

**FINANCING OF INVESTMENT PROJECTS IN THE CONDITIONS OF
DIGITALIZATION**

Третяк Наталья Николаевна, к.э.н., доцент

ЧННІ Университет банківського дела, Україна

Tretiak Natalia Ph.D in Economics, Associate Professor,
Cherkasy educational-scientific institute University of Banking,
Ukraine, natali_m2008@ukr.net

Annotation. Traditional and innovative sources of financing investment projects are considered in the article. The role of digital platforms in the financing process is studied, the analysis and classification is carried out of crowdfunding platforms in the world.

Keywords: Digital platforms, financing of investment projects, crowdfunding, crowdinvesting, crowdlanding.

The development of any business involves its financing. The efficiency, profitability and competitiveness of the enterprise largely depend on timely, stable, balanced, affordable financing. The development of the digital economy has offered digital platforms in the market of financing instruments, which have been actively used in the investment activities of the enterprise, in order to attract resources for investment.

Currently, the issue of digitalization of the economy and the use of digital platforms is being actively studied, there are works of the economists which deserve attention, such as: Gembarska M., Romanyshyna O., Bulavynets O., Melnyk V., Eliseeva L., but this issue is not fully studied and needs research.

When implementing investment projects, enterprises have a problem with the sources of their financing. Financing of investment projects of the enterprise is carried out at the expense of various sources. Such sources can be: own financial resources, borrowed resources from external sources, etc. However, in addition to the traditional sources of financing investment projects, there are more recent sources.

Since the investment activity of each enterprise requires significant financial resources for capital or financial investments, so today in order to intensify investment

activities and search for innovative sources, modern technologies are actively used, like: digital technologies and digital platforms.

The development of digital technologies to raise funds leads to positive changes in the economy of the country and individual households. In addition, digital platforms have greater advantages over traditional and new sources of financing for investment projects of the enterprise, such as bank lending, borrowing, investment leasing and sales. The advantage is that the cost of raising funds is reduced by 40%, document flow is reduced as well and it is possible to attract investors from other countries [1, p.80].

The digital economy as a complex system involves digital platforms. The emergence of digital platforms is due to the birth of the latest business models, network chains and channels, the transformation of assets from tangible to digital, cross-border processes, network effects, layouts of common use.

The digital platform combines quite complex systems: enterprise, business model, network complex, software, virtual trading platform, control chains. The structure of digital platforms is multilevel, it includes basic centers, which are interconnected by various factors, chains and factors.

However, digital platform is a complex information system that provides a specific way to perform a certain function and is open to customers and partners, including application developers, merchants (online payment program) and agents. It can be used directly or with the help of applications created on its basis by owners or third parties [2, p. 5].

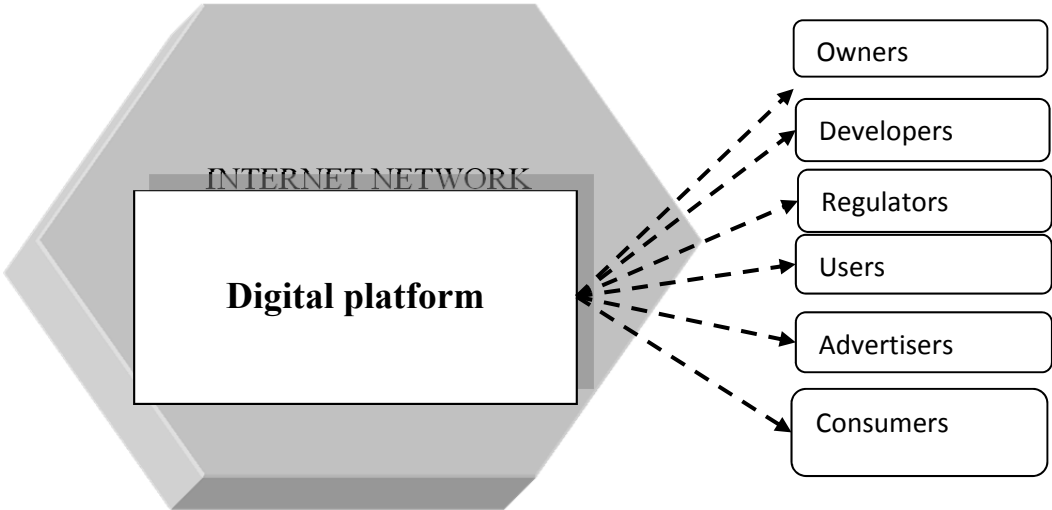


Fig. 1.1. Components of the digital platform

Source: author's own development.

Thus, the digital platform is a business model that is entirely based on innovative technologies that create economic benefits with the interaction of independent groups of participants (Fig. 1.1). [1, p.77].

The use of digital platforms allows to increase productivity, stimulates the development and implementation of innovations, reduces the cost of finding information and resources, ensures efficient use of assets, encourages operational management decisions. Also, the use of digital platforms has a number of advantages, in particular: the ability to access the market of small and medium-sized businesses, expanding export opportunities; reduction of indirect costs; effective use of technologies, standardization.

Digital platforms have been actively used in the investment activities of the enterprise, in order to attract resources for investment.

To intensify investment activities, it is advisable to use the latest platform for attracting investment through the Internet, called crowdfunding (Crowdfunding), which means crowd money or community funding.

Crowdfunding platforms are funded through the collective collaboration of people who voluntarily unite their funds to support new ideas and projects. The basis for the implementation of this service is the Internet portal, the so-called platform on which the project initiator places thorough information about the project: project description, the amount of funds to be collected for this project and the period for which to collect resources [3, p.9].

Crowdfunding has two directions: crowdfunding and crowdlending. The most popular nowadays is investment (joint-stock) crowdfunding, which includes the fourth and fifth models of crowdfunding, and involves investing in the project funds raised in the form of collective financing, necessarily with the expectation of financial gain by the investor. So, the distinguishing feature of crowdfunding is investments that are made in small amounts under a simplified procedure for financial gain. The Debt crowdfunding model involves investing money in exchange for a certain share in a future project, or in exchange for a return on investment. The equity crowdfunding model involves the recipient selling a portion of their business to an investor, or offering a stake in their company on a long-term basis. As crowdfunding is developing, becoming an alternative to traditional investment, this area of crowdfunding is developed separately and special platforms are created for it, its rules and regulations are implemented, in particular the Crowdfunder platform [4, p.219].

The distinguishing feature of crowdfunding from crowdfunding is that crowdfunding is a sponsorship that does not imply any further profits, while crowdfunding involves receiving a reward from financing the development of startups. Such a reward can be a monthly percentage of profits, shares or assets of the company, in addition, in the case of a startup, each investor is guaranteed to become a shareholder of a new company.

Crowdfunding, like any system, has a number of disadvantages and advantages. The main advantages are the ability to make small contributions; diversification of deposits, the system works so that the investor can invest in 20 projects at once; presents a large selection of startups. Disadvantages include: the risk of fraud, loss of the project, unresolved issues of investor protection for transactions on digital platforms.

Crowdlending is a method of online lending by individuals to other individuals or legal entities through specially created Internet platforms. Nowadays, this type of mutual investment is the most popular. In recent years, legal entities have been actively participating in the crowdlending platform, but this trend is more typical for Western Europe and the United States.

Crowdlending is represented by two types: P2P - lending, when individuals lend to other individuals. P2B - lending, when individuals lend to legal entities, primarily small and medium-sized businesses. Thus, crowdlending is a type of alternative financing of investment activity, the main income of the digital platform is formed at the expense of commission income. The largest crowdlending markets are concentrated in the USA, China, and the United Kingdom.

Today, crowdfunding offers more than 600 crowdfunding platforms for investing in the latest technologies and startups (Table)

Regarding Ukrainian crowdfunding, this type of financing is actively developing in our country, but not as fast as abroad. Today there are many Ukrainian crowdfunding platforms, such as: Spilnokosht, RazomGo, Ukrainian Charity Exchange, Na-Starte, UInvest, Kub and others.

Table – The most famous crowdfunding platforms in the world

Kickstarter	The most famous and one of the world's first crowdfunding platforms, which was found in 2008. Kickstarter funds projects in 13 categories: art, comics, dance, design, fashion, movies and videos, food video games, music, photography, publishing, technology, theater.
Indiegogo	The platform is identical to Kickstarter, but there are no restrictions on the category of the project, except for creative projects, the platform hosts financial and charitable projects, and there are no restrictions on the geographical location and amount of funds raised.
Crowdfunder	It is a platform for attracting investments, as well as selling shares of newly created innovative enterprises.
Distrify Undable,	A project funding platform focused on musicians, authors and directors.
Crowdcube	Attracting investments to finance startups, in particular in 2020 in health care.
Seedrs	Online investing in the best new startups and attracting angel investments.
Ulule	French crowdfunding platform, which was founded in 2010. For creative, innovative or social projects. The peculiarity is that this platform has a hybrid financial model: project authors can set the ultimate goal of the project (as on Kickstarter), or organize a pre-sale - set the price and accept the minimum number of pre-orders.
Patreon	Founded in 2013. This is a platform on which authors of videos, photos, images, music can distribute their work on a paid subscription. That is, content authors create personal pages on the Patreon site, on which fans of creativity can send the author of the content certain fixed amounts on a monthly basis. As a result of the fact that fans pay a certain amount of money to the authors, they can get certain additional features, such as: access to exclusive content, details behind the scenes.

Source: author's own development.

It should be noted that the use of digital platforms in the financing investment projects will provide an opportunity to attract debt-free resources, ensure the financial stability of the enterprise and cause a boost to the development of innovative products and technologies in the enterprise.

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