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O-XUM and the Power of the Community
Crowdfunding as a Marketing Tool in E-business

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Resumo

O objetivo deste projeto é analisar o conceito e demonstrar os efeitos de crowdfunding em marketing, mais especificamente no comércio online (e-business). Este conceito será testado e avaliado no projeto de crowdfunding para a startup alemã O-XUM GmbH.

Em termos de metodologia, serão realizadas pesquisas secundárias sobre o conceito de crowdfunding, marketing, indústria da beleza e comércio online. Este é um esforço para definir a melhor abordagem e estratégia para a campanha de crowdfunding. A pesquisa secundária também será usada para definir os fatores criticos de sucesso, que serão usados para estabelecer uma campanha eficaz, bem como os indicadores de desempenho, que serão usados para medir a eficácia da campanha. Além disso, este artigo tem também como objetivo realizar pesquisas primárias na forma de uma análise quantitativa e qualitativa. A análise quantitativa será utilizada para coleta de dados e avaliação do cliente como principal parte interessada deste projeto. A análise qualitativa será aplicada em forma de entrevista para efeitos de avaliação.

É esperado que os resultados deste projeto ajudem a O-XUM a gerar receita suficiente para melhorar a variedade de produtos, ampliar a base de clientes e testar seu modelo de negócios. Além disso, este artigo ajudará a O-XUM a desenvolver uma vantagem competitiva sustentável e redirecionar / reestruturar sua estratégia de marketing para um melhor posicionamento no mercado.

Este artigo discute uma ferramenta inovadora que se provou um instrumento poderoso em marketing, se utilizado corretamente. Os resultados desta pesquisa mostrarão se o conceito de crowdfunding é poderoso o suficiente para melhorar o desempenho empresarial de startups em dificuldades.

Palavras-chave: Crowdfunding; Ferramenta de marketing; Comércio eletrônico; Startups de e-business.

Abstract

The purpose of this paper is to analyze the concept and demonstrate the effects of crowdfunding in the field of marketing within e-business. This concept will be tested and evaluated within a crowdfunding project for the German startup O-XUM GmbH

In terms of methodology, secondary research will be conducted on the concept of crowdfunding, marketing, the beauty industry and on e-business. This is an effort to define the best approach and strategy for the crowdfunding campaign.

Secondary Research will also be used to define Key Success Factors, that will be used to establish an effective campaign, as well as Key Performance Indicators, which will be used to measure the effectiveness of the campaign.

Furthermore, this paper also aims to conduct primary research in the form of a quantitative and qualitative analysis. The quantitative analysis will be used for data gathering and evaluation of customer as the main stakeholder of this project. The qualitative analysis will be applied in form of an interview for evaluation purposes.

The outcomes of this project will hopefully help O-XUM generate enough revenue to improve product variety, extend customer base and test their business model. In addition, this paper will help O-XUM develop a sustainable competitive advantage and redirect/restructure their marketing strategy for a better positioning in the market.

This paper discusses an innovative, up to date tool that has proven itself as a powerful marketing tool if utilized correctly. The outcomes of this research will show if the concept of crowdfunding is powerful enough to improve business performance of struggling startups.

Keywords: Crowdfunding; Marketing Tool; E-commerce; E-business Startups.

JEL Classification:

- M13 New Firms, Startups
- M31 Marketing
- L21 Business Objectives of the Firm
- L81 Retail and Wholesale Trade, e-Commerce

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USP:	Unique Selling Point
B2B:	Business to business
B2C:	Business to consumer
C2C:	Consumer to consumer
SM:	Social Media
SME:	Small-Medium Enterprise
FB:	Facebook

Sumário Executivo

O-XUM GmbH é um varejista digital com sede na Alemanha para produtos de beleza voltados para pessoas de cor. A necessidade do modelo de negócios se deve ao preconceito racial na indústria de beleza na Alemanha. As principais entidades corporativas no mercado geralmente concentra-se na maioria da população, que são pessoas de pele clara. A população em rápido crescimento de pessoas de pele mais escura e negros é geralmente ignorada. Os CEOs da O-XUM GmbH, não só reconheceram a falta de produtos de beleza para as mulheres negras e pessoas de cor como elas, mas também o viram como uma grande oportunidade de negócio. Principalmente no setor da maquiagem. O mercado da beleza para pessoas de cor tem sido um nicho de mercado, que só aos poucos foi sendo considerado pelas grandes marcas.

Tudo mudou com Fenty Beauty 2017, da famosa cantora Rihanna, que lançou 40 tons de base em 1.600 lojas Sephora em 15 países ao mesmo tempo (Fast Company, 2018). Ela foi uma das principais forcas propulsoras, agitando o mercado e levando grandes marcas a expandir sua gama de cores em maquiagem.

Este lançamento forçou o O-XUM Market Place para fora do mercado, à medida que mais e mais corporações poderosas entraram no mercado de nicho. Sendo uma pequena empresa local, O-XUM MARKETPLACE decidiu experimentar o conceito de crowdfunding para aumentar a receita e se manter no mercado. Para executar com sucesso uma campanha de crowdfunding, é fundamental concluir uma auditoria da empresa. A auditoria da O-XUM GmbH e a mudança na gestão levaram a um novo modelo de negócios para a startup: o O-XUM MARKETPLACE nasceu. O-XUM MARKETPLACE é uma plataforma comunitária da moda, beleza e arte africana contemporânea. Este novo modelo de negócios oferece uma gama cuidadosamente selecionada de produtos artesanais, "Fairtrade" e sustentáveis de artesãos africanos. É um modelo de negócio mais exclusivo, que não só ajudará a melhorar o dia-a-dia da empresa, mas também atrairá mais participantes em projetos de crowdfunding.

Este trabalho realiza uma pesquisa secundária na forma de análise literária, com o objetivo de realizar pesquisas de mercado e reunir conhecimento nas seguintes áreas:

a) O conceito de crowdfunding, para determinar os indicadores-chave de desempenho que serão usados para medir a eficácia da campanha.

b) Marketing, para compreender a gama de ferramentas eficazes, seus papéis e funções

c) A indústria da beleza e o comércio online para definir a melhor abordagem e estratégia para a campanha de crowdfunding.

Além disso, este trabalho também inclui os resultados da pesquisa primária que incluiu uma análise quantitativa na forma de um questionário para coleta de dados e avaliação do cliente como principal parte interessada deste projeto, bem como uma análise qualitativa na forma de entrevista post mortem para analisar o que deu certo e o que pode ser melhorado, bem como definir os principais fatores de sucesso para o financiamento coletivo como ferramenta de marketing

O projeto de crowdfunding em si terá como foco o mercado alemão. A Alemanha não é apenas a economia mais forte da Europa, com um PIB de cerca de 4 milhões, mas também se classifica de acordo com P2PMarketData (2019) em segundo lugar em Volume e participação de mercado na Europa, excluindo o Reino Unido no ano de 2016 e 2017.

A tabela de P2PMarketData (Apêndice 1) mostra uma taxa de crescimento tremendo de 85%, o que indica que o mercado provavelmente continuará a ter sucesso. Além disso, os insights da página do Instagram também mostram que a maioria dos seguidores estava na Alemanha e como um projeto de crowdfunding depende da comunidade, era justo focar no mercado alemão com a língua alemã.

Com a ajuda da revisão da literatura, este artigo decidiu que o modelo baseado em recompensa era a melhor combinação para O-XUM MARKETPLACE, já que a plataforma online visa fortalecer a comunidade e apenas receber sem dar parecia a abordagem errada.
A plataforma de crowdfunding escolhida foi a Vison Bakery, a segunda maior plataforma de crowdfunding baseada em recompensas da Alemanha, estabelecida desde 2010. A decisão pela Vison Bakery foi devido ao apoio pessoal e ao fato de que a comissão só precisa ser paga quando o projeto for bem-sucedido.

Os principais objetivos do projeto de crowdfunding, por um lado, são para O-XUM MARKETPLACE expandir a base de clientes, melhorar o envolvimento do cliente, aumentar o conhecimento da marca, aumentar a receita e apoiar a imagem corporativa. Mas, por outro lado, identificar os fatores-chave que são essenciais para garantir o sucesso de um projeto de crowdfunding para fins de marketing.

Executive Summary

O-XUM GmbH is a German based digital retailer for beauty products targeting people of color. The necessity of the business model is due to racial biasness within the beauty industry in Germany. Corporate players within the market usually concentrate on the majority of the population, people with fair skin. The fast-growing population of darker skinned and black people is usually ignored. The CEO's of O-XUM GmbH, all women of color, did not only acknowledged the lack of beauty products for people of color like themselves, but saw it as a huge business opportunity. Especially with makeup. The beauty market for people of color has been a niche market, that was only slowly approached by big brands.

It all changed with Fenty Beauty 2017, by the famous musician Rihanna, who launched 40 shades of foundation in 1,600 Sephora stores across 15 countries at once. (The World's 50 Most Innovative Companies., 2018). She was one of the key players to shake the market and even forced big brands to expand their color range in makeup.

This launch forced O-XUM Market place out of business, as more and more powerful players entered the niche market. As a small local business, O-XUM MARKETPLACE decided to try the concept of crowdfunding to increase revenue and sustain in the market. In order to successfully execute a crowdfunding campaign, it is crucial to complete a company audit. The audit of O-XUM GmbH and the change in management led to a new business model for the startup: O-XUM MARKETPLACE was born. O-XUM MARKETPLACE is a community Platform of modern African Fashion, Beauty and Art. This new business model offers a carefully selected range of handmade, "Fairtrade" and sustainable products from African artisans. It is a more unique business model, that will not only help to improve the company's daily business, but also attract more participants in crowdfunding project.

This paper conducts secondary research in form of a literature review, with the aim of market research and knowledge gathering the following fields:

d) The concept of crowdfunding, to determine Key Performance Indicators which will be used to measure the effectiveness of the campaign.

e) Marketing, to understand the range of effective tools, their roles and functions

f) The beauty industry and e-business in order to define the best approach and strategy for the crowdfunding campaign.

Besides that, this paper also includes the results of the primary research which included a quantitative analysis in form of a survey for data gathering and evaluation of customer as the main stakeholder of this project, as well as a qualitative analysis in form of a post-mortem interview to analyze what went right and what can be improved, as well as defining Key Success Factors for crowdfunding as a marketing tool.

The crowdfunding project itself will focus on the German market. Germany is not only the strongest economy in Europe with an GPD around 4 million, but also ranks according to P2PMarketData (2019) second in Volume and market share in Europe excluding the UK in the year 2016 and 2017 (PepMarketData, 2019).

The table from P2PMarketData (Appendix 1) even shows a growth rate of sensational 85%, which indicates, that the market will most likely will continue to be successful. Besides that, the Instagram page insights also display that most followers were based in Germany and since a crowdfunding project depends on the community, it was only right to focus on the German market with the German language.

With help of the literature review, this paper decided that the reward-based model was the best match for O-XUM MARKETPLACE as the online platform aims to strengthen the community and just taking without giving seemed like the wrong approach.

The chosen crowdfunding platform is Vison Bakery, Germanys second biggest reward-based crowdfunding platform, with experience since 2010. The decision towards Vison Bakery was due to the personal support and the fact that the commission only has to be payed when the project is successful.

The main objectives of the crowdfunding project on the one hand, is for O-XUM MARKETPLACE to expand the customer base, improve customer engagement, increase brand awareness, increase revenue and support the corporate image. But on the other hand, to identify key factors that are essential to assure a successful outcome for crowdfunding project for marketing purposes.

1 Introduction

Globalization and internationalization have become a very familiar part of everyday business within various companies across industries. The concept that systematically grew with the expansion of globalization, is digitalization. Digitalization can be defined as the conversion of information into a digital format that is suitable for electronic devices (Merriam-Webster, 2019). We live in an era in which almost every form of information exchange and processing has been digitalized. From private email to formal job interviews and even up to the purchasing of goods. Digitalization helps transform global communication, which not only impacts multiple industries, but also the everyday life of consumers. This new era forces companies to rethink and reinvent their business approaches and processes.

However, digitalization should not be seen as a threat, but rather an opportunity to re-establish their competitive advantage, especially in the fields of marketing. The digital presence on the internet and all its online platforms can increase a company's visibility, but not just that, these platforms also open new ways to communicate with customers.

Also, the nature of digitalization goes hand in hand with data management. Effective data management can drastically improve a company's decision making, as well as improve their ability to compete in growingly competitive markets. Data management also provides companies with new revenue and value producing opportunities. Other benefits are the cost and time efficiency, as it doesn't require tangible resources, and data management tools, that not only ease the work for employees but also allow flexible working hours. Another major advantage of is that it encourages innovation and boost creativity as there are nearly no limits in the virtual world (Pardo, 2018), (Gartner. IT , 2018).

A lot of brands have already acknowledged the advantages of digitalization and use it to attract demanding customers, who now expect companies to have a solid digital presence and who have fully embraced the concept of digitalization themselves. Customers have not only shifted to digital channels to acquire goods, but also use digital platforms to research, communicate and rate products/service of businesses. A new phenomenon that established through the concept of digitalization is crowdfunding. (Ordanini, Miceli, Pizzetti, & Parasuraman, 2011), describe crowdfunding as a "*collective effort by consumers who network and pool their money together, usually via the internet, in order to invest in and support efforts initiated by other people or organizations*" (Ordanini, Miceli, Pizzetti, & Parasuraman, 2011).

Crowdfunding in marketing is not used in the traditional way of raisings funds to initially start a business, but rather within marketing's nature to research the market and support operational processes.

A crowdfunding campaign is a short but time-consuming project that, if executed correctly can have an immense effect on the company's day to day business.

This research will address four main points, in order to elaborate the process of applying crowdfunding within a marketing context on a Startup that operates in a fast changing environment such as the beauty

industry: First, if the preparations for a crowdfunding campaign can aid a company with revising its corporate strategy. Second, if crowdfunding is an adequate tool to test the demand and appeal of company's business concept. Third, if crowdfunding can aid in increasing revenue and lastly, if crowdfunding can be a tool to enlarge the customer base.

2 Literature review

2.1 Project Management

In order to understand the dimension of a crowdfunding project it is important to quickly elaborate what a project is, explain the features of a project and describe the impact for the day to day business of a company.

2.1.1 Definition of a project

There are different definitions of a project, but all with the same core.

Ruiz describes a project as an one-time event with a clear start and finish, that includes a TO-DO list with measurable deliverables and uses resources such as time, money, materials, people and machines. (Ruiz, 2019) The goal of a project is to releases an end product into the business environment that will benefit a company's day to day life.

Another well-known definition by Artto (2002) (Hameri & Artto, May 2002) provided in the course slides of Professor (Ruiz, 2019), is that a project is a sequence of unique, complex, and connected activities, having one goal or purpose that must be completed by a specific time, within budget, and according to specification.

Features of a project are a clear start and finish, an output at the end, non-repetitive tasks, different resources provide by the company, that do not necessarily need to be part of the everyday business; single point of responsibility, team meetings, risks, an independent budget (Ruiz, 2019).

2.1.2 Purpose

Purpose of a project is to change the business as usual and create beneficial output for the company. These benefits can be tangible, such as reduced costs, increased sales and intangible such as improvement in image and reputation (Ross, 2018)

Factors and reason for a project can be internal or external. External reasons include change markets like new competitors, legal requirements the need to improve competitiveness through product development or service improvement etc. Internal reasons could be employee's dissatisfaction, change of management, change of IT systems, work culture and more (Ross, 2018).

2.1.3 Project life cycle

The Project lifecycle: describes the process of a project from the initiation until the end of the project closing.
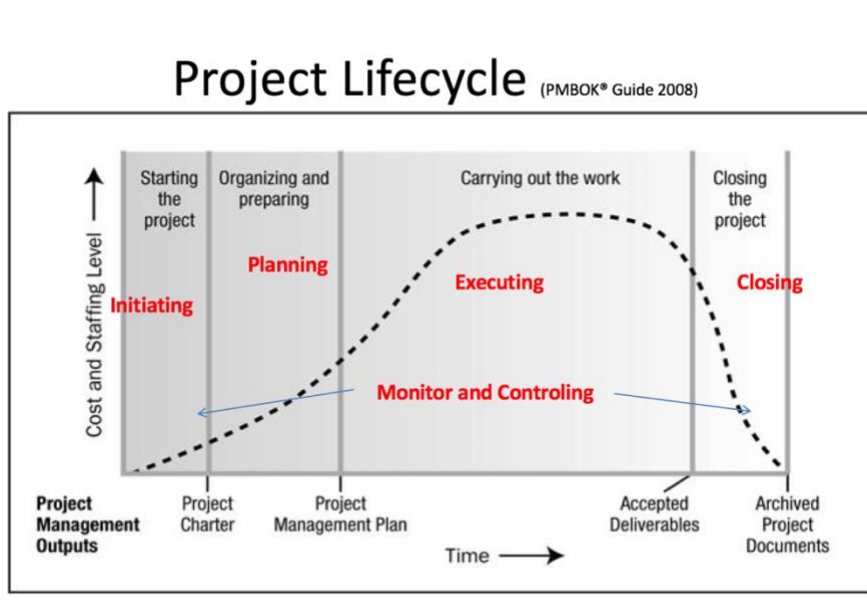
Figure 1: project lifecycle from PMBOK® Guide (Ross, 2018).

The conception phase (initiating) is where the idea is formed and discussed. It marks the start of the project. The project charter is the deliverable of this phase. It is the proof of existence in form of a formal document and contains the name of the name of the Project Manager and a brief description for justification. The costs and staffing at this level of the project lifecycle are very low (Ross, 2018).

The conception phase is followed by the definition phase (planning), where the company organizes and prepares for the project. The company defines the scope, establishes a schedule for milestones, calculates the costs, defines quality criteria, established a list of needed resources, plans communication and procurements, analyzes risks and establishes control monitoring procedure. All of these steps are noted and summed in the project plan. The costs and staffing level have highly increased.

The implementation phase (executing) is where the planed project is executed. It is the time in which the company needs all planned recourses. Cost and staffing level are accordingly at the peak. The most important task in this phase is monitoring and controlling. The deliverables at the end of this phase are the projects outputs.

Lastly, the evaluation phase deals with closing the project and the release of the outputs into the everyday business. Costs and staffing level falls back to zero (Ross, 2018).

80% of the project lifecycle deals with creating, developing and planning. It is the phase from initiation till project plan. The other 20% deal with executing the project, reviews in form of monitoring & controlling and the implementation of the benefits into everyday business as the result of the project.

The literature review on Project Management showed that a project can be a helpful tool to create valuable benefits for a company. The type and scope of projects should be aligned with the initiation factors and the wanted benefits. O-XUMs goal was to enhance the corporate performance and adapt to the changing market. A project seemed therefore as the best solution.

2.2 Crowdfunding

This part of the literature review aims to deliver a quick overview of crowdfunding's history, provide different definition and explain the different types of crowdfunding including the main differentiation factors.

2.2.1 History

The beginning of crowdfunding can be traced back many centuries ago. The most famous example is "Lady Liberty". The base of New York`s iconic statue was financed through crowdfunding and is seen as the pioneer project in crowdfunding (Pöltner, Horak, & Michels, 2016).

Nonetheless, the industry that made crowdfunding famous was the Music and Film industry that regularly used this concept of funding to finance albums and movies. This informal procedure behind "close curtains" finally went official with the first crowdfunding platform in 2003 named "Artist Share" in the US. Artist Share success prepared the way for popular crowdfunding platforms such as Indiegogo, which was launched in 2008 and Kickstarter, which went online in 2009 (Pöltner, Horak, & Michels, 2016).

Crowdfunding emerged as a world phenomenon around 2010, where it developed with the digital area and gained world-wide recognition (Reddy & Tan, Crowdfunding: Financing ventures in the digital era., 2017). One of the factors for its exponential growth was the global financial crises, which made it harder for small business to achieve capital through more traditional sources (Dushnitsky & Fitza, 2018). A research by Massolution (Kromidha & Robson, 2011) found out that "*In 2012, there were 452 crowdfunding platforms active worldwide, but mostly in North America and Western Europe, helping to raise almost $1.5 billion, and fund more than one million campaigns in 2011*". This seems like nothing compared to 2015 when Crowdfunding reached its peak "*with a volume of US$ 34.4 billion, that slightly surpassed the venture capitalist industry and is still expected to continue growing*" (Reddy & Tan, 2017). There is no doubt, that the market for crowdfunding and its platforms is booming and that these platforms were able to gain enormous visibility, as well as acceptance in recent years" (Reddy & Tan, 2017).
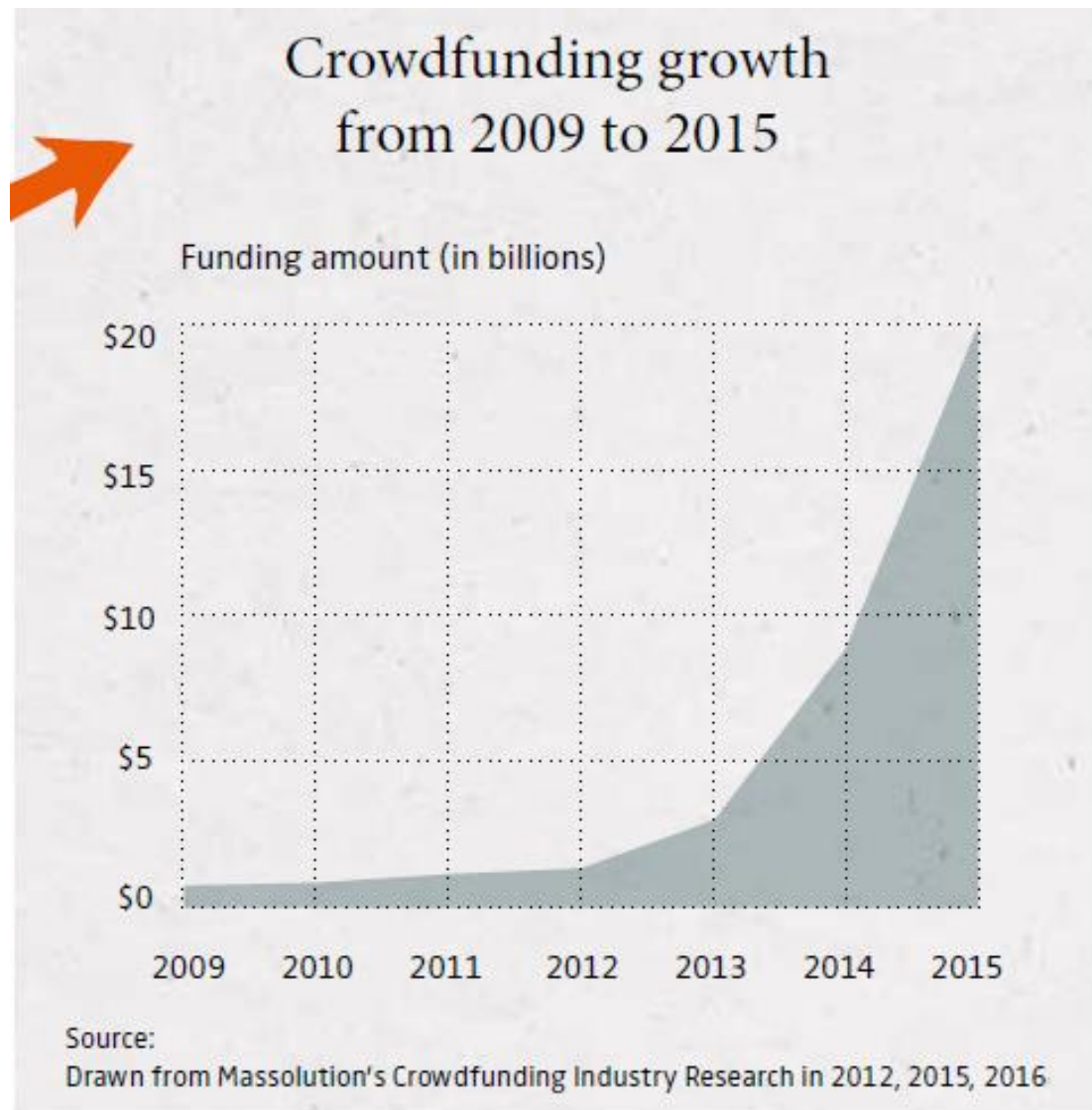
Image 1: Crowdfunding growth from 20019 to 20015 (Reddy & Tan, 2017)

2.2.2 Definition

Crowdfunding is often described as the modern way for individuals and small businesses, especially startups, to raise capital.

The concept is simple: the company *"raises small amounts of money from a large number of people, usually via the internet"* (Dushnitsky & Fitza, 2018).

Pöltner and Horak (2016) describe the model of crowdfunding as multiple people contributing small amounts of money to support a project or a cause, which in the end will be financed by the crowd (Pöltner, Horak, & Michels, 2016).

Typically, a project creator posts a project on a platform seeking a certain amount of funds for some venture. Potential backers view the project and contribute money if they are convinced of the idea. In most cases, these backers receive something in return. With many backers contributing different

amounts, the projects may meet their funding goals and the project creators can move on with their ventures.
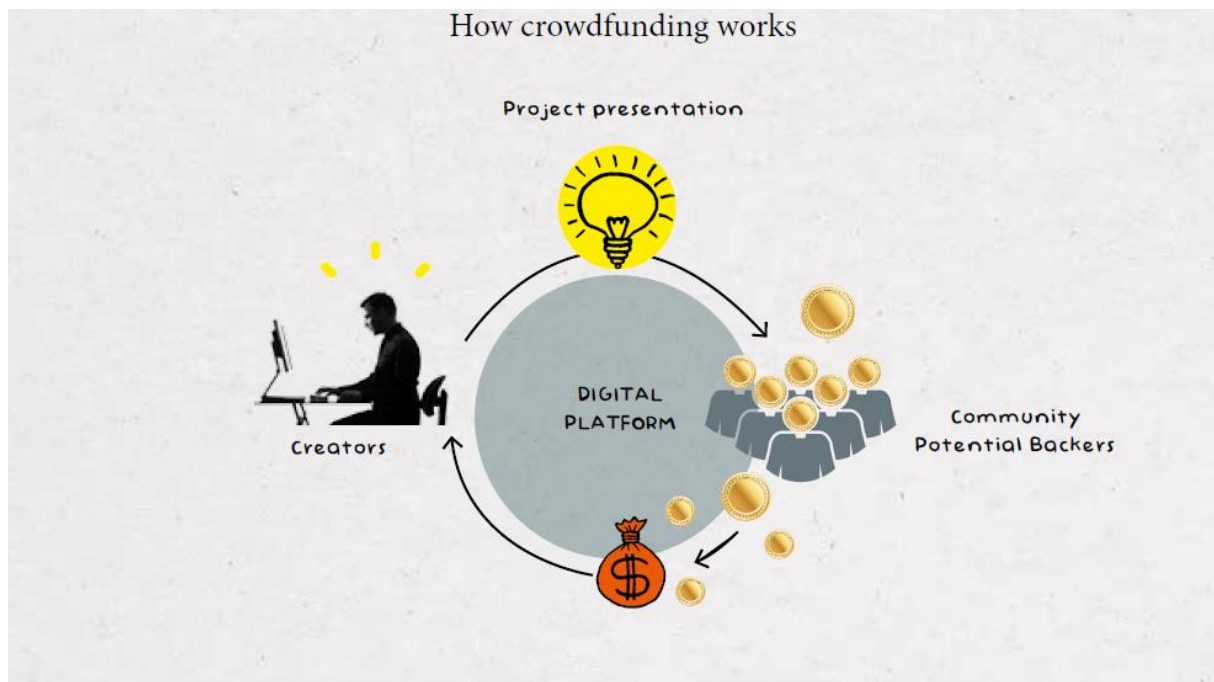
Image 2: How Crowdfunding works (Reddy & Tan, 2017)

2.2.3 Crowdfunding Models

There are four major crowdfunding models: Donation, Reward, Lending, and Equity.

Each model is based on a different approach, attracts different contributors and offers different form of "return on investment".
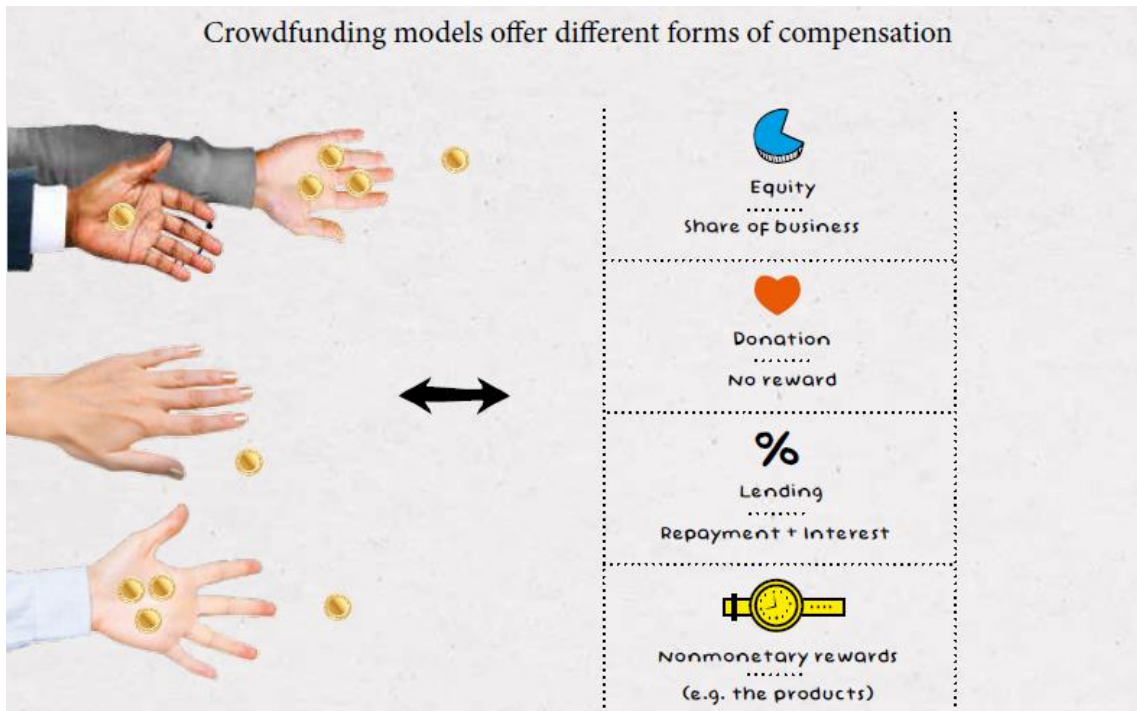
Image 3: The four crowdfunding models (Kromidha & Robson, 2016)

A. The Donation-based crowdfunding "*refers to charitable causes*" (Reddy & Tan, 2017). The creators of these campaign types rely on social empathy and even guilt. It is indeed the most common model. The contribution from the crowds is a donation in form of time, knowledge or money (Pöltner, Horak, & Michels, 2016). The key differentiator towards traditional donation appeal is, the fact that the donor will be provided with all details on the project itself, such as the goal amount, remaining time of the campaign, current status and usage of the money (Pöltner, Horak, & Michels, 2016).

B. The Reward-based model is the most popular and most frequently utilized form of crowdfunding within businesses. It is also the category with the most platforms (Pöltner, Horak, & Michels, 2016).

It is similar the donation-based model, as the contributor gets access to all details and the progress of the campaign. The key differentiator to the model mentioned above is that the backer expects something in return. The reward, the contributors get for their investments can be financial such as a rate of return on their investment, as well as non-financial like *"personalized model of a product, exclusive use of a service and gratitude for assistant"* (Kromidha & Robson, 2011).

An interesting case within this crowdfunding category, that proved that a crowdfunding project doesn't necessarily need a meaningful or rational business idea was "Potato Salad". The project, launched on the famous platform Kickstarter in the year of 2014, and started as a joke, where the initiator wanted 10 US$ for a potato salad recipe. His campaign ended up attracting 6.900

people and raising over 55.000 US$. In the end the money was used for a free festival and the rest was donated to non-profit organization (Pöltner, Horak, & Michels, 2016).

C. The Equity-based crowdfunding comes closest to the traditional concept of investors. Pöltner & Horak (2016, p.4) call it therefore "Crowdinvesting" (Pöltner, Horak, & Michels, 2016). It can be described as a great number of people investing in a business and being involved in the company's success in return. This crowdfunding model *"shares the profits of a venture by offering contributors ownership in the business in exchange for their investments"* (Reddy & Tan, 2017).

This new and alternative form of corporate funding allows Startups, who usually have issues raising capital, to finance their business idea. Crowdinvesting allows them to gather enough equity to qualify for dept capital from banks, sponsors and funding agencies. A Crowdinvesting campaign can also create valuable buzz, attention and coverage for the company

D. The fourth, rather unpopular, model is the Debt-based crowdfunding. It is equivalent to taking a credit, but instead of collecting a big amount from a bank you collect smaller amounts from the crowd. The concept stays the same, borrowers will have to pay back with interest, that are lower than at a bank but still generate strong returns for investors (Reddy & Tan, 2017).

All models have the same core concept but differentiate in approach and design and need a different strategy. A company must choose the depending on the company's size, industry, structure and goals and the model should align with the strategy.

2.2.4 Platforms

There are numerous platforms from which a company can choose from. The selection of the right platform is crucial, as it has a large influence on the project outcome and exaptation of the backers (Reddy & Tan, 2017). Very important features and setting option, such as level of privacy, numbers and types of rewards allowed, etc., need to be examined on the compatibility with the company's crowdfunding strategy. These numerous platforms can also be seen as an opportunity, as they allow companies the strategic option between a single or multiple platform approach. The single platform approach offers benefits like *"keen insights into the factors associated with the likelihood a project meeting (or surpassing) its funding goals"* (Dushnitsky & Fitza, 2018). It also allows Creators of the campaign to focus their energy and resources. The multiplatform approach on the other hand, takes advantage of the different crowd audience with entirely different motivations and interests (Reddy & Tan, 2017)Which strategy to choose is up to the company itself.

Famous platforms for the donation-based model are JustGiving and Spot.US (Pöltner, Horak, & Michels, 2016).
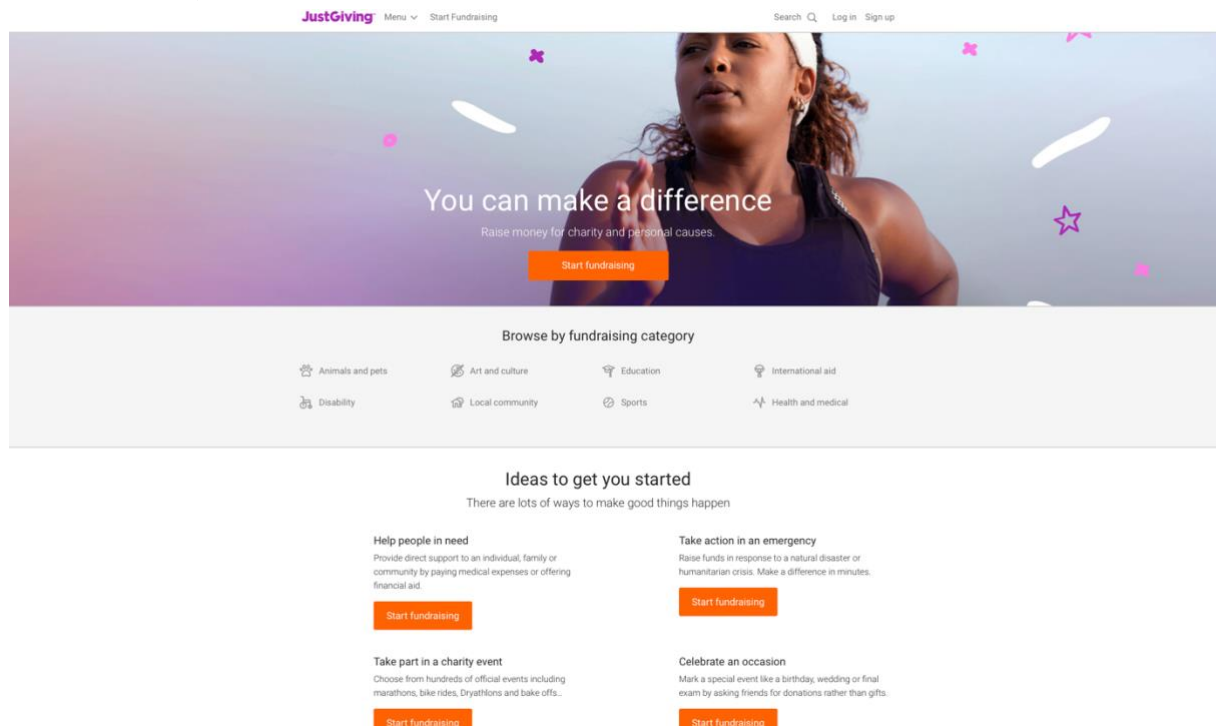
Image 4: Screenshot of JustGiving.com (Plummer, 2019)

Spot.US was a platform specifically designed for journalist but forced to retire due to a conflict of interests, since the donors were also the readers and contribution, they made could influence the journalists itself (Appendix 1)

These examples show that crowdfunding platforms in this category can either be specifically designed for an industry or open for different industry and divided in categories.

The reward-based is the most popular model and the one with the most platforms. The leading platforms in this category are the American platforms Kickstarter and Indiegogo, that often help raise

millions for different causes (Reddy & Tan, 2017). The biggest German platform for in this category named Startnext was founded in 2010 (Pöltner, Horak, & Michels, 2016) .All listed platforms compensate backers with tangible but non-financial reward. Reward-based platforms are usually not specialized on the industry. Excitement shoppers usually browse through categories to get hold of extraordinary products.
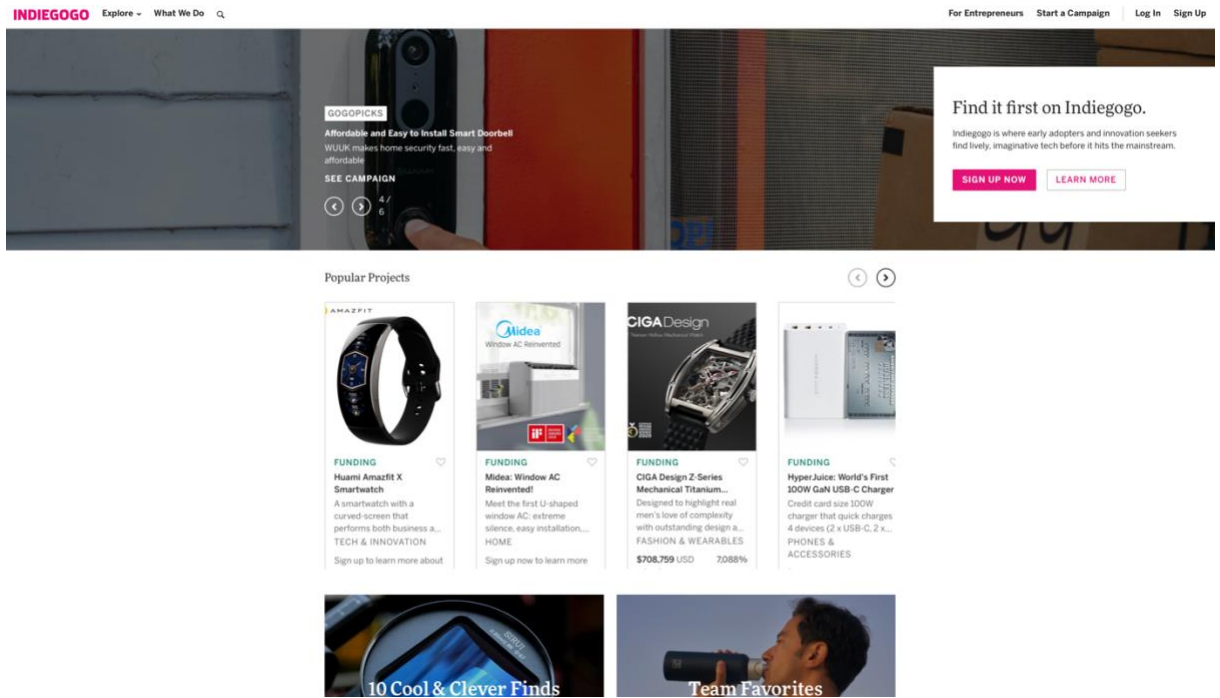
Image 5Image 6: Screenshot of Indiegogo (Indiegogo, 2019)
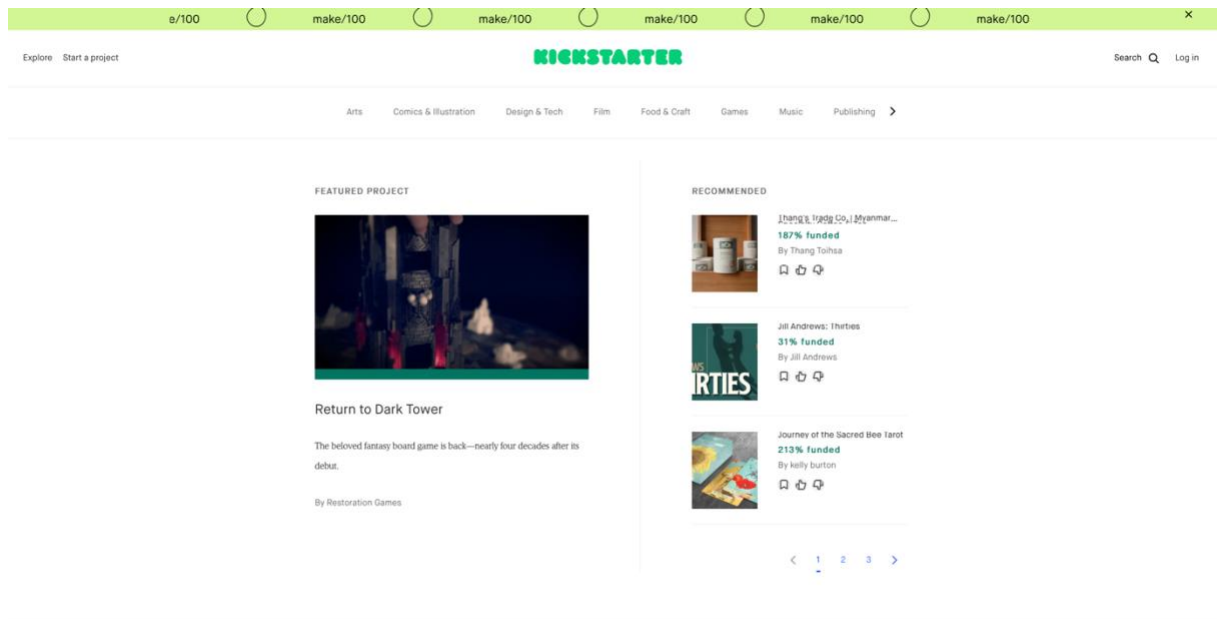
Discover the best and brightest projects on Kickstarter.

Image 6: Screenshot of Kickstarter.de (Kickstarter, 2019)

The equity-based platform main differentiation to reward-based platform, besides the form of reward, is the minimum amount to participate. It is much higher and usually ranges between 100-200 Euros. Famous international platforms for crowdinvesting are EquityNet and CrowdCube. These two platforms even allow "*startups and small businesses to solicit funds from potential contributors who are interested in selling their share later for more than their investment*" (Reddy & Tan, 2017) Famous German platforms are Seedmatch and Companisto, as they allow contributors to participate with smaller amounts compared to competitors (Pöltner, Horak, & Michels, 2016) .Theses platforms are due to the corporate nature of the model in a more formal design. It also is not divided by industry or category. Potential investors browse through lists of diverse companies.
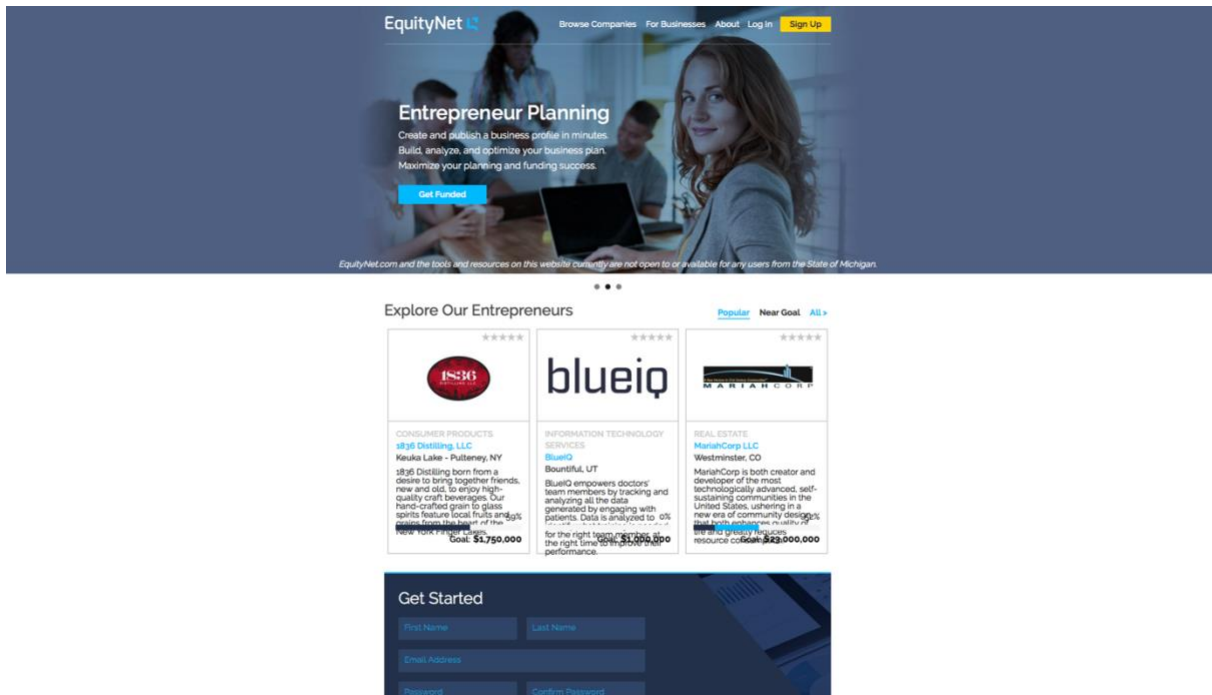
Image 7: Screenshot of EquityNet.com (Equitynet, 2019)
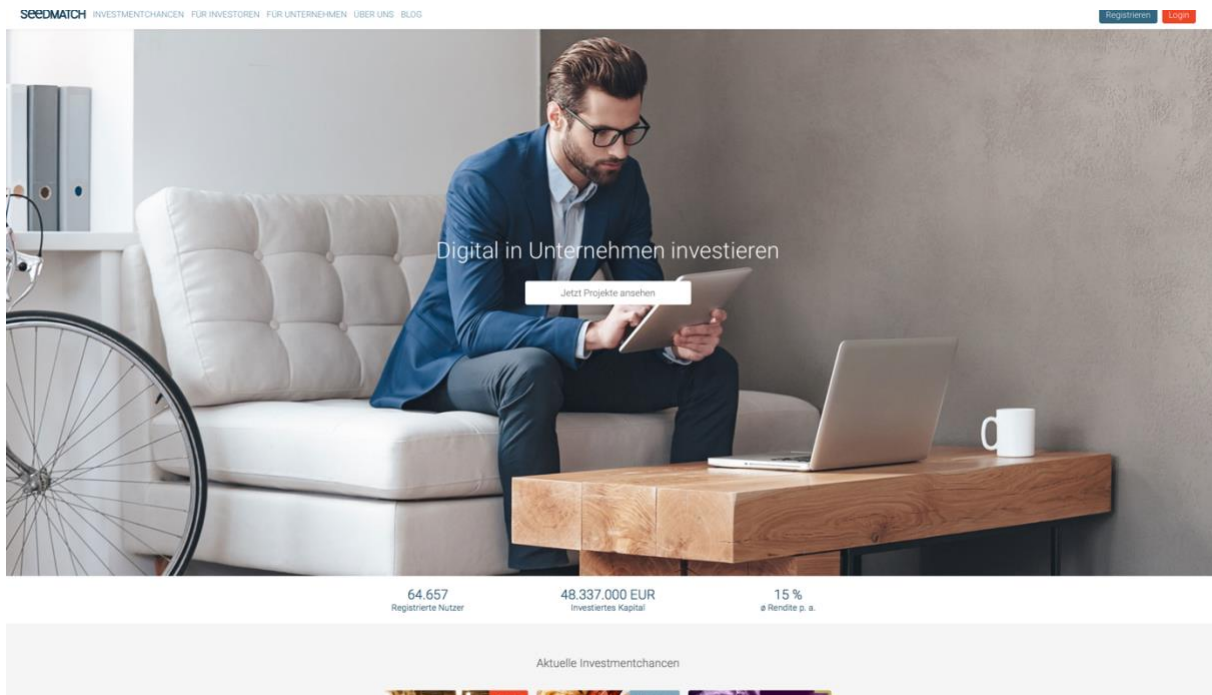
Image 8: Screenshot of Seedmatch.de (Seedmatch, 2019)

There are only a few websites that offer debt-based type of crowdfunding. These platforms are usually very industry specific. The following is a German debt-based platform specializing on real estate.
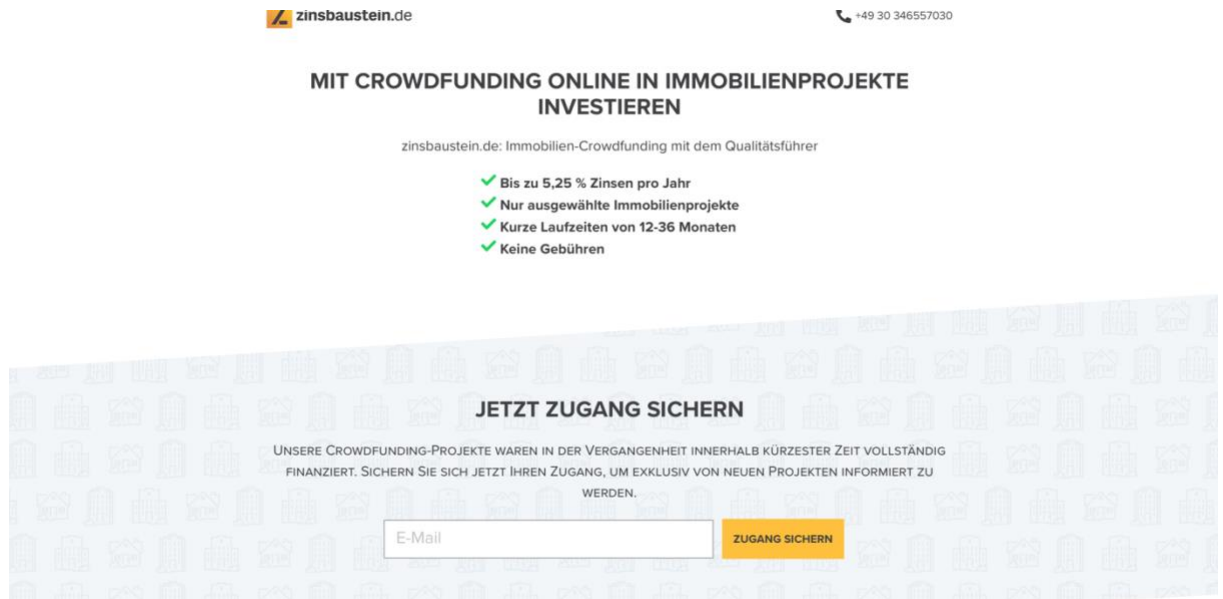
Image 9: Screenshot of Zinsbaustein.de (zinsbaustein.de, 2019)

2.2.5 Advantages and success factors

Pöltner and Horak list different advantages of a Crowdinvesting campaign for a company's day to day business compared to traditional ways of capital sourcing. This research will hereby only focus on success factors and advantages connected with the reward-based model, since it is the model that aligns best with O-XUMs strategy, that will be elaborated later on this paper.

One of the mentioned advantages is the fact, that a crowdfunding campaign can draw huge attention towards a company's product or service. Furthermore, it helps reaching a large number of potential customers and extend the customer base of a business (Pöltner, Horak, & Michels, 2016) .It also helps companies to stay in close contact with customers and get valuable direct feedback. Also, if executed correctly, the company ideally wins multiple brand messengers, who will promote the brand and spread the word of mouth (Pöltner, Horak, & Michels, 2016).

All above mentioned advantages can only be achieved through a well-prepared campaign. Some of the advantages can even occur if the company is unable to reach the target amount. One step towards a good preparation is selecting the right platform, as the platform itself can influence the expectations (Reddy & Tan, 2017)Another critical component is the so called "Investor Story".

The investor story provides the motivational reasons on why a contributor needs to participate. It should be authentic, creative, emotional, relatable and easy to communicate (Pöltner, Horak, & Michels, 2016). Different ideas of what an investor story could cover are: the corporate identity, a story about a customer incident or an insight story (Pöltner, Horak, & Michels, 2016). The investor story is usually told through a short video, that is uploaded on the platform. Some platforms even request it as an obligation (Pöltner, Horak, & Michels, 2016).

An additional success factor is communication. Starting with a creative and strong project description to convince backer, combined with constant updates. It is important to keep the backers engaged (Reddy & Tan, 2017).

Also, a large personal network is crucial for a campaigns end results. "Social *capital is especially important in the early stages of crowdfunding"* (Reddy & Tan, 2017).

A further success factor lays in using the characteristics of crowdfunding itself. The main difference towards traditional funding methods is that the donors are always able to see how many people have participated and how much money has already been invested. This simple fact can be used as an advantage by applying James Surowiecki's concept of "social proof" that was mentioned in (Pöltner, Horak, & Michels, 2016). The concept describes the tendency of people imitating and following the actions of others, simply based on the fact that many people believe or do something (Pöltner, Horak, & Michels, 2016).

This model applied to crowdfunding shows that a critical success factor is a high number of participants at the beginning of the campaign, so that will convince doubter and unsure potential donors. The reward itself can also be the critical factor for a backer to support a campaign. It is important to choose the right reward based on target group and platform (Pöltner, Horak, & Michels, 2016) .The study by (Wei Shi, 2018) examined types of crowdfunding rewards in context with consumer responsiveness and came to the conclusion that "material rewards are better received than symbolic ones" (Wei Shi, 2018).

2.2.6 Crowdfunding as a Marketing tool

Crowdfunding as a marketing tool is a concept that gained recognition and enjoys popularity amongst different brands. The reasons for this are widespread success stories in media. Companies who successfully used the concept in the traditionally concept often launch a follow up project with pure marketing objectives. The marketing strategy and choice of platform depend on the company's objectives. The authors Brown et al. quote Moisseyev, who identified three approaches on how crowdfunding can effectively be used for marketing purposes. (Brown, 2017)

The first one is to research the market and get proof of concept. The number of backers will assess the attractiveness of the business idea. *"A project that is unable to achieve funding may indicate failure and thus save creators the time and effort they might otherwise have invested in the project"* (Reddy & Tan, 2017).

The second way is to promote a new product to a broader range of customers by introducing it to the crowdfunding communities. Lastly crowdfunding platforms can be used to expand their operation market and use the campaign as an additional sales channel to distribute a new product to the market.

An additional marketing approach is using crowdfunding to promote the brand and increasing brand awareness. This can for example be achieved through a non-profit campaign, where companies focus on CSR initiatives. Brown et al. describe that approach on the example of a company that launched a campaign to simply collect ideas on how to fight an environmental problem. The three best ideas were then financed and launched by the company. (Brown, 2017)

All these examples show the versatility of using crowdfunding as a marketing tool. From the consumers perspective crowdfunding is a tool to "*vote with their wallets"* and express their interest. (Reddy & Tan, 2017).

The literature review on crowdfunding helped to understand that crowdfunding will create valuable buzz, attention and coverage among the companies target group even if it doesn't reach the target. This will result in broader brand awareness, which is one function of marketing that will be explained in the following part of the literature review.

Another take away is the importance of the reward and platform. Both needs to align with the target groups expectation and mindset. This literature review even displayed that a crowdfunding campaign do not necessarily need a meaningful business idea as long as it successfully manages the customers expectation and encourages customer engagement.

Moreover, this part of the literature review proofed that crowdfunding is a tool to promote customer engagement as it transfers consumers into investors and pushes a stronger connection between the company and the customers. It can even lead to customers taking the role of a brand ambassador through spreading the word of mouth as supporting to company now means supporting themselves. This will most likely lead to reaching a large number of potential customers and extending the customer base. Lastly this part of the literature review showed that crowdfunding was able to establish itself as a powerful marketing tool in the past and helped several companies achieve different marketing objectives such as testing the market, product development and brand awareness through CSR actions.

This paper will apply these findings on O-XUM MARKETPLACEs campaign and also attempt a different approach by merging different objectives.

2.3 Marketing

This part of the literature review will elaborate the role of marketing for businesses. It will start by highlighting the important parts of marketing's history, followed by a definition, providing the tasks and end with the explanation of the so called "Marketing Mix" which help companies achieve their marketing goals.

2.3.1 History

The first steps towards marketing began with the development and the recognition of the market itself. The need for marketing increased with the realization, that the demand was not only influenced by purchasing power alone, but also desire. The gained experiences then displayed, that demand could is not purely based on supply and can be influenced by other factors.

Researches in the field of Marketing continued on market development with different levels of competitive forces, and on the relation between cost and prices, which later led to the concept of elasticity of demand (Herman, 8 advantages of digitalization of business, 2009).

But the need for marketing was still not recognized, as it could not proof to contribute to economic productivity, which is defined as "*the production of a surplus over costs*" (Herman, 8 advantages of digitalization of business, 2009).

The acceptance of marketing as a concept was achieved with the industrial revolution, where economist became aware of the other markets besides their local markets. This new discovery of an extended market led to an increasing demand on overall information and satisfying products. It describes the time, in which the *"buyer's market replaced the seller's market"* (Herman, 8 advantages of digitalization of business, 2009).

The period between 1940-1950 was the time, where marketing finally got significant attention and the scientific approach it needed

1970 marks the year marketing gained strategic importance with the emerge of social issues. The concepted shifted from the society influencing marketing, towards marketing influencing the society. Marketing then secured its role as an important asset in economics (Herman, 2018).

2.3.2 Definition

After highlighting the history of marketing, this paper will provide the definition of marketing. The majority of people see marketing as a single instrument purely for sales and advertisement purposes, but that's not true anymore. Marketing is very important asset of a company, that covers many aspects of the business and must be defined on these levels.

Marketing is linked to the strategic planning of a company and starts even before a company begins with the production of the goods. On the strategic level, marketing can be defined as "*the*

homework that managers undertake to asses needs, measure their extent and intensify and determine, whether a profitable opportunity exists" (Kotler, Armsttrong, Saunders, & Wong, 2002).

The operational usage of marketing starts once the opportunity has been identified. (Kotler, Armsttrong, Saunders, & Wong, 2002) define marketing on an operational level as "as the social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others" (Kotler, Armsttrong, Saunders, & Wong, 2002).

Another definition by Meffert defines marketing on three different aspects:

1. the customer as a center and goal for the exploration of the market,
2. marketing as systematical component to influence and build the market itself and
3. marketing as a strategic tool for decision making. Marketing therefore is the planning, coordination and control of all business activities according to these three aspects (Meffert, 1999).

2.3.3 Tasks of Marketing

Marketing has, like any other department of a business, tasks and goals that contributes to the success of a company. This part of the paper will first elaborate the task and then the goals of marketing.

The tasks can be divided by three dimensions:

1. Market
2. Corporation and
3. Society.

First includes all actions concerning demand management. This includes to assure the needs of the current are met, to create need if there is a lack of demand, reduce need if the demand is too high etc. (Meffert, 1999). Influencing factors are the identification of target groups, buying incentives, product design and placement, communication, distribution of goods, transaction conditions and service (Meffert, 1999).

The second dimension deals with the coordination of the above described actions. This dimension shows the importance of integrating marketing at the top management level (Meffert, 1999). The last dimension covers the social responsibility. Marketing is a powerful instrument, that shapes society, as it creates artificial demand, contains highly manipulative and deceptive offers, leads to over consumption and more. It must be used with caution (Meffert, 1999).

2.3.4 Goals of Marketing

The specific goals of marketing strongly depend on the company's state, the corporate strategy market and the industry. The following highlights the overall objectives of marketing.

The first goal of marketing is to understand the consumer on such a level, that the company can design or offer the right product/service that provides exceptional value and satisfies the needs of the consumer. By doing so, the company successfully sells itself.

The next goal of marketing is to provide support on the operational level during the products lifecycle.

This is achieved through the marketing mix which helps companies with customer acquisition and retention, improving products performance as well as appeal to improve repeat performance by analyzing sales results (Kotler, Armsttrong, Saunders, & Wong, 2002).

2.3.5 Marketing Mix

The instrument to reach those can be found in the so called "Marketing Mix". There are different versions of the marketing mix, but the most common framework is the one developed by Jerome McCarthy, which is known as the 4P's. The P's stand for

1. Product which represents the tangible or intangible service,
2. Price of the product or service,
3. Place where the customer buys the service or product it can be physical or virtual and
4. Promotion which covers all forms of communication between the marketer and customer. Forms of promotion are advertisement, direct selling, public relation and sales promotion (Gordon, 2012).

Even with multiple alternatives this specific marketing mix has gained universal acceptance throughout the world. Many critics argue that the 4P framework completely lacks the strategical approach and only focuses on short-term goals. Furthermore, the framework completely misses the consumer, which seems outdated in a n area where the consumer dominates and controls the market (Gordon, 2012).

Another argument against the traditional 4P model is that it seems to not fit with new channels such as the internet. The Internet opened a new market and many Marketers argue that the traditional 4P framework faces its limitation and that other marketing mixes seem more suitable. A better alternative is Lauterborn's 4C's model which is also more adaptable to Niche markets. The 4 C's stand for consumer, cost, communication and convenience (Gordon, 2012).

This literature review on marketing helped to understand the goals of marketing, which will be needed to define the goals of the crowdfunding campaign. Besides that, this part of the literature review also helped to highlight the limitations of marketing mixes with the new channel internet and provided inspiration on how this research can use crowdfunding as a marketing tool. Furthermore, it helped to understand different factors that influence the markets.

2.4 E-business

E-business is a method that comprises different business processes through the internet. This includes communication, data and information exchange (between distributor and trade partners) and marketing functions, such the acquisition of customers and increase of market share (Brzozowska & Bubel, 2015). The term e-business differs in meaning depending on the context.

1. It describes the strategic approach to increase competitiveness and (2)
2. simply describes the business model of a corporation that focuses its main operation on the internet ((Brzozowska & Bubel, 2015).

The overall relevance for this research lays in the first context.

There are numerous e-business constructs with B2B (trade between two companies), B2C (trade between and enterprise and the consumer) and C2C (trade between two consumers, usually on a corporate platform) being most common ones (Brzozowska & Bubel, 2015).

O-XUM uses the B2C construct but operates within the B2B field in the background, which will be explained later in this research.

The main objective of a business is to make profit and it doesn't change in e-business. The most popular forms to generates profits in e-business are advertisement, agency and e-commerce (Brzozowska & Bubel, 2015).

A specific form within e-commerce is described by Dariusz Nojszewski, who was referred in (Brzozowska & Bubel, 2015), as a collaboration platform which enables cooperation between companies. Well-known examples for this form are Amazon or eBay.

2.4.1 E-business Marketing Tools

E-Business has gained more popularity over the years and the increasing numbers of entering players has made it hard to achieve sustainable success. This increases the importance of a good marketing strategy (Brzozowska & Bubel, 2015).

Mistakes that are often made when companies develop their strategy, include insufficient proof of concept, faulty forecast and enterprises solely relying on the finances of the business itself from the start, without additional financing sources, that would support the business until the break-even point (Brzozowska & Bubel, 2015).

E-business provides a lot of tools that help defining the right strategy and will enhance the company's competitiveness.
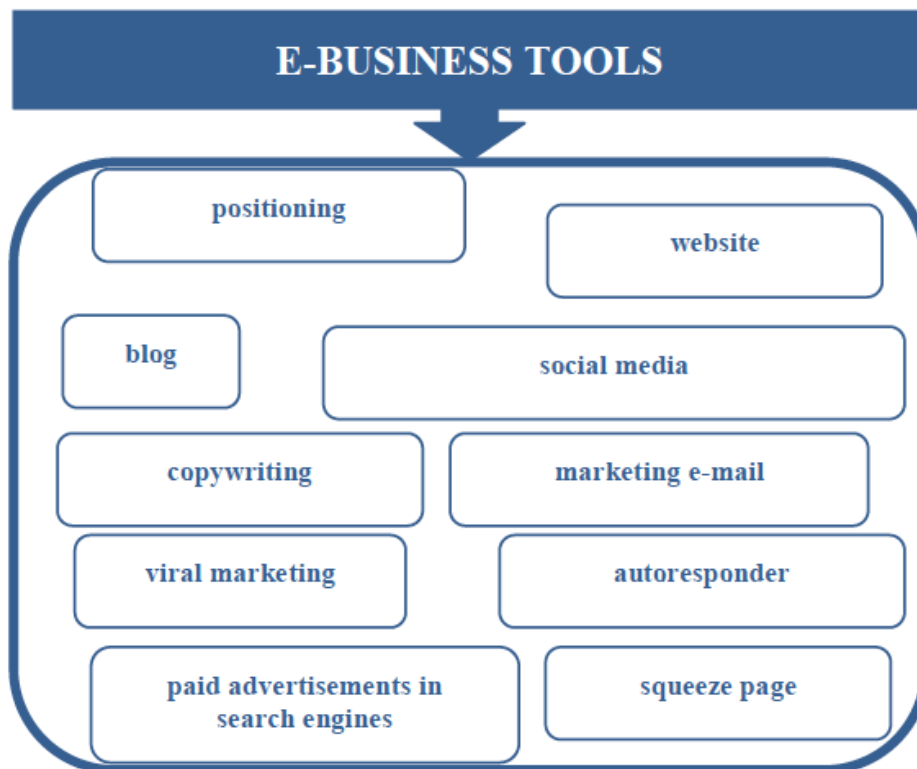
Image 10: The most popular e-business tools (Brzozowska & Bubel, 2015)

The first tool is the website itself. Besides its function as a sales channel it promotes the company itself and the products, contributes to brand awareness and helps in customer acquisition (Brzozowska & Bubel, 2015)

Constantinides states that the website shapes the consumers impression about enterprise. He also claims that the web experience in e-business incorporates all 4P's of the traditional marketing mix model. The 4P's should therefore only be applied in context with the website in e-business. (Constantinides, 2002.)

The Product is not the offer of good offered, but the website itself. Companies need to create traffic to their site in order to sell their tangible and intangible services.

Regarding Price, he states, that the website represents the price list. It makes it easy for customers to compare to other competitors. In terms of Promotion, the website communicates the sales promotion and makes them visible. The website represents Place, as it is the virtual place for customers to seek support, consultation, customer service and when it comes to digital good (music, software, information etc.), he states, the website even delivers them directly.

The next tool is the blog. Just like a diary it also shares non-commercial information and can even fulfil an educational purpose. It enables customer engagement by adding a comment section, which could lead to special bond between the enterprise and the consumer (Brzozowska & Bubel, 2015).

Another benefit not mentioned by the authors is that it could be used to gain valuable feedback from customers.

Another powerful tool is search engine positioning. It utilizes keywords and allows the company's website to be placed at the top of the site, when a customer searches for something on the internet that includes the keywords. It is advantageous, as customers tend to klick on the first results during their search (Brzozowska & Bubel, 2015).
The most popular form of this tool is Google AdWords. Companies strategically use specific keywords (ranked by Google as most searched) as many times when creating web content.

A well-known e-business tool is SM. It offers a lot of benefits and if utilized correctly, it can help enterprises achieve a certain image and spread the word of mouth as users love to share interesting content with their friends ((Brzozowska & Bubel, 2015).

The most effective tool is email marketing, which also happens to be the cheapest. It serves as a communication tool. The strength lays in the analysis of the data. The company will be able to see if they opened it, when the opened it, if it was forwarded, what was interesting for the customer etc. (Brzozowska & Bubel, 2015).

An accompanying tool is the auto responder, which allows the company to respond to e-mails immediately. It also allows companies to regularly send newsletter and/or current sales promotions (Brzozowska & Bubel, 2015).

The squeeze page helps to capture the needed email address. It usually pops up only second after the customer enters the website. It's often used in combination with the autoresponder (Brzozowska & Bubel, 2015).

The tool viral marketing is a specific from marketing, where the marketers intentionally crate shocking or funny contend to cause web-wide chain reaction in reposting that con (Brzozowska & Bubel, 2015).

All these tools will help activating the advantages of e-business. These include operational advantages such as the flexibility to adapt to market changes, fast responsiveness through optimization of the value chain. Economic advantages include low costs, time efficiency and a higher productivity. The disadvantages are risks of power abuse by partners, credibility issues without a physical store and lack of employee identification (Brzozowska & Bubel, 2015).

2.4.2 Example Amazon.com, Inc.

The most famous and the most successful examples in E-Business is Amazon.com. The company reported an annual revenue of US$232,887 million for 2018 which represents an increase of 30.9% compared to the year before.

Head Office	Amazon.com Inc. 410 Terry Avenue North Seattle Washington USA
Phone:	1 2062661000
Web address:	www.amazon.com
Revenue/Turnover:	232,887.0
Fiscal Year End:	December
Employees:	647,500

Figure 2: Amazon Company Profile (Poser, 2020)

Amazon is an online retailer that offers products and services mainly through their e-commerce site amazon.com. The products include all kind of merchandise including books, toys, sports, automotive, electronic devices, industrial products and much more. The service covers advertisement and order fulfillment to customers. One of the companies USP is the membership model "Amazon Prime". The advantages of the membership are: unlimited free shipping on millions of products, and unlimited streaming of numerous movies and TV shows The company started as a pure e-business but now also few opened physical stores in North America (Marketkline, 2019).

Amazon organizational structure is divided in three business segments:

(1) "North America" focuses on sales of consumer products (including sellers), manages the subscription model through online and physical stores in this geographical area. It also includes export sales. This segment produces 60,7 % of the total revenue (Marketkline, 2019).

(2) "International" handles sales of consumer products (including sellers) and subscriptions outside North America. It includes export sales to the North American market (including the US). This division generates 28.3% of the annual revenue. The German market is contributed to 8.5% of the total revenue in the fiscal year 2018 (Marketkline, 2019).

(3) Lastly "Amazon Web" covers global sales of computers, storage, database, and other digital services on a corporate, government and academic level. It is responsible for 11% of the company's revenue (Marketkline, 2019).

Amazons e-business constructs is a hybrid of B2B and B2C. As a marketplace, the company serves four types of customers: "*consumers, sellers, developers and enterprises, and content creators*" (Marketkline, 2019).

Besides that, the company also produces its own production of media content and handles its own logistics including order fulfillment, digital and physical delivery to the consumers in both, North American and most international markets. Outsourcing and Co-sourcing are part of the company's strategy in certain countries (Marketkline, 2019).

This part of the literature review helped to understand the concept of e-business and identify helpful tools that will help an enterprise success in the market. It also helped identify week spots of O-XUMs e-business. Furthermore, it showed that e-business can be a strategic concept to enhance competitiveness.

2.5 Beauty industry

Since O-XUM started with a business idea strongly linked to the beauty industry it is indispensable to give a quick overview of the beauty industry and the important changes/ shifts in the industry. This will help to understand why O-XUM terminated the old business concept and developed the new business model in e-commerce.

2.5.1 Global overview

This part of the research aims to give a global overview on the beauty industry within, and also touch the topic of people of color in the beauty industry regarding, racial biasness.

The beauty industry managed to become a powerful player in the global market place with $95 billion in global market value and its products succeeded in becoming an essential to daily life.

Most research data in this billion-dollar market is focused on the US market, the largest consumers of beauty products, but the data is still relevant to the European market, keeping limitations factors like culture and demographic in mind.

One of the most important assets of a beauty company, or any company in a growing digitalized marketplace is its online presence. This is the reason why most retailers distribute their products solely online and still manage to be competitive. The research of the Global Cosmetic Industry proved that consumers now shop more online than in department stores.

The top selling product divisions in the US in 2017 in terms of sales are skin care products followed by makeup and fragrance (Special report: The State of Beauty, 2018). The rising demand in the beauty industry drives companies to focus on online distribution in order to serve the fast-increasing demand. Companies therefore aim for a multi-platform online strategy which is reflected in 90%: e-commerce sales growth for cosmetics in 2017 (Special report: The State of Beauty, 2018). SM plays a very important role, especially Instagram. "According to NPD data According to NPD data, 66% of

beauty purchases are influenced by SM, with Instagram influencing 75% of user purchase decisions" (Special report: The State of Beauty, 2018).

As old as the industry is, its data shows that is still a lucrative business join and continue to invest in. Especially in the skin care department, that continues to grow on a quicker pace than makeup. (Magazine, 2017) According to the Global Cosmetic Industry Jensen quoted in the GCI Magazine it is extremely profitable to join the low-price categories that in include facial cleansers, as they give customers the flexibility to test different products and formats. Also, numbers showed that the natural trend and clean beauty trend contribute to a gain of 7% compared to 2015 (Magazine, 2017)

2.5.2 Marketing in Beauty industry

In a fiercely competitive industry such as the beauty industry it is more important, perhaps now more than ever, for brands to focus on the emotional bondage with consumers, serve the customers desires and trends like mostly natural ingredients, foster wellness and use digital tools and platforms to promote their businesses.

Nylon Editor described beauty as a *"conduit between women* "and states the importance to display beauty not as a tool woman need to change themselves a or attract the attention of men but rather as a moment of peace and selfcare for themselves (Lerner, 2018). This approach would target the modern busy business/working woman, but can also be applied to mothers, who search for a little me-time, or housewives who need a short retreat from their daily tasks.

Traditional marketing strategies focusing on physicality will fail, as consumers mindset shifted to feeling comfortable is more important than looking "perfect".

A survey on why the purchased beauty products resulted in 78 % stating to feel and look their best, 62% to treat themselves and 53% to feel confident (Special report: The State of Beauty, 2018)

No other industry is as strongly led by emotional purchases as the Beauty industry, in fact, *90% of consumers purchasing decisions are based on emotions* (Special report: The State of Beauty, 2018). These emotions range from a consumer's current mood to emotions towards the brand or even emotions based on their environment.

Beauty has developed deeper roots than just looks and has become a medium for selflove, representation, wellness and medium to express a personal standpoint within social matters.

Multiple brands advocate for social issues and matters like animal testing, Body shaming and discrimination. 87 % of consumers state that their purchasing decisions are ruled by the brands position on ethical matters (Special report: The State of Beauty, 2018) Within this strategy, known as partisan branding, companies have started to expand their spectrum of ethnicities and body types and even feature male spokespersons (Special report: The State of Beauty, 2018). A major step has been made regarding the ethnicities.

For many years the beauty industry seemed biased towards fairer skin tones. A perfect example of this racial biasness is the cosmetic category "nude". Nude most of the times only represents beige

tones, and only consumers with light skin tones could identify with or wear nude colors. The consumers demand for a change, through initiatives like #NudeIsNotBeige, were reflected in a drop of 5.7% within this category. Another research from Mintel showed that 40% of US makeup users aged 25 to 34 are still frustrated by products that do not match their skin tone. (Special report: The State of Beauty, 2018). This issue goes deeper than just makeup, it displayed another area with demographic borders. Consumers demand called for "personalized beauty defined on their individual terms.

The customers purchasing power was reflected in decreasing sales and resulted in a high growth rate of color options, that outpaced that of new product development (Special report: The State of Beauty, 2018). A pioneer in this field is Fenty Beauty by Rihanna, with their launch of their 40 shades collection, serving light and dark skin customers. Fenty Beauty not only offered a wide range of skin tones but also acknowledged undertones to win consumers (Special report: The State of Beauty, 2018). Fenty Beauty exploded in the industry and positioned themselves as a new beauty leader with $72million in earned media value within first month, inspiring other brands, to expand their tonal ranges. (Special report: The State of Beauty, 2018). The company serves as a figurehead of the so-called inclusive makeup movement (Special report: The State of Beauty, 2018).

In order to launch marketing campaigns that can effectively address the more demanding and skeptical Customers of the beauty industry it is important for brands to recognize and embrace individualities of their customers through their products and all forms of communication, from the brands spokesman to SM posts. Authenticity is the key factor but not only for the campaign's success. The communicated values should be incorporated with the brands DNA.

This part of the literature review aimed to highlight the profitable state of the beauty industry and highlight the best marketing approaches. It also succeeded to display the enormous growth of the natural cosmetic segment which is a part of O-XUMs new strategy which, will be explained in the next chapter of this research.

3. O-XUM Company Profile

O -XUM GmbH is an online retail platform for beauty and cosmetic products that aims to revolutionize the beauty industry. The Startup focuses on the people of color segment within the beauty industry.

Their product line ranges from makeup for different skin tones up to jewelry and headwraps made of African fabric. The company defines its current target group as people of color, i.e. people with darker skin types. The company's mission is to become the largest online retail platform in the beauty and cosmetic industry for people of color. Their motivation is to provide easier access to cosmetic brands for people of color that are underrepresented in Germany, and the realization of events that will support their online retail platform.

Key facts		
Office:	O-Xum GmbH Reifträgerweg 27 14129 Berlin Germany	
Phone:	+491590119553	
Web address:	www.o-xum.com	
Revenue /Turnover:	9500	
Fiscal year end:	December	
Employees:	4	

Figure 3: O-XUM old company profile (O-XUM Marketplace , 2019)

O-XUM is a purely digital retailer, that uses its own website to distribute medium to high quality international brands, that specialize in makeup products for people of color. There used to be great opportunities in this market, as there were only a few competitors in this business sector in Germany. O-XUM takes advantage of the digital world and uses multiple SM platforms to attract, inform, and communicate with customers about their products.

O-XUM competitive advantage lays in its party plan marketing. The company hosts beauty events and creates show rooms which enables them to market their products and acquire customers in a very unique way. These commercial events are facilitated under the umbrella of party fun and community bondage. This allows customers to test and try the products while enjoying a positive experience with the brand, without buying pressure.

From the company's perspective O-XUM profits from these events as they are able to sell to multiple people at the same time and have an opportunity to engage with the customers and create a special bondage of trust. Main attendees are usually existing customers, or supporters of the company who invite, friends, relatives and neighbors. The concept works due to the network and community approach.

3.1 Background information

O-XUM was founded on the 21st November 2016 by four black women of African descent. Adowa Ode-Dombrowe, who is originally from Ghana and Tirhas Tesfei, who is originally from Ethiopia are the initiator and idea bringer of O-XUM. They met through friends and shortly discovered mutual interest, but also difficulties they were facing as women of color in Germany. They soon decided to contribute to their community in Germany. The goal was to establish a business, that would solve some of the problems they were facing themselves as women of color in Germany: lack of access to suitable beauty products for people of color. Especially darker makeup shades and a representation of African fashion. The goal of O-XUM was born to solve these problems.

Adowa was able to gain valuable experience in the fashion industry, which is strongly related to the beauty industry, as a sales operator for multiple brand and even gained insights as entrepreneur with her own fashion label Malika Designs.

She was the person that brought Nalue Gnan, originally form the Ivory Coast, as the co-founder on board. She is a makeup artist, that specializes in makeup for people of color.

Tirhas, who has hand on experience in project planning through her full-time position at her current real estate company, convinced Danielle Schmidt, to join the team. Her roots are in Sudan and Boswana. Danielle studied Business Administration in order to help with the management and strategies.

Image 11: The initial founders of O-XUM

After some differences in interest Nalue Gnan and Danielle Schmidt decided to leave the company. O-XUM was then in the lovingly care of the two initiators who handle the strategic and operation business.

Significant market changes in the year of 2018 then forced O-XUM to rethink and restructure their business model. Their competitive advantage of being one of the very few distributors on make up for people of color was not sustainable anymore, as big brands such as Fenty Beauty and Maybelline entered the niece market of people of color. O-XUM was more or less forced out of the business, as the company had not gained enough market share to compete with such powerful brands. The company then decided to launch a crowdfunding campaign, that would help them gain visibility in the market, increases brand awareness and help with the competitiveness. The project was planned for 2019.

My role in the company was to help the company to develop a strategy for the crowdfunding project and support with the project implementation/realization, as well as assist with the evaluation. As the project manager I was working in the top management with the CEOs.

3.2 SWOT Analysis

In order to analyze the company's position in the market, this research decided to analyze the company using the SWOT method to improve on weaknesses, anticipate threats and seize opportunities and identify strengths.

Strengths	Weaknesses
- Local Company - Niche market player - Online retailer - Female team with African roots - Party marketing - High quality products - Small team	- Shipping costs - Niche player - Bad online marketing - Bad website - Small team - Insufficient logistics - Gender bias - Online retailer - No brand identity
Opportunities	Threats
- Increase of Afro -German population - Low competition - New makeup trends	- New powerful players in the market - Disloyal customers - Natural beauty trends - Decreasing international shipping costs

Figure 4: SWOT Analysis O-XUM (Poser, 2019)

3.2.1 Strengths

O-XUM has several strengths that have been displayed in the table and will be further elaborated in the following. O-XUM is a local brand that familiar with the needs and expectation of the market. Furthermore, O-XUM operates in the niche market and serves customers, who have been overlooked for many years. O-XUM operates mainly as an online retailer. The shopping experience is not restricted to opening hours or the store location. Customers are able to order from anywhere at any time. This is especially attractive for people with busy schedules and customers, who prioritize comfort as it is shipped directly to the consumer. Another strength is the team itself. Customers can identify with the team and can trust them to understand their needs. The company's USP is the party marketing, that allows customer a unique shopping experience filled with fun and networking. O-XUM focuses on selling only high-quality products from quality brands that are well known in the USA and UK. The last identified strength is the small size of the team that allows fast decision process and makes them able to answer fast to market changes.

3.2.2 Weaknesses

As a startup it is only natural to have weaknesses. One of these weaknesses are the shipping costs. These can be a factor for customers to not buy the product, as it increases the total cost. Another weakness is lack of market awareness as a niche player. This goes hand in hand with startups bad online marketing. Their SM campaigns seem not to reach enough people. Another weakness is the corporate website, that is hard to navigate through. It can be time consuming and effects the shopping experience. Also, O-XUM simply lacks additional team members. It seems that both of the CEOs are not possible to handle the capacity of the business. Besides that, the company seems to have regular logistic problems with restocking the goods. An additional weakness is the gender bias throughout the marketing. The company lacks addressing the male population in their marketing efforts. As a company that tries to cater to underrepresented groups, this can lead to image errors. Being an online retailer in the beauty industry can be a weakness, as customers cannot test the products. Makeup is not a segment that works on the one size fits all approach. It is very personalized, and it intensifies when it comes to people of color, who have a broad range of shades in skin color. The biggest weaknesses is the lack of a brand identity. There are no core values defined, no corporate culture nor philosophy. The business simply lives on the lacking access for people of color to make up products.

3.2.3 Opportunities

The opportunities identified for O-XUM in the German market is the constant increase of the Afro-German population. According to Sawe (2019) Afro-Germans are the 6th largest ethnical group in Germany and another research by Schenker and Munro highlights that the actual numbers might be higher, since "official statistics often do not include Afro-Germans born in Germany". Another Opportunity is the low number of competitors. Besides small Afro shops who only sell one make up brand for people of color there are only two multinational corporations who have only recently entered the market. The last opportunity the is research identified are new makeup trends and the increasing development of the makeup market (Schenker & Munro, 2016).

3.2.4 Threats

The last part of the SWOT analysis highlights the threats for O-XUM. The biggest threats for the startup are the new powerful competitors: Maybelline and Fenty Beauty by Rihanna. These strong multinational corporations can easily get to the top of the market shares in Germany and force O-XUM out of the business. Another treat is the nature of the industry. The beauty industry is fueled by trend and customers love to try out new brands and usually do not stick to one brand. The most dangerous beauty trend is natural beauty that, pushes beauty looks with minimal or no makeup at all. An additional threat is the

decrease in international shipping cost, that would ease the direct access to the brands O-XUM distributes.

The SWOT analysis showed that the current business concept of O-XUM was not sustainable in the long term and it was also portrayed in the decreasing revenue. The current state of the business and the pregnancy, were the reasons why the second CEO Tirhas, decided to leave the company. The evaluation of the SWOT analysis, the low business performance and the change of management were key factors, that inspired the new strategy.

3.3. New business concept

The new business concept should partly still operate in the beauty industry. O-XUM was able to gain valuable experience and the beauty industry is still growing. But in order to develop a strong USP and therefor sustainable competitive advantage it was necessary to work on two points. First was a diversification strategy. Relying on solely one market can be dangerous especially in a fast-changing market sch as the beauty industry.

Second was strengthening corporate identity and the brand. O-XUM did not really established a true brand identity until that point and only relied on their mission of becoming the largest retail platform for beauty. The company was lacking core values, a vison and even a well-defined target group. Before the company decided on the industries for diversification, it was important to identify in which beauty sector O-XUM would operate in order to continue their business in the beauty industry. The startup decided to operate in the strongly increasing beauty segment of natural cosmetic. It was a segment the CEO, Adowa, had personal experience and interest in. It is also a segment with strong links with the African continent. Her home country Ghana is one of the biggest producers for shea butter and the famous African Black soap. It was the perfect match for the brand that focused on people of color with their previous business model.

The next step was to identify other markets in order to implement a successful diversification strategy, that fit with the new beauty segment. The old business concept offered besides make up also African headwrap to highlight the underrepresented idea of African Beauty. The headwraps were O-XUMs bestsellers. The strategy therefore was to tap deeper into the African inspired fashion industry. Another industry that complimented the new strategy was the interior design market as well as art. Recent examples such as Zara and H&M showed the strong connection between fashion and interior designs and are proof that this strategy can be successful.

Image 12: Zara Home (Zara Hime, 2019)(2019)   *Image 13: H&M Home (H&M Home, 2019)*

O-XUM lacked the resources to produce goods for all these new markets but had built an enormous network with Afro German entrepreneurs, artists and crafters over the last 2 years. The idea was to apply e-business as a strategic model by cooperate with the different vendors by also distributing their goods on O-XUMs platform. The idea of O-XUM MARKETPLACE was born.

3.3.1 O-XUM MARKETPLACE

The e-business concept of O-XUM MARKET PLACE is simple. As the name indicates it aims to become an online marketplace, where customers can find a wide range of diverse African merchandise like cloths, dolls furniture, jewelry etc. and cosmetic.

The company thereby pays attention to sustainability in their products and packaging. The concept is a B2B and B2C construct. The B2B construct includes

1. small African suppliers located in Africa, primary Ghana and
2. African vendors in the diaspora (Appendix 3).Business partners in the first category get the chance to expand their markets and to Fairtrade. The differentiation point to other enterprises working with African suppliers, is that O-XUM attaches important that the value creation takes place in Africa. This assures that the African suppliers actually earn real profit. O-XUM sells products made in Africa.

Business partners in the second category include small artists in the diaspora with no business interest or mindset. The concept of O-XUM MARKETPLACE allows them to focus on their passion leaving all business processes to O-XUM.

Nearly 80% of our products are produced by small local businesses in Africa, 20% by Africans in the Diaspora. All B2B partners are supported in their visibility in the market to increase revenue and profit.

The B2C construct is handled completely by O-XUM. The customers have a convenient shopping experience while they support small local business, Fairtrade and suitability.

Image 14: O-XUM MARKETPLACE eco-friendly basket (Elsie Poser 2019)

3.3.2 Corporate Identity

Now that O-XUM MARKETPLACEs was formed, it was important to work on the corporate identity in order to then define the target group. The corporate identity is of the most important assets and serves as a competitive advantage in tense markets where competitors offer similar products.

The steps towards the Corporate Identity were defining the corporate vision and mission.

O-XUM MARKETPLACE vision is a World, where People of the African Diaspora, African lovers and people, who are interested in Africa are able to express themselves and prosper and learn about the African culture, without any restrictions and hurdles such as accessibility of products.

The startups mission is becoming the leading and most customer centric community platform for Modern African Fashion, Beauty, Food and Art and contributing to accessibility & visibility of African products and through this, Introducing African luxury & quality to the world. The startup also aims to educate shifting minds & eliminating negative image of African products as low cost and quality products.

The company's core values should display the vision and mission of the company and can be defined by following key words: Quality, Sustainability, Authenticity, Fairtrade.

Image 15: Company Profile O-XUM MARKETPLACE (Poser, 2019) (O-XUM Marketplace , 2019).

A very important step closely linked to the corporate identity is the target group. A firmly established method for marketers, to define the target group, is the "buyer persona" method. The persona is "an archetype, a composite picture of the real people who buy, or might buy products like the ones you sell" (Revella, 2015)

This research created three personas to highlight the dimension of the target group.

Buyer Persona

Kofi		Sabine		Cindy	
Demography:	African, Male, 26 years, In interracial relationship, Net Income 1.200€	**Demography:**	German, Female, 45 years, Single Mother, Net Income 1.600€	**Demography:**	Afro-German, Female, 26 years, Student, Net Income 800€
Interest:	Football, Afro beats, movies, fashion	**Interest:**	Zumba, cooking, festivals, beauty, Traveling	**Interest:**	Dancing, Beauty, Fashion, Afro Beats
Social Media:	FB, Instagram & Twitter, What's App	**Social Media:**	Mainly FB & What's App	**Social Media:**	FB, Instagram & TikTok, What's App
Fears	Loose connection to his roots, raise children without traditions, Integration	**Fears**	No work-life balance, monotonous life, No adventures, Single life	**Fears**	Not being African or German enough, European Beauty standards, Racism, loosing identity

Figure 5: Buyer Persona (Poser, 2019)

The first persona Kofi describes Africans, who have moved to Germany or just reside in Germany for a longer period of time. There are at the beginning of their integration process. Within this integration process they start to miss "home". From everyday necessities like food, traditional wash cloths, cremes, mortars & pestles to Art and Fashion. People belonging to Kofi's cluster excessively use SM platforms to stay in contact with his family member and friends from "home".

Sabine represents the group of Germans with a severe interest in Africa and the cultures. Sabine's are searching for something exciting besides their monotonous job. They are interested in African beauty secrets for longer youth and thicker hair or have just fallen in love with the latest fashion trends using African prints. They have also discovered their new love for Afro Beats and. As Sabine belongs to a rather older generation, she mainly uses FB and What's app and just got comfortable using PayPal for online shopping.

The last persona describes Cindy. She represents the Afro-Germans, who were born and raised in Germany. This cluster is very active on SM and always up-to-date with beauty trends. The Cindy's have suffered many years under European beauty standards and of makeup and cosmetics products suitable for her skin. The Cindy's have had many encounters with racism growing up and always felt neither German nor African enough and faced many identity crises. She is happy about the newest fashion and beauty trends featuring African prints and materials. She is also excited to see different

African entrepreneurs and artists on the horizon to represent the diversity of African culture, art, Fashion and beauty. All personas cover the dimension of O-XUM MARKETPLACE target group.

The visible form of the brand identity is the corporate logo. It is indispensable to create brand awareness. O-XUMs case it was not necessary to create a new logo as the simplicity of the old logo allowed a great amount of flexibility in adaptability. The base of the logo stayed the same and was just enhanced with different colors, that represent the different vendors. "Marketplace" was added to the name and the slogan was changed. The challenge with the slogan was to address all dimensions of the target group. The new slogan "Brining Africa To You" was able to do that.

Image 16: O-XUM MARKETPLACE Logo (2019)

4. O-XUM MARKETPLACE and the Power of the Community

Goal of O-XUM MARKETPLACE is to use the crowdfunding project as a marketing tool to enhance the corporate performance in terms of increased sales, broaden brand awareness, enlarge the customer base and push customer engagement.

The following elaborates the execution of the project explained by the project phases.

4.1 Conception Phase

The conception phase for O-XUM started after the realization of the new business concept, which required a lot time, money and human resource.

First step was the further development of the crowdfunding idea and examination of the idea based on different variables: the business need/Importance, the aimed deliverables. Ethical questions, analysis of potential risks, the planning of resources, cost calculations, quality requirements and control measures. It was also the phase to define and calculate the funding limit. All of the above-mentioned factors are summarized in a project charter. The design has to be attractive and comprehensive for all stakeholders. The following represents a summary of the project charter: The crowdfunding project is reward-based. The rewards are non-monetary but tangible. The crowdfunding campaign will offer products in exchange for the financial contribution. The Goal amount is 13.990 € and the duration six weeks. This covers all costs including shipping costs for the rewards. The project will impact the vendors of O-XUM MARKETPLACE, the customers, fashion influencers, suppliers and competitors. The team working on the project includes the CEO of O-XUM MARKETPLACE, the project manager and the videographer. The budget for the project 1.425, which represents 10% of the revenues from the previous year (9.500 €).

The project starts on the 8th December and will run during holiday season. The CEO is also a student and the mum of two kids. It was therefore important to set the campaign at a time she would be able to fully concentrate on the project. As a startup with limited financial resources, it was not possible to hire additional team members.

The importance of this project lays in the need to increase revenue in order for O-XUM to promote the new business model. Other reasons for the why this is the right time to execute the project, involve the technological progress, the increasing SM power and decreasing stationary shopping importance. This project bares adequate risks such as customers not understanding the concept of crowdfunding on a corporate level as it is still a new concept in German (displayed in quantitative research results), backers not identifying with the message of the campaign, not reaching enough backers etc.

The ethical question deals on how deceptive it is to use crowdfunding a marketing tool, when its tradition purpose is to help disadvantaged business with funding to realize a business idea. Quality requirement and control measures are assured through KPI's. KPI's are number of contributors, reached percentage of target amount, clicks on the campaign, repost using the hashtag and click on

website. The Immediate goal of the crowdfunding project is to reach the target amount and the overarching goal is expansion product and market expansion.

The conception phase also deals with the benefits and the effects of the project. Project managers create a benefit map for this purpose.
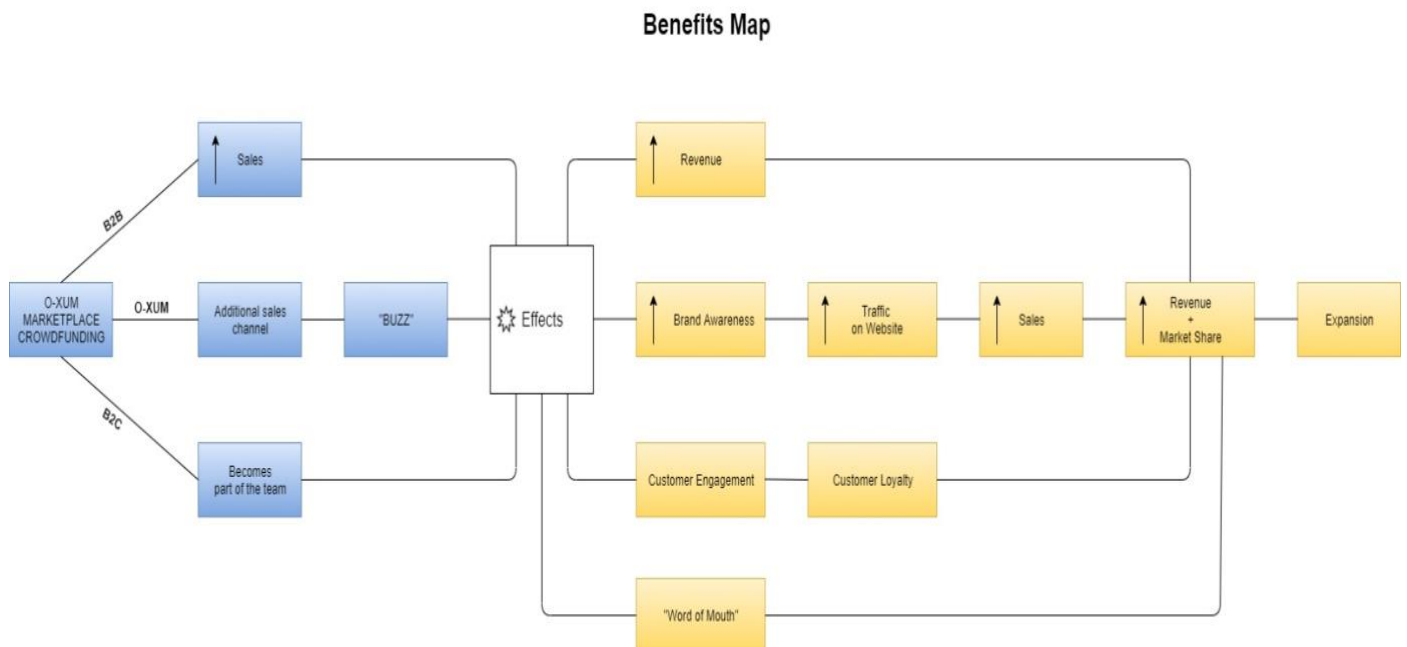
Figure 6: Benefit Map (Poser, 2019)

The benefits can be divided in three benefit paths. The first displays the benefit for the B2B partners. Since the project is a reward-based crowdfunding that offers products in exchange for every contribution, this will lead to an increase of sales on their hand, since O-XUM needs to buy more products than usual. This increase will lead to more revenue and if the campaign is successful O-XUM will be able to expand and so will the vendors and suppliers.

The second path affects O-XUM itself. The crowdfunding campaign platform is an additional sales channel, that can even attract people outside the target group. The project will also create valuable attention also called "Buzz".

This will have the effect of a broader brand awareness that will increase traffic on the website. Moreover, it will push customer engagement which will lead to customer loyalty.

The repurchases resulting from the customer loyalty and the traffic on the website will increase sales.

The third path highlights the benefits for the backers. The donor gets the feeling of becoming e member of the team, as crowdfunding turn consumers into investors. This will foster a deeper identification with the brand, and the backer will spread the word of mouth. The effect of the word of mouth will increase the revenue and market share of the enterprise which will lead to desired goal of expansion.

4.2 Definition Phase

This phase of the project describes the process of planning all steps and needed activities of the project, as well as identifying requirements and acceptance criteria.

Moreover, it is also the phase where we define the project scope, which I the heart of the project. The project scope can be summarized as following: The crowdfunding project is a reward-based model. The launch of the project is on the 8th of December 2019, as it is the time close enough to Christmas and Kwanzaa, a fest celebrated by many people of African descent and their loved ones, to celebrate African culture and heritage. The closeness to Christmas provides donors with the opportunity to see the rewards as suitable Christmas present for loved ones. And Kwanzaa is the perfect reminder why it is important to support the business concept and idea. The project will be supported by a Kwanzaa dinner event that will be facilitated by O-XUM MARKETPLACE to promote the campaign and a video that will be posted on the crowdfunding platform Vison Bakery, Germanys second biggest platform for reward-based campaigns. The project will focus on Germany and potential donors form Germany and is directed to consumers only. The team will include the CEO, the project manager, the videographer and the platform consultant. The marketing strategy is mainly based on SM and the event due to the lack of financial resources.

The following Requirements Matrix shows the main features of the crowdfunding product and defines them based on expectation, acceptance criteria, tolerance level, effected stakeholder and importance
for the project

Requirements Matrix

Deliverable & Feature	Expectation	Acceptance	Tolerance	Importance	Stakeholder
Platform	Attract as many donors as possible , has a lot of succeeded campaigns	popular, good traffic, allows a video and great designing, offers support	Medium size	H	Customers
Video	Emotional, motivational, concrete	1m length, good sound & light, uploaded on platform	Just motivational	H	Customers
Reward	Versatile	12 or more	10	H	Customers, Suppliers, Vendors
Marketing	Exploit SM platforms, use direct marketing	Enlarge and activate network	A few multiplicators,	H	Customers, vendors
Kwanzaa Event	Motivational event 70 attendees, connect with potential donors	Successful event with happy customers	40 attendees	M	Customers
Platform Text	Open all question, create emotional link and motivate donors	Covers the 3 Main questions, has pictures	Finished and uploaded	H	Customers

Figure 7: Requirements Matrix (Poser, 2019)

The platform is expected to offer consultancy, attract as many donors as possible and must require a video and great presentation to properly deliver the message of the Project.

A big platform would be ideal, but a medium size can also be tolerated. The choice of the right platform is highly important, and the effected stakeholder is the customer.

The video is expected to communicate the purpose of the project in an emotional and motivational way. It is important to appeal to backers and therefore incorporate story telling. The maximum length should be one minute, with good sound and light. It needs to be uploaded on the platform. It can be also tolerated if it is more motivational than emotional. The video is very important as it is the first feature the customers sees.

The reward is expected to be versatile to attract as many donors as possible. It is great to have a much rewards as possible. The chosen platform requires a minimum of eight rewards but suggests ten, which marks the tolerated amount for this project.

The rewards important as they are the participation intensives. The rewards affect customers, suppliers and vendors.

One of the most important features is the Marketing strategy. It is expected to be cross-functional and attract as many customers as possible. The marketing campaign to support the crowdfunding project and can be launched when O-XUM MARKETPLCE is able to extend its network. It is important to have multiplicators as the network of O-XUM is not big enough yet. The marketing is key to success of the project and mainly effects the customer.

The Kwanzaa event was meant to connect with potential donors and enlarge the network. A successful event with minimum of 40 happy attendees was required. It is part of the marketing strategy and medium important. It affects the customer who are the attendees and the ones who could not make it but see how O-XUM MARKETPLACE contributes to the community.

The last feature is the actual platform text that will appear on the platform. It should answer all open questions such as who O-XUM MARKETPLACE is, explaining the business concept; what the company's vision and mission is and what the money will be used for. It should be clear and precise but also be able to create an emotional link. It needs to be designed and uploaded on the platform. It is important and focuses on the customer.

4.4 Initiation Phase

The Initiation phase deals with the questions on what the resources are, concrete actions needed for the feasibility of this project and identifies the needed activities during the campaign. The so-called Work Break Down structure is a perfect tool that allows project Managers to plan each feature of the project (Ross, 2018).

The 1st level(red): Project is the project idea, 2nd level (orange) shows the outputs, the features of the project. Finally, the 3rd level (level) displays the task/ work break down in single steps.

Work Break Down Structure
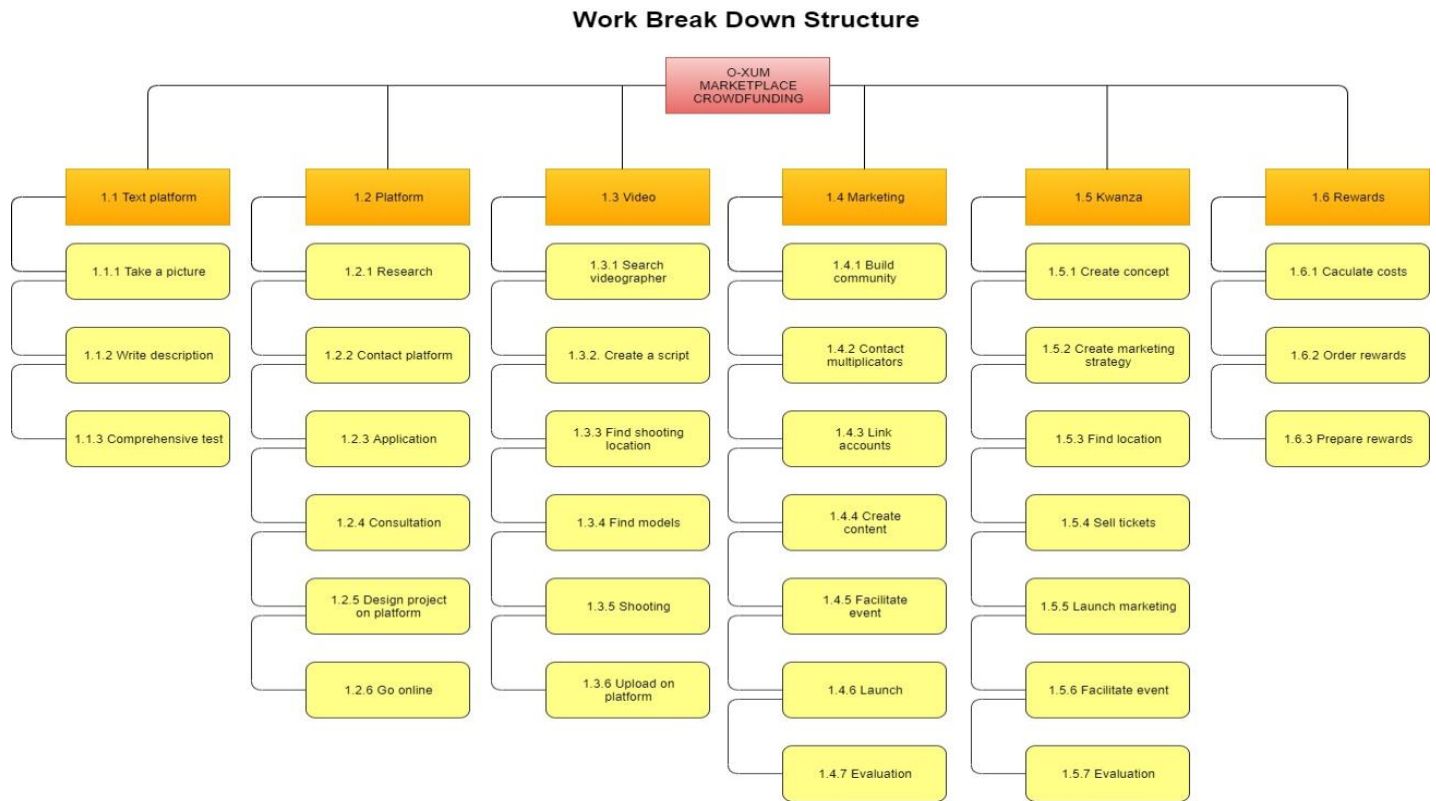
Figure 8: Work Break Down Structure *(Poser, 2019)*

4.5 Project execution/ Implementation Phase

The Project execution started with attending a crowdfunding seminar by Crowdfunding Campus. A German institution, that educates on how to effectively us crowdfunding for private people, startups and SME. The Seminar helped choosing the right platform. Vision Bakery is the only reward-based platform that offers support, consultation and direct contact for questions and inquires. Additional USP of Vision Bakery is that it is the only platform that offers PayPal as a paying option. PayPal is the most popular payment method for online purchases in Germany. The platform also has the perfect size as the number of projects are manageable which results in not too many competitors and a good visibility.

Multiple consultation sessions and meetings led to finalizing the design of the text that will be uploaded to the platform. It was structured into three parts: Background to the CEO of O-XUM to get connect on a personal level and answer the who question; description of the business model, the startups mission and vison, to answer what question and the last part dealt with the question why and how. This was to most crucial point of the text. The text was written in German and English since one part of our target group are Non-Germans, living in Germany (Appendix 4).

The video was a crucial part in the strategy as it was the medium to transfer all the emotions text and pictures would not able to. It contained scenes from Ghana that showed the suppliers and African vendors in the production to emphasize on the Fairtrade, sustainability and quality aspect. Besides also

contains scenes of the target group in the buying process, which provide an identification platform and showed the products in action. The last part of the video showed the CEO explaining the main facts and on her call for action which created an emotional link to the backers. The video was also uploaded on O-XUM MARKETPLACEs SM Channels (Appendix 5)

Activating the network was a critical step! O-XUM MARKETPLACEs Instagram account was not sufficient, as it didn't provide enough followers. In order to still reach the carefully calculated goa amount it was important to enlarge the network. A give-away strategy seemed suitable as it encourages word of mouth. Current followers on the SM platforms were asked to tag friends and share the post. It did not have the effect desired, so the next step was to incorporate multiplicator in form of influencers and online magazines. These influencers got send products and were asked to post pictures or videos with the product and tag O-XUM MARKETPLACE. The magazines were asked to write a post on the crowdfunding campaign. The last step to gain more followers and visibility was the facilitation of an event in one of the ten best restaurants in Berlin, Germany (Appendix 6). The event was a three and four-course show dinner and was called Kwanzaa – The Pan African Dinner. Further goal of this event was to continue with the traditional party marketing concept of O-XUM, which peruses marketing goals under the umbrella of fun and networking. Besides celebrating Kwanzaa, it was important to get as many commitments as possible for the coming crowdfunding campaign. This tactic was based on Surowiecki's concept of "social proof" which was elaborated in the literature review on crowdfunding. The event was a success and multiple guest assured their financial contribution, as well as participation in the crowdfunding project. Multiple influencers were invited but unfortunately none could make it, as there was multiple big event on the exact same date. After the event was the official launch of the crowdfunding campaign on the platform.

Different posts on Instagram and Facebook were sent to support the launch and O-XUM MARKETPLACE utilized all playful of the SM platforms such as Stories and "going live" to encourage and push the going crowdfunding project and provide updates. The first three contributions happened within the first week but then the contributions stopped. Different posts were sent online with minimum or no reactions. After the second week could not gain more backers and the consultation with the support team of Vision Bakery, it was decided to terminate the ongoing crowdfunding project, restructure the strategy and relaunch it in Spring. Different errors have been identified and valuable lessons have been learned.

4.5 Evaluation Phase

One of the most important factors in project management is to know where to stop (Ross, 2018). The Evaluation phase concentrated on processing the mistakes and defining lessons learned. A final meeting with the platform consultant helped identifying multiple errors in

1. the structure,
2. the message and

3.   the internal and external communication. The resulting lessons learned will be presented in the following:

1) The first error in the strategy that O-XUM MARKETPLACE missed to advertise the crowdfunding on the website itself. This could have been done through incorporating a banner on the website or through the squeeze page. Another argument for this strategic step is also for validation reasons. Potential backers might have been deterred, since there was no indication of the crowdfunding on the official website. Scamming and swindle scandals are not a rarity in the online world, and it is the ask of the company to eliminate such concerns. Especially potential backers, who did not visit the SM channels

   Another fault within the structure was not fully exploiting crowdfunding campaign as an additional sales channel. Missed opportunities such as incorporating a discount code, that could have been used by potential customers, who found their way to the crowdfunding, but did not want to participate but were interested in products.

   Additionally, the company missed to incorporate Google AdWords within the text would have helped create more traffic. Analytics showed to the lack of traffic to the project site.

   The last mistake within the structure of was not removing the products offered as a reward from the startup's website. The asked contribution from the donors in exchange for the reward was higher as the product price on website. The donor would, for example get a soap in exchange for a financial contribution of 15 €, while the soap at o-xum.com would cost 8 €. The incentive for backers participating in reward-based crowdfunding are the rewards. With the same products offered cheaper on the website there was no incentive to participate in the project or buy the product at the website in this specific time.

   This strategy bears risk such as sales loss, as some repeat buyers, who may not want to participate in the crowdfunding but still want to purchase their standard products, would be able to. It could even hurt the company in the long-term. In order to anticipate this, the company needs to effectively communicate with the customers.

2) The challenge of crowdfunding as a marketing tool lays within the message. The consumer is more aware of marketing technics. Companies therefore need to be authentic. In O-XUM MARKETPLACEs case the message was clear and honest and motivational but missed the emotional part. Backers could see that it would help the community, but it failed to provide room for identification on the personal level. The only personal points appeared with the introduction of the CEO.

3) According to the Vision Bakery consultant Anja Thonig, the communication strategy was insufficient and failed completely. She identified it as the main factor why the crowdfunding campaign failed to reach the target amount. The internal communication suffered due to different factors: vacation of the project manager, multiple holidays during the project execution an

inadequate role allocation. Another reason was the lacking motivation after the absence of financial contributions from donors. A crowdfunding campaign can only be successful if all necessary activities can be realized and the team stays motivated and engaged during the project lifecycle (Pöltner, Horak, & Michels, 2016).

4) The external communication strategy failed, as O-XUM MARKETPLACEs network was not bis enough and the company did not incorporate enough multiplicators. Clear identification therefore was the lack of traffic on the crowdfunding project. The startup mainly relied on SM and did not use the other e-business marketing tools.

The project is set to be relaunched in spring. O-XUM MARKETPLACE is currently working on expanding the network through events. This first attempt taught valuable lessons that will be used in the realization in Spring.

5. Methodology

The main objective of this research is to examine the best ways to use crowdfunding as a marketing tool for enterprises operating in e-business. In order to assure the success, it was important to collect data in order to define the right approach. The right methodology is essential to the success of the project. This paper chose the mixed method approach in order to get multiple perspectives on this complex topic.

This paper decided to conduct primary research, in form of a qualitative and quantitative analysis. The quantitative research will be conducted in the form of a questionnaire. This questionnaire is directed to potential donors of the crowdfunding campaign and designed as a multiple-choice questionnaire where respondents can only choose one answer. The questioned allowed further explanation. Goal of the questionnaire is to collecting data from the consumers perspective on the best ways to design the marketing strategy for a crowdfunding and analyze the marketing effect of crowdfunding on customers. The quantitative approach was chosen due to the limited resources. This research approach is not time consuming, easy to design and evaluate with helpful digital tools and even allows generalization to the population. The generalization must be limited due to the fact that the chosen sample do not represent the whole population. The questionnaire will be evaluated within the context of descriptive statistics and simply describes the outcome of the research (Trochim , 2006). The questionnaire was designed through Survey Monkey, an online platform which specializes in online surveys, used by individuals and companies (SurveyMonkey Audience, 2019). The link to this questionnaire was posted on the SM platforms. This paper had 15 questions prepared but Survey Monkey only allowed 10 with the free model, which led to combing most questions.

The qualitative research in form of an interview serves analytical purposes and is directed to the crowdfunding consultant. Goal is to discover important key factors of crowdfunding based on valuable experience from competent professionals in the field and transfer them to helpful points, when using crowdfunding for marketing purposes.

The interview will be performed during the evaluation, after the execution of O-XUM MARKETPLACEs project. Other than the quantitative research this method is very time consuming and difficult to generalize. It is very subjective and measures intangible aspects, like perception and experience in this case (Reis, 2017).

6. Research Results

The first part will concentrate on the results from the questionnaire and the second part will focus on the result from the interview.

6.1 Questionnaire

111 people answered the questionnaire of which this research could only analyze the first 60 as Survey Monkey charges a monthly subscription for more analyses.

The first two questions dealt with the demographic and were important as these are factors that will influence the outcome of the survey.

The question regarding the respondents age split the respondents almost in half. 61,02% were within O-XUM MARKET PLACE main target group, between 25 and 45 years and the rest of the respondents between 18-25 years with 38,98 %. The results regarding gender were very unbalanced with 80% females and only 20% males. (Appendix 7 & 8)

The next question dealt with the monthly income. The question was asked to see if the income influences the participation in a crowdfunding campaign and second if the level of income is correlated to the type of reward the customer wants in exchange. The majority of respondents 54,24 earn between 500-1.500€. The German middle class was represented by 30%. Two of the asked respondents earned 3-5k € and one even above 5k€. 10,7% belonged to poverty class.

Your monthly Net income in €

Answered: 59   Skipped: 1
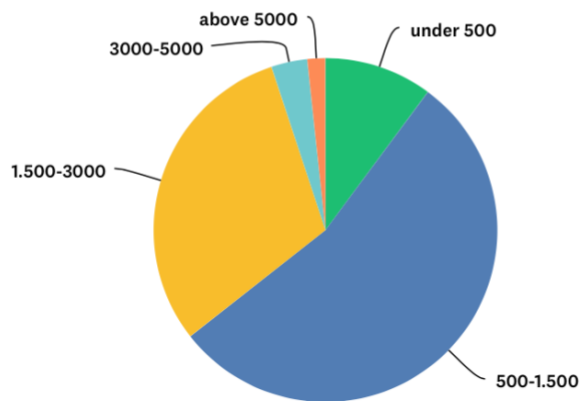
ANTWORTOPTIONEN	BEANTWORTUNGEN	
under 500	10,17%	6
500-1.500	54,24%	32
1.500-3000	30,51%	18
3000-5000	3,39%	2
above 5000	1,69%	1
GESAMT		59

Figure 9: Survey Monkey Question (SurveyMonkey Audience, 2019)

The question "Do you participate in online shopping? If yes how much do you spend in a month aimed to identify the relevant target group and see how they are willing to spend on online purchases. 90% or the respondents answered affirmative. And the majority spending between 500-100€ monthly.

Do you participate in Online Shopping? If yes how much do you spend in a month in €?

Answered: 60   Skipped: 0
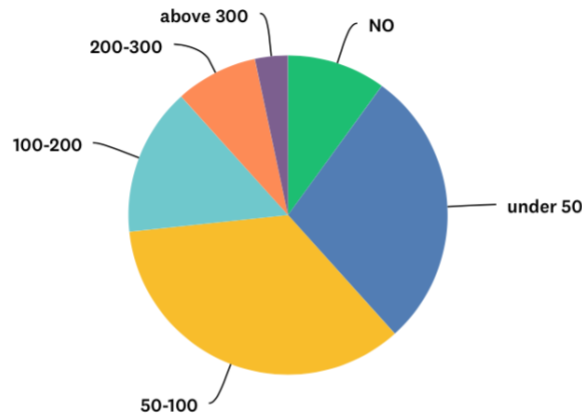
ANTWORTOPTIONEN	BEANTWORTUNGEN	
NO	10,00%	6
under 50	28,33%	17
50-100	35,00%	21
100-200	15,00%	9
200-300	8,33%	5
above 300	3,33%	2
GESAMT		60

Figure 10: Survey Monkey Question (SurveyMonkey Audience, 2019).

The following question researches the respondent's knowledge and attitude towards crowdfunding.

Over 63% have heard of it and 18.4 within them would participate. 50 percent of the ones who have never heard of it ae open to try it.

Have you ever heard of Crowdfunding and participated?

Answered: 60   Skipped: 0

ANTWORTOPTIONEN	BEANTWORTUNGEN	
Never heard of it and wouldn't participate	18,33%	11
Never heard of it but would participate	18,33%	11
Yes, heard about it but never participated	51,67%	31
Yes, heard of it and participated	11,67%	7
GESAMT		60
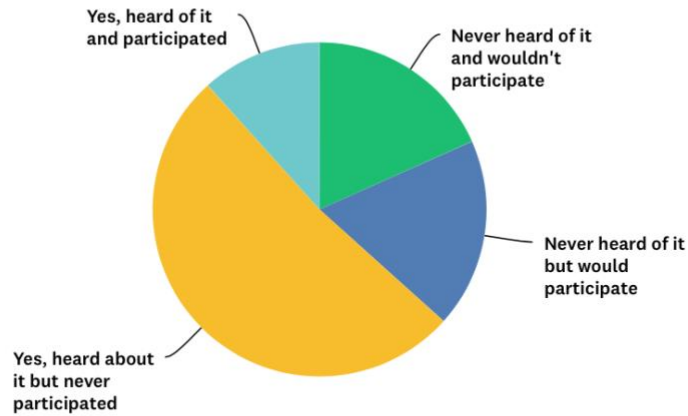
Figure 11: Survey Monkey Question 5 (SurveyMonkey Audience, 2019).

Question six explores the respondents preferred reward. The given options represent the most common rewards. The majority of 40% preferred a personalized product which aligns with the literature review. The 35% chose the intangible reward of just a thank you which stresses the emotional approach and the importance of the message. On third position is an event with 16.67 % and surprisingly only 8,33 % voted for exclusive access as this was one of the popular rewards in literature review.

What kind of reward would prefer?

Answered: 60   Skipped: 0
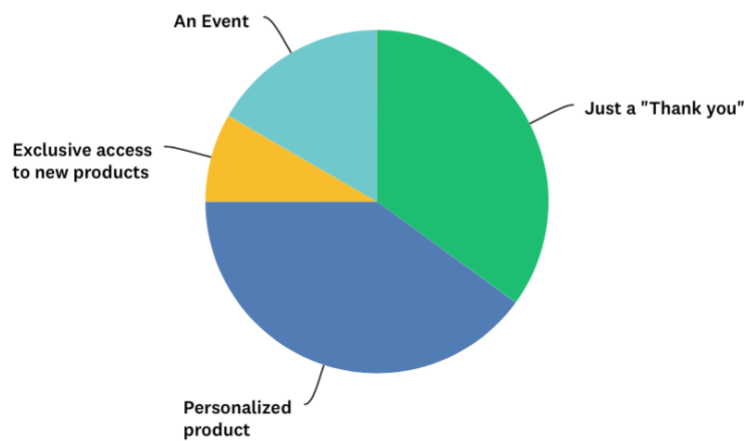
ANTWORTOPTIONEN		BEANTWORTUNGEN	
Just a "Thank you"		35,00%	21
Personalized product		40,00%	24
Exclusive access to new products		8,33%	5
An Event		16,67%	10
other	Beantwortungen	0,00%	0
GESAMT			60

Figure12: Survey Monkey Question 6 (SurveyMonkey Audience, 2019).

Question seven inspects the concept of so called "excitement shoppers" who visit crowdfunding platforms on a regular basis for an extra ordinary shopping experience. The results would indicate if crowdfunding platforms could be used to attract new customers without major marketing efforts outside the platform. 75% stated that the never been on a crowdfunding platform. 25 % stated that they ever been on a platform. 60% of the ones who ever visited the platform only go there 1-2 times a year and 40 % stated a monthly visit.

Do you ever visit Crowdfunding platfroms? If yes how often?

Answered: 60   Skipped: 0
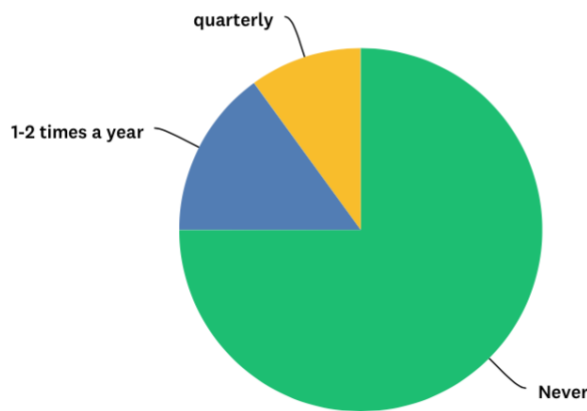
ANTWORTOPTIONEN	BEANTWORTUNGEN	
Never	75,00%	45
1-2 times a year	15,00%	9
quarterly	10,00%	6
once a month	0,00%	0
GESAMT		60

Figure13: Survey Monkey Question 7 (SurveyMonkey Audience, 2019).

The eighth question "Please choose: I would support a crowdfunding campaign if …" was stated to identify criteria for communication and message design purposes. The majority of 45 % stated that they would financially support a campaign if they can identify with the company's values and missions. 25% would support the company simply for the fact that they need financial support. 16.67 percent would support based on the traditional model of crowdfunding: helping a company realize a business idea. Lastly 8% would support a crowdfunding project only if they will get a reward in return. The questionnaire also provided an "other" option in case neither of the suggested answer options would fit but it was not used by any of the respondents.

Please choose I would support a crowdfunding campaign if

Answered: 60   Skipped: 0
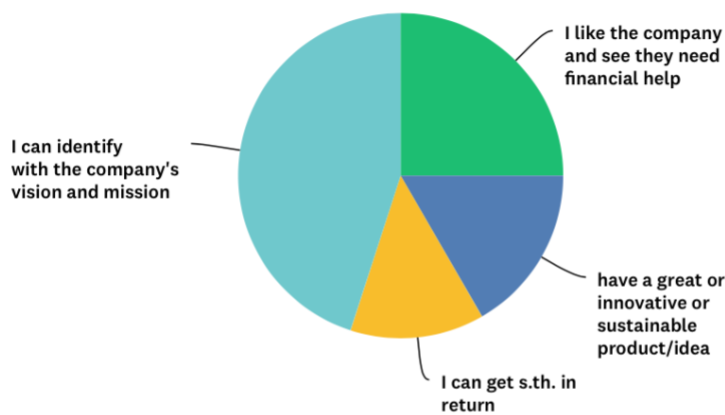
ANTWORTOPTIONEN	BEANTWORTUNGEN	
I like the company and see they need financial help	25,00%	15
have a great or innovative or sustainable product/idea	16,67%	10
I can get s.th. in return	13,33%	8
I can identify with the company's vision and mission	45,00%	27
GESAMT		60

Figure 14: Survey Monkey Question 8(SurveyMonkey Audience, 2019).

Question nine aimed to identify the most effective communication channels to inform about a crowdfunding project bay asking "where would you like to be informed of a new campaign? Instagram is with 38,33 % at the top, followed by E-mail with 35%. The option "in person" scored with 18,33 % and letter only 5% followed by FB with extremely low 3,33%. The results from question nine seemed very surprising as the consultant of Vision Bakery strongly advised against the Instagram, as Instagram is a software mainly use through the phone and the mass of Germany do not pay via phone. E-mail marketing was suggested from both the literature and the Vision Bakery consultant. The "in person" approach seemed valid as O-XUM had great success with direct marketing in the past.

Where would you like to be informed of a new campaign?

Answered: 60   Skipped: 0
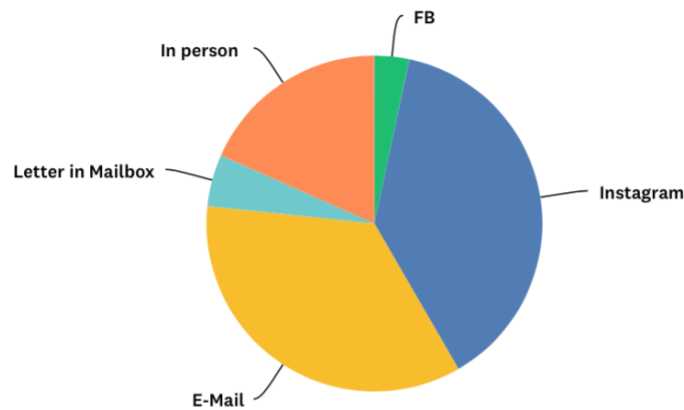
ANTWORTOPTIONEN	BEANTWORTUNGEN	
FB	3,33%	2
Instagram	38,33%	23
E-Mail	35,00%	21
Letter in Mailbox	5,00%	3
In person	18,33%	11
GESAMT		60

Figure 15: Survey Monkey Question 9 (SurveyMonkey Audience, 2019).

Lastly the tenth question conducted data on if a crowdfunding campaign could be a reason to shop more with a company. 57.63 answered affirmative (Appendix 9) Only nine gave explanatory reasons. The comments were analyzed using world cloud which ranks the most used words by displaying them bigger. Most used words in the right order were: 1. "company",2. "love",3. "personal", 4. "support" and 5. "product". Most of the respondents see crowdfunding as a way to bond with the brand.

Figure 16: Word cloud (Poser, 2020)

The results of this questionnaire cannot be generalized and should only be used as an indication. The limitation is caused by the fact that only 6o from 111 answered questions analyzed due to restrictions from Survey Monkey. The missing 51 questionnaires which make 30,6 % of the total questionnaires could have changed the outcome of this result.

6.2 Interview

The qualitative research in form of an interview was held for evaluation purposes. The respondent was asked open questions and asked to give extensive answers. Goal of it was identifying the error of O-XUM MARKETPLACE crowdfunding campaign, reflecting on lessons learned and determine the best approach for crowdfunding as a marketing tool The interview was conducted with Anja Thonig, who is an educator at Crowdfunding Campus and as a campaign consultant at the reward-based platform Vision Bakery. She has several years of work experience and consulted over 400 campaigns. She added great value with her expertise not only with the interview, but also as the contact person during the campaign. She gave valuable insights and advices. The outputs of the interviews were used to establish the lessons learned and the conclusion.

The results of this research form can only be applied with limitations. The findings are very subjective and based on the respondents' personal experience as an educator and campaign consultant.

7. Conclusion

In its traditional way crowdfunding is a concept that lowers entry barriers to finance and support the market for smaller businesses. However, crowdfunding can also be used as a powerful marketing tool to analyze business performance.

When we discuss crowdfunding as a marketing tool, we must look at it from a wholistic business perspective. Consumers have become more demanding and just having a good product or service is not enough. Consumers also expect fast delivery times, no shipping costs and numerous other variables that determine their purchase decision. The competition has indeed become fierce and within this swim or sink markets it has become indispensable for companies to establish a competitive advantage, that will set them apart from competitors. This involves new ways to get customers attention, reach customer satisfaction and establish customer loyalty. Crowdfunding can be a way for companies to manage a corporate image, as it helps communicate common interests to the target group. It can also push customer engagement and can help companies to promote their business. Furthermore, crowdfunding can be used for market validation, and valuable real-time feedback. Many companies have also used it in the past to test new products, validate a new business idea, increase brand awareness or/ and extend their operation market.

Goal of this paper was to research new approaches of this marketing tool and define a suitable strategy for a startup in e-business with a focus in the beauty industry.

This paper succeeded in identifying key factors that are essential to achieving marketing goals by using crowdfunding as a marketing tool. Also. this paper accomplished an improvement in customer engagement between O-XUM and the customers, an increase in brand awareness, as the company gained more followers on Instagram and Facebook, and lastly improved the corporate image.

However, this paper failed to increase revenue and expand the customer base of O-XUM MARKETPLACE, as the project could not reach enough people, due to errors in the execution of the problem.

The following chart aims to summarize the findings of this research in how to use crowdfunding as a marketing *tool.*:
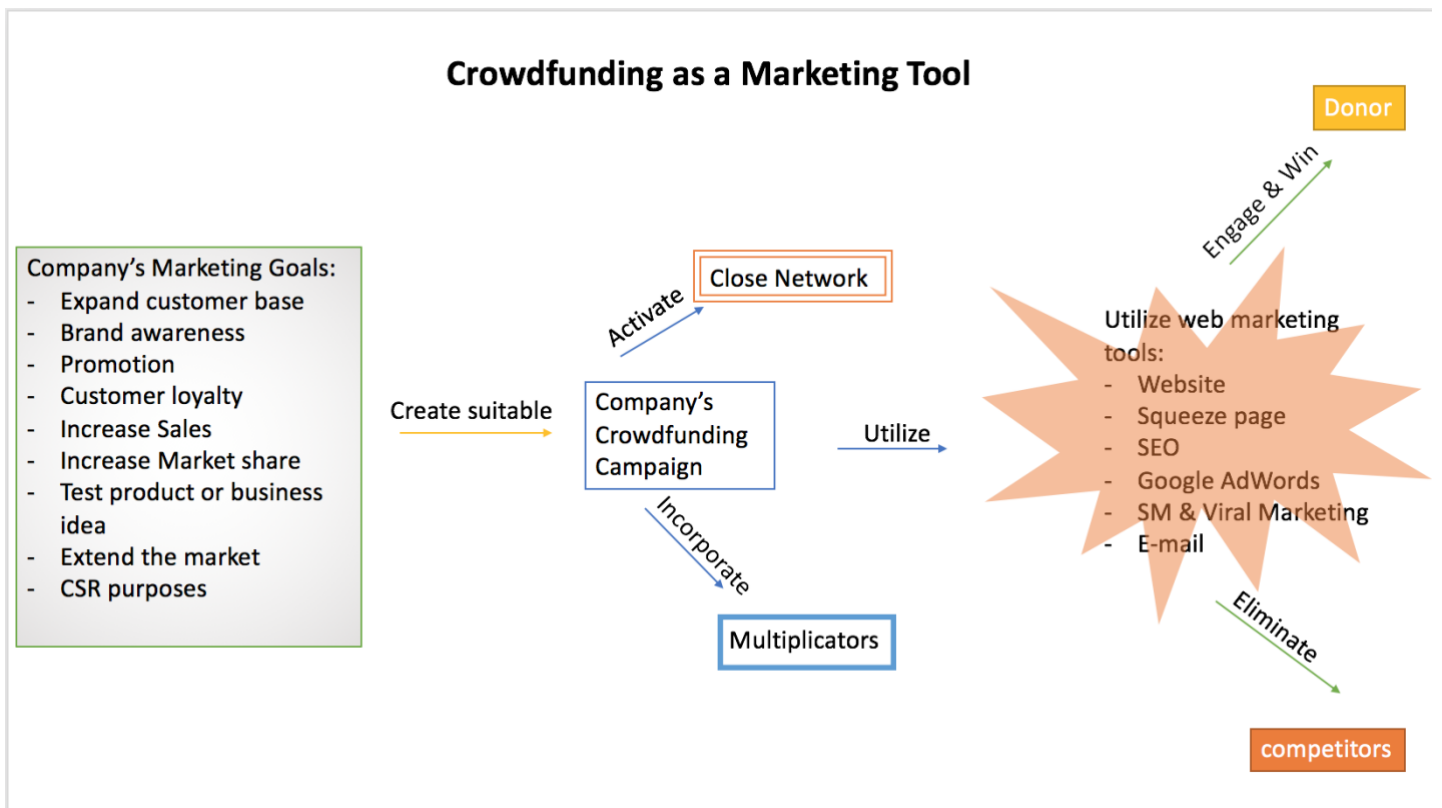
Figure 17: Success factors for crowdfunding as a marketing tool (Poser, 2020)

First a company needs to analyze if the product/ business idea is suitable for crowdfunding campaign. After that, the enterprise needs to define marketing objective(s). Depending on the company's positioning in the market these objectives may vary from other companies in the same market. Now that the objectives have been defined, the company must create a suitable crowdfunding campaign that aligns with the objectives. The majority of campaigns within a marketing context require the reward-based model. Exceptions are campaigns focusing on solely brand awareness or CSR initiatives. Success factors with designing the campaign are emphasizing on an emotional message and providing an identification platform for potential backers. Both can be achieved by corporate story telling. In order to launch the finished campaign, the company now needs to activate the network. This is the part where most companies fail. The majority do not possess a sufficient network. The essential step is to incorporate multiplicators that will help spread the message. It is important to use multiplicators with a broad reach and an audience, that aligns with the company's target group. This includes but is not limited to celebrities, influencers, suitable associations and clubs with similar values and visons etc.; the more the merrier. After the enterprise caught the attention of the customer, it needs to transform the customer into an investor.

On the one side, the company needs to utilize the right marketing tools to eliminate the other competitors on the crowdfunding platform in the same category. The new state of consumers is used to compare different products, and this also applies to crowdfunding campaigns. The design of the campaign and synergy with other marketing tools such as the website will help the enterprise eliminate the competitors.

On the other hand, the company need to with potential backers over and convert them into donors and in the best-case brand ambassador wo will continue to spread the news. This will be achieved by utilizing suitable web marketing tools.

The results of the quantitative research showed, that crowdfunding as a concept itself is still very new in Germany and that despite the increase of crowdfunding platforms the level of awareness for the concept itself is low. Nonetheless the paper demonstrated that crowdfunding can be still an attractive concept, as the majority of respondents indicate a positive attitude towards crowdfunding. The findings also show that the main motivation and incentive to participate is not necessarily the reward, but rather the mindset to participate in a good cause. However, this requires customer identification with the company's values and mission. The results also indicated that crowdfunding can surly strengthen the bond between customers and the brand. Basis therefore is that the brand offers and identification platform. Crowdfunding does not necessarily expand the customer base. The quantitative and qualitative research both showed that the platforms do not generate enough traffic. What will help enlarge the customer base is the emotional bond between customers and enterprise that will turn backers into brand ambassadors. They will not only spread word of mouth but also actively motivating their own network. This is further known as the snowball effect. Therefore, the effect of crowdfunding can indirectly still help in customer acquisition. One of mail benefits a crowdfunding can achieve is a bond between the company and the customer, which leads to customer loyalty. Best ways to approach customers are personalized e-mails and other forms of direct marketing, that gives the donor the feeling there was a lot of time invested.

Every crowdfunding project is different and based on the target group, business model, product, reward and other variables it is impossible to define a success recipe. This research was able to provide a range of success factors and tools that companies operating in e-business can use to design their crowdfunding campaign for marketing purposes. The example of O-XUM also helped to highlight mistakes an enterprise needs to avoid.

Limitations of this research that need to be noted are that the outcomes of this paper are limited to the reward-based CF model within the industry of e-business. Furthermore, the results are strongly connected to the unique business model of O-XUM MARKETPLACE and its marketing objectives. A different model in the same industry with a different management may reach different outcomes. This paper suggests further research within different crowdfunding models and business concepts.

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Annexes

Annex A: Crowdfunding in Mainland Europe by Country, P2PMarketData, 2019

Country	Rank	2017 Volume (€)	Market Share	Growth Rate	Rank	2016 Volume (€)	Market Share
France	1	661,370,000	19.6%	49.0%	1	443,980,000	21.6%
Germany	2	595,410,000	17.7%	85.0%	2	321,840,000	15.7%
Netherlands	3	279,930,000	8.3%	44.2%	3	194,190,000	9.4%
Italy	4	240,660,000	7.1%	89.4%	6	127,060,000	6.2%
Finland	5	196,760,000	5.8%	38.3%	4	142,230,000	6.9%
Sweden	6	196,380,000	5.8%	127.1%	9	86,480,000	4.2%
Georgia	7	173,280,000	5.1%	68.9%	7	102,580,000	5.0%
Spain	8	160,480,000	4.8%	22.6%	5	130,900,000	6.4%
Poland	9	142,460,000	4.2%	273.5%	13	38,140,000	1.9%
Ireland	10	106,790,000	3.2%	39.1%	11	76,790,000	3.7%
Latvia	11	92,200,000	2.7%	239.5%	16	27,160,000	1.3%
Belgium	12	90,900,000	2.7%	76.5%	12	51,490,000	2.5%
Estonia	13	81,240,000	2.4%	-1.5%	10	82,480,000	4.0%
Switzerland	14	77,100,000	2.3%	161.2%	15	29,520,000	1.4%
Lithuania	15	61,310,000	1.8%	131.8%	17	26,450,000	1.3%
Denmark	16	43,470,000	1.3%	-50.6%	8	88,000,000	4.3%
Austria	17	32,920,000	1.0%	52.5%	18	21,590,000	1.1%
Russia	18	28,440,000	0.8%	496.2%	20	4,770,000	0.2%
Czech Republic	19	26,500,000	0.8%	-15.7%	14	31,430,000	1.5%
Slovenia	20	14,610,000	0.4%	212.2%	21	4,680,000	0.2%
Norway	21	11,790,000	0.3%	141.1%	19	4,890,000	0.2%
Bulgaria	22	10,660,000	0.3%	678.1%	26	1,370,000	0.1%
Romania	23	10,330,000	0.3%	782.9%	27	1,170,000	0.1%
Slovakia	24	10,170,000	0.3%	204.5%	23	3,340,000	0.2%
Portugal	25	8,730,000	0.3%	97.5%	22	4,420,000	0.2%
Turkey	26	4,810,000	0.1%	663.5%	29	630,000	0.0%
Armenia	27	2,210,000	0.1%	414.0%	32	430,000	0.0%
Albania	28	1,890,000	0.1%	6200.0%	41	30,000	0.0%
Ukraine	29	1,760,000	0.1%	282.6%	31	460,000	0.0%
Greece	30	1,640,000	0.0%	-29.0%	24	2,310,000	0.1%
Iceland	31	580,000	0.0%	-42.6%	28	1,010,000	0.0%
Croatia	32	460,000	0.0%	58.6%	33	290,000	0.0%
Malta	33	360,000	0.0%	100.0%	35	180,000	0.0%
Moldova	34	360,000	0.0%	800.0%	40	40,000	0.0%
Serbia	35	360,000	0.0%	176.9%	36	130,000	0.0%
Kosovo	36	350,000	0.0%			Not listed	
Luxembourg	37	190,000	0.0%	26.7%	34	150,000	0.0%
Hungary	38	110,000	0.0%	-76.6%	30	470,000	0.0%
Liechtenstein	39	80,000	0.0%			Not listed	
Macedonia	40	50,000	0.0%	-61.5%	38	130,000	0.0%
Monaco	41	10,000	0.0%	-99.5%	25	1,930,000	0.1%
Bosnia & Herzegovina	42	10,000	0.0%	-50.0%	42	20,000	0.0%
Cyprus	43	10,000	0.0%	-87.5%	39	80,000	0.0%
Belarus	44	1,000	0.0%	-99.2%	37	130,000	0.0%
Montenegro	45	0	0.0%	-100.0%	43	20,000	0.0%
Andorra	46	0	0.0%	0.0%	44	0	0.0%

Figure made by P2PMarketData based on numbers from the Cambridge Center for Alternative Finance

Annex B: Screenshot of Spot.Us (2019)

Spot.us
Community-funded reporting

Spot.us has been retired. You might find a journalism crowdfunding platform that meets your needs on this helpful list.

You will now be redirected to http://www.publicinsightnetwork.org, where you can share your insights and experiences with journalists to inform reporting. If your browser doesn't take you there within 10 seconds, click here.

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AppendixC: Contract agreements with vendors and suppliers

B2B – Vendors in African Diaspora

LIST AND CONDITIONS WITH VENDORS IN AFRICAN DIASPORA	
Name of vendor and business description	Contract agreement
Miss Toks, African Juwelery	25% - 75% Commission on Sales
Aswani Berlin, African Accessories & Homedecor	30% - 70% Commission on Sales
Aswani Berlin, African Accessories & Homedecor	25% - 75% Commission on Sales
Koba Siani, Fashion & Accessories	30% - 70% Commission on Sales
Fhibbs Signture, Highend Womens Fashion	Fix costs, profit through price setting

B2B – Vendors & Suppliers in Africa

LIST AND CONDITIONS WITH SUPPLIERS & VENDORS IN AFRICA	
Name of vendor and business description	Contract agreement
Nabia Beads, Waist Beads	Whole Price (Not Commission based)
True Goal Tamele, Shea Butter, Black Soap, Moringa Soap, Baobab Soap,Shea Soap	Whole Price (Not Commission based)
Bolga Baskets are bougt directly from the weavers at the village in Bolgatanga	Price depending on quantity
Sapo/Sponge are bought directly from Makola Market	Price depending on quantity

Annex D: Crowdfunding text on platform (O-XUM Marketplace , 2019)

Hello friends and friends to be,

For the people who don't know me, I am Ode and I am here to fulfil the vision O-XUM MARKETPLACE with your help! O-XUM MARKETPLACE is a community Platform of Modern African Fashion, Beauty, Food and Art. We offer a carefully selected range of Handmade, Fairtrade and Sustainable products from African artisans.

More about me:

As is may imagined I have my roots in Africa, Ghana to be precise, where I grew up until I moved to Germany in 1996

Besides handling the business of O-XUM MARKETPLACE as the CEO, I am the proud mother of two beautiful daughters and a curious student in the fields of Political Science at Freie Universität in Berlin.

Why do we exist:

Beyond shopping O-XUM MARKETPLACE is about building community, where People from the African Diaspora, their loved ones and people who discovered their love for the different cultures of the African Continent can come together and share their experiences.

Another reason why I created O-XUM MARKETPLACEis me wanting toshift minds and eliminate the negative image of African productsby introducing African luxury & quality to the world. With this we create an amazing win-win situation for everyone.

We provide small local African businesses with access to the European Markets and consumers with the opportunity to sample some of African Finest Fashion, Beauty and Art.

Nearly 80% of our products are produced by small local businesses in Africa, 20% by Africans in the Diaspora.


Where are we going

Goal of this crowdfunding is to generate 10k to serve and contribute to the community. It's time to acknowledge the needs African diaspora here in Germany and ease their access to high quality products from home. We also aim to provide a platform and help to strengthen the Afro-German Identity.

This will be achieved by hosting various events, where people of African Descent, Africa Lovers and people who want to discover the African culture can come together and experience it first-hand.

We also plan to use the money to improve product variety. Africa is a big continent filled with different cultures and we are aiming to display that on our platform.

Annex E: Crowdfunding Video (O-XUM Marketplace , 2019)
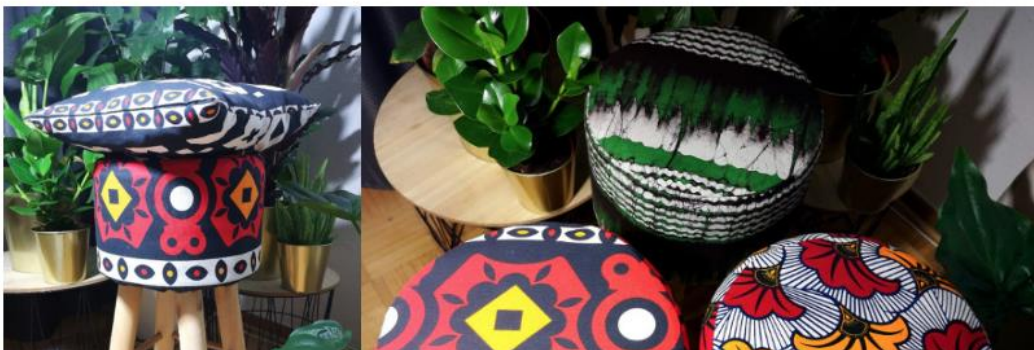
Annex E: Crowdfunding Video (O-XUM Marketplace , 2019)
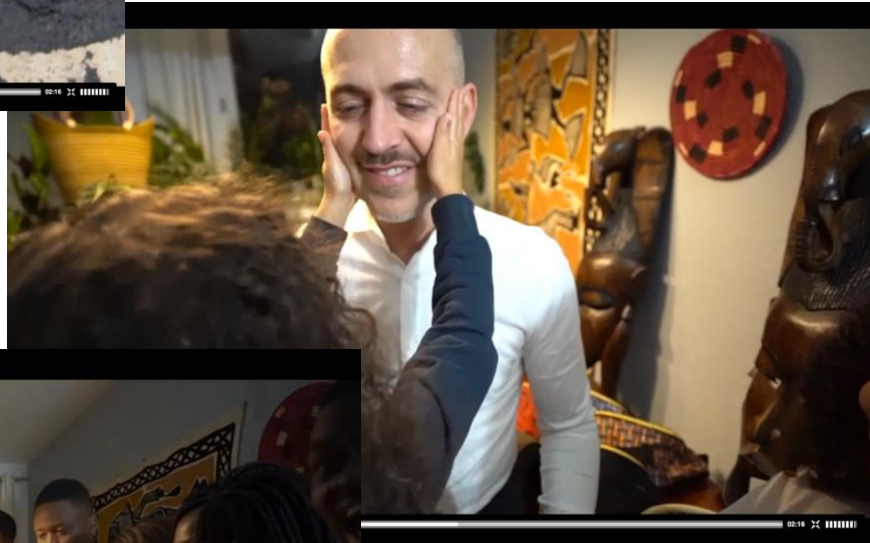
Annex F:Kwanza – The Pan African Dinner (eventbrite, 2019)

4 Courses Menu - Meat - with wine Accompaniment   **Kwanzaa Dinner**

I
Riesengarnele, roter Chicorée, Grapefruit, Hibiskus

kingprawn, red chicorée, grapefruit, hibiscus

II
Rote Linsencreme, Erdmandeln, Maniok-Chips

red lentils crème, tiger nuts, cassava chips

III
Nantaiser Ente, pikante Okraschote, Süsskartoffel-Gratin, wilder Apfel

Naintaiser duck, spicy okra, sweet potato gratin, wild apple

IV
Kokos-Tapioka, Kalamansi-Sorbet, marinierte Ananas

coconut tapioka, kalamansi sorbet, marinated pineapple

Line-Up Fashion   Kwanzaa Dinner

MOSISA

By Ekila Zikianda

Mosisa means roots or the origin in Lingala, the Language from Congo. We are a German based Fashion Brand and Design inspired by the African Culture.

Line-Up Poem   Kwanzaa Dinner

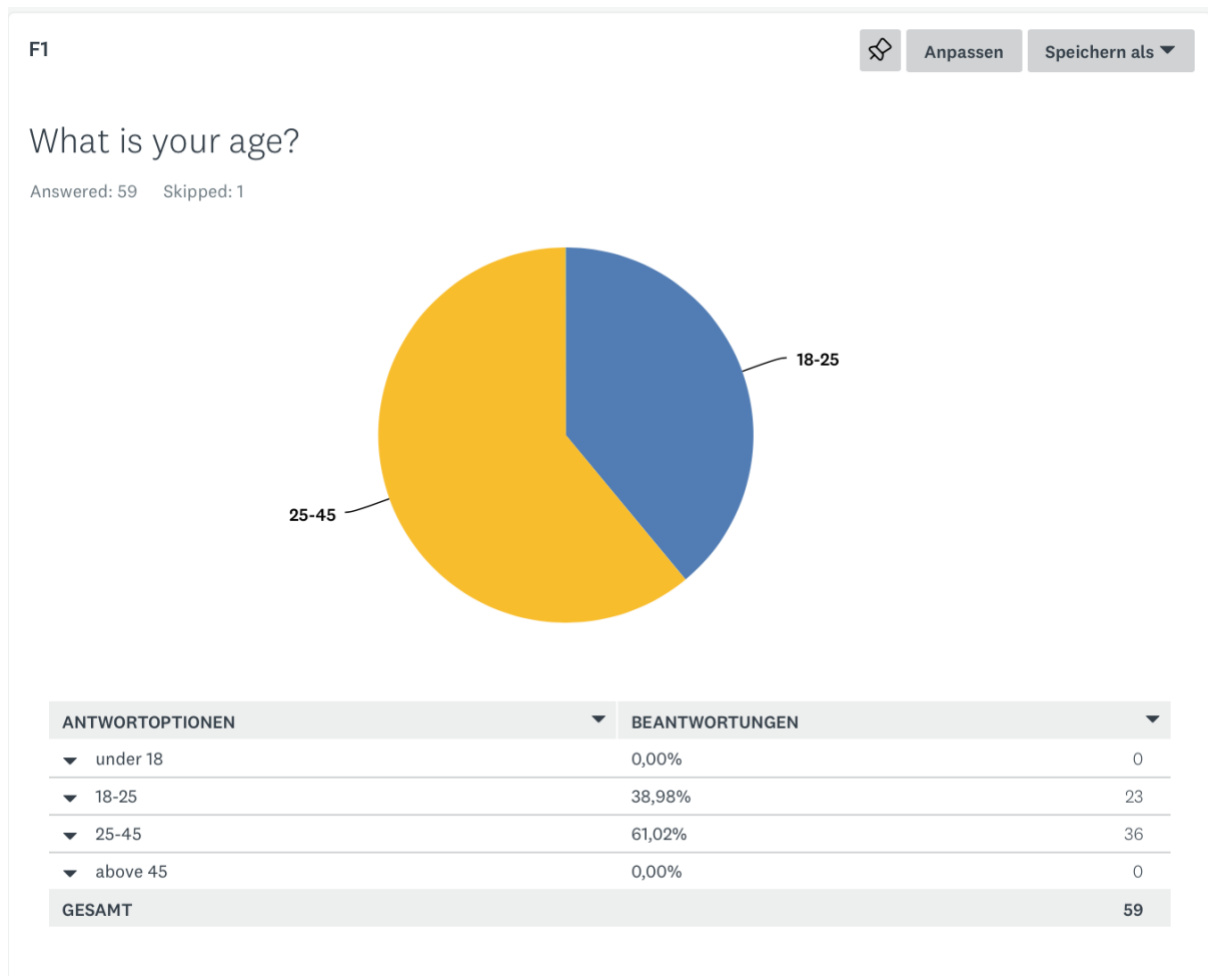# Black Is Mine To Define!

By Nana D'Artist x Fen

Black was never a color, black was a word
- a mutilation of everything I can and will be.
And still
I am black, melanin black! I know what
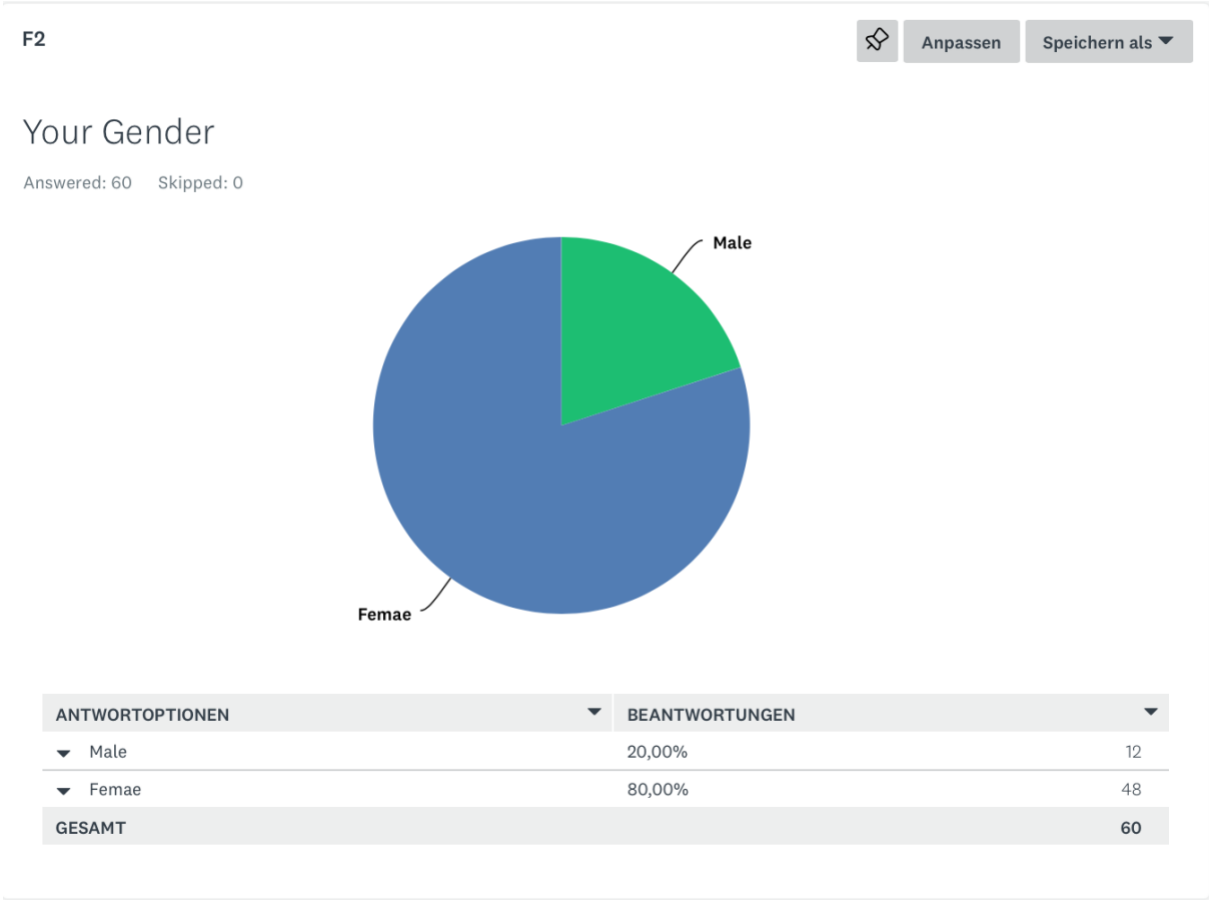that means! I know what it means to be
black!

Photocredit: @emma_ofori

Annex G: Survey Monkey Question 1 (SurveyMonkey Audience, 2019)

Annex H: Survey Monkey Question 2 (SurveyMonkey Audience, 2019)

| F2 | | 📌 | Anpassen | Speichern als ▼ |

Your Gender

Answered: 60   Skipped: 0

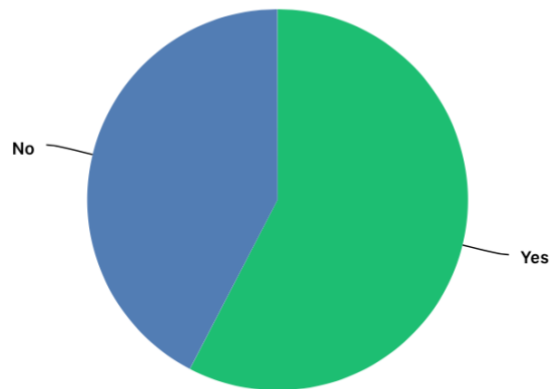| ANTWORTOPTIONEN ▼	BEANTWORTUNGEN	▼
▼ Male	20,00%	12
▼ Femae	80,00%	48
GESAMT		**60**

Annex H: Survey Monkey Question 2 (SurveyMonkey Audience, 2019)

Annex I: Survey Monkey Question 10 (SurveyMonkey Audience, 2019)

Could a crowdfunding campaign be a reason to shop more with a company? If so why?

Answered: 59   Skipped: 1

ANTWORTOPTIONEN ▼	BEANTWORTUNGEN ▼	
▼ Yes	57,63%	34
▼ No	42,37%	25
GESAMT		**59**

Kommentare (9)

Annex J: Interview Guidelines incl. answers (Poser, 2019) (SurveyMonkey Audience, 2019)

1) What are the factors most campaigns fail?
   - Bad content & design of the campaign (pictures, video, text),
   - no video
   - no communication (promotion)

2) In your opinion what are the success factors?
   - A great network with multiplicators and or with commitment
   - intense preparation phase

3) The valuable lessons you have learned.
   - Importance of consultation (especially as this is a new concept)
   - Getting insights,
   - Being honest and know when to stop
   - Unpredictability of crowdfunding, sometimes can not even see why it failed

4) Craziest campaigns you supervised?
   Campaign for a glass of pickles & a golden statue of themselves

5) What should people look for when searching a crowdfunding platform?
   - Support
   - Right payment options for target group
   - privacy level (data protection for backers)
   - costs

6) Is crowdfunding a good marketing tool? And why?
   It's cleverer to use as marketing, cause most companies fail to reach the target but added value in marketing. Intangible benefits are enormous, and money is more seen as plus.

7) How often should companies do CF campaign for marketing purposes?
   If the target amount was reached it should only be done once a year. The is no benefit in doing it more often unless the target group changed.
   If target amount was not reached, a follow up project can be launched in a timely manner.

8) What's the best way to inform customers on a crowdfunding campaign?

All digital application that are used on the phone are not ideal as German donors do not perform financial transactions via phone. If companies want to use SM, FB is a better option as this enjoys a higher level of trust amongst Germans. Best ways are personalized e-mails and other forms of direct marketing, that gives the donor the feeling there was a lot of time invested. Also use underrated offline tools such as newspaper articles, billboards and radio.

9) What is the best way to reach potential backers if the company's network is too small and cannot generate enough reach?

Simply try to use as many multiplicators as possible such as celebrities, influencer, clubs etc.

10) what would you like to advise anyone who thinks about a crowdfunding campaign?

11) Crowdfunding is not suitable for every product or service. It has to be something that people can identify with on an emotional level. Also, companies need to make sure that their network I suitable and big enough.

12) Can a Crowdfunding enhance competitiveness?

Yes, but only if the company could at least cover 60-70% of the target amount. Companies often think that not reaching the target amount can have negative effect on reputation or the brand itself which is not true! It is important that the company communicates the loss in an authentic and honest way. This is often apricated by the customers.

13) Is there a rule for the target amount?

No, there is no too big or too small, it has to be realistic.

And the golden rule is to rather plan slightly too much then too little. Especially with reward-based crowdfunding, as the companies need to fulfil the delivery of the rewards.

14) What is the budget companies should invest in the crowdfunding campaign?

It really depends. Companies with a bigger network need less then companies with a small network, I always suggest companies to calculate 15-25% of the target amount

15) What would you say are the main reasons OXUM MARKETPLACEs campaign failed?

The startups network was simply too small and O-XUM missed to incorporate effective multiplicators. Also, is might have been the wrong timing. The company just finished the restructuring process and was still in the building and development phase. It might have been too soon to use crowdfunding as a marketing tool. The lack of resources also played a big role. A team of two is simply too small.

Another mistake was that rewards were still available on the online store. O-XUM also missed to link from the official website to crowdfunding platform. Besides that

20) Do you have many excitement shoppers on platform?

Excitement shoppers are very rare. Only 5% visit the platform on a regular basis and actively search for campaigns to support.

21) What is the USP of Vision bakery?

We are one of the few platforms that offer support and a direct contact person. Also, we are the only ones with PayPal as a payment option. PayPal is the most popular online Payment method in Germany. Besides that, we have the perfect size. Our competitor Kickstarter and IndieGoGo are too big. Our size allows us to focus on every single campaign and every project is visible. We also promote every single project on our Instagram page