
Crowdfunding a useful option for startups

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BENGALURU: Entrepreneurs far from the reaches of India's venture capital network now have an option to raise initial cash to develop products: crowdfunding.

Although online platforms that help source funds from individuals are not new in India, players such as Wishberry, Ignite Intent and Milaap are focussed mainly on creative projects and personal or social causes. They are now coming up with initiatives to fund startups as well.

"For startups that are working on tangible products, they need to know whether this is something people would like or not before building an entire company," said Anshulika Dubey, co-founder and COO of Wishberry, which raised \$650,000 (Rs 4.05 crore) in seed funds earlier this year.

"Crowdfunding allows thinkers to create a prototype and then reach out to the investor community with a proven concept." Wishberry was the platform behind three startups so far, including educational guide Menstrupedia, and is starting to focus on tech product companies. Dubey plans to host pitch Saturdays at the office and hopes to fund 200 startups by the end of 2016. One startup that is raising funds on Wishberry is Greenopia, which offers a gardening kit that allows you to track plant growth on smartphones.

Its campaign runs on a rewards-based model, where funders will receive benefits such as smart pot kits, webinars with gardening experts and partner recognition. "Crowdfunding connects you directly to people who don't just buy your product, but become co-innovators early on," said Greenopia co-founder Mayukhini Pande. While crowd funding for startups is popular in the US, it is uncertain if it will work in India.

"There isn't a large enough early-adopter community here of individual consumers who are willing to buy a product in advance," said Sharad Sharma, a lead investor in Wishberry. "I don't see it taking off imminently and wouldn't advocate for startups to seek it." According to research firm Massolution, \$16.2 billion was raised through crowdfunding globally in 2014.