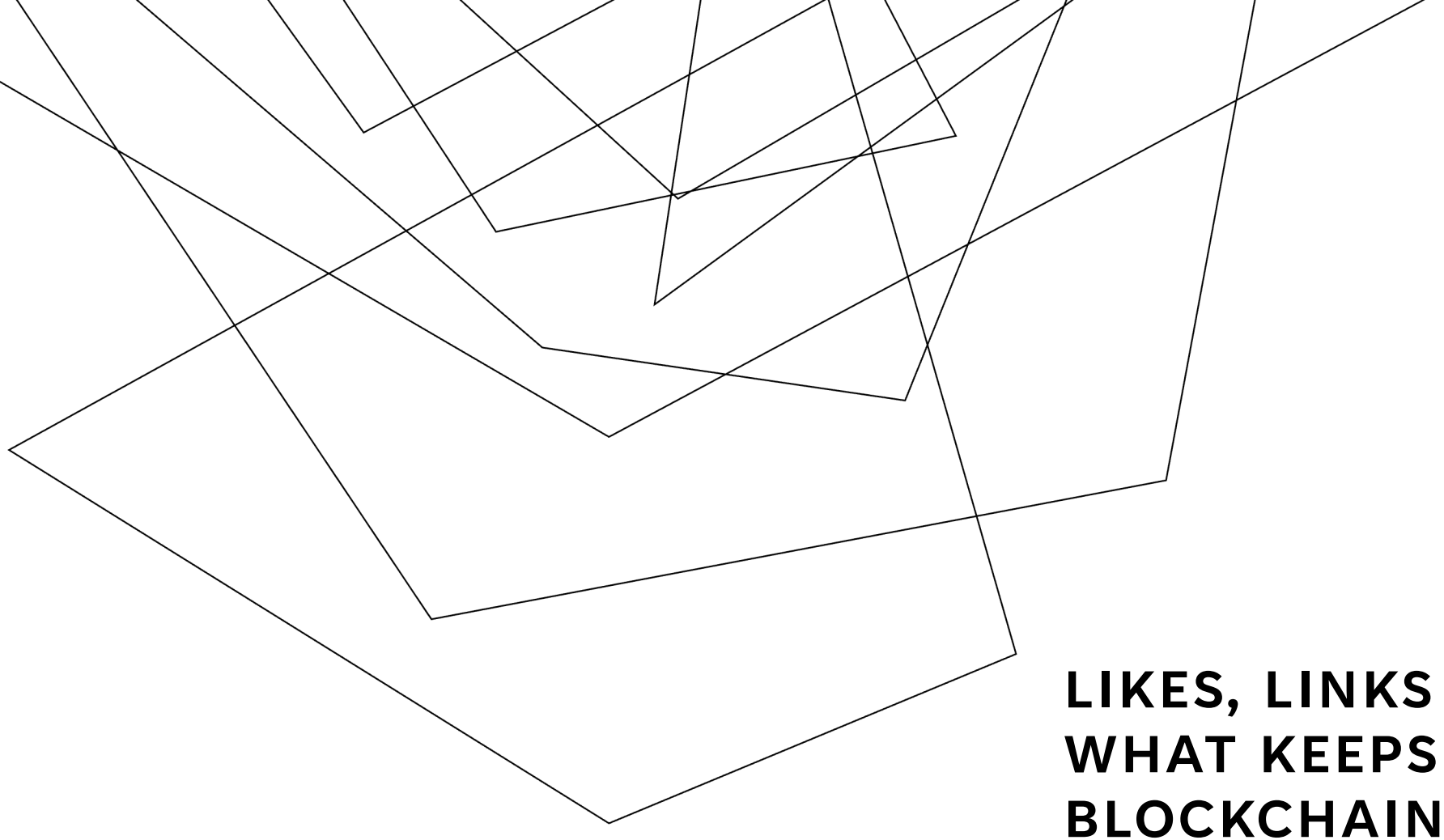


LIKES, LINKS AND LIQUIDITY: WHAT KEEPS INDUSTRIAL BLOCKCHAIN STARTUPS ALIVE

Dmitri Boreiko, PhD, CFA, FDP

Free University of Bolzano-Bozen

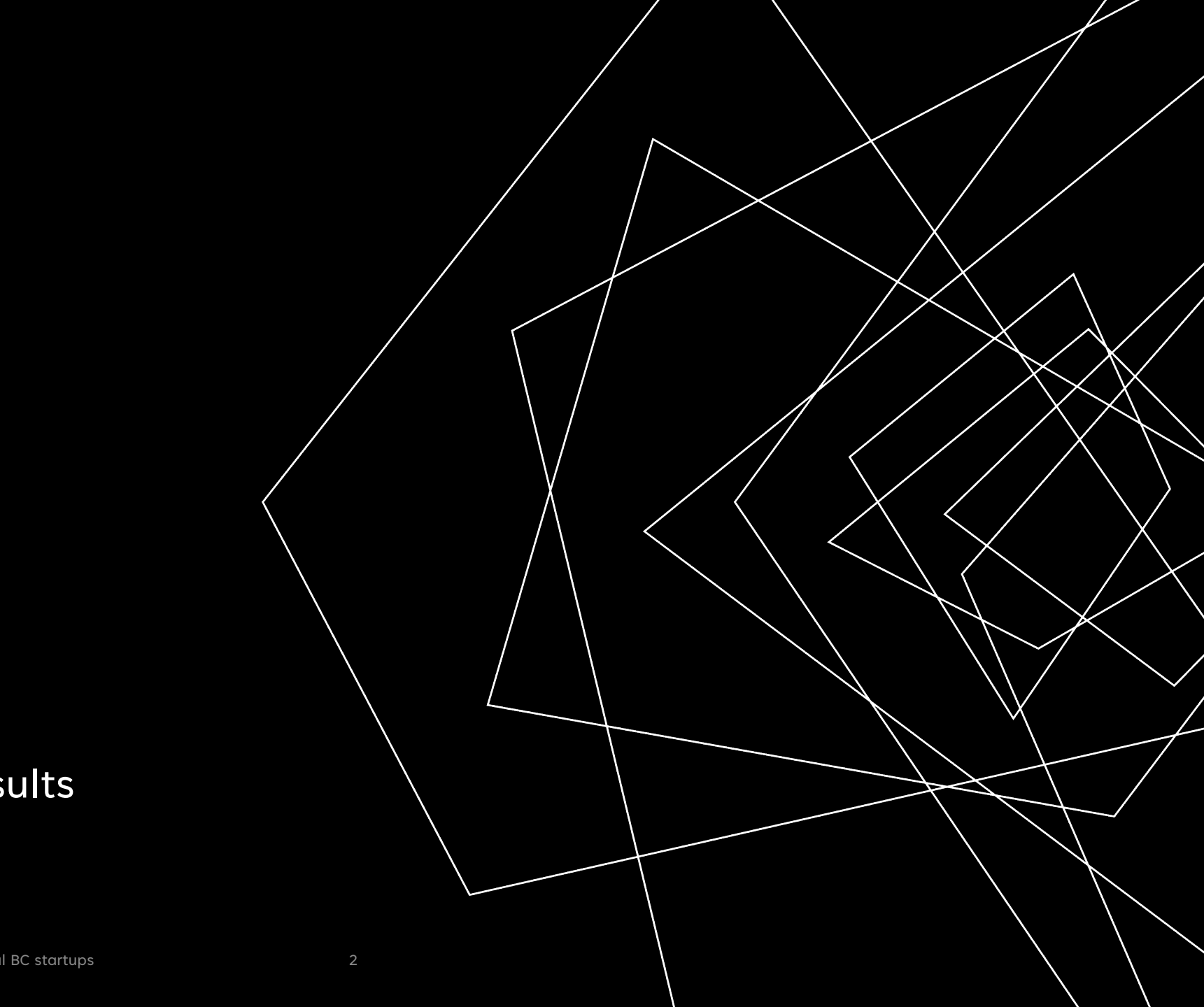
OUTLINE

Motivation

Startups survival

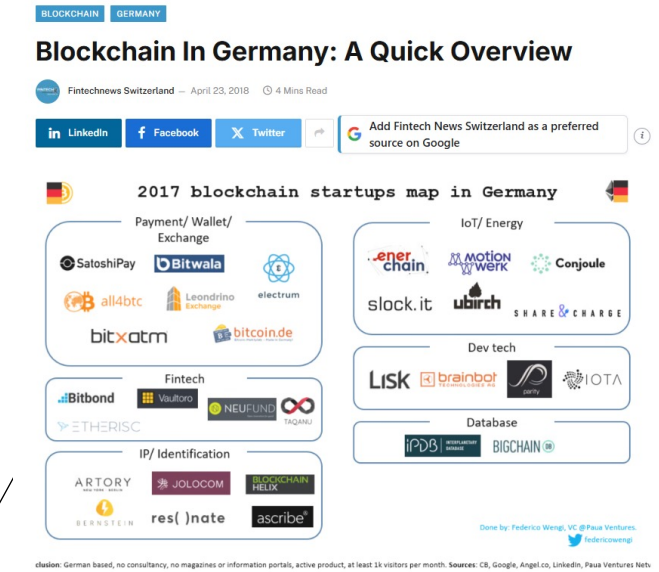
BC revolution

Data and preliminary results



BLOCKCHAIN REVOLUTION (?)

- 2017–2019 blockchain hype
- **Core pitch**: shared records, tamper resistance, and multi-party coordination without a central authority
- **Areas**: supply chain traceability, identity, land registries, healthcare records, government services, content/authorship tracking, and voting systems.
- Industry conferences, rosy picture
- 2020 – no revolution (BBC, 2020)
- 2026 – where we are?



MÜNCHNER KREIS

Hor

BLOCKCHAIN

November 23, 2017

Program

Welcome and Introduction
Prof. Dr. Helmut Krcmar, Technical University of Munich and MÜNCHNER KREIS

The Transformational Power of Blockchain: Key Technologies, Developments and Limitations
Prof. Dr. Roman Beck, IT University of Copenhagen, Founder of Blockchain Summer School

Smart Contracts and Law
Dr. Alexander Duisberg, Partner, Bird&Bird LLP

Digital Identity, Energy, and Supply Chain Cases

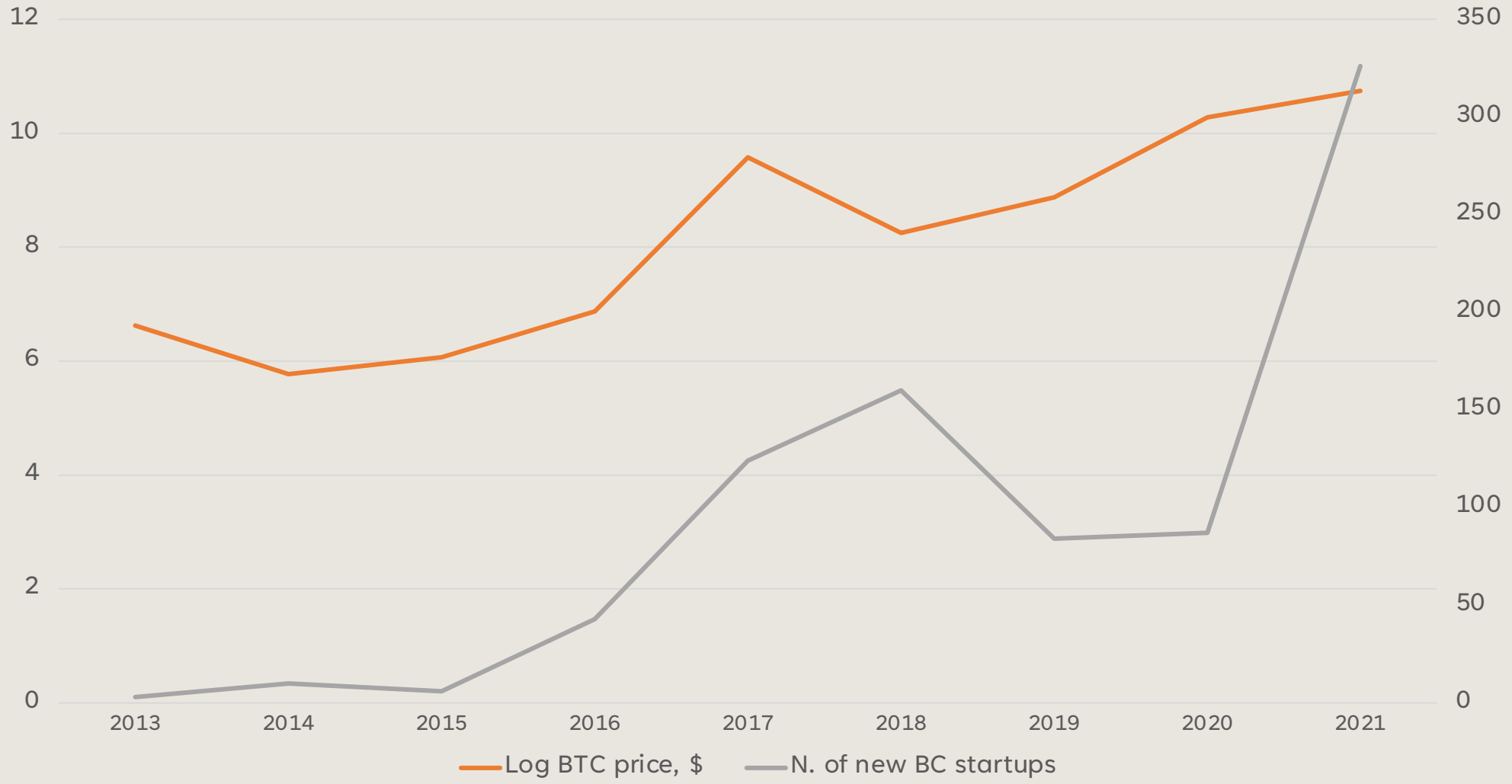
Digital identity for high-value parts
Christoph Schaefers, Robert Bosch GmbH

Blockchain as enabler for transactive grids
Stefan Jessenberger, Siemens Energy Management

Blockchain and the enterprise
Jonas von Malottki, Daimler AG

The Internet of Trusted Things
Stephan Noller, ubirch (Founder & CEO)

BC industrial startups and BTC price dynamics



MOTIVATION

- BC industrial ventures raise substantial capital but many fail to scale or survive
- Existing work focuses on fundraising outcomes, but what drives short- and long-term survival after capital is raised?
- BC firms - visibility, legitimacy, and ecosystem endorsement may matter more than in traditional sectors.
- Social media activity translates into funding only, survival only, or both?
- This study attempts to explain why some industrial blockchain ventures persist while others disappear.

RESEARCH QUESTIONS

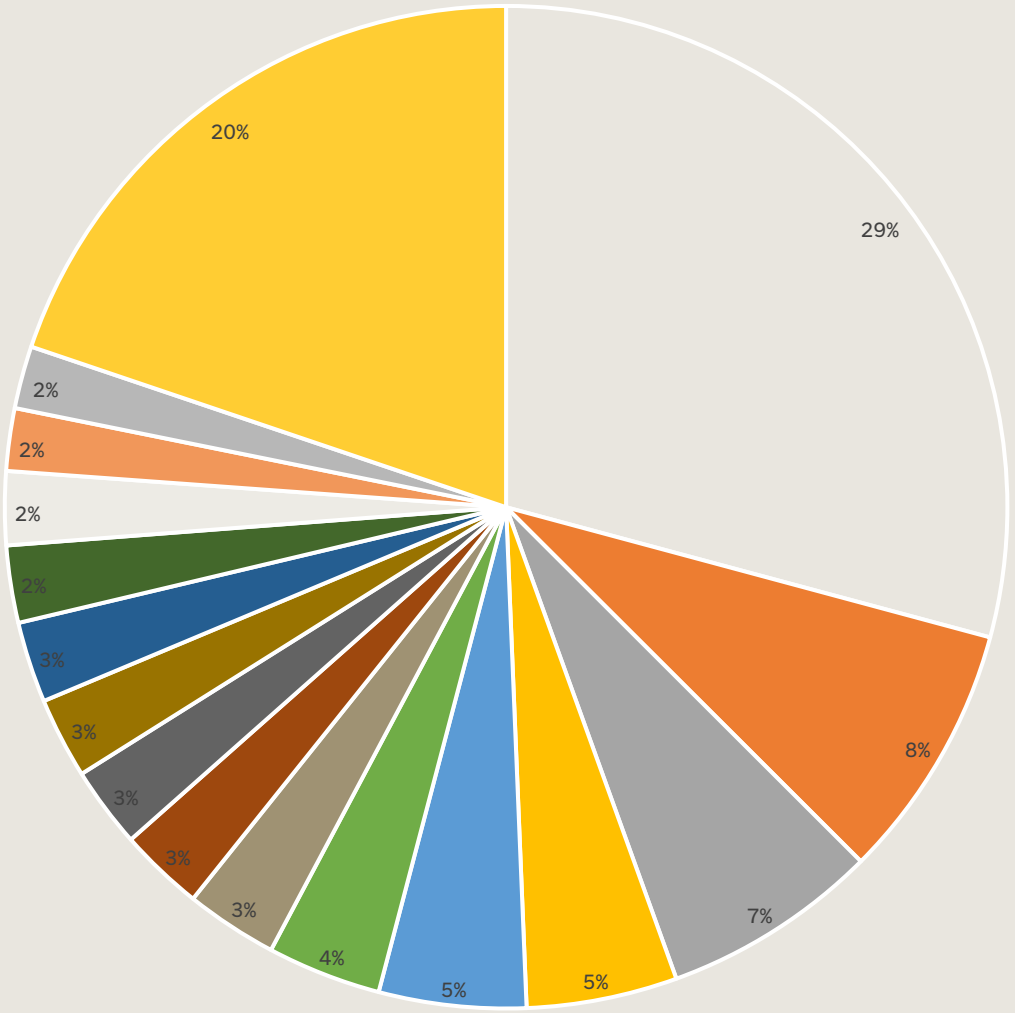
- What firm-level factors explain BC industrial venture survival in the short run and over longer horizons?
- How do social media visibility, digitalization depth, and the presence of top or “star” investors affect survival and fundraising dynamics?
- Which country-level institutional conditions, such as regulation, trust in technology, corruption, and property rights, facilitate or impede survival?
- How do industry characteristics, such as risk, digitization, capital intensity, and market scope, shape these relationships?
- Do the drivers of fundraising differ from the drivers of survival?

CLASSICAL FOUNDATIONS

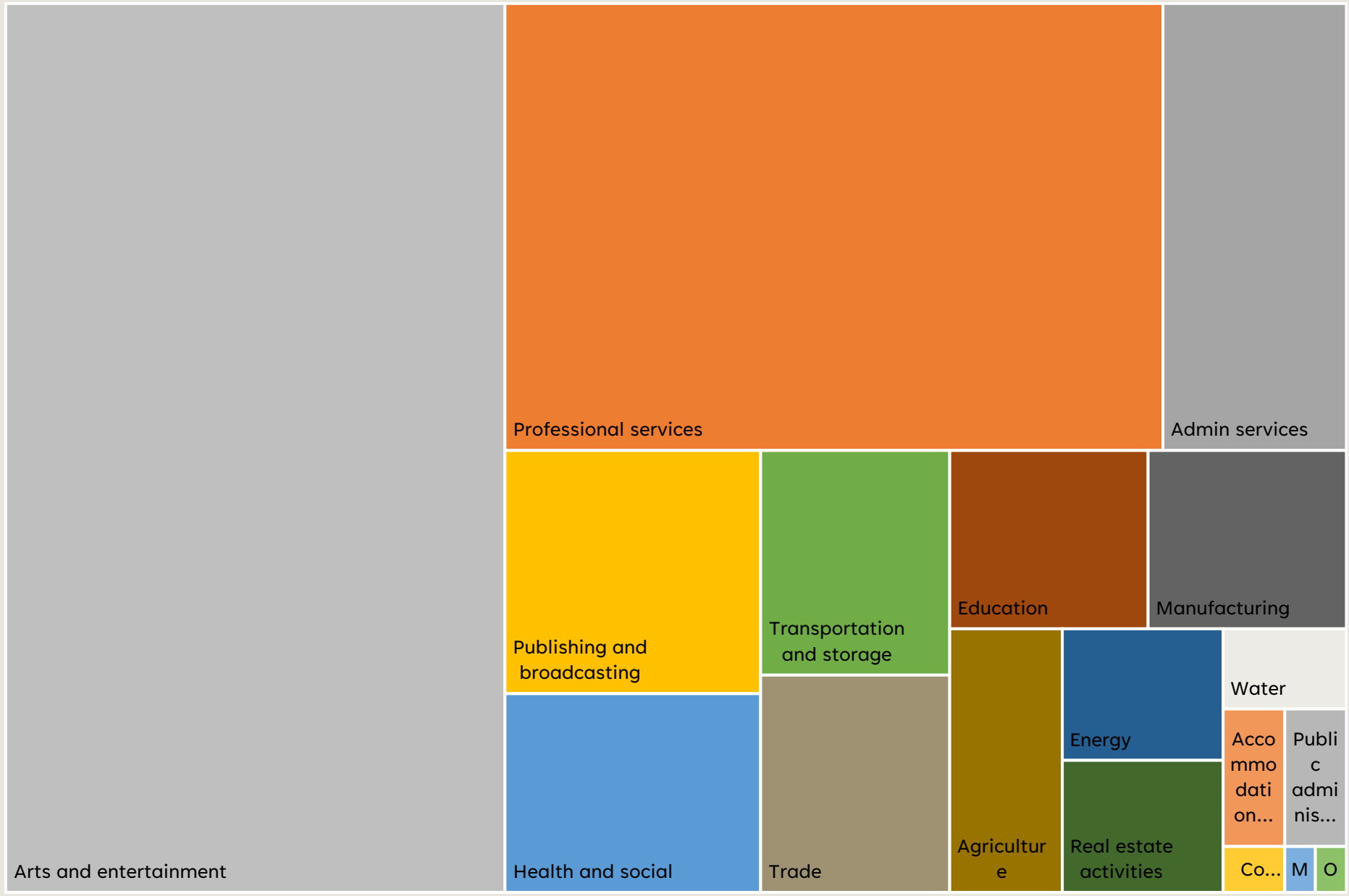
- Founding resources matter (Cooper, Gimeno-Gascon & Woo, 1994, JBV).
- Legitimacy drives outcomes: signalling from prominent partners (Stuart, Hoang & Hybels, 1999, ASQ).
- Networks matter for financing: (Shane & Cable, 2002, Management Science).
- Visibility matters too: active social media (Wu, Jin & Hitt, 2015).

DATA

- 1936 startups that operate in industrial sectors excluding financial industry and BC infrastructure and created in 2013-2021 (Crunchbase)
- Manually controlled for BC-related, industry, true incorporation year, country
- Removed ventures pivoted to BC, with no in other sources, etc.
- Final sample – **843 BC startups** that employed BC technology in non-financial sectors and were not BC infrastructure projects



United States
United Kingdom
Singapore
Switzerland
China
India
Germany
Australia
South Korea
Spain
Vietnam
Canada
France
Estonia
UAE
Other countries


Arts and entertainment
Professional services
Admin services
Publishing and broadcasting
Health and social
Transportation and storage
Trade
Education
Manufacturing
Agriculture
Energy
Real estate activities
Water
Accommodation...
Public admis...
Co...
M
O
Arts and entertainment
Professional services
Admin services
Publishing and broadcasting
Health and social
Transportation and storage
Trade
Education
Manufacturing
Agriculture
Energy
Real estate activities
Water
Accommodation and food
Public administration
Construction
Mining
Other services

WHAT IS A DEAD STARTUP?

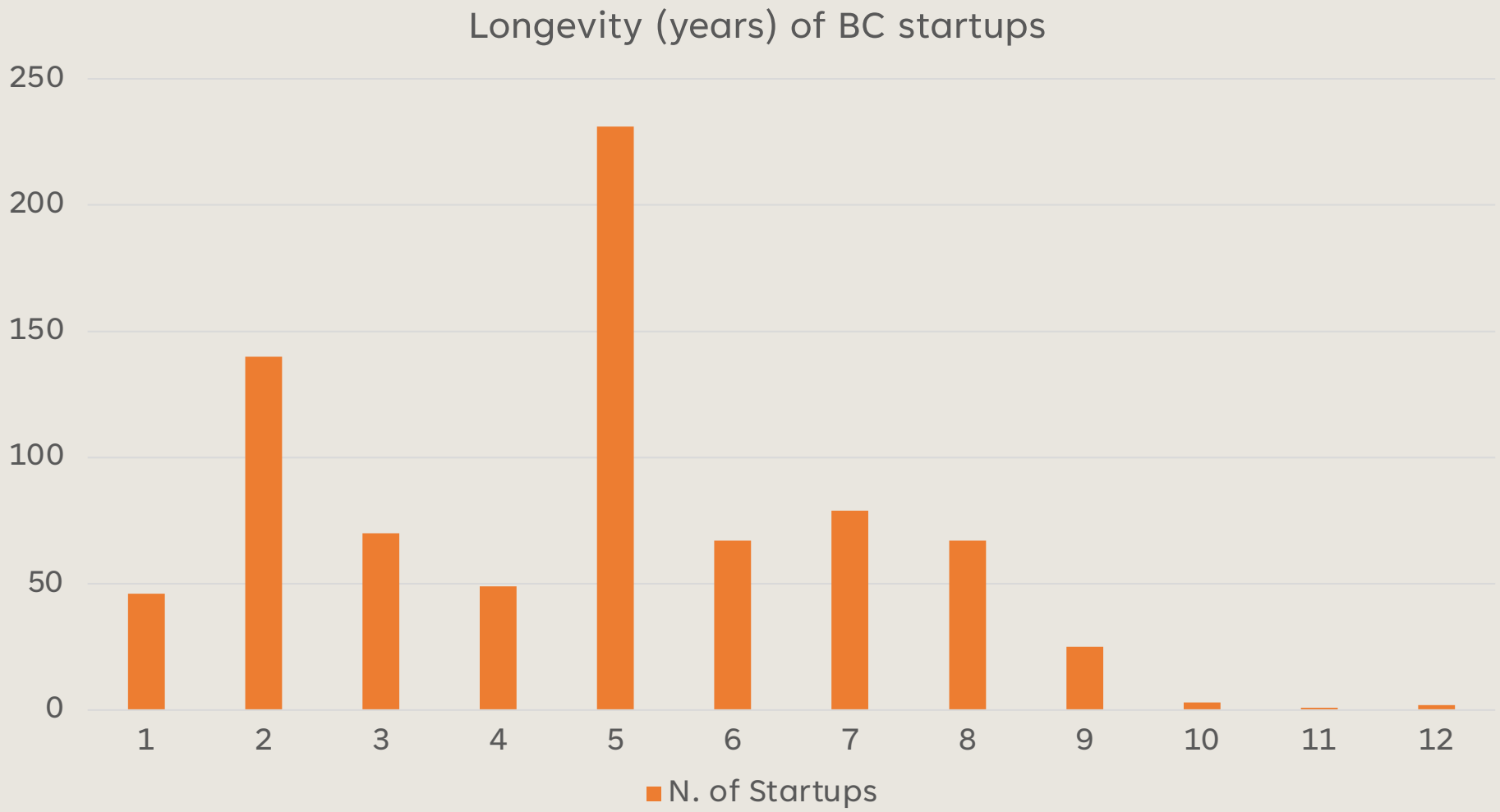
- Few countries allow obtaining current status of an incorporated firm (UK, Italy...) (Signori and Vismara, 2018 – on post-life of crowdfunded startups in UK)
- Many BC startups launched without legal entity and/or obtained financing through ICOs
- Our method:
- Dead – no website, no/halted social media activity by end of 2022, acquired or discont.
- Active – present in news/blog/media in 2025
- Dormant – the rest

SURVIVAL BY INDUSTRY

	N	Alive	Dead	Dormant
Arts and entertainment	314	35%	49%	12%
Professional services	208	43%	41%	12%
Admin services	58	33%	53%	12%
Publishing and broadcasting	44	39%	45%	14%
Health and social	36	36%	61%	3%
Transportation and storage	30	57%	30%	7%
Trade	29	28%	45%	28%
Education	25	52%	48%	0%
Manufacturing	25	60%	36%	4%
Agriculture	21	71%	19%	5%
Energy	15	33%	67%	0%
Real estate activities	15	20%	67%	7%
Water	7	43%	29%	14%
Accommodation and food	6	33%	50%	17%
Public administration	6	33%	50%	17%
Construction	2	100%	0%	0%
Mining	1	0%	100%	0%
Other services	1	100%	0%	0%
All	843	40%	46%	11%

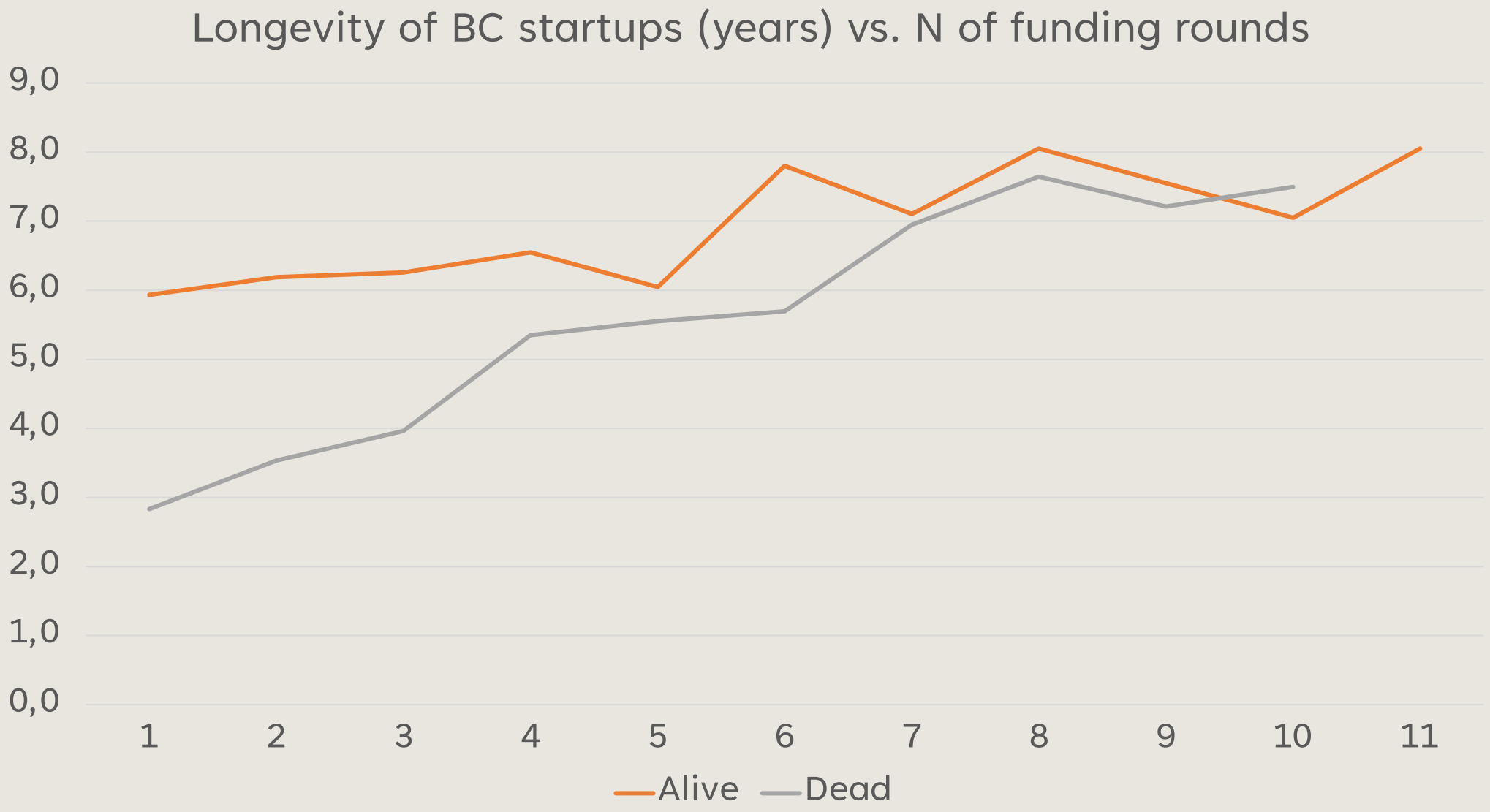
SURVIVAL BY COUNTRY(TOP-15)

Country	N	Alive	Dead	Dormant
United States	246	34%	55%	11%
United Kingdom	70	31%	57%	11%
Singapore	59	36%	51%	14%
Switzerland	41	54%	41%	5%
China	40	8%	90%	3%
India	31	52%	39%	10%
Germany	25	64%	28%	8%
Australia	23	52%	30%	17%
South Korea	22	32%	55%	14%
Spain	22	45%	36%	18%
Vietnam	22	41%	27%	32%
Canada	21	57%	33%	10%
France	20	60%	35%	5%
Estonia	17	41%	53%	6%
United Arab Emirates	17	41%	59%	0%
Total (all countries)	**843**	**40%**	**49%**	**11%**

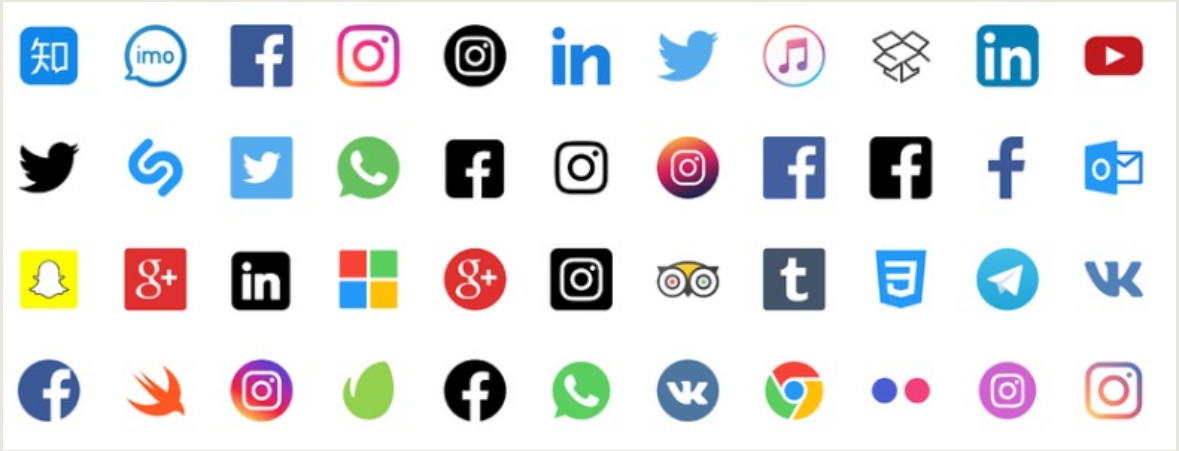

Longevity (years) of BC startups
250
200
150
100
50
0
1
2
3
4
5
6
7
8
9
10
11
12
N. of Startups

AVERAGE FUNDING ($M)

Founding rounds	Alive	Dead	Dormant
1	9.1	5.7	3.4
2	9.4	5.4	5.1
3	15.3	10.5	8.6
4	32.8	8.6	155.4
5	21.6	3.4	21.7
6	24.9	5.2	0.2
7	20.1	4.1	1.0
8	13.5	48.6	
9	297.0	21.7	
10	5.8	24.1	
11	8.2		
Overall	**14.6**	**6.4**	**14.6**


Longevity of BC startups (years) vs. N of funding rounds
9,0
8,0
7,0
6,0
5,0
4,0
3,0
2,0
1,0
0,0
1
2
3
4
5
6
7
8
9
10
11
Alive
Dead

	Alive	Dead	Dormant	Overall
Average	3.4	0.3	2.2	1.8
Max. N of channels	10.0	9.0	10.0	10.0



Top	Social Media Channels	Count	in %
	Twitter	311	37%
	LinkedIn	249	30%
	Instagram	163	19%
	Youtube	160	19%
	Facebook	142	17%
	Discord	135	16%
	Telegram	92	11%
	Github	55	7%

REGRESSIONS

Dependent variables:

- Survival duration: years alive
- Fundraising level: log of total funds raised.
- Fundraising growth: change in log fundraising

Main explanatory variables

- Social media activity: followers, channels, posts, reposting, engagement.
- Digitalization depth: breadth and intensity of digital or blockchain use.
- Top VC attraction: star investors, investor reputation, investor network strength.

REGRESSIONS

Moderators:

- Country context: regulation, trust in technology, corruption, property rights.
- Industry context: risk, digitization, labor vs capital intensity, niche vs mass market.
- Micro context: rounds, total funding, last-round size, investor count, team size.

Controls and method:

- Controls: age, employment, venture characteristics, time effects.
- Panel models: RE or FE for survival duration and fundraising outcomes.
- Panel logistic model: 10-year survival dummy.

THANK YOU