

Exploring the Role, Opportunities, and Challenges of crowdfunding adoption in developing the SMEs in Oman

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Extended Abstract

Previous studies on crowdfunding introduce three different research areas; *The first group of studies* focuses on examining general aspects of crowdfunding. *The second trend of crowdfunding research* has focused on reviewing and analyzing the prior studies of crowdfunding. The third group of studies focused on exploring the role and importance of crowdfunding to SMEs and entrepreneurs. Therefore, there is an extensive amount of literature in each of the areas of crowdfunding and SMEs. To the best of the researcher's knowledge, none of the prior studies investigated the role, opportunities, and challenges of crowdfunding adoption in the SMEs in Oman. Thus, the current project will fill this gap among SMEs in Oman.

To achieve this main objective, the qualitative interviews with the managers and CEO of the three crowdfunding companies in Oman is adopted. Furthermore, the collection of secondary data involved reviewing existing research, academic publications, and official reports from Omani and international organizations.

The research findings indicate that; 1) Crowdfunding platforms in Oman effectively address the financing gap for SMEs by offering flexible and innovative solutions. 2) Crowdfunding have witnessed rapid growth since 2022, funding 43 projects with a total of OMR 14.9 million by mid-2025. 3) The number of startups funded through crowdfunding platforms increased by over 87% in 2025. 4) Challenges of crowdfunding include weak awareness and understanding, difficulties in building trust, stringent regulatory requirements, a limited investor base and market size, economic impacts, and various technical and security issues. 5) The internal challenges include the lack of specialized expertise, ongoing technical needs for platform development, difficulty in quality control and risk management, significant regulatory burdens and compliance and reporting requirements, and financial and marketing challenges. 6) External challenges include regulatory constraints, complexities in investment-related legislation, a small market size with a limited

investor base, weak public trust in alternative investment culture, regional and global competition, and adverse macroeconomic conditions. 7) The crowdfunding sector in Oman has promising growth opportunities, supported by government initiatives and Oman Vision 2040. 8) Cooperation between crowdfunding platforms in Oman and government entities can be fostered through joint financing programs, sharing credit data, and implementing training initiatives.

The study's relevance and motivations are derived from; firstly, the research area of crowdfunding is gaining global importance in research and practice, with its scope expanding over time. Secondly, the significant of Crowdfunding' role in the economy and society is that they support SMEs and introduce new job opportunities. They are essential for many countries' economic development, making their presence a necessity. Thirdly, this study offers crucial insights for stakeholders on the role, opportunities, and challenges of crowdfunding adoption in the SMEs in Oman. Fourthly, empirical research in Oman lacks clear evidence on investigating the the role, opportunities, and challenges of crowdfunding adoption in the SMEs in Oman. Fifthly, this research aligns with the government's initiatives to fulfill Oman Vision 2040, focusing on innovation, sustainable financing, and the growth of the SME sector. Further, it introduces a significant contribution to the Crowdfunding literature. Finally, it raises awareness among SMEs and entrepreneurs about new funding opportunities.

This study's results benefit stakeholders, professional bodies, regulators, and policymakers in Oman, by providing real-time insights on the opportunities and challenges of Crowdfunding Growth in Oman.

The study suggests improving the effectiveness of crowdfunding platforms for SMEs in Oman through awareness campaigns, financial education, regulatory updates, strategic partnerships, financial incentives for investors, enhanced analytical and risk management capabilities, and regular performance disclosures showcasing success stories.

Keywords- Opportunities, Challenges, Role, Crowdfunding, SMEs, Oman.