

Europe Crowd Lending And Crowd Investing - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Europe Crowd Lending and Crowd Investing Market size was estimated at USD 13.21 billion in the current year to USD 14.41 billion in five years, registering a CAGR of 1.76% during the forecast period.

Key Highlights

- The Europe crowd lending and crowd investing market is analyzed to witness steady growth in the coming years. The growing digitization coupled with growing easy access to financing services is driving the studied market growth in Europe. Further, the shift towards digital transformation opens up new opportunities for the market vendors in the region. Countries like Spain, the Netherlands, and the United Kingdom are witnessing significant growth in the market.
- Moreover, the shift to digital media opens up several new possibilities for private loans offered online and bank-independent loans. Additionally, the pandemic significantly accelerated the development of crowdlending. According to a recent report by Mastercard, 62% of Europeans have been considering moving from traditional banking to digital platforms, and 42% of Europeans now manage their finances digitally more regularly than before the pandemic. The transition to digital technologies has made it simpler for lenders to obtain funding.
- The transformation and the expansion of access to essential financial services are being driven by the widespread use of smartphones and digital technologies, which include a variety of newly released applications that enable online banks to reach more customers and web-based platforms to connect savers and borrowers for lending money directly.
- Additionally, the region is witnessing significant partnership and acquisition activities among market vendors, thus significantly supporting the market expansion. For instance, several acquisitions in the past few months, such as the Dutch platform Symbid acquisition by Romanian crowdfunding firm SeedBlink, which focuses on tech startups and scale-ups, and the October platform acquisition by its French competitor Credit.fr, etc., are analyzed to transform the market in the region.
- The COVID-19 pandemic impacted the market, considering the funds raised were decreased due to the region's loss of jobs and

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economic downturn. Vendors operating in the market studied have witnessed a significant slump in revenue during the pandemic, which was due to the effect of the pandemic-induced lockdown, which forced businesses to close, thereby resulting in low levels of investment in business expansion and other activities, diminishing the need for loans which have impacted the market studied during the pandemic. Also, demand for lending post-pandemic is suppressed by rising inflation and the financial impact of the war in Ukraine. However, the growth is expected to bounce back over the next three years with initiatives such as government-backed pandemic loan schemes.

Europe Crowdlending and Crowd Investing Market Trends

High Proliferation of Smartphones Combined with Vendor Efforts to Appeal to the Younger Population will Drive the Market

- The high proliferation of smartphones in many European countries, coupled with the increasing efforts from the market vendors to appeal to the Younger Population, is analyzed to influence the market growth in the region positively. Vendors in the market studied have been increasingly using smartphones to complete KYC and ensure they acquire new borrowers remotely; digital advertisement spending from these vendors is expected to be centered around smartphones for various reasons.
- With the growing 5G investments, the global smartphone demand has increased significantly. Technological advancements, such as 5G, are expected to augment Europe's smartphone numbers further. For instance, According to Ericsson, the number of 5G subscribers in Europe stood at 64.36 million and is projected to grow to 408.21 in two years.
- With increased access to high-speed internet, the demand for mobile-based solutions is expected to be spearheaded over the coming years. With the proliferation of smartphones and digital initiatives, the demand for mobile-based financial services is expected to grow faster over the coming years, enhancing the need for Crowd lending and investing in the region.
- Additionally, Europe is expected to rise in the number of smartphone users. Moreover, digital initiatives, such as 5G deployment and the developing digital infrastructures, like smart cities and smart homes, have increased demand. For instance, according to the data from GSMA, mobile subscription in Europe is expected to grow to 480 million in two years. Further, there will be 311 million 5G connections across Europe in two years, a 44% adoption rate.

CEE Countries to Witness Significant Growth

- Crowdfunding platforms witnessed significant growth in CEE Countries such as Latvia, Bulgaria, Estonia, etc., over the last few years. Various business models have been initiated, starting from philanthropic activities and ending with financing companies and personal needs. More companies are expected to join the ecosystem with clear and transparent policies for their customers. Countries in the CEE will become particularly appealing for crowdfunding due to the development requirements and the higher capital costs compared to the Western European ones. Fagura is a company that validated its crowd-lending model in Moldova, and it is currently seeking to enter the Romanian market and the broader CEE region.
- The CEE region mainly relies on banks and micro-lenders on the borrowing side and loan marketplaces on the investor side. In recent years, crowdfunding has been acclaimed as an untapped and vast new opportunity for entrepreneurs and startups with challenges in obtaining funding from traditional methods. Moreover, demographic and social changes, rapid urbanization, and a shift in economic power are contributing to the evolution of the digital lending industry. Such trends have helped crowdfunding attract market players across the region.
- Peer-to-peer lending or P2P lending is the major crowdfunding business model in the European region, with the UK leading the top, followed by France and Germany. The demand for P2P lending creates an opportunity for companies to enter into the CEE countries as these countries have a strong hold on software development and cybersecurity. The high ROI crowd lending platforms in Europe are expected to drive the studied market in the CEE countries. For instance, according to the data from

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Crowdspace, crowdlending platforms can offer 13% ROI in Europe, with platforms such as Crowdestor offering 18% ROI. - Similarly, a handful of real estate crowdfunding platforms in Estonia offer global and domestic real estate investment options from as low as USD 50. Estateguru and Crowdestate stand as two of the largest and longest-standing platforms. Estateguru funded over USD 665 million in projects, with Crowdestate funding nearly USD 130 million. Hence, this kind of investment in the CEE region drives the European crowdlending and Investing market.

Europe Crowdlending and Crowd Investing Industry Overview

The European crowdlending and crowd-investing markets are moderately competitive, with few firms enjoying a dominant market share. The firms keep innovating and entering into strategic partnerships to retain their market share. Additionally, companies are employing powerful competitive strategies to sustain themselves in the market. Some of the key developments in the market are:-

In November 2022, Helsinki-based Invesdor Group, an investment and financing platform, and Oneplanetcrowd, an Amsterdam-based sustainable crowdfunding platform, announced a merger to create one of the largest crowdfunding platforms in Europe. With over 170,000 investors, the newly formed merged company has financed more than EUR 438M (USD 447.94 M) in over 800 Projects.

In August 2022, Amsterdam-based BAQME, a mobility startup, launched a crowdfunding campaign to accelerate growth in its existing cities further and expand into new markets, including Amsterdam, by collaborating with Crowdcube to give as many individuals as possible the opportunity to invest in BAQME.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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