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Startup Capital and Business Development: The Nexus from IGBO Perspective

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ABSTRACT

Businesses especially small and medium scale enterprises are often faced with the problem of sourcing adequate fund that will enable them to start and successfully expand their business. To this effect, this study examined the relationship between startup capital and business development among businesses in Anambra State, Nigeria. The study anchored on financial growth cycle theory. The study adopted descriptive survey research. The study covered Awka South Local Government. The population of the study comprises 553 of the owners and management of thirty (30) small businesses in Awka South while 232 sample size was determined using Taro Yamane. Structured Questionnaire was used to elicit relevant information from the respondents. Data gathered were analyzed using simple frequency tables while Pearson Product Moment Correlation Coefficient was used for the test of hypotheses. The study revealed that there is significant positive relationship between grants and product development, also there is significant positive relationship between crowdfunding and market expansion of small businesses in Anambra state. The study concluded that startup capital has significant positive relationship with business development in Anambra state, Nigeria. Based on the findings, the study recommended that governments should offer grants and subsidies to small businesses to enable them to expand their business. Also, owners of small businesses should engage in crowdfunding as a means of raising capital for business growth and expansion.

Keywords: Crowdfunding, Grants, Market Expansion, Product Innovation, Startup Capital

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INRODUCTION

In recent years, the discourse on entrepreneurship and start-up capital has gained significant traction globally as nations strive to foster economic growth and innovation. Within the global entrepreneurial landscape, diverse cultural perspectives shape the approach to business initiation, expansion, and sustainability. The Igbo people have long been recognized for their entrepreneurial spirit, resilience, and knack for commerce, which have enabled them to thrive in various economic landscapes. From small-scale enterprises to large multinational corporations, Igbo entrepreneurs have made indelible marks across industries, both locally and internationally. Central to their success is the unique approach to start-up capital and business development deeply rooted in Igbo cultural values, traditions, and socio-economic dynamics. (Afigbo, 1981). For the Igbo, business is not merely a means of livelihood but a fundamental aspect of identity and societal contribution. This cultural ethos underscores the significance of start-up capital as a catalyst for business initiation and expansion. Igbo entrepreneurs often rely on various sources of capital, including personal savings, family contributions, community-based financing schemes such as "Ọsụ" (thrift societies), and informal networks, reflecting a decentralized and communal approach to entrepreneurship. (Nwosu, 2019).

Moreover, the Igbo business ecosystem thrives on the principle of "Nkata Umu Ibe" (joint business ownership), emphasizing collaboration, mutual support, and risk-sharing among family members, friends, and associates. This collective approach not only mitigates the financial burden on individual entrepreneurs but also fosters a sense of community ownership and solidarity, crucial for sustainable business development (Agu, 2017). The landscape of Igbo entrepreneurship has evolved in response to changing socio-economic dynamics, globalization, and technological advancements. While traditional financing mechanisms remain prevalent, contemporary Igbo entrepreneurs are increasingly embracing modern tools and strategies to access start-up capital. Crowdfunding platforms, angel investors, venture capital firms, and microfinance institutions are emerging as viable sources of funding, providing entrepreneurs with alternative pathways to finance their ventures. Furthermore, the Igbo Diaspora – comprising a significant population of Igbo descent living outside Nigeria – plays a crucial role in shaping the discourse on start-up capital and business development (Okoye & Okafor, 2018). Remittances from abroad, investment networks, and transnational partnerships contribute to the flow of capital and knowledge, facilitating cross-border entrepreneurship and economic integration (Ogbuagu, 2021).

However, despite this entrepreneurial spirit, access to startup capital remains a significant challenge for many Igbo entrepreneurs. Traditional financial institutions may not always align with the needs and practices of Igbo business owners, leading to a reliance on informal sources of funding and group savings schemes. Understanding how these traditional mechanisms interact with modern financing options is crucial for enabling sustainable business development within the Igbo community. It is on this note that this study investigates the relationship between startup capital and business development with a direction from the Igbo perspective in Anambra State, Nigeria

Objectives of the Study

The broad objective of this study is to investigate the relationship between startup capital and business development from the Igbo perspective. Specifically, the study explored the relationship between

i. Business Grants and Product Development of Small Business in Anambra State.
ii. Crowdfunding and Market Expansion of Small Business in Anambra State.

LITERATURE REVIEW

Conceptual Review

Start-Up Capital

Start-up funding or start-up capital, is money that an entrepreneur uses to launch a new business. The money can come from several sources and can be used for hiring employees, renting space, buying inventory or other operating expenses that help a business get started. This is what entrepreneurs use to pay for any or all of the required expenses involved in creating a new business. This include hiring new employees, paying for office space, permits, licensing, inventory, market research, manufacturing products, marketing, and any other operational costs. Getting a new business off the ground frequently requires more than one round of startup capital investment. Investors like venture capitalists or financial institutions provide startup funding to new enterprises. Friends and relatives can also be used as starting money. There is no doubt that there are many unknowns when investing in freshly founded businesses; as a result, these investors frequently want a strong business plan in return for their capital. Lampadarios (2016) avers that, the success of small businesses is anchored on age and size of the business, its network, consumer relations, financial capabilities, human resources, market and product, and growth variables. Thus, financing small business has become one of the key worries that deny small business development in Nigeria. The capital to invest is significant to the growth of small businesses sustenance and growth. This is why small and medium businesses are incapacitated when it comes to growth and access to long-term financing which when shot in supply, contributes immensely to business failure in Nigeria and globally (Gbandi and Amissah, 2014)

Business Grants

Business grants are non-repayable funds disbursed by government agencies, private organizations, or foundations to support the establishment, growth, or sustainability of businesses (Sørensen & Fosfuri, 2017). These grants aim to stimulate economic development, promote innovation, and address specific societal needs by providing financial assistance to entrepreneurs and small business owners (Mian, 2019). Business grants are distinct from loans as they do not require repayment, alleviating the financial burden on recipients and facilitating business expansion and innovation (Wang & Wang, 2016).

Business grants are typically awarded through competitive processes, wherein applicants submit proposals outlining their business plans, objectives, and expected outcomes (Sørensen & Fosfuri, 2017). Granting agencies evaluate these proposals based on criteria such as innovation, feasibility, market potential, and alignment with the organization's objectives. Successful applicants receive funding to implement their projects, with funds allocated for specific purposes such as research and development, technology adoption, capacity building, or community initiatives (Mian, 2019).

One significant advantage of business grants is their role in fostering innovation and entrepreneurship. By providing financial support for research, development, and commercialization efforts, grants enable entrepreneurs to pursue high-risk, high-reward ventures that may not attract traditional financing (Wang & Wang, 2016). Moreover, business grants promote inclusivity and diversity by providing opportunities for underrepresented groups, including women, minorities, and individuals from disadvantaged backgrounds, to access resources and support for their business endeavors (Mian, 2019).

Despite their benefits, business grants present challenges for entrepreneurs, including intense competition, complex application processes, and stringent reporting requirements (Sørensen & Fosfuri, 2017). Moreover, grant funding is often limited and subject to budgetary constraints, leading to unpredictable funding cycles and uncertainties for recipients (Wang & Wang, 2016). Additionally, grant recipients may face challenges in effectively utilizing funds, meeting project milestones, and demonstrating impact, necessitating careful planning, execution, and monitoring (Mian, 2019).

Business grants play a crucial role in supporting entrepreneurial growth, fostering innovation, and addressing societal challenges. While they offer valuable financial assistance and opportunities for entrepreneurs, grants also present challenges and complexities that require careful navigation and strategic management. By leveraging business grants effectively, entrepreneurs can access resources, build capacity, and realize their vision for sustainable business success.

Crowdfunding

Crowdfunding has emerged as a popular and innovative method for entrepreneurs to raise capital for their ventures (Mollick, 2014). It is a new way of entrepreneurial financing or getting seed capital for new ideas and projects. (Nwankwo, Eze & Kanyangale, 2022) It involves soliciting small amounts of money from a large number of people, typically through online platforms, to fund a project or business idea (Belleflamme et al., 2014). This funding model has democratized access to capital, allowing entrepreneurs to bypass traditional financial intermediaries and directly engage with potential investors and supporters (Schwienbacher & Larralde, 2012).

Crowdfunding platforms operate on different models, including donation-based, reward-based, debt-based (peer-to-peer lending), and equity-based crowdfunding (Agrawal et al., 2015). In donation-based crowdfunding, contributors make monetary donations to support a cause or project without expecting any financial returns. Reward-based crowdfunding offers contributors non-monetary rewards or incentives, such as early access to products or special perks. Debt-based crowdfunding involves individuals or businesses borrowing money from multiple investors and repaying the principal amount with interest over time. Equity-based crowdfunding allows investors to acquire ownership stakes in a company in exchange for capital, enabling them to share in the company's profits and growth.

One significant advantage of crowdfunding is that it provides access to a large pool of potential investors, including individuals, institutions, and even corporate backers, expanding the funding options beyond traditional sources such as banks and venture capitalists (Schwienbacher & Larralde, 2012). Additionally, crowdfunding serves as a validation mechanism for business ideas, as successful campaigns demonstrate market demand and investor confidence in the product or service (Mollick, 2014).

However, crowdfunding also poses challenges for entrepreneurs. Crafty and effective campaigns that resonate with potential backers and stand out amidst the proliferation of crowdfunding projects are necessary (Cumming et al., 2019). Moreover, entrepreneurs must navigate regulatory requirements and compliance issues, particularly in equity-based crowdfunding, which is subject to securities regulations (Belleflamme et al., 2014).

Despite these challenges, crowdfunding has had a transformative impact on entrepreneurial ventures, enabling individuals and small businesses to access capital and realize their aspirations (Agrawal et al., 2015). Successful crowdfunding campaigns can catalyze subsequent funding rounds, attract additional investors, and spur further growth and innovation (Mollick, 2014). Additionally, crowdfunding fosters a sense of community and collaboration among backers, who become advocates and ambassadors for the projects they support, contributing to long-term sustainability and success (Schwienbacher & Larralde, 2012).

Crowdfunding represents a dynamic and democratized approach to financing entrepreneurship, offering a viable alternative to traditional funding sources (Belleflamme et al., 2014). Its diverse models cater to the varying needs and preferences of entrepreneurs and investors, facilitating innovation, creativity, and collaboration (Cumming et al., 2019). While crowdfunding presents challenges and uncertainties, its potential to democratize access to capital, validate business ideas, and foster community engagement makes it an increasingly prominent and impactful mechanism for entrepreneurial ventures.

Business Development

Business development encompasses strategies and activities aimed at creating and implementing growth opportunities within an organization (Covin & Slevin, 2019). It involves identifying new markets, expanding product lines, forming strategic partnerships, and enhancing operational efficiency to drive sustainable growth and competitiveness (Freeman & Engel, 2020). In today's dynamic and competitive business environment, effective business development is essential for organizations to adapt to changing market conditions, capitalize on emerging trends, and maintain a competitive edge.

One of the key aspects of business development is market analysis and opportunity identification. This involves conducting thorough market research to identify emerging trends, consumer preferences, and unmet needs (Covin & Slevin, 2019). By understanding market dynamics and customer behavior, organizations can identify new business opportunities and tailor their products or services to meet evolving demands.

Furthermore, business development often involves forging strategic partnerships and alliances to expand market reach and access new customers (Freeman & Engel, 2020). Collaborating with complementary businesses, industry associations, or distribution channels can help organizations leverage existing networks and resources to penetrate new markets or introduce innovative solutions.

Moreover, innovation plays a crucial role in driving business development initiatives. Organizations must continuously innovate and adapt to stay ahead of the competition and meet changing customer expectations (Covin & Slevin, 2019). This may involve developing new products or services, adopting cutting-edge technologies, or implementing process improvements to enhance efficiency and effectiveness.

Additionally, effective business development requires a customer-centric approach, wherein organizations prioritize building and maintaining strong relationships with customers (Freeman & Engel, 2020). By understanding customer needs and preferences, organizations can tailor their offerings, provide exceptional customer service, and foster long-term loyalty and advocacy.

In today's digital age, technology also plays a pivotal role in business development. Digital transformation initiatives, such as e-commerce platforms, data analytics, and artificial intelligence, enable organizations to streamline operations, personalize customer experiences, and gain actionable insights to inform strategic decision-making (Covin & Slevin, 2019).

Overall, effective business development is essential for organizations to achieve sustainable growth, foster innovation, and remain competitive in a rapidly evolving business landscape. By adopting a strategic and customer-centric approach, leveraging strategic partnerships, embracing innovation, and harnessing technology, organizations can unlock new opportunities and drive success in today's dynamic marketplace.

Product Development

Product development is a multifaceted process that involves conceptualizing, designing, and bringing new or improved products to market (Kahn, 2020). It encompasses a range of activities, from market research and idea generation to prototyping, testing, and commercialization (Cooper, 2019). In today's competitive business landscape, effective product development is essential for organizations to stay relevant, meet customer needs, and drive growth and profitability. Market research plays a pivotal role in product development, serving as the foundation for identifying market opportunities and understanding customer preferences (Cooper, 2019). By conducting market analysis, organizations can gather insights into consumer behavior, competitor offerings, and emerging trends, guiding the development of products that resonate with target audiences.

Idea generation is another critical aspect of product development, wherein organizations brainstorm and generate concepts for new products or enhancements to existing offerings (Kahn, 2020). This stage often involves cross-functional collaboration, creative thinking, and leveraging insights from market research to identify innovative solutions that address unmet customer needs or capitalize on emerging opportunities.

Once ideas are generated, organizations move into the design and development phase, where concepts are transformed into tangible products or prototypes (Cooper, 2019). This stage typically involves iterative processes of design, testing, and refinement to ensure that products meet quality standards, performance requirements, and customer expectations.

Testing and validation are integral components of product development, allowing organizations to gather feedback from potential users, stakeholders, and subject matter experts (Kahn, 2020). Through market testing, organizations can assess product viability, identify potential issues or areas for improvement, and refine product features or functionalities based on user feedback.

Commercialization marks the final stage of product development, wherein products are launched and introduced to the market (Cooper, 2019). This phase involves strategic planning, marketing efforts, and distribution strategies to promote product awareness, generate sales, and drive adoption among target customers.

In today's fast-paced and competitive marketplace, organizations must embrace innovation and agility in product development to stay ahead of the curve (Kahn, 2020). Rapid technological advancements, changing consumer preferences, and disruptive forces require organizations to continuously evolve and innovate their product offerings to remain competitive and meet evolving customer needs.

Furthermore, digital technologies and data analytics have transformed the product development landscape, enabling organizations to gather real-time insights, personalize offerings, and accelerate time-to-market (Cooper, 2019). By harnessing digital tools and leveraging customer data, organizations can optimize product development processes, enhance customer experiences, and drive business growth.

Effective product development is essential for organizations to drive innovation, meet customer needs, and achieve market success. By leveraging market insights, fostering creativity, embracing iterative processes, and embracing digital technologies, organizations can develop products that resonate with customers, differentiate their offerings, and sustain long-term success in today's dynamic business environment.

Market Expansion

Market expansion refers to the strategic initiative undertaken by businesses to enter new geographical regions, target new customer segments, or introduce new products/services to existing markets (Hitt et al., 2020). It is a critical component of business growth strategies, enabling organizations to capitalize on untapped opportunities, diversify revenue streams, and enhance their competitive position in the marketplace. One key strategy for market expansion is geographical diversification, wherein organizations seek to enter new geographic markets to reach a broader customer base (Hitt et al., 2020). This may involve expanding operations into new regions or countries, either through organic growth or strategic partnerships, acquisitions, or alliances. Geographical diversification allows organizations to mitigate risks associated with market saturation or economic downturns in existing markets, tap into new sources of revenue, and capitalize on regional differences in consumer preferences and purchasing power.

Another approach to market expansion is the targeting of new customer segments within existing markets (Hitt et al., 2020). This strategy involves identifying and appealing to distinct customer groups with specific needs, preferences, or purchasing behaviors that may be underserved by existing offerings. By segmenting the market and tailoring products/services to meet the unique needs of different customer segments, organizations can broaden their customer base, increase market share, and drive revenue growth.

Additionally, product or service diversification is a common strategy for market expansion, wherein organizations introduce new products or services to existing markets or leverage existing capabilities to enter adjacent or complementary market segments (Hitt et al., 2020). This approach allows organizations to leverage their brand reputation, distribution channels, and customer relationships to expand into new product categories or industry verticals, thereby diversifying revenue streams and reducing reliance on a single product or market. Strategic partnerships and alliances can also facilitate market expansion by providing access to new customers, distribution channels, or complementary resources and capabilities (Hitt et al., 2020). Collaborating with established players in target markets, industry associations, or ecosystem partners can accelerate market entry, mitigate risks, and enhance competitiveness, particularly in complex or unfamiliar market environments.

Moreover, digital technologies and e-commerce platforms have opened up new avenues for market expansion, enabling organizations to reach global audiences and penetrate new markets cost-effectively (Hitt et al., 2020). Leveraging online channels, social media, and digital marketing strategies, organizations can expand their reach, engage with customers across borders, and drive sales growth without significant upfront investments in physical infrastructure or distribution networks.

Market expansion is a strategic imperative for businesses seeking to achieve sustainable growth and competitiveness in today's dynamic and increasingly interconnected marketplace. By adopting a strategic and multifaceted approach to market expansion, organizations can capitalize on emerging opportunities, diversify revenue streams, and enhance

Small Business

Small businesses play a pivotal role in driving innovation, job creation, and economic growth in economies worldwide (Coad, 2018). Defined by factors such as limited scale of operations, ownership by one or a few individuals, and reliance on local markets, small businesses represent a diverse and vibrant sector that contributes significantly to employment, GDP, and community development. One of the key contributions of small businesses is job creation. Small businesses are major contributors to employment, particularly in sectors such as retail, hospitality, and professional services (Coad, 2018). They provide opportunities for individuals to gain employment, develop skills, and contribute to the economy, thereby reducing unemployment rates and fostering social mobility.

Moreover, small businesses are hotbeds of innovation and entrepreneurship (Wennekers & Thurik, 1999). With their agility, flexibility, and proximity to customers, small businesses are well-positioned to identify emerging market trends, experiment with new ideas, and introduce innovative products or services to the market. Their entrepreneurial spirit and willingness to take risks drive forward-thinking initiatives and contribute to the dynamism of the business landscape. Small businesses also play a crucial role in fostering regional development and community cohesion (Stam et al., 2017). By establishing roots in local communities, small businesses create social connections, support local suppliers, and contribute to the vitality of neighborhoods and towns. They serve as anchors for community engagement, sponsor local events, and contribute to charitable causes, thereby strengthening social capital and fostering a sense of belonging.

Furthermore, small businesses promote economic resilience and diversity (Coad, 2018). Unlike large corporations that may be vulnerable to economic downturns or industry disruptions, small businesses often exhibit greater resilience due to their adaptability, resourcefulness, and ability to pivot quickly in response to changing market conditions. Their diverse range of products, services, and business models also contributes to economic stability and mitigates the risks associated with reliance on a single sector or industry.

Despite their contributions, small businesses face numerous challenges, including limited access to capital, regulatory burdens, and competitive pressures (Wennekers & Thurik, 1999). Access to finance remains a significant barrier for many small businesses, particularly those in the early stages of development or operating in underserved markets. Moreover, regulatory requirements and compliance costs can impose burdensome administrative overheads, diverting resources away from core business activities.

Small businesses are vital engines of innovation, employment, and economic growth. Their entrepreneurial spirit, agility, and community focus contribute to the vitality and resilience of economies worldwide. By addressing the challenges faced by small businesses and creating an enabling environment for their growth and success, policymakers, financial institutions, and stakeholders can unlock the full potential of small businesses as drivers of prosperity and progress.

Theoretical Framework

The study anchored on financial growth cycle theory proposed by Berger and Udell (1998). The financial growth cycle theory posits that businesses go through distinct phases of financial growth, each characterized by unique challenges, opportunities, and financial requirements. This theory outlines the stages that businesses typically navigate as they evolve from inception to maturity, illustrating how financial needs and priorities change over time. They further stated that financial needs of the firm are also dependent on the size and age of their operations

Empirical Review

Osita, Akam and Dike (2022**)** Effect of Start-Up Capital on the Sustainable Growth of Igbo Businesses in Anambra State, Nigeria. The study was built on Resource based theory. Descriptive survey research design was employed for the study. The population of the study is 1,737. The questionnaire was used for data collection on a sample size of 327 respondents drawn from commercial cities in Anambra, Nigeria State using Borg and Gall sampling technique. Data collected were analyzed using descriptive and inferential statistics. Findings revealed that seed capital has a significant positive influence on the sustainable growth of Igbo businesses in Anambra state, Nigeria. The study recommended that, government should support Igbo businesses in raising capital by giving them low or interest free loans and business advice that will aid their survival.

Ogunsanwo and Kazeem (2022) examined the Impact of Government Grant on Growth of Small and Medium Scale Enterprises in Nigeria (A Study of Some Selected SMEs Owners in Abeokuta, Ogun State). The study's goals were to ascertain the effect of government grant availability, the effect of grant accessibility, and the sufficiency of grant on the expansion of small and medium-sized enterprises. The research design used in the study was a descriptive survey. The research instrument was a structured questionnaire. Three hundred and sixteen (316) SME owners made up the study's population, and a sample size of one hundred and seventy-seven (177) was chosen. Statistical Package for Social Sciences' (SPSS) multiple regression analysis was used to assess the hypotheses developed for this study). The study's conclusions showed a favorable association between government grant availability, accessibility, and sufficiency and the expansion of SMEs in Nigeria. This is clear from the fact that the p-value of the t statistic for the three independent variables is less than 5% (P=00.0000.05). The government should boost the different grants and resources made available for the operation and establishment of small and medium scale businesses in Nigeria, according to the results and recommendations. This will encourage more Nigerian small- and medium-scale business owners and operators.

Onyango (2018) Explored an Analysis of the Effect of Crowdfunding Platforms in Enhancing the Financing Sources for Micro, Small and Medium Enterprises (MSMEs) in Kenya. The purpose of this study was to analyze the financing gap that exists in MSMEs in Kenya and the role that crowdfunding platforms play in enhancing their financing opportunities. The study was exploratory and it used both primary and secondary data in answering the research questions. Primary data was collected by targeting a population of 30 MSMEs that have accessed financing from the 48 crowdfunding platforms accessible to Kenyan. The study was able to achieve a response rate of 96.7%. Secondary data was collected from the World Bank and Central Bank of Kenya and used to analyse the average MSME financing gap at a national level. From the primary data, the average success rates of four different types of crowdfunding platforms was determined as percentage of amounts raised from the platform versus the target amounts the entrepreneurs' were seeking from these platforms. The average success rate for each platform was then applied to national average financing gap to provide a recommendation on which platform could be an ideal contributor in narrowing the financing gap for MSMEs in Kenya. The study findings reveal that the mean success rate is highest for lending platforms (100%) followed by reward platforms (87%, donation platforms (46%) and finally equity platform (0%).From the secondary data the average financing gap is USD 7,545 per registered but underserved MSMEs. The extent to which the various challenges faced by MSMEs in accessing funding such as value and size of MSME network, human effort required, compatible payment systems, due diligence process required was analyzed and discussed depending on the platform type. The highest contribution to the national average financing gap evidently came from the lending platforms and was the recommended platform as long as an entrepreneur is able to pass the due diligence required in order to access funds from these platforms

Yan, Wang, Tsai and Zhou (2018) in their study selected crowdfunding as its breakthrough point to explore and study the relationships between the backgrounds of initiators, experiences, and financing effects. Through data mining technology, this article introduces a database including 423 entrepreneurial financing projects and entrepreneurs' information, and entrepreneurs' locations covering 10 countries and regions. By using the multivariate least square model, we conclude that the entrepreneurs' technical educational backgrounds, offline entrepreneurial experiences, and online entrepreneurial experiences all have positive effects on internet financing. The weaker the value that the uncertainty avoidance in the entrepreneurs' host countries has, the stronger the facilitation and promotion from offline and online entrepreneurial experiences on internet financing. Furthermore, the level of uncertainty avoidance in the entrepreneurs' countries has a moderating effect as well.

Srhoj, Lapinski and Walde (2019) in their study Size matters? Impact evaluation of business development grants on SME performance. The study investigated the effects of a business development grant scheme. More specifically the questioned whether firms' performance measures increased after participating in grant scheme. Methodically, the matched grant receiving firms with grant non-receivers and estimated the average treatment effect on the treated using a two-way fixed effects regression. The results point towards a positive effect of the grant scheme, which is particularly evident for firms of smaller size. Our estimated dose-response functions show that the share of grant amount in firm profits needs to be high enough for the grants to be effective. According to back-of-the envelope analysis, benefits outweigh the direct scheme costs.

Oyedokun and Bello (2020) examined the effect of crowdfunding as a viable financing option in growing the micro, small and medium enterprises in Nigeria. Content analysis was employed in carrying out the study, it was discovered that crowdfunding though at its infancy in Nigeria is a better and effective way to grow the micro, small and medium enterprises sector. Therefore, there is the need to also critically examine the inherent risk in such financing option. It is recommended that, there should be an enabling environment and the creation of necessary laws and regulations for the successful operations of crowdfunding, more awareness should be created to arouse the interest of both the investors and the MSMEs owner to take advantage of the benefits inherent in crowdfunding.

METHODOLOGY

The study employed the use of descriptive research design. The area of the study covered Awka South Local Government Area. The population of the study is 553 management and staff from 30 selected Small Scale Businesses in Awka South while sample size of 232 was determined using Taro Yamane statistical formula. Data were collected through questionnaire which was tested for validity using face and content method. While its reliability was assessed using Cronbach Alpha reliability test for internal consistency, where an alpha level of 0.773 was obtained signaling a good consistency level. The data generated from study were analyzed utilizing both descriptive and inferential statistics. Simple percentage was used to answer the research questions, while hypotheses were tested using Pearson Product Moment Correlation at 0.05 level of significance.

DATA PRESENTATION AND ANALYSIS

The null hypotheses formulated were analyzed and the results were presented in this section. Out of the 232 copies of questionnaire that were distributed, 213 were retrieved and valid for the study.

Test of Hypothesis one

Hoi: There is no significant relationship between Business Grant and Product Development of Small Business in Anambra State.

Table 1: Correlation between Business Grant and Product Development

		Business Grant	Product Development
Business Grant	Pearson Correlation	1	.911*
	Sig. (2-tailed)		.041
	N	213	213
Product Development	Pearson Correlation	.911*	1
	Sig. (2-tailed)	.041	
	N	213	213

Note: *Correlation is significant at the 0.05 level (2-tailed).

From table 4.3.1 result show that there is a significant relationship between business grant and product development at r=0.911, n=213 and P=0.041 ($p<0.05$) at 5% significant level. At this significant level, alternative hypothesis is accepted. Therefore, there is positive relationship between business grant and product development of small businesses in Anambra state, Nigeria.

Test of Hypothesis Two

Ho_2 There is no significant relationship between Crowdfunding and Market Expansion of Small Business in Anambra State.

Table 2: Correlations between Crowdfunding and Market Expansion

		Crowdfunding	Market Expansion
Crowd funding	Pearson Correlation	1	.730**
	Sig. (2-tailed)		.013
	N	213	213
Market Expansion	Pearson Correlation	.730**	1
	Sig. (2-tailed)	.013	
	N	213	213

Note: **. Correlation is significant at the 0.05 level (2-tailed).

From table 4.3.2 indicated positive relationship between crowdfunding and market Expansion with r=0.730, n= 213 and P=0.013 (P<0.5) at 0.05 significant at 2tailed, alternative hypothesis is accepted. Hence, there is relationship between crowdfunding and market Expansion small businesses in Anambra State.

DISCUSSION OF RESULTS

The test of hypothesis one revealed that there is positive significant relationship between business grant and product development of small businesses in Anambra state, Nigeria. This result is in consonance with the view of Ogunsanwo and Kazeem (2022) who examined the Impact of Government Grant on Growth of Small and Medium Scale Enterprises in Nigeria (A Study of Some Selected SMEs Owners in Abeokuta, Ogun State). The study's conclusions showed a favorable association between government grant availability, accessibility, and sufficiency and the expansion of SMEs in Nigeria. In the same vein, the finding is alos in line with the view of Srhoj, Lapinski and Walde (2019) in their study Size matters? Impact evaluation of business development grants on SME performance. The study investigated the effects of a business development grant scheme. The results point towards a positive effect of the grant scheme, which is particularly evident for firms of smaller size.

Test of hypothesis two shows that there is a significant relationship between crowdfunding and market Expansion small businesses in Anambra State. This finding aligns with the findings of Onyango (2018) who Explored an Analysis of the Effect of Crowdfunding Platforms in Enhancing the

Financing Sources for Micro, Small and Medium Enterprises (MSMEs) in Kenya. The study was exploratory and it used both primary and secondary data in answering the research questions. Primary data was collected by targeting a population of 30 MSMEs that have accessed financing from the 48 crowdfunding platforms accessible to Kenyan. It was evident that crowdfunding is a good strategy for financing gap among SMEs. This finding also corroborates with the finding of Oyedokun and Bello (2020) examined the effect of crowdfunding as a viable financing option in growing the micro, small and medium enterprises in Nigeria. Content analysis was employed in carrying out the study, it was discovered that crowdfunding though at its infancy in Nigeria is a better and effective way to grow the micro, small and medium enterprises sector.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study investigated the relationship between Startup capital and business development: a nexus from the Igbo perspectives among small businesses in Anambra state, Nigeria. Specifically, the study investigated the relationship between business grant and product development and also, the relationship between crowdfunding and market expansion of small businesses in Anambra State, Nigeria. Data generated from the selected businesses were tested using descriptive statistics and inferential statistics. The study found that the various components of the dependent and the independents variables significantly relates with each other. The study therefore come to the conclusion that start-up capital has a significant positive relationship with business development in Anambra State, Nigeria.

Recommendations

i. Government and other funding bodies should float different forms of grant and also make the accessibility easier to enable small business owners to partake in it as this will help in boosting their businesses

ii. Laws should be put in place to enable small businesses owners to create liable crowdfunding platforms so as to help in expanding their businesses.

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