



Crowdfunding, Productivity and Continuity of Small Businesses

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Abstract

The main objective of this study was to examine the effect of crowdfunding practices on Productivity and Business Continuity of small businesses in Lagos State, Nigeria. The study adopted survey research design. Data were collected using questionnaire administered to 484 small businesses in Lagos State across the five (5) divisional areas referred to as ibiles (Ikeja, Ikorodu, Lagos Island, Badagary and Epe) and analysed using descriptive frequencies and regression analysis via SMARTPLS 3.0. The results revealed that Productivity responded significantly and positively to Donation based-DB, Equity based-EB, Loan based-LB and Reward based-REB ($\beta = 0.224$; $t\text{-stat} = 2.974$; $p < 0.05$); ($\beta = 0.133$; $t\text{-stat} = 2.072$; $p < 0.05$); ($\beta = 0.154$; $t\text{-stat} = 2.689$; $p < 0.05$); ($\beta = 0.139$; $t\text{-stat} = 2.142$; $p < 0.05$) respectively, while Royalty based-RB and Invoice trading-ITC had positive but insignificant impact. Moreover, business continuity responded significantly and positively to DB ($\beta = 0.142$; $t\text{-stat} = 2.086$; $p < 0.05$); EB ($\beta = 0.199$; $t\text{-stat} = 3.292$; $p < 0.05$); LB ($\beta = 0.006$; $t\text{-stat} = 0.103$; $p < 0.05$) and RB ($\beta = 0.238$; $t\text{-stat} = 3.840$; $p < 0.05$); however, insignificantly to ITC and REB ($\beta = 0.067$; $t\text{-stat} = 0.762$; $p > 0.05$); ($\beta = 0.069$; $t\text{-stat} = 1.033$; $p > 0.05$). The study concluded that DB, LB, EB REB and RB crowdfunding practices are modern source of funding for small businesses that contributed positively and significantly to productivity and business continuity of small businesses in Lagos state, Nigeria. In view of these findings, the study recommended that small businesses proprietors should pinpoint and engage in the best crowdfunding practices that influences productivity and enhances business continuity to assure survivability of the business.

Keywords:

Business Continuity
Business Survival
Crowdfunding
Productivity
Small-Businesses (SBs)

JEL Classification:

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1. Introduction

The survival of small businesses has been essential to the growth and activity of the global economy. Since small businesses produce goods and services, promote living standards, reduce unemployment, and increase GDP, their survival is crucial to economic strategies. In view of this, sustaining small businesses has become an

essential priority for all managers of national economies, irrespective of whether they are in developed, emerging, or developing countries, as determined by traditional funding and contemporary financing (crowdfunding), especially in developing countries (Efebeh, Ikenga and Orher, 2021). Crowdsourcing is a relatively new and developing kind of

fundraising that is enabled via crowdfunding platforms (CFPs), which are internet portals or websites. According to Surowiecki (2004), the concept evolved with the "power and wisdom of the crowd." Without the use of any traditional intermediaries, crowdfunding is an innovative and novel way for raising funds from a sizable number of people (the crowd) (Camilleri, 2021). This may refer to equity-based, loan-based, donation-based, invoice-trading, reward-based, and royalty-based crowdfunding, all of which assist in starting new businesses without the burden of interest payments associated with more conventional funding sources (Camilleri and Bresciani, 2022). A United Nations Industrial Development Organization (UNIDO) Report (2023) states that financial and non-financial issues have made it difficult for small businesses to survive and have an impact on sales, productivity, business continuity, and competitive advantage. Globally, crowdfunding has been associated with a number of issues, including trust, determining out how much money to ask for, selecting the most effective platform, and protecting the creative ideas of those who are raising money in developed, emerging, and developing countries like Nigeria (Afrikstart, 2022; International Monetary Fund, 2022). Moreover, fraud, corruption, double taxation, an illegal framework, and lack of knowledge are associated with crowdfunding methods, particularly in Nigeria. These challenges have also made it difficult to gain access to funds and support growth, which affects the productivity and continuity of small business's ability to continue to operate (Adam and Alarifi, 2021; Aderemi, Maulida and Maikabara, 2022). The researcher noted that quite a bit of research had been done, within and outside Nigeria, including studies by Aderemi, Maulida and Maikabara (2022), Camilleri (2021), and Camilleri and Bresciani (2022), among others. However, majority of these studies had not considered how crowdfunding affects small businesses' survivability. In view of the growing prospect of this innovative and modern source of

funding for small businesses, this study attempt to examine the effect of crowdfunding practices on productivity and business continuity of small businesses. In addition, it is these challenges, and gap in knowledge that has been identified that has provoked the motivation for this study to assess the influence of Crowdfunding practices on productivity and business continuity as a measure of small businesses survivability in Lagos state, Nigeria.

Thus, the following are the relevant research questions;

- i. What is the influence of crowdfunding practices on productivity of small businesses in Lagos State, Nigeria?
- ii. In what way does crowdfunding practices influence business continuity of small businesses in Lagos State, Nigeria?

Examining the effect of crowdfunding practices on productivity and business continuity of small business as a measure of survival is the main objective of this study, while specific objectives are to;

- i. examine the effect of crowdfunding practices on productivity (PROD) of small businesses in Lagos State;
- ii. assess the influence of crowdfunding practices on business continuity (BC) of small businesses in Lagos State

The study's hypotheses thus formulated and stated in the null forms, in line with the research objectives and questions raised are as follows:

H₀₁: There is no significant influence of crowdfunding practices on productivity of small businesses in Lagos State

H₀₂: There is no significant influence of crowdfunding practices on business continuity of small businesses in Lagos State

2. Literature review

2.1 Conceptual Review

2.1.1 Small Businesses (SBs)

Multiple criteria are used in defining small businesses. Owing to the subjectivity of classification and categorization, research has revealed that the definition of small businesses varies between economies. Many definitions and classifications have been generated applying turnover and the number of personnel engaged in their activities as a common yardstick (Olayinka and Joseph, 2013). According to SMEDAN (2017), a small business is defined as an enterprise with assets valued between N10 million and N100 million, excluding land and buildings, and employs between ten (10) and forty-nine (49) people. This study, however, adapts the Finance Act, 2020, which defines small businesses as any business with a turnover of between N1 million and N25 million and permanent employees ranging from 5 to 49.

Crowdfunding and crowdfunding practices

Crowdfunding, according to Hossain and Oparaocha (2017), is an online technique of raising finance for creative projects, ideas, or ventures in which a large number of people pledge or donate money over a certain period of time. Ezekiel and Toba (2020) define crowdfunding as an online approach of raising money in which the fund raiser is expected to provide factual information via image and video content. According to Bouncken, Komorek, and Kraus (2015), crowdfunding is another option to raise funds from the general public, particularly from large groups of people who use online platforms. Furthermore, crowdfunding, according to Aladejebi (2020), is a method of attracting a big number of investors to a capital-intensive project or business. Nordin, Sum, and Zainuddin (2018) made a similar claim, stating that crowdfunding is an alternative means to achieve the aspirations of innovative ideas and SMEs. Crowdfunding is a novel and creative method of generating funds from a large group of people (Crowd) over the internet via a platform known as a Crowdfunding Platform (CFP) that is

free of any financial institutional intermediaries (Camilleri, 2021). Crowdfunding is divided into two basic categories: investment-based and non-investment-based crowdfunding. In the investment-based type, the investor expects a financial return. Equity-based, royalty-based, invoice trading, and loan-based crowdfunding all come within this category. While under non-investment based, fund backers do not expect any financial incentives; thus, the two methods under this category are donation and reward-based crowdfunding (Soreh, 2017; Massolution, 2015).

2.1.2 Business Survival

The concept of "business survival" has gained tremendous traction and appeal among management professionals. This is generally the case because it is one of the elements considered when determining an organization's potential for growth, profitability, and long-term viability. There is no single, accepted definition for "business survival" because it goes by so many different names. According to Fakunmoju, Fasola, and Fashagba (2021), business survival is defined as the capacity of a business to remain open at the end of a specified length of time if it was open at the beginning. Survivability, as defined by Cefis and Marsili (2012), is the capacity of a business to continue operating without permanently closing down. Collins (1996) defines organizational survival as the ability to continue operations while achieving goals without making compromises for the future.

2.1.3 Productivity

Productivity is generally considered to be the efficient utilization of organizational resources (OECD, 2019). At firm level, productivity is a measure of a firm's ability to utilize its inputs to make as much output as possible. Majiwa (2017) defined productivity as the ratio of an aggregate output to a single input or an aggregate input used in a production process, that is output per unit of input, typically over a specific period of time. Productivity and performance are

important concepts and measures describing the successfulness of an organization. Productivity is a crucial factor in production performance of firms (Majiwa, 2017). Productivity implies the relationship between output and input over the same period of time (Mohanty and Rastogi, 1986). The increase in productivity could lead to better profitability for the firm due to decreasing cost per unit produced. However, since the firm often employs a bundle of resources or input such as labour, capital, material, energy and others to produce output, there are several ways of defining and measuring productivity (Prakash, Jha, Prasad, and Singh, 2017).

2.1.4 Business Continuity

According to Margherita and Heikkilä (2021) business continuity is a method to preserve the value that an organization provides with current activities and business model innovation without altering the core elements of its model in an attempt to develop a totally “new-to-business” idea. According to Bogdan and Zamfir (2020), the primary elements of business continuity management include management support, risk assessment and reduction, impact analysis, business recovery and business continuity strategy, awareness and training, tests, and maintenance. Furthermore, business continuity, according to İrkey and Tüfekci (2021), is the act of making sure that an organization has recovery and preventive mechanisms in place to handle possible threats. The ability of a business to carry on offering its products or services at a particular standard following an unplanned or purposely disruptive event is known as business continuity (BC) (ISO 22301, 2019). Fischbacher-Smith (2017) defines business continuity as an essential management process that examines possible risks and hazards to an organization and the impact those threats may have on its operations. As noted in Fameso (2021), Torabi, Giah, and Sahebjamnia (2016) perceive BC as a risk management technique that aids in restating a firm’s flexibility with regard to corporate hazards.

2.2 Theoretical review

2.2.1 Social Exchange Theory (SET)

Sociologist George Homans developed this theory in 1958. The exchange process that supports social behavior serves as the theoretical basis. Its underlying assumption is that people would interact with one another and exchange goods and services, including money and ideas. Thus, the theory explores how people's relationships influence the kind of transactions that they engaged.

This concept is used in the study to explain why people and groups swap behaviors. It categorizes crowdfunding promoters as people and new entrepreneur teams as groups. Crowdfunding systems encourage healthy social exchange by promoting mutual trust, communication, and commitment. According to Homans (1958), the different social behaviors of people are the kind of merchandise exchanged over the period of social interaction.

2.3 Empirical review

Elhassan (2019) used a descriptive analytical technique to identify the challenges and issues that small and medium-sized enterprises (SMEs) in the Kingdom of Saudi Arabia experience. The study's conclusions showed that SMEs confront a wide range of issues. The results indicate that the issues include inadequate funding, a shortage of competent workers, low demand, burdensome government rules, and additional barriers in the form of fees. Havrylchyk and Ardekani (2020) explores the short-term impact of borrowing via lending-based crowdfunding on performance and health of small and medium enterprises (SMEs) in France. They found that firms borrowing from lending-based crowdfunding platforms were more dynamic (higher asset growth and higher profitability) and innovative, but they had lower leverage, less cash, higher funding costs and less tangible assets that could be pledged as a collateral. Rabbani et al., (2022) examined what do we know about crowdfunding and peer to peer (P2P) lending research? A bibliometric review and meta-analysis. The research in this field is

projected to continue increasing as Peer to Peer (P2P) lending and crowdfunding gain acceptance as vital sources of funding for start-ups and entrepreneurs, according to the findings.

Păunescu and Agartu (2020) examined the roles required for efficient business continuity management. A questionnaire-based survey was used to collect research data from Romanian businesses through in-person interviews with senior and mid-level managers. Based on data from 119 firms, the results show that developing a business continuity management (BCM) plan requires doing a risk assessment. Additionally, the preparation of business continuity responses has the biggest influence on a firm's total BCM efficiency. Using a survey research approach, Buntak, Kovacic, and Sesar (2019) investigated how crucial it is to recognize risks and opportunities in order to ensure the survival of business. According to Buntak, Kovacic, and Sesar (2019), an entity can design a business continuity plan and attest that it conforms with ISO 22301 in order to guarantee business continuity. Fameso (2021) investigated how business continuity management techniques affected Abuja-based construction companies' organizational performance in Nigeria. The study used a survey research approach, and the results demonstrated that organizational readiness, top management support, resource allocation, and the embeddedness of continuity practices all had an impact on the performance of construction enterprises in Abuja.

3. Methodology

As a result of the difficulties in obtaining secondary data that is relevant to this study, particularly given the nature of the business sector in which it is done. The study used a survey research design, which involves the use of a structured research questionnaire to collect data from respondents. The population of this study consists of 11,663 small businesses operating across the five (5) divisions referred to as Ibile (Ikeja, Ikorodu, Lagos Island, Epe, and Badagary) in Lagos state, which is the most

recent number of small businesses captured and also meets the study's definition (Lagos Ministry for Commerce, Industry, and Cooperatives Report, 2021; SMEDAN,2020; PwC survey,2021). A sample size of 484 small enterprises was determined using the Cochran (1997) formula, as described below and selected using stratified random sampling:

$$n = \frac{NZ^2pq}{d^2(N - 1) + Z^2pq}$$

where:

n = sample size

N = Total number of small businesses in Lagos State (N=11,663)

Z = 95% Confidence Interval (Z = 1.96),

p = 0.5

q = 1 – p

d = degree of accuracy or estimation (d = 0.05)

Therefore;

$$\begin{aligned} n &= \frac{11,663(1.96)^2(0.5)(0.5)}{0.05^2(11,663 - 1) + (1.96)^2(0.5)(0.5)} \\ &= 372 \end{aligned}$$

However, 30% of the computed size was added to account for non-responses and incorrect questionnaire completion. This brings the overall sample size to 484. This is recommended by Zikmund (2000). The instrument that was used is a closed-ended and well-structured questionnaire developed from a study by Camilleri and Bresciani (2022). Section A focused on demographic information, with respondents being requested to provide some basic background information. Section B focused on the multidimensional variables of the Crowdfunding Practices measure, including loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding, and donation-based crowdfunding. Section C focused on small

business survival metrics, including sales growth, productivity, business continuity, and competitive advantage. A six-point modified Likert scale was used to elicit responses from each question in the questionnaire for the dependent and independent variables, which included: Strongly Agree (SA) - 6; Agree (A) - 5; Moderately Agree (MA) - 4; Moderately Disagree (MD) - 3; Disagree (D) - 2; and Strongly Disagree (SD) - 1.

Reliability and Validity of Research Instrument

The instrument was evaluated for expert opinion validity, as recommended by Raza and Nawaz (2011). The instrument was subjected to evaluation for content validity. The questionnaire was examined by financial management experts as well as accounting and finance professionals. The test instrument's validity was ensured because their feedback did not significantly alter the instrument's structure or content. According to Nunally (1978), the usual reliability test for management science research is 70%. Thus, the results on Table 1

Table 1. Construct Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
DBC	0.608	0.684	0.740	0.569
EBC	0.784	0.603	0.747	0.576
ITC	0.698	0.601	0.757	0.584
LBC	0.620	0.645	0.763	0.597
RBC	0.673	0.581	0.741	0.567
REBC	0.678	0.582	0.746	0.571
Sales Growth (SG)	0.711	0.733	0.810	0.562
Productivity (PROD)	0.797	0.630	0.755	0.589
Market Share (MS)	0.693	0.700	0.802	0.548
Competitive Advantage (CA)	0.761	0.508	0.793	0.561

Source: Author's Computation (2024)

Based on the results of the reliability assessment of the construct using Cronbach's Alpha (CA) and Composite Reliability (CR) values. Most studies use the widely acknowledged criterion of 0.7 (Nunnally, 1978; Hair et al., 2010). However, some scholars argue that a slightly lower criterion of 0.6 may be appropriate in certain scenarios (George and Mallery, 2003). The results showed that the CA and CR values surpassed 0.6, indicating the presence of one-dimensionality among the ten constructs. The data collected was analysed using descriptive and inferential statistical techniques, as well as a

regression model, using the SmartPLS 3.0 software.

3.1 Model specification

The independent variable is Crowdfunding represented by (X), proxy by the different crowdfunding practices:

(Equity-Based Crowdfunding-EBC, Loan-Based Crowdfunding-LBC, Donation-Based Crowdfunding-DBC, Reward-Based Crowdfunding-REBC, Invoice Trading Crowdfunding-ITC and Royalty-Based Crowdfunding-RBC) and dependent variable is Survivability of small business represented by (Y) and proxy by

Productivity – PRO and Business Continuity – BC. The operational model for the study variable is denoted in equation $Y = f(X)$; $Y = y_1$ and y_2 where $y_1 = \text{PRO}$ and $y_2 = \text{BC}$; while $X = (x_1, x_2, x_3, x_4, x_5, x_6)$ representing the crowdfunding types respectively. Below are models for each of the hypotheses written as:

Hypothesis One

$y_1 = f(x_1, x_2, x_3, x_4, x_5, x_6)$

$y_1 = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + \epsilon_i$

$\text{PRO} = \beta_0 + \beta_1\text{LBC}_i + \beta_2\text{EBC}_i + \beta_3\text{RBC}_i + \beta_4\text{ITC}_i + \beta_5\text{REBC}_i + \beta_6\text{DBC}_i + \epsilon_i$

Hypothesis Two

$y_2 = f(x_1, x_2, x_3, x_4, x_5, x_6)$

$y_2 = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + \epsilon_i$

$\text{BC} = \beta_0 + \beta_1\text{LBC}_i + \beta_2\text{EBC}_i + \beta_3\text{RBC}_i + \beta_4\text{ITC}_i + \beta_5\text{REBC}_i + \beta_6\text{DBC}_i + \epsilon_i$

4. Results and Discussion

Descriptive Analysis and interpretation for Small business owners in Lagos state

A summary of descriptive data for each variable using a six-point Likert scale is provided below. A total of 484 questionnaires were distributed to small business owners across Lagos' five divisions. Only 344 were properly completed and returned.

Table 2. Descriptive Results on Crowdfunding practices

Crowdfunding practice	Results/Findings
Loan-Based Crowdfunding (LBC)	Result indicated that 51% of the respondents agreed with items under LBC among small businesses in Lagos state
Equity-Based Crowdfunding (EBC)	55% of the respondents agreed with items questions for Equity-Based Crowdfunding – EBC
Royalty-Based Crowdfunding (RBC)	Result revealed that 51% of respondents concur with all items raised for Royalty-Based Crowdfunding – RBC
Invoice Trading Crowdfunding (ITC)	52% of respondents agreed with items raised for ITC except for item five (That ITC does not enable online investors to fund small businesses in Lagos state)
Reward-Based Crowdfunding (REBC)	Result indicated that 58% of the respondents had divergent opinion towards items raised for REBC
Donation-Based Crowdfunding (DBC)	61% of the respondents agreed with items of questions raised for Donation-Based Crowdfunding – DBC

Source: Researcher’s Field Survey, 2024

Table 3. Descriptive Statistics on Productivity

Statement	Strongly Agree	Agree	Moderately Agree	Moderately Disagree	Disagree	Strongly Disagree	Missing	Mean	Std. Deviation
My business gives opportunity for product market expansion	14.1%	15.2%	52.3%	8.9%	6.7%	2.2%	0.4%	4.49	1.214
The business allows for Judicious use of raw materials	19.2%	18.3%	45.4%	9.4%	5.4%	1.6%	0.7%	4.56	1.210
Quick response to mal-function production processes exists in my business	16.1%	46.1%	17.4%	12.1%	6.0%	1.6%	0.7%	4.46	1.225
In my business, there is target to meet customer demand	15.0%	15.7%	49.2%	8.9%	8.7%	2.0%	0.4%	4.44	1.258
Customer service sensitivity is paramount in my business	19.7%	48.5%	11.6%	9.2%	9.2%	0.7%	1.1%	4.53	1.297

Source: Researcher's Field Survey, 2024

From Table 3, it was depicted that 52.3% of majority respondents moderately agreed that my business gives opportunity for product market expansion, 45.4% of majority respondents moderately agreed that the business allows for Judicious use of raw materials, 46.1% majority of respondents agreed that quick response to mal-function production processes exists in my business, 49.2% of majority respondents moderately agreed that in my business, there is target to meet customer demand while 48.5% of majority respondents agreed that customer service sensitivity is paramount in my business. From respondent responses, it was indicated that majority of respondents agreed on all items towards productivity which implied that all items are relevant in the opinion of the respondents.

From Table 4, it was shown that at 42.3% majority of respondents moderately agreed that

small business experienced reduction in inefficiencies, 45.4% moderately agreed that there is increase in value of business, 37.6% majority of respondents agreed that there is increase in customer confidence, 36.5% of majority moderately disagreed that minimisation of financial loss is experienced by small businesses in Lagos State, 39.4% of majority of respondents disagreed that small businesses control market share while lastly, majority of respondents at 35.6% moderately disagreed that small businesses has market followership. This indicated that there are divergent opinion regarding items under business continuity among small business respondents in Lagos State. This divergence resulted from the perspective and opinion of the respondents that a particular item may not be as indicative as the other.

Table 4. Descriptive Statistics on Business Continuity

Statement	Strongly Agree	Agree	Moderately Agree	Moderately Disagree	Disagree	Strongly Disagree	Missing	Mean	Std. Deviation
Reduction in inefficiencies	8.3%	25.5%	42.3%	15.9%	6.0%	1.1%	0.9%	4.23	1.159
Increase in value of Business	18.1%	13.6%	45.4%	14.3%	6.5%	1.1%	0.9%	4.47	1.266
Increase in customer confidence	15.2%	37.6%	25.3%	13.6%	6.3%	1.1%	0.9%	4.34	1.223
Minimisation of financial loss	16.8%	10.3%	26.6%	36.5%	7.6%	1.3%	0.9%	4.36	1.254
Control market share	19.9%	7.4%	21.7%	9.6%	39.4%	0.9%	1.1%	4.47	1.271
Market followership	29.3%	12.1%	15.9%	35.6%	6.0%	0.7%	0.4%	4.66	1.259

Source: Researcher’s Field Survey, 2024

4.1 Empirical Analysis and Discussion

Restatement of Hypothesis One

Hypothesis One - H_{01} : Crowdfunding practices (loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding,

invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding) have no significant effect on productivity of small businesses in Lagos State

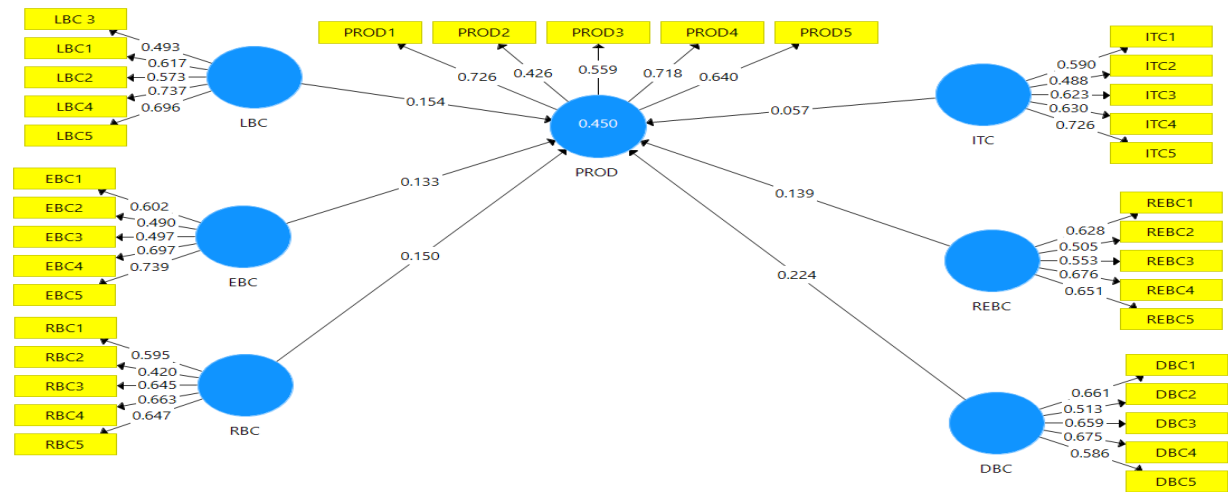


Figure 1: Path diagram for hypothesis - One

$$PRO = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_3 RBC_i + \beta_4 ITC_i + \beta_5 REBC_i + \beta_6 DBC_i + \epsilon_i$$
$$PRO = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_5 REBC_i + \beta_6 DBC_i + \epsilon_i$$

Descriptive Model
Prescriptive Model

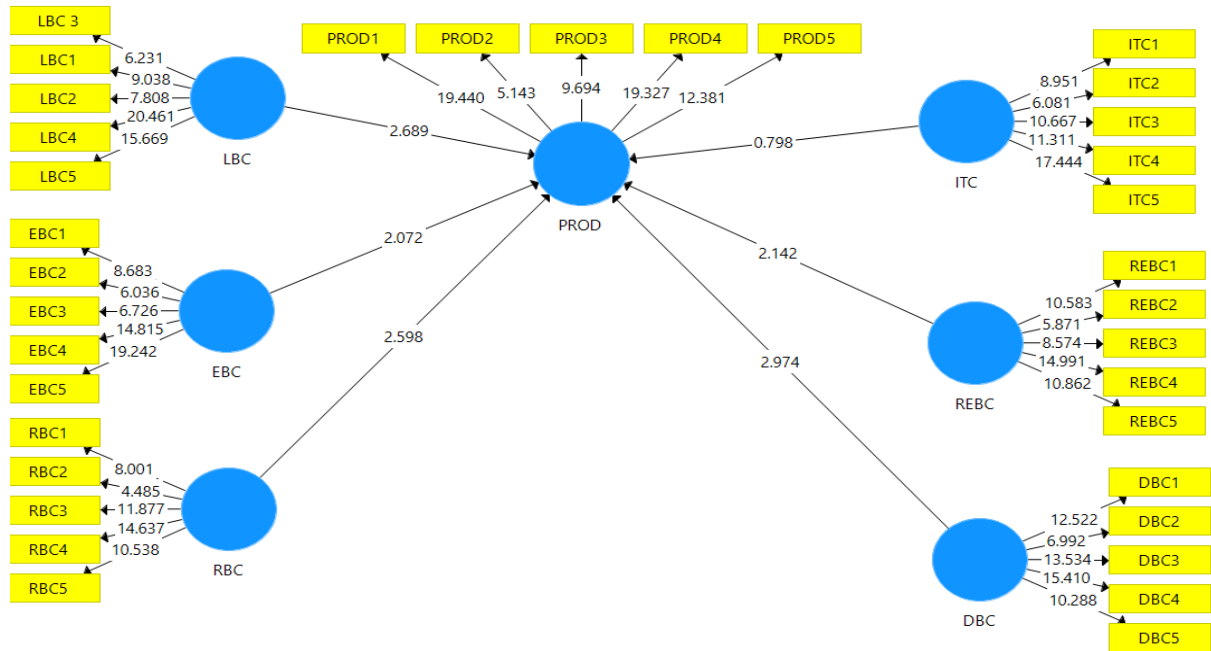


Figure 2: Path diagram for hypothesis – One (T- STAT)

Table 5. Path coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
DBC -> PROD	0.224	0.224	0.075	2.974	0.003
EBC -> PROD	0.133	0.134	0.064	2.072	0.039
ITC -> PROD	0.057	0.063	0.072	0.798	0.425
LBC -> PROD	0.154	0.154	0.057	2.689	0.007
RBC -> PROD	0.150	0.156	0.058	2.598	0.010
REBC -> PROD	0.139	0.137	0.065	2.142	0.033

Source: Author's Computation (2024)

Considering the path coefficient analysis in Table 5 of this study employed multiple regression to explain hypothesis one formulated. From Table 5 the path coefficient for hypothesis one which stated that; H_{01} : Crowdfunding practices (loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based

crowdfunding) have no significant effect on productivity of small businesses in Lagos State. Result from Table 5 revealed that donation based crowdfunding has positive and significant effect on productivity of small businesses in Lagos State, Nigeria ($\beta = 0.224$; $t\text{-stat} = 2.974$; $p < 0.05$); equity based crowdfunding has positive and significant effect on productivity of small businesses ($\beta = 0.133$; $t\text{-stat} = 2.072$; $p < 0.05$);

invoice trading crowdfunding has positive and insignificant effect on productivity ($\beta = 0.057$; t-stat = 0.798; $p > 0.05$); loan based crowdfunding has positive and significant effect on productivity ($\beta = 0.154$; t-stat = 2.689; $p < 0.05$); royalty-based crowdfunding had positive and insignificant effect on productivity ($\beta = 0.150$; t-stat = 2.598; $p < 0.05$); and reward-based crowdfunding had positive and significant effect on productivity of small businesses in Lagos State, Nigeria ($\beta = 0.139$; t-stat = 2.142; $p < 0.05$). This insinuated that donation based, equity based, reward based and loan based crowdfunding significantly and positively contribute to productivity of small businesses hence, regarded as the prescriptive model. Therefore, this study still rejected the null hypothesis one of this study.

4.2 Discussion of findings

The hypothesis one dwelled on how crowdfunding practices such as loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding influence productivity of small businesses in Lagos State. Related studies like Ezekiel, and Toba (2020), Giglio (2022), Gupta, Raj, Gupta, and Sharma (2022), Havrylchyk, and Ardekani (2020), Hossain, and Oparaocha (2017), Jenik, Lyman, and Nava (2017), Kirby, and Worner (2014), Mollick (2014), Adekoya (2019), Aderemi et al. (2021), Aderemi et al. (2022), Adjakou (2021), Baber (2020), Berndt (2016), Bernardino, and

Santos (2020), Belleflamme, Lambert, and Schwienbacher (2014), Camilleri, and Bresciani (2022), and Diya (2021) all agreed that crowdfunding mechanism enhanced business performance as well as business continuity. This finding indicated that all variants of crowdfunding practices in the prescriptive model such as loan-based, equity-based, reward-based and donation-based crowdfunding contribute to business performance. Similarly, the Johari window theory also supported the finding of the study, as it represents information-feeling, experience, views, attitudes, skill, intentions, motivation, etc. within a person or about group. it is widely used to understand self, to achieve personal development, improve communications, interpersonal relations, group dynamics, team development and finally to strengthen inter-group relations. Thus, this study aligned with past related studies scholars that crowdfunding practices enhanced business survivability measured in terms of productivity and business continuity and therefore rejected the null hypothesis one in this study.

Restatement of Hypothesis Two

Hypothesis Two - H_{02} : Crowdfunding practices (loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding) have no significant effect on business continuity of small businesses in Lagos State

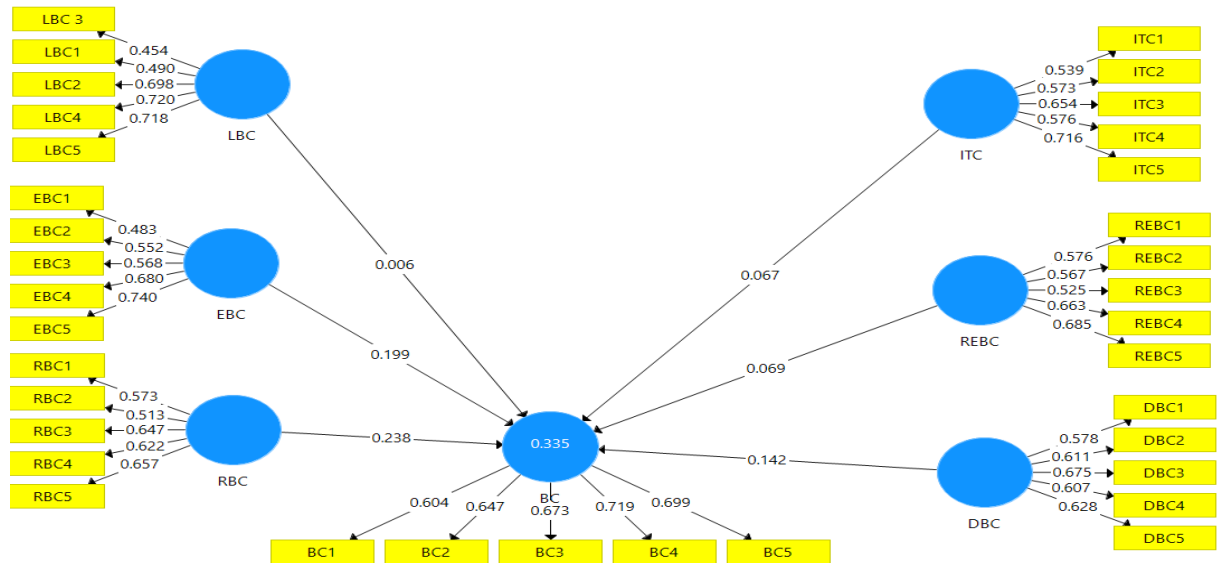


Figure 3: Path diagram for hypothesis - Two

$$BC = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_3 RBC_i + \beta_4 ITC_i + \beta_5 REBC_i + \beta_6 DBC_i + \varepsilon_i$$

$$BC = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_3 RBC_i + \beta_6 DBC_i + \varepsilon_i$$

Descriptive Model
Prescriptive Model

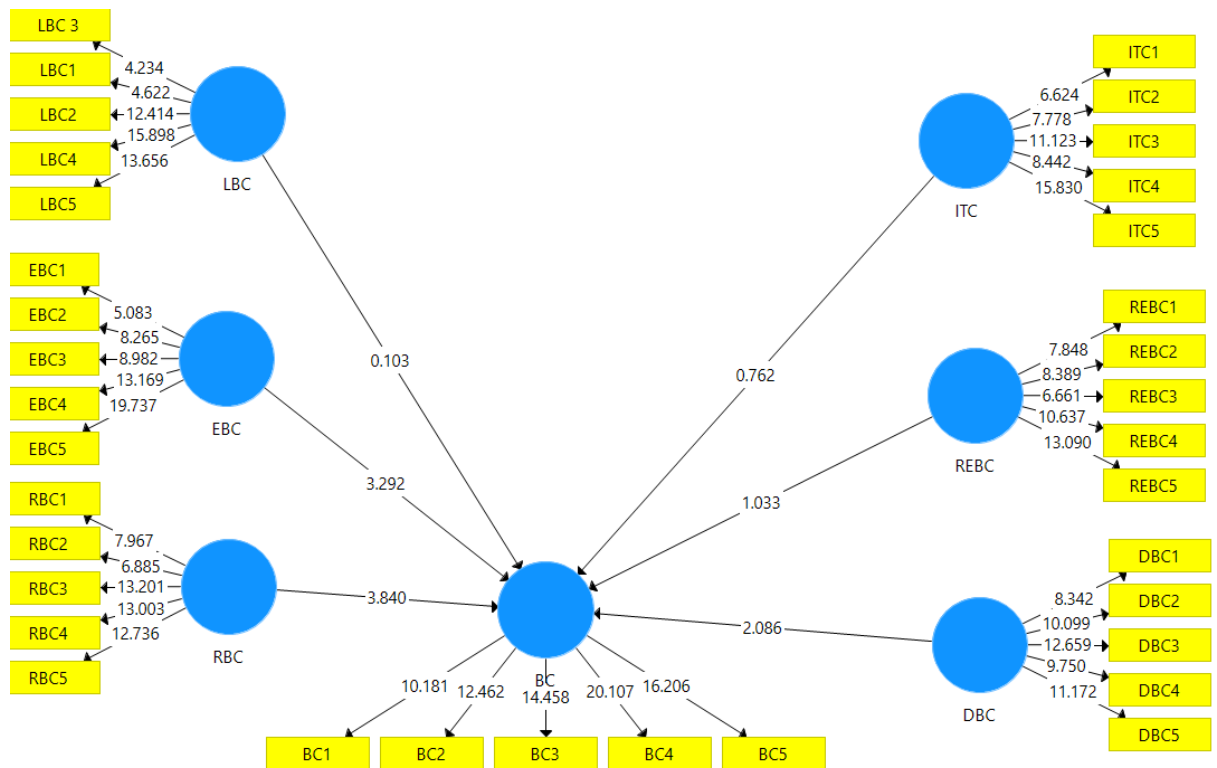


Figure 4: Path diagram for hypothesis – Two (T- STAT)

Table 6/ Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
DBC -> BC	0.142	0.146	0.068	2.086	0.038
EBC -> BC	0.199	0.202	0.060	3.292	0.001
ITC -> BC	0.067	0.065	0.088	0.762	0.446
LBC -> BC	0.006	0.017	0.057	0.103	0.018
RBC -> BC	0.238	0.239	0.062	3.840	0.000
REBC -> BC	0.069	0.072	0.067	1.033	0.302

Source: Author's Computation (2024)

Table 6 depicted path coefficient analysis in the multiple regression form which explained hypothesis two formulated. The path coefficient for hypothesis two which stated that; **H₀₂**: Crowdfunding practices (loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding) have no significant effect on business continuity (BC) of small businesses in Lagos State. Result from Table 6 revealed that donation based crowdfunding had positive and significantly affects business continuity of small businesses in Lagos State, Nigeria ($\beta = 0.142$; t-stat = 2.086; $p < 0.05$); equity based crowdfunding had positive and significantly affects business continuity of small businesses ($\beta = 0.199$; t-stat = 3.292; $p < 0.05$); invoice trading crowdfunding had positive and insignificantly influence business continuity ($\beta = 0.067$; t-stat = 0.762; $p > 0.05$); loan based crowdfunding had positive and significantly affects business continuity ($\beta = 0.006$; t-stat = 0.103; $p < 0.05$); royalty-based crowdfunding had positive and significantly affects business continuity ($\beta = 0.238$; t-stat = 3.840; $p < 0.05$); and reward-based crowdfunding had positive and insignificantly influence business continuity of small businesses in Lagos State, Nigeria ($\beta = 0.069$; t-stat = 1.033; $p > 0.05$). This implied that donation based, equity based, royalty based and loan based crowdfunding significantly and positively contribute to business continuity of small businesses and

hence the prescriptive model. Therefore, this study rejected the null hypothesis two of this study.

4.3 Discussion of findings

The hypothesis two dwelled on how crowdfunding practices such as loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding determine and enhances business continuity of small businesses in Lagos State. Related studies like Ezekiel, and Toba (2020), Giglio (2022), Gupta, Raj, Gupta, and Sharma (2022), Havrylchyk, and Ardekani (2020), Hossain, and Oparaocha (2017), Jenik, Lyman, and Nava (2017), Kirby, and Worner (2014), Mollick (2014), Adekoya (2019), Aderemi et al. (2021), Aderemi et al. (2022), Adjakou (2021), Baber (2020), Berndt (2016), Bernardino, and Santos (2020), Belleflamme, Lambert, and Schwenbacher (2014), Camilleri, and Bresciani (2022), and Diya (2021) all agreed that crowdfunding mechanism enhanced business performance as well as business continuity. This finding indicated that loan-based, equity-based, royalty-based and donation-based crowdfunding contribute to business performance and that why they are regarded as the prescriptive model. Similarly, the Johari window theory also supported the finding of the study, as it represents information-feeling, experience, views, attitudes, skill, intentions, motivation, etc. within a person or about group.

it is widely used to understand self, to achieve personal development, improve communications, interpersonal relations, group dynamics, team development and finally to strengthen inter-group relations. Thus, this study aligned with past related studies by scholars that crowdfunding practices enhanced business survivability and therefore null hypothesis two in this study was rejected.

5. Conclusion

The study's overall goal was to examine the influence of crowdfunding practices on productivity and business continuity as measures of survivability of small businesses in Lagos state. The descriptive statistical analysis reveals that crowdfunding practices (donation-based, reward-based, equity-based, loan-based, royalty-based, and invoice trading crowdfunding) are a viable alternative source of financing for small businesses in Lagos state, Nigeria. However, the regression results demonstrated that crowdfunding practices which are regarded as non-investment based such as donation and reward based crowdfunding alongside with equity and loan based crowdfunding which are variants of investment based crowdfunding contribute positively and significantly to small business survival in Lagos state, as measured by productivity and business continuity.

Based on these outcomes, the study concluded that crowdfunding practices particularly the ones on the prescriptive model influences productivity while further enhancing business continuity of small businesses in Lagos state, Nigeria.

In view of the study's findings and conclusion, the study recommended that owners of small businesses in Lagos state should identify and continue to engage in the best crowdfunding practices that influences productivity, improve business continuity, and, as a result, ensure the business's long-term survival.

The study contributed to the existing body of knowledge conceptually by broadening our understanding of crowdfunding practices and the

dependent variables of small-business survival indicators. The study also made an empirical contribution by seeking to widen the empirical base of crowdfunding practices and how they impact business survival as measured by productivity and business continuity.

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