

AN OVERVIEW OF ANGEL INVESTOR ECOSYSTEM

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ABSTRACT

Purpose - The dynamics of the startup ecosystem exhibit variety from a country to another. A similar alteration applies for the characteristics of angel investors as they are an integral part of the startup ecosystem. Thus, it is required to have a closer look to the most recent local statistics to understand how the trends are swiftly changing in Turkey. This study distinguishes itself from the majority of the literature that it comes with suggestions for improving particularly the Turkish angel investor ecosystem.

Methodology - In the study, a comprehensive literature review is conducted to learn about the current circumstances of the European angel investor ecosystem and have a deep understanding about the Turkish angel investor ecosystem so that further improvements could be developed.

Findings - At the end of the literature review, seven major points open for the improvement of Turkish angel investor ecosystem are spotted. The issues present in the ecosystem such as the absence of strong connection among angel investors, the shortfall of angel investors' skills in certain fields, the insufficient technical knowledge of some entrepreneurs, the reservations caused by geographical remoteness, the underrepresentation of female angel investor, the lack of knowledge about the benefits of angel investing to both parties, the hardships in reaching out to early adopters are of utmost importance to be addressed.

Conclusion - In angel investing context, Turkey has a significant potential to be uncovered but needs to resolve the mentioned issues. It requires notable attention both from public and private sectors. This aim could be achieved through facilitating the networking practices among angel investors, nourishing the soft skills of angel investors, encouraging knowledge sharing, benefiting technological advancements to eliminate the problems caused by geographical remoteness, incentivizing participation of more female angel investors, raising awareness about the possible benefits of angel investment to both sides, and easing the access to early adopters.

Keywords: Angel investors, startup ecosystem, Turkish angel investor ecosystem, business angel networks, entrepreneurship.

JEL Codes: M10, M12, M20

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