvesting as global opportunities and to clients of the Bank and the country as a whole. Today Belgazprombank is the first Belarusian Bank, using crowdsourcing technology.

Crowdeconomy brings together the producer and the consumer, maximally eliminating the intermediate links, which represent tremendous value in the final product, – says the Chairman of the Board of OJSC "Belgazprombank".

In Belarus there is a national crowdfunding platform Ulej, which was launched in April 2015, but has already managed to collect about 500 million rubles. As a counterpart the organizers Ulej.by used the popular platform Kickstarter model is "All-or-Nothing".

The advantages of the project "All-or-nothing":

1. No risk – if the project is not gaining specified for its implementation, the amount of work not performed, and sponsors who supported the project, not lose money.
2. If the project does not resonate with the public and, therefore, not gaining a sufficient number of applications for funding, the authors can revise their ideas and are not required to continue work on the project.
3. This principle of financing motivates authors to work on a project, communication and finding sponsors interested in their ideas.[4]

Depending on the model of remuneration for the investor it is possible to distinguish several types of crowdfunding:

1. without compensation (donation or gift). Can anticipate from the investment of gratitude, a mention of the investor in the final product (as an example – already mentioned thankyou.ru);
2. with non-financial rewards (model Kickstarter'a);
3. financial reward (crowdinvesting):
 - royalties (applied in case of creation of objects of intellectual property – each investor receives a percentage of the created works);
 - traditional lending (loans peer-to-peer: from user to user, bypassing financial intermediaries, has much in common with the activities of microfinance institutions);
 - joint crowdfunding (investor will receive a portion of the ownership of, shares of the company, dividends or the right to vote at General meetings of shareholders is difficult is being implemented around the world, as there is a separate legislation requiring the creation and registration of a legal entity) [8].

Most common crowd funding with non-financial rewards (model Kickstarter'a), when a virtually unlimited number of investors funding the contractor to provide specific goods or services (for example, the development of indie games, film production, innovative products...).

Crowd funding as crowdeconomy as a whole is an effective mechanism to raise funds not only for business start-UPS and small businesses, but also to assist victims of natural disasters, the development of free software and other socially useful purposes.

According to the theoretical approach Anna Cat society is quite able to take care of the parts are not only small, but quite important things that were traditionally considered to be the responsibility of the state. She notes

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that the power structure, given the growing influence of crowdeconomy, are increasingly interested in its capabilities, gradually forming the necessary legislation and looking at new technologies [5].

Belarus has all the chances to break forth in the application crowd economy, as it is quite local and is developed technologically.

So the crowdeconomy should be developed in Belarus, including to become the basis for changes to the legislation as it happened with the OTC market "Forex", which was made a separate regulation.

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