

Chapter 6

Impact of Crowdfunding on Women–Led Business Sustainability by Mediation of Alternative Financing in the Horn of Africa

Shashi Kant

 <https://orcid.org/0000-0003-4722-5736>

Bule Hora University, Ethiopia

Tafese Niguse

 <https://orcid.org/0009-0008-6536-6392>

Bule Hora University, Ethiopia

Metasebia Adula

 <https://orcid.org/0000-0001-5732-2850>

Bule Hora University, Ethiopia

ABSTRACT

This investigation looks at the influence of crowdsourcing on the viability of female owned firms in the East Africa, with a special emphasis on the

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mediating function of alternative means of finance. A quantitative research technique was used to collect information from 385 female venture innovators using structured questionnaires. AMOS software was used to conduct the investigation, which assimilated Kaiser-Meyer-Olkin (KMO) measurements, Exploratory Factor investigation (EFA), and Structural Equation Modeling (SEM). The findings show that crowdsourcing augments access to alternative means of finance, which helps to the long-term viability of female owned firms. The investigation reveals a large direct influence of crowdsourcing on venture viability while emphasizing the considerable intermediary effect of alternative means of finance. Specifically, the findings show that effective crowdsourcing campaigns not only give immediate cash resources but also promote other financing options, hence increasing long-term viability.

INTRODUCTION

In recent years, the global venture innovations landscape has acknowledged the essential role that female owned enterprises play in generating fiscal development and traditional transformation. This recognition is especially important in the East Africa, where female venture innovators confront specific difficulties that limit their access to classical finance options. Crowdsourcing has evolved as an innovative alternative means of finance tool that may help female owned enterprises by providing them with the capitals they need while also encouraging community involvement and assistance. Crowdsourcing's relevance extends beyond regional bounds, as it has been used throughout the globe to democratize access to money and boost entrepreneurial activity, particularly in underrepresented areas (Smagulova & Goncalves, 2023).

Crowdsourcing, which originated in the major realm of communal finance, has gained popularity as a result of the proliferation of digital sources that allow venture innovators and potential investors to contact directly. Empirical research has shown that crowdsourcing may augment venture viability by not just providing financial resources but also confirming venture concepts and forming assistance networks.

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