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**Crowdfunding:
How motives behind creating a reward-base
campaign affect campaign creator's
communication strategies**

by

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[May 2017]

Master's Programme in Innovation and Entrepreneurship

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Abstract

Crowdfunding has rapidly gained popularity over the last decade and now accounts for tens of billions of dollars annually. Although the general public mainly perceives crowdfunding as an alternative means of getting funding, it has been demonstrated that there is a number of motives that entrepreneurs may have when launching a campaign on a crowdfunding platform. Despite that, little scholarly research exists on the topic of how different motives of campaign creators to run a crowdfunding campaign influence the way they communicate with the crowd.

This qualitative research seeks to build on the existing literature on the motives that lie behind entrepreneurs' decision to engage in crowdfunding activities. It targets a grey area in academic literature and examines how campaign creators choose communication strategies depending on what they want to achieve through the crowdfunding campaign. Semi-structured interviews with 9 crowdfunding campaign creators were conducted and empirically analyzed. From the findings a theoretical model of motives and communication was developed. The analysis of the relationship between motives and communication strategies employed in successful crowdfunding campaigns contributes to the developing field of research and allows practitioners to get insights into how different communication approaches can be used to reach their goals.

1. Introduction

1.1. Context of crowdfunding

In recent years, crowdfunding has established itself as a new method for financing early-stage ventures by allowing entrepreneurs to raise money online, thus providing an alternative to more traditional approaches such as acquiring capital from banks, business angels or venture capitalists. Crowdfunding gives businesses and entrepreneurs the opportunity to address directly to the general public (or 'the crowd') via the internet and ask for financial help in order to implement innovative projects (Schwienbacher & Larralde, 2012). Crowdfunding campaigns may be very diverse, ranging from socially oriented projects that seek donations to product development or new business creation that look for financial investment. Four types of crowdfunding have been proposed based on what backers receive in exchange for their financial contribution (Colombo, Franzoni & Rossi-Lamastra, 2015):

- reward-based (a product);

- donation-based (non-monetary rewards);
- equity-based (equity shares);
- lending-based (a particular interest rate).

Since the launch of the first crowdfunding platform in 2001 (Gerber & Hui, 2013), more than 1250 of such platforms have been created across the world, which together channeled \$34 billion in financial contributions in 2015 (CrowdExpert, n.d). Using these online platforms, individual entrepreneurs or companies that need financing for a specific project or venture are able to publish a public appeal for funds and in return offer some form of reward to those who have made financial contributions. Since even smallest contributions from a considerable number of backers can add up to a substantial sum, crowdfunding sites have experienced remarkable success. For example, Kickstarter is one of the most well-known global crowdfunding sites and, according to Buttice, Colombo and Wright (2017), its popularity partly can be attributed to the platform's generalist approach, as it hosts campaigns from a high number of industries including technology, art, fashion, design, games. Since its inception in April 2009, Kickstarter (n.d.) has raised over \$2.5 billion for 121 thousand successfully funded campaigns. Indeed, one project collected a remarkable \$20 million from more than 74 thousand backers, enabling the campaign creators to produce a color e-paper smartwatch.

1.2. Motives and communications in crowdfunding

Ingram and Teigland (2013) in their interviews of two crowdfunding platforms in Sweden found that although platforms founders see crowdfunding as a possible avenue for entrepreneurs to find funding, but crowdfunding platforms also provide additional benefits, such as testing the market, attracting skills and experience, and creating brand awareness. Crowdfunding can also be seen as a co-creation or co-production process since the campaign creator often actively encourages the crowd to become involved in the development of the project, for example, by testing and providing feedback on early prototypes or promoting the crowdfunding campaign through social media (Zheng et al., 2014).

Communication plays a crucial role in crowdfunding as it is the only way to reach the audience and encourage them to support the campaign. Experts in crowdfunding (e.g. Helmer, 2014; Hendricks, 2014) argue that creating loyal crowdfunding community around the campaign is very important for funding success. Success breeds success, and therefore getting a large number of backers at the

beginning of the campaign significantly improves the chances that it will reach its funding goal. Thus, campaign creators get an advantage if they are able to mobilize the support of their network in the early days of their crowdfunding campaign (Colombo, Franzoni & Rossi-Lamastra, 2015; Vismara, 2016; Wash, 2013). Similarly, other researchers highlighted the effects of family, friends, and personal acquaintances (Agrawal, Catalini & Goldfarb, 2011; Mollick, 2014), demonstrating that both offline and online contacts are crucial for crowdfunding success (Buttice, Colombo & Wright, 2017).

Taking into account that entrepreneurs have different motives when they make use of crowdfunding (Belleflamme, Lambert & Schwienbacher, 2013; Gerber & Hui, 2013; Lambert & Schwienbacher, 2010), different communication strategies might be employed in order to achieve the desired outcome(s). For instance, those looking for customer feedback to improve the product may focus more on channels that allow discussion, such as Facebook groups, while those who use crowdfunding as a marketing tool and want to improve brand awareness may focus more on media and press coverage. Thus, this paper aims to explore how the motives that entrepreneurs have for launching a campaign influence their choice of communication strategies employed during the campaign.

1.3. Gaps in research on crowdfunding

Research on entrepreneurial finance demonstrates that communication between the company and investors decreases information asymmetries (Hoffmann and Fieseler, 2012). Similarly, it can be argued that regular communication between the crowdfunding campaign creator and potential backers reduces informational asymmetries, increases their confidence in the project and subsequently leads to supporting the campaign. Kunz et al. (2016), for example, in their study on success factors in reward-based crowdfunding suggest that elaborated campaign description signals expertise and diligence, reduces information asymmetries and thereby increases trust and decreases perceived risks.

To these days, however, there is limited knowledge about the role such communications play in crowdfunding and platform-internal communities, and the associated internal social capital has been scarcely investigated (Moritz, Block & Lutz, 2015; Skirnevskiy, Bendig & Brettel, 2017). As Gedajlovic et al. (2013, p. 456) argue, the general “understanding of how social capital relates to entrepreneurship remains incomplete”, and this is especially related to the social ties that are developed within online communities – e.g. between the entrepreneurs running crowdfunding campaigns and backers supporting the project (Skirnevskiy, Bendig & Brettel, 2017).

Similarly, few studies have looked into motives for launching a crowdfunding campaign through online platforms (Gerber & Hui, 2013). As Kraut and Resnick (2011) have argued, by understanding campaign creators' motives and deterrents, it is possible to identify ways in which crowdfunding platforms can be further developed and redesigned. Thereby, their experience can be improved and participation in this rapidly growing community can be better recruited and sustained.

At the same time, little research has been done to analyze how motivation of entrepreneurs engaged in crowdfunding affects communication strategies employed. There is a limited understanding of what communication channels and approaches work best for each of the motives. In their study on motives for crowdfunding Gerber and Hui (2013) argue that it is necessary to consider the individual strategies that entrepreneurs use to engage in crowdfunding. There is initial evidence which suggests that campaign creators and backers rely extensively on social media channels to spread awareness of crowdfunding campaigns and promote engagement, however there are many nuances that have to be investigated. Thus, academic research needs to examine how campaign creators choose communication strategies depending on campaign specific motives.

Similar call for research has been recently broadcasted by McKenny et al. (2017) who identified a number of research questions with a high potential to fuel important contributions in the field of crowdfunding. A list of questions was provided to a number of influencers and thought leaders within the field of entrepreneurship with a request to rate them according to the perceived importance of answering the question for advancing academic research. One of the most highly rated research question was the following (McKenny et al., 2017, p.296):

“Entrepreneurs generally broadcast crowdfunding appeals to potential investors using an online narrative...How might theories of communication, information processing, and sense making explain how the content presented and media used interact to influence crowdfunding outcomes? Are some approaches more successful than others under different circumstances?”

Crowdfunding appeals are the important mechanism that allows campaign creators and backers to come together. It is crucial for both academics and practitioners to understand why and how some communication approaches work and why some do not.

1.4. Aims and objectives

This study seeks to provide answer to the call of McKenny et al. (2017) and is built on the initial work of Gerber and Hui (2013), who investigated the motives behind entrepreneurs' decision to create a crowdfunding campaign. The aim is to target the grey area in academic literature by exploring the following research question:

How do motives behind creating a reward-base campaign affect campaign creator's communication strategies?

In this study, creators of crowdfunding campaigns on Kickstarter platform are interviewed in an attempt to explore and analyze how their motives affected communications they used during the campaign and what approaches are the most effective to reach desired outcomes.

It is important to note that this paper does not explore the backers' views on communication strategies employed by campaign creators and why they choose to support the campaign as it is outside the scope of its purpose. However, it can be a topic for further research and may contribute to the current study and provide a more comprehensive picture of the effect of communication strategies in crowdfunding. Some examples of resources on the reasoning behind backing campaigns can be found in Van Slyke and Brooks (2005), Vesterlund (2006), Aaker and Akutsu (2009), Gerber and Hui (2013).

1.5. Terminology and structure

The terminology used in previous researches and articles on crowdfunding has not always been consistent, and therefore this section provides a short description of the terms used in order to avoid confusion. Those who propose ideas and projects to be funded through crowdfunding platforms are referred as project owners, project creators or campaign creators. The crowd of people who decide to support such projects are referred as contributors, supporters, backers, or the crowd. The authors of this paper predominantly use the terms campaign creators and backers. Funding goal refers to the amount of money that needs to be raised in order for the campaign to be successful. Finally, motives are related to what outputs the campaign creator wants to achieve by running a crowdfunding campaign. Motives, however, do not cover why campaign creators preferred crowdfunding over other means of getting finance such as bank loans.

This paper is structured as follows: the literature review section gives an overview on crowdfunding definitions and characteristics, proceeding to the existent research on motives and communications in

crowdfunding. The methodology section gives details about research approach and design as well as sampling, data collection and data analysis. The following two sections present empirical results with their analysis and discussion in relation to the research question. The last section concludes this paper with thoughts on implications for practice and potential areas for further research.

2. Literature review

This section provides an overview of academic research on crowdfunding, focusing specifically on the existing literature on the motives behind entrepreneurs' decision to run a crowdfunding campaign and the role communication forms, tools, and channels play in making campaign successful. An extension of a communication model in crowdfunding is made in order to visualize the influence of campaign creators' motives on the chosen communication strategies.

2.1. Definition and characteristics of crowdfunding

A number of various definitions of crowdfunding concept have been suggested by different experts and researchers in an attempt to identify its unique characteristics and delineate its boundaries (Alfiero et al., 2014). Crowdfunding is often described as getting a group of people to finance a project or business idea by using an online platform that enables soliciting funds (Guidici et al., 2012). Lambert and Schwienbacher (2010) define it as an open call made via the Internet for the provision of funding in order to support specific projects either in form of donation or in exchange for a reward. Although there is no accepted or universal definition of crowdfunding, most authors agree that crowdfunding is about raising capital from the general public through an online platform that acts as an intermediary (Tomczak & Brem, 2013).

There are three main characteristics of crowdfunding, summarized by Belleflamme, Lambert and Schwienbacher (2014) in their paper. First of all, in crowdfunding campaigns the crowd is offered to make an advanced purchase of products that are not yet available on the market. On a crowdfunding platform campaign creators explain what the final products are and propose a number of monetary or non-monetary rewards for those who are willing to invest. Secondly, backers identify themselves as a part of the group which is involved in the creation and production process, ranging from simple donation of money to full and direct involvement in the entire project. This aspect is seen as a major advantage of crowdfunding over more traditional funding approaches since it allows contributors to

become deeply involved and thereby increases their experiences in the complete production process. Thirdly, crowdfunding allows campaign creators to better exploit their market potential since backers usually pay more in the process of pre-ordering than traditional customers, who wait until the products become available on the market. In their research Belleflamme, Lambert and Schwienbacher (2010) and Hu, Li and Shi (2014) demonstrate that price discriminations are part of reward-based crowdfunding. In general companies struggle to identify customers who are willing to pay a higher price for an earlier availability of a product. Crowdfunding allows such customers to identify themselves, thus giving companies an opportunity to skim the market for the premiums.

Due to the success of many online platforms, crowdfunding has become a tool that allows campaign creators (whether projects are of entrepreneurial, creative, or social nature) to test and validate their project ideas on a greater scale through the results of their crowdfunding campaign. Thus, a successful campaign can not only help the creators to get financing for their project, but they also are able to validate the market for that product or service (Thies, Wessel & Benlian, 2014). Moreover, such campaigns have a distinct marketing effect increasing public awareness of the respective product (for example, Mollick, 2014; Shane & Cable, 2002). Empirical data also suggests that crowdfunding can lead to an improved visibility and an increased consumption of the product (Burtch, Ghose & Wattal, 2013). Crowdfunding platforms create and develop a wide community which shares information about campaigns through social media channels, thus spreading the word and increasing awareness of the product (Moissejev, 2013). Similarly, Mollick and Kuppuswamy (2014) found in their research on outcomes of crowdfunding that it facilitates better access to customers, greater media and press coverage, and increased interest from potential employees and external funders.

2.2. Research on motives in crowdfunding

With the increasing popularity of crowdfunding, it is important to understand what drives entrepreneurs to launch crowdfunding campaigns as it allows to identify opportunities to develop and redesign crowdfunding platforms in a way that increases the user experience and allows to further grow the crowdfunding community and enhance its participation (Kraut and Resnick, 2011). One of the first studies on entrepreneurs' motives in crowdfunding were conducted by Lambert and Schwienbacher (2010) who argued that campaign creators strived to raise capital, create publicity for their projects, receive feedback for their product and validate the market.

Similarly, Gerber and Hui (2013) and Belleflamme, Lambert and Schwienbacher (2013) found that entrepreneurs are motivated to increase awareness of their work by launching a crowdfunding campaign, as online platforms like Kickstarter provide a convenient avenue for anyone interested to get detailed information about the campaign through videos, photos, and written descriptions. Campaign creators are able to expand awareness about their campaign by posting links through social media channels and sending information to their network and news media outlets. The studies showed that some campaign creators were motivated to launch a campaign because of the good chances to receive certain attention from the popular press. By reaching out to the general public through media and press coverage, campaign creators are able to raise awareness among those with whom they are not closely connected. By spreading information to various audiences they are able to amplify their reach (Burt, 1992). In summary, entrepreneurs are motivated to increase awareness of their work beyond the close social network and crowdfunding campaigns give them an opportunity to market their products to the crowd through social media and press coverage (Gerber & Hui, 2013).

It is also suggested that campaign creators are motivated to run a crowdfunding campaign because it gives them an opportunity to connect with backers through a long-term interaction (Gerber & Hui, 2013). Crowdfunding platforms store backers' contact information and provide services for online messaging, thus campaign creators can easily communicate with their supporters by replying to questions and sending campaign updates. Such long-term interactions give them an ability to encourage participation and involve supporters in the creative process. Moreover, in contrast to more traditional marketing methods, crowdfunding may serve as a fast and alternative way that entrepreneurs may use to advertise a product and build a loyal fan base. According to the study of Gerber & Hui (2013), campaign creators are as well motivated to make close connections not only with the crowd but also with other campaign creators as they feel that the shared experience of crowdfunding provides opportunities for collaboration and informal learning. Thus, motives of entrepreneurs to run a crowdfunding campaign include the desire to create and develop a community as well as to establish connections with other like-minded entrepreneurs through an extended period of online engagement. Such connections are formed not only through crowdfunding platform but also through social media, and face-to-face interactions.

2.3. Communication on crowdfunding platforms

Most crowdfunding platforms offer not only online messaging services to foster internal connections but also such means as discussion forums, backers' profiles, and backers' groupings (enabling to sort for origin, track record, etc.) (Skirnevskiy, Bendig & Brettel, 2017). Thus, a crowdfunding platform serve as a specialized social network that allows to connect diverse groups of people who can play the roles of campaign creators, backers, interested audience or any combinations of these. When these groups take actions on crowdfunding platforms it can be considered as a form of social interactions, which, in turn, are part of social relations (Beier & Wagner, 2015). In general, communication can be divided into two forms: pure content and relational aspects of meta-communication. On the one hand, communication on online platforms gives the crowd certain information which is aimed to increase their willingness to pay and influence their decision to purchase on a cognitive level. For example, Kim and Crompton (2001) in their research found that the type and amount of information can greatly affect the customer's willingness to pay for a specific service or product. On the other hand, however, such communication has social and emotional aspects of interaction, thus influencing people on a relational level. Similarly, relational communication can have direct or indirect influence on the customer decision to purchase and willingness to pay for the product offered (Beier & Wagner, 2015).

Although relationship quality has an effect on the motivation of potential backers to support the campaign, the number of original 'walk-in supporters' on crowdfunding platforms is relatively small. According to Moreno and Martinez (2013 cited in Beier & Wagner, 2015), campaign creators therefore have to generate traffic for the campaigns from other websites and social media. As most of the crowdfunding platforms provide a standardized structure to present the product, campaign creators may decide to use other websites and social media in order to share extra information and content with more individualized and personal design. Thus, information presented outside of the crowdfunding platform serves primarily to generate traffic to the campaign page on the crowdfunding platform. Moreover, such actions also help to generate confidence in the competence and goodwill of the campaign creator (Beier & Wagner, 2015).

2.4. Communication media in crowdfunding

Campaign creators can narrate their stories using a wide range of communication channels, tools, and technologies, including their own websites, online blogs or forums, social media, or the crowdfunding platform itself (Zheng et al., 2014). Higher media richness in crowdfunding campaign is strongly

related to a greater number of contributions and, thus, leads to an increased chance of the project success (Beier & Wagner, 2015). Videos are regarded as one of the richest forms of media communication since they allow personal and emotional communication, which, in turn, results in higher involvement of the crowd. Wheat et al. (2013) believe that the project video is one of the most crucial parts of the campaign appeal to potential campaign supporters – it should touch the heart of the crowd and narrate a true story about the project. Thus, one of the studies demonstrated that 69% of campaigns that had a video in their description were successful, while only 43% without a video managed to reach their funding goal (Kunz et al., 2016). Moreover, since crowdfunding platforms are a social environment, a video or photo of the campaign creator and the team may underline the social capital component and increase the chances of success (Colombo, Franzoni & Rossi-Lamastra, 2015). According to Zheng et al. (2014), in order to enhance the communication and the understanding between the campaign creator and the crowd, campaign creators should share details about the campaign through different media.

Another important aspect of communication in crowdfunding is the need for regular blog posts and updates (Xu et al., 2014). It was found that campaigns that had been frequently updated had almost double probability of reaching the funding goal (32.6% vs. 58.7%). In their research the authors made a comparison between the importance of updates and the initial campaign presentation on the crowdfunding platform, and discovered that an intensive communication between the campaign creator and the crowd was “more predictive of success than the representation of the project page” (Xu et al., 2014, p. 9). These findings support those of Kuppuswamy and Bayus (2013) and Kunz et al. (2016), who argued that regular updates, particularly by the end of the campaign, increase the chances of reaching the funding goal in how they awaken emotions and excitement from the crowd. Similarly, Antonenko, Lee and Kleinheksel (2014) highlighted the importance of the number of comments that a campaign has, pointing out that intensive communication on a platform together with a prompt reaction to questions, postings of own questions, and provision of frequent status updates had positive impacts on campaign success.

Zheng et al. (2014) argue that in crowdfunding the crowd can easily share their business ideas and expertise, and become a part of the community of like-minded people. Consequently, according to the authors, sharing information with potential backers can effectively involve them in crowdfunding campaigns. Moreover, creating shared meaning provides an efficient way for the campaign creators

to advertise their campaigns. Through crowdfunding individuals who share similar values, such as being supportive towards innovative projects, can be gathered, thus allowing campaign creators to build out of these individuals a strong community which is ready to provide support during their subsequent crowdfunding campaigns (Buttice, Colombo & Wright 2017). Such community develops from intense communication, where exchange of information, feedback, and advice regularly occur between the campaign creator and backers during and after the campaign.

2.6. Use of social media in crowdfunding communications

Studies have demonstrated the importance of posting information on social network sites, such as Facebook and Twitter, for gaining visibility, and a number of scholars have explored the social network community where a campaign creator is embedded (Ordanini et al., 2011). Mollick (2014), for example, found that the range of social networks which campaign creators use during the crowdfunding campaign significantly influence the amount of funding raised. Social networks are considered as crucial elements of crowdfunding campaigns as they let the entrepreneur to easily connect with those who are willing to share the information about the campaign and provide feedback and financial support. These scholars conducted a range of studies on such factors as the formation of social network ties, the number of a campaign creator's followers, and the geographic locations of backers, as these factors have a certain influence on crowdfunding performance (Zheng et al., 2014).

Social media platforms serve as a useful tool for campaign creators who want to reach and establish further new, although weak, contacts. Most of them realize the importance of establishing and linking a large number of contacts on their social media accounts before they officially launch their crowdfunding campaign. Groeger and Buttle (2014) demonstrated that social media websites can work as a valuable tool for word-of-mouth marketing in online infrastructures. Accordingly, the number of followers on social media is perceived as a success factor in crowdfunding campaigns (Giudici, Guerini, & Rossi-Lamastra, 2013). Social media pages and profiles can prove to be invaluable for reaching potential customers within an anonymous but public mass. Moreover, social media channels can improve the quality of interaction, in particular enhancing the potential for messages, direct feedback, and mixed use of nonverbal and verbal interaction forms (Montoya et al., 2009).

As Beier and Wagner (2015) argue in their research, the fact whether social media is used or not is less important than how exactly it is used in detail. Therefore, campaign creators need to develop the communication strategy and decide on the level of activity and cross-linkings of social media channels prior to launching a crowdfunding campaign. This will allow campaign creators to gain further traction that the traffic and reach created by social media channels might offer and achieve their goals, be it raising financial resources, creating publicity for their projects or validating their products.

2.4. Theoretical models

Taking into account high relevance of the interactions between campaign creators and the crowd, it is important to draw on the classical theory of communication. Schulz von Thun (2000 cited in Kraus et al., 2016) states in his model that every piece of information between the sender (in case of crowdfunding it is the campaign creator) and the receiver (i.e. the crowd) consists of four specific parts, which are facts, self-revealing, relationship, and appeal. By applying this theory to the crowdfunding model, it can be argued that problems in communication will result in poor funding results (Fig. 1). Consequently, Kraus et al. (2016) highlights that it is crucial for the campaign creator to send a comprehensive mix of facts, personal information, customer relationship, and the call to action itself as it ultimately determines the success of the campaign.

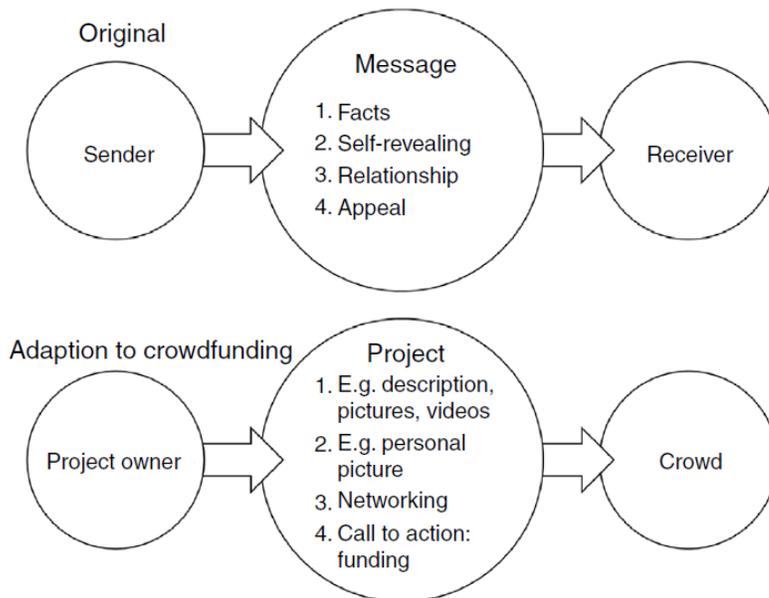


Fig. 1 Theory of communication by Schulz von Thun (2000) and the adaption to crowdfunding by Kraus et al. (2016)

Taking into account the potential effects of campaign creators' motives on the crowdfunding campaign and communication strategies used, the authors of this paper suggest an extension of the model proposed by Kraus et al. (2016). Each campaign creator has specific motive(s) for launching a campaign that may influence both the project itself as well as media channels used to convey the information. As the result, the crowd may receive different messages and through different channels depending on what communication strategy has been chosen by the campaign creator in an attempt to achieve desired campaign outcome (Fig. 2).

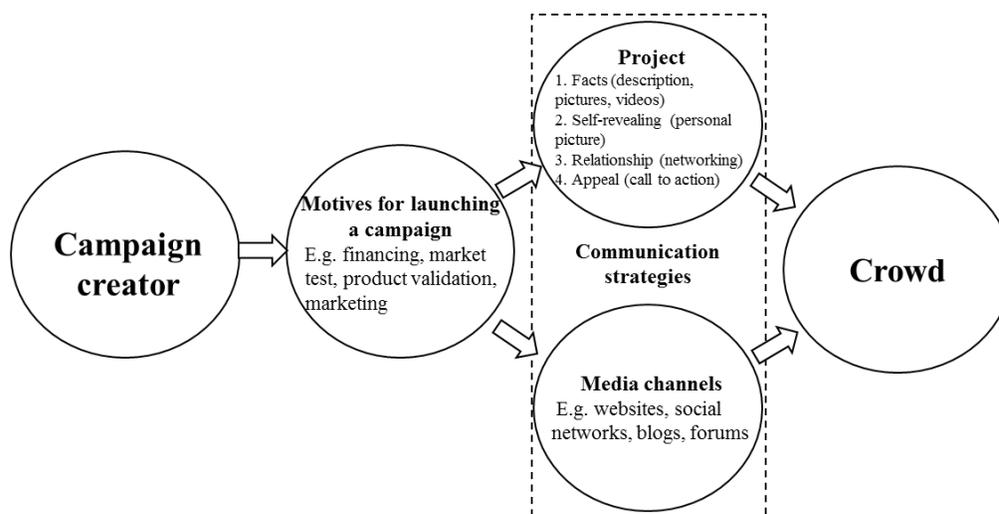


Fig. 2 Extended model of communication in crowdfunding

3. Methodology

3.1. Research approach and design

This paper aims to build a bridge between the academic research done on campaign creators' motives and their communications strategies, exploring the link between these two aspects. Data collected through the research is used to analyze the relationship between the above phenomena, identify patterns and create a conceptual framework. Given the limited research in this domain, no specific hypotheses were proposed so that not to unnecessarily constrain the emergent framework by precisely identifying and operationalizing variables. However, the authors took into consideration data derived from the studies on crowdfunding motives (e.g. Belleflamme, Lambert & Schwienbacher, 2013; Gerber and Hui, 2013; Lambert & Schwienbacher, 2010) and crowdfunding communications (e.g. Beier & Wagner, 2015; Kraus et al., 2016; Zheng et al., 2014). The study was framed with a broad

research question: How do motives behind creating a reward-base campaign affect campaign creator's communication strategies?

As to the authors' knowledge no studies have been conducted on this relationship and, consequently, no theoretical models have been developed, this paper has a more open-ended research approach employing qualitative methods (Bryman & Bell, 2011). The study approach and design is both flexible and reflexive, giving opportunities for a wider exploration and capture of details, and the ability to reflect on these (Maxwell, 2013). Many quantitative research methods do not allow to go into deep level of details, and such aspects as crowdfunding motives and communication strategies are not easily quantifiable and have to be analyzed by collecting qualitative data through interviews. Narratives can become an important aspect of the data as they provide answers on why and how questions, allowing to get deep insights of the phenomena. Qualitative methodology approach is the most suited for this research, as it enables the assessment of opinions, feelings and experiences (Bryman & Bell, 2011). While quantitative studies attempt to collect instances and find relevant meanings from the aggregate, qualitative approach helps with getting insights on the complex interrelationships among different elements by concentrating "on the instance, trying to pull it apart and put it back together again more meaningfully" (Patton & Appelbaum, 2003, p.64).

In order to collect relevant and in-depth information, semi-structured interviews with crowdfunding campaign creators were conducted. Arguably, semi-structured interviews best fitted the research, allowing to collect comparable qualitative data, and structure the findings, map the links and draw conclusions in an efficient way. Importantly, this interview structure provided the researchers flexibility and gave the respondents the ability to share their experiences and thoughts in an unrestrictive way.

In order to avoid errors created by interviewer biases and ensure that data collected is relevant and valid rigorous tools and processes have been implemented. For example, the authors utilized member checking, showing interview summaries to the respondents so that they could confirm data accuracy and clarify the interpretation where applicable, thus increasing the rigor and trustworthiness of the findings via what Leech and Onwuegbuzie (2007) call as descriptive triangulation. Moreover, as recommended by Baxter and Jack (2008, p.556), the authors ensured that the research question was

clearly written and substantiated; study design was appropriate for the research question; purposeful sampling approach had been applied; and data was collected, managed and analyzed correctly.

3.2. Sampling

Several sampling criteria have been established prior to conducting the research in order to get more meaningful data and limit possible biases in data results and analysis. First, Kickstarter campaigns must have reached their funding goal and raised a minimum of \$10 000, thus it was possible to eliminate projects with small financial goals indicating non-serious efforts to run the campaign. A substantial proportion of campaign creators with small funding goals present only an idea or a hobby project with limited entrepreneurial commitment. Such campaigns with easily achievable funding goals can often rely on family, friends and their close network thereby limiting the scope and ambition of their communication strategies.

Secondly, the campaigns originated in Sweden, Denmark, Norway or Germany. This allowed to control for economic, political, institutional, and cultural differences. Thirdly, all campaigns belonged to a technology category of Kickstarter platform, thus enabling to analyze and compare campaigns competing in the same product category and eliminating possible differences in motives and communications between projects from completely different industries. Moreover, campaign creators should have launched their campaigns within last 2 years. These criteria minimized the changes that Kickstarter platform might have had since its inception (as it is constantly redesigned in order to better meet the needs of campaign creators and the crowd) and allowed to minimize memory decay and recall bias of the respondents (Hair, 2015). Finally, all interviewees should have been involved with the campaigns from its inception and played a major role in its preparation, including developing and executing communication strategies.

3.3. Data collection

The main source for the data collection came from semi-structured in-depth interviews with nine campaign creators who had agreed to take part in the research. The interview structure was based on the extended model of communication in crowdfunding outlined in the literature review section. Prior to the interviews, information about crowdfunding campaigns was gathered from Kickstarter platform. First of all, this data included factual quantitative information, such as the number of backers and funds raised. Secondly, more qualitative campaign content (such as product description, videos,

photos, text) was explored, thus allowing to get a better understanding of the campaign and communication style used.

Each interview started with a brief outline of how it would be conducted. Respondents were informed that the researchers had no connection to Kickstarter platform and that all interviews would be recorded in order to ensure the accurateness of the data collected. The interview protocol was divided into four main sections. Firstly, participants were asked to give background information about the crowdfunding project and the team who were involved in it. Secondly, data was collected on the campaign creator's specific motives for launching a crowdfunding campaign. Thirdly, data was gathered about the development, implementation, and outcome of communication strategies (including type of appeals, tools, media channels used, etc.). Lastly, a conversation was focused on exploring if, how and to what extent the campaign specific motives played a role in shaping the communication strategy.

The average length of the interview was between 45 and 60 minutes. All interviews were conducted over Skype or phone due to the geographic distribution of participants. All interviews were audio-recorded as suggested by Bryman and Bell (2011) and summarized for analysis on the same day as interviews were conducted.

3.4. Data analysis

The data analysis of this paper is based on the constant comparison approach which is recommended for identifying underlying themes presented through the data (Leech & Onwuegbuzie, 2007). Thus, the authors read through the entire set of data which was then segmented into smaller meaningful parts and labeled with a descriptive 'code'. With the assistance of spreadsheet software all data was coded and then grouped by similarity with themes being identified and documented. In the first cycle of coding, using interview recordings and summaries, the authors were able to identify broad and various categories of motives and communication strategies, which were developed into concepts that laid the foundation for the process model in the second cycle of coding. Where applicable new categories, uncovered by studies outlined in the literature section, were introduced. Use of constant comparison analysis helped structure the rich in-depth data provided by the interviewees and get a clearer picture of the researched topic. The authors of this paper arrived at their conclusions "by steady steps through

analysis processes rather than a grand moment of discovery” (Richards, 2009 p.143), with the coding of the data playing a crucial role.

The aim of the data analysis is to structure and analyze the empirical data using the extended theoretical model of communication in crowdfunding discussed in the literature review. When performing the analysis of the campaigns, visual constructs were developed in order to facilitate a better understanding and identification of existing patterns and themes. Similarities and differences among the cases were identified, structured, compared and analyzed. The authors of this paper identified the motives of the campaign creators and the communication strategies used in the campaigns and explored the links existed between these two aspects. Moreover, new insights were explored and analyzed that could have contributed to the model or brought completely new propositions.

3.5. Study limitations

The authors of this paper believe that the empirical results and data analysis offer valuable insights and contribute to academic knowledge on entrepreneurship and crowdfunding. Nevertheless, the research’s methodology has a number of limitations that need to be highlighted.

First, all empirical results should be considered in the light of the qualitative and exploratory nature of the research. Reasons and rationale for chosen sample selection were provided and measures were taken to adhere to well-established procedures in data collection and analysis, however this study offers only an inductive discussion of and preliminary insights on the researched issue. There is a value in further research that can extend the findings both in qualitative and quantitative manner. For example, researchers can analyze crowdfunding campaigns that did not reach the funding goal (thus, being regarded as unsuccessful) but that nevertheless might have satisfied the motives of the campaign creator.

Second, this study was focused only on reward-based crowdfunding campaigns and only those set up on Kickstarter platform. While Kickstarter is one of the biggest reward-based crowdfunding platforms, and has been widely used in previous studies (e.g. Kuppuswamy & Bayus, 2014; Mollick, 2014), many other crowdfunding platforms exist that can provide important insights. It is possible that due to differences in design or focus these platforms may be used by entrepreneurs to reach other

goals and/or use different communication strategies. Moreover, if other types of crowdfunding campaigns are examined (for example, equity-based), it might lead to significantly different findings.

Third, this research design does not include data obtained directly from the backers involved in crowdfunding. While the customer perspective is beyond the scope of this paper, it should bring new insights important both for academics and practitioners. There is a need and opportunity for future research focusing on the backer side and investigating how campaign creators' motives and employed communication strategies influence customer's choice to become a backer.

4. Empirical results

The following section gives an overview of the findings of the conducted empirical research. Data from interviews with nine crowdfunding campaign creators is clustered within the themes of entrepreneurs' motives and communication strategies they have employed throughout the campaigns, covering all aspects of the extended theoretical model of communication in crowdfunding presented in the literature review section. In order to highlight certain statements direct quotes from respondents are occasionally used. A brief summary of the campaigns researched is presented in the table (Tab. 1) below (funding achieved was converted to US dollars for easier comparison).

Campaign	Country	Respondent	Motives	Product	Backers	Funding, \$
Pins Collective	Sweden	Olof	Funding Market validation	Digital pin that allows to create, share and wear images and animated gif's	1042	102 066
Teptron	Sweden	Dan	Market validation Funding	Bluetooth controlled motor for indoor blinds and shades	1591	181 852
Mr Beam II	Germany	Sven	Funding Marketing	Desktop laser cutter and engraver	791	1 030 200
Basslet	Germany	Charles	Market validation	Watch-size subwoofer	3720	653 325
The Sound Torch	Denmark	Markus	Market validation Funding	Portable speaker that visualizes music	152	29 303
Tagonce	Denmark	Brian	Market validation Funding	QR luggage tag	1284	43 705
Envavo Heatbuff	Denmark	Emil	Market validation Funding	Infrared short wave heater	554	45 027
Heat Experience	Norway	Emil	Market validation Funding	Heated vest	100	17 957
MovieMask	Norway	Harald	Market validation Marketing	Gadget that gives 2D cinema experience using a smartphone	369	33 397

Tab 1. Summary of the campaigns researched

4.1. Motives and achieved results

This chapter outlines the motives that respondents had when launching their respective crowdfunding campaigns on Kickstarter. In order to put motives in a deeper context and then link them to the communication strategies and their outcomes, a brief description is given whether the campaign creators have achieved desired results and to what extent. Interviews have demonstrated that often campaign creators did not have one clear motive specific to a particular campaign, but rather described several motives with various levels of importance and prioritization. Consequently, two primary or most prioritized motives are identified for most of the campaigns. Where relevant, the views of the campaign creators on other (secondary) motives and campaign outcomes are discussed.

4.1.1. Funding

The majority of participants of the study stated that funding was their main or second main motive for launching a crowdfunding campaign. However, most of them aimed to cover manufacturing costs and deliver rewards to backers with capital raised through Kickstarter rather than get some profit. For example, when planning the campaign, Teptron team took a decision to set the funding goal at SEK 340 000 (around \$38 500) as this sum was assessed as sufficient to pay for the material purchases and certification fees. However, they got more backers than anticipated which made the delivery of the rewards more difficult as they had to ship higher volumes of the product which they had not prepared for in terms of cash flow. In addition, Teptron put a low price on the product as they did not plan to make big profits as a result of the campaign: *“We simply wanted to realize our break-even through the campaign, pay for the first batch of deliveries and get a market validation and valuable customer feedback”*.

Emil, the creator of Envavo Heatbuff campaign, stated that for him money served as the proof of concept. It was his metric to justify that there was a market for the product and therefore funding was an important goal. However, the main focus was put not on raising the highest amount of capital possible but more on market validation, customer feedback and creating a strong community of ambassadors and early adapters.

For MovieMask, on the other hand, funding was not one of their motives since they already had a good cash flow. Similarly, Basslet received seed round investments a year prior to the campaign and

did not launch it to raise capital. Both of the respondents stated that they perceived funding only as ‘an extra bonus’ and a good resource to cover variable costs.

4.1.2. Market validation and product feedback

Interestingly, all campaign creators participating in the research except Sven from Mr. Beam II stated that market validation and getting product feedback was the biggest or one of the biggest motives for launching a campaign. Mr. Beam II case was exceptional since it was their second campaign where they introduced a new version of the laser engraver. They already had market validation and product feedback from the first crowdfunding campaign and launched the second because their backers and people following the first campaign asked for an improved version of the product.

Tepron team did not have a fully developed product and therefore strived to have a validation from customers before investing more of their time and resources into the product. Moreover, they wanted to get an estimation of the customer demand in volumes. Thus, they were aiming at getting both qualitative feedback based on customers’ reactions and quantitative feedback based on pre-order numbers. The campaign helped them to better define key customers and most importantly the pains that the product was able to solve. In addition to better segmenting their audience, it made Tepron realize which customers were most interested in the product, thereby better understanding how to invest time into customer communication and relationship building. As an example, many B2B companies communicated their interest which motivated the team to add more features to the product and be more ambitious.

Heat Experience campaign creators wanted to know whether they were able to pre-sell their product, thereby getting evidence that there was a market demand. Furthermore, a successful campaign would add credibility to the company in the eyes of the third-party actors. Indeed, they were backed by Norway Innovation after the campaign. Moreover, Heat Experience highlighted how the campaign helped them to redefine their target audience: *“we started the campaign by targeting outdoor customers, however later on we found out that the highest conversion rate came from the hunting community which was then prioritized”*. The campaign helped the team to find their niche market and as a result make a better use of marketing budget, as well as to think about product features with ‘hunter’ value proposition in mind.

Before starting the campaign Pins Collective team made an agreement that if they do not get support from the crowd, they would have closed down the project. Getting early-adopters through the campaign was perceived as a measurement that there was a market for their business idea. Consequently, all their communications were done with the objective to expose the product to a large audience in order to achieve the funding goal and to get an objective market validation. Similarly, for Tagonce Kickstarter served as a platform to test if people wanted to buy the product and see if there was a viable business model. While the campaign creator did not expect to receive crucial feedback about the product as its features were already well thought through, he still wanted to test the market's responses for the developed features.

The creators of Envavo Heatbuff, on the other hand, were really interested in getting customer feedback about the product. They were unsure about the LED feature and therefore asked the crowd to provide feedback about it. In addition, they strived to get comments on their pricing model. For example, firstly they wanted to price their product at DKK 300 (around \$45), however as a result of customer responses they decided to increase the price significantly. As Emil said: *“The advantage is that you get feedback from backers who have pre-ordered the product and they are therefore engaged and offer quality feedback related to a specific pricing.”*

4.1.3. Marketing

Only the creators of MovieMask and Mr. Beam II campaigns had marketing as one of their primary motives. Since the company behind MovieMask was already selling the product in Norway, the team wanted to use Kickstarter as a marketing platform in order to gain bigger customer attention and brand exposure, and obtain national press coverage. Mr. Beam II team decided to use Kickstarter to market their new product as they had very limited marketing skills and experience and therefore tried to build on the success of their first campaign.

Other respondents, although not perceiving marketing as a factor that made them launch a crowdfunding campaign, admitted the role of Kickstarter and other crowdfunding platforms as a marketing tool. Teptron team, for example, appreciated marketing opportunities, believing that many established companies check crowdfunding projects and may consider becoming B2B customers. Moreover, they were interested in getting media exposure in order to reach a mass audience of

individual customers as they represented the best margins. However, Tepron allocated zero budget for marketing efforts and were not specifically focusing on it.

Emil from Heat Experience stated in the interview that he learned a lot about marketing during the campaign. Initially he was focused on the market validation of the product and therefore was not ambitious enough in promoting the product and business. However, once the campaign was finished, it became clear that he missed marketing opportunities that a campaign brings when it is prepared adequately: “...*even with products that are not yet finished, it can only be beneficial to confidently market the product and its value propositions*”. Overall, Emil argued that he should have taken more advantage of the fact that Kickstarter enables to market a product even if it is still in the prototype stage.

Brian from Tagonce, however, had a very different view. Contrary to all other campaign creators, he did not feel that Kickstarter was a useful tool for marketing. He argued that it brings value only during the period of the campaign, and is not a lasting tool unless the campaign is lucky enough to get very big media follow or viral effect. According to him, “*[Kickstarter] is a great platform to get a lot of concentrated exposure during a month, however after that it dies out and it is hard to convert a large crowd into loyal supporters*”. Brian had not put much efforts into marketing during the preparation and execution parts of the campaign and commented that he was interested in making good products, but not in marketing and communicating them.

4.1.4. Community building

None of the respondents cited community building as their initial motive for creating a Kickstarter campaign. Pins Collective team felt that it was too tiring and was too hard to get backers who would be committed in a short period of time. They argued that there was too much competition for the backers’ engaged attention and therefore the effort invested would not pay off. In accordance with Brian’s (Tagonce) view that ‘a good product will sell itself’, he did not put any emphasis on the community-building around his product and campaign. He was simply focused on getting enough supporters to achieve the funding goal and validate the product. The Sound Torch also did not focus on community building, but for a different reason. The founder planned to sell the product to other companies and therefore did not feel that creating a loyal community around the product was something important.

Teptron team started to build-up their community during the three weeks of campaign preparation and their social media channels only a day before the campaign launch. According to their experience, “*it is difficult to build a community – it demands a significant amount of communications with potential backers and has to be consistent*”. As the team was at an early-stage of the product development, the community building was not their priority. They did not want to have the responsibility of communicating to a large audience of engaged backers yet and the most important aim was to validate the demand for the product and to deliver the rewards to the backers with the collected funding. Teptron decided to dedicate their attention to early-adopters and not be too ambitious about building a large community.

Harald from MovieMask had similar attitude as other respondents towards community building at the beginning of their campaign, arguing that they were not focused on community as their main goals were to get into retail stores, boost sales for the Christmas season by getting national media coverage and create greater business legitimacy. In retrospect, however, he stated that: “*building a community is an important part of the business and we did not do enough of it for this campaign, especially with the international community*”. For example, he argued that they should have been more active with content creation in social media eco-system.

Among respondents only Envavo Heatbuff campaign creator had an ambition to create an engaged community of early adopters, although it was not his primary motive for launching the campaign. In one of the campaign rewards, for example, he offered the possibility for backers to participate in a co-creation activities called ‘beta feedback panel’. He wanted to create a small community of product ambassadors who would test the product and give him feedback before the rewards would be delivered to all backers and new customers.

4.2. Communications

This chapter outlines communication strategies employed by campaign creators. The findings are grouped according to the themes identified as the result of the interviews, taking into consideration previous research on communication outlined in the literature review section. In order to provide a better context, the chapter starts with a description of time and effort invested by campaign creators in preparing and executing communication strategies.

4.2.1. Time and effort invested

Interviews with campaign creators demonstrated that they had different views on how much time and effort was needed in order to make necessary preparations for all communications required for the campaign. As the result of different skills, experience, resources available and communication strategies employed, the time allocated for preparing for the campaign ranged between three weeks and four months.

Most time was invested by Pins Collective, who spent four months of full-time preparation before they launched a campaign. They even had to postpone the campaign for a month prior to their initial launch date in order to listen to the feedback from their friends and colleagues, and adjust the campaign accordingly. While MovieMask spent two months in preparation for the campaign, Harald argued that he should have allocated more resources to it. He underestimated the work behind creating an international media strategy to get mass audience exposure and as result had not fully achieved the results he was hoping for. The Sound Torch team also took around two months of full-time preparation, however the founder argued that with the campaign's learning curve, he could have done it even within one month timeframe. He however consents that working with a group of people from independent network of world entrepreneurs had helped him a lot when brainstorming what content should be created for the campaign.

According to the interviews, Teptron and Heat Experiences spent less time than any other respondents preparing for the campaign (3-4 weeks). They argued that having a very good team structure with everyone managing clearly defined separate tasks helped them to prepare everything needed in a relatively short time.

4.2.2. Content

The majority of interviewed campaign creators did content preparation in-house, having limited budget to outsource it. Nevertheless, many of them, like Pins Collective and Heat Experience sent the content to different entrepreneurs in their network in order to get feedback and incorporate it before the campaign was launched.

Campaign creators employed different strategies when developing the content, trying to stand out from many other campaigns created on Kickstarter and attract public attention to their products. The

approach behind Envavo Heatbuff content creation was to entertain the audience instead of over-selling the product and its features. One of the campaign creators had a lot of experience in content marketing and was confident in his ability to develop something that would draw interest. Moreover, the prototype was not entirely ready and therefore having a creative story around the product helped to grab people's attention without the need to expose too much of the product itself and its features. In addition, the team aimed to place the potential backer in the product context and make the video relatable to any gamer by *“not presenting the product but making the backer use the product, be a part of it and take ownership of it”*. Campaign creators also made a decision to create and communicate all content in a laid-back manner and stayed away from being too official. Their manner was well perceived by the audience and led to additional interactions and better conversion rates.

Teptron team, on the other hand, tried to make their content simple and minimalistic. Besides the main introduction video, they also produced many 'story-telling videos' where they presented usage of the product in different contexts. They wanted their campaign to be filled with content during the entire time it was running, aiming to communicate momentum and a sensation that it was alive and doing well. In general, Teptron team believes that content is key. Even though none of the team members had worked before in content marketing, they tried to deliver the best results, expressing the personalities in the team in a simple and authentic manner.

Some campaign creators, however, such as Sven from Mr. Beam II and Charles from Basslet, stated that they looked at and analyzed other successful campaigns and heavily relied on Kickstarter guide on how to create good content that would attract the public. As Sven stated: *“We are engineers and tech guys, we are not good at marketing and communications. We checked Kickstarter guidelines and did everything according to them”*.

4.2.3. Crowdfunding platform

Most campaign creators found Kickstarter as an effective marketing and communication platform that allowed to present the product and attract public attention. Pins Collective, the Sound Torch, Mr. Beam II and Basslet campaigns were featured in “Projects we love” section of Kickstarter, thus getting additional exposure and interest from crowdfunding community. Olof from Pins Collective argued that getting top 4 position out of 800 campaigns at that time significantly helped him to draw a lot of

exposure and high number of backers. Moreover, Kickstarter was pushing such campaigns through their Facebook group and newsletter which also contributed to the campaign awareness.

For Tagence the majority of the backers also came from exposure on Kickstarter. Despite not focusing much on communication strategies, Tagence was ranked in the top 20 of successful campaigns in the technology category. Indeed, as the ranking is based on the number of people supporting the campaign Brian let the campaign grow in momentum by itself and did not do anything specific to further boost the number of backers: *“If you’re in the top of the landing page, you don’t have to do that much, it happens by itself. As the exposure grew, I actually had the most backers in the end of the campaign.”*

Tepton also gained most backers from Kickstarter community and much less from external channels. During the preparation, the team decided to create the best momentum possible after launch by either relying on media strategy with mass exposure or consistent content creation on the campaign page. Even though they executed both approaches, the best return on investment was from the content creation. According to Tepton creator, in order to be noticed on Kickstarter it is necessary to land on the first page in your category section; although of course landing on Kickstarter’s main page would mean even greater exposure and higher chances of getting a successful campaign.

Envavo Heatbuff and Heat Experience, however, had different experience. Envavo Heatbuff did not find Kickstarter as a useful marketing or communication platform. The campaign did not get much exposure on the platform despite having good video and a high conversion rate, and as a result only about 15% of the backers came from Kickstarter community. Similarly, Heat Experience acquired only three backers from Kickstarter community at the beginning of the campaign, while the media strategy and communications efforts outside of the platform allowed to reach 30% of funding goal in two days.

4.2.4. Media and press

In their development of media and press strategy campaign creators adopted diverse approaches. Although creating photo and video content themselves, Pins Collective used a PR company to help them with media and press coverage as they did not think it made sense to cold-email journalists who in general are overloaded with information. The team felt that hiring professionals was a really good investment as the company did not charge much and did a good job, facilitating the appearance of

around 100 articles written about the campaign. This view, however, was not held by all respondents. Brian from Tagonce, for example, did not prioritize media and press coverage at all during his campaign and as result it received very limited media attention.

Most campaign creators, however, tried to work with media themselves, although having different strategies in doing so. Creators of Envavo Heatbuff had an ambitious media strategy with a lot of effort put into executing it. They invested time into finding personal emails of journalists they wanted to target and prepared three different stories about the campaign which the journalist could write about. By diversifying the stories and offering different topics (all linked to the campaign), the campaign creators tried to increase the chances of finding the journalists' area of interest and, thereby, getting their attention. This approach enabled them to get significant amount of media and press coverage, receiving a mass exposure during the campaign through such channels as Mashable, The Telegraph, and PC Gamer. Getting attention from a big media source encouraged smaller sources to follow and share the story as well, thereby giving even bigger publicity.

The Sound Torch founder similarly spent a lot of effort in developing his communication strategy. He contacted more than a hundred of bloggers and owners of relevant websites, sending them a message explaining that he would give them more information on the product if they wanted to make a post about it on the day of the campaign launch. This approach worked well and the campaign acquired many bloggers ready to write about it. However, a week before the launch one of the bloggers made an article about the product and gave a link to the website. Although it resulted in a great viral effect, at that moment the only working channel was the website with newsletter subscription which grew from hundreds to thousands of subscribers. Since the Kickstarter campaign had not been launched yet, Markus argued that he had lost a lot of potential backers and the momentum: “...*once I launched the campaign, I had difficulties with funding it because of the lost traction from the early viral effect*”.

Once Heat Experience had narrowed down their product value proposition (tech, gear and outdoors) and its target audience, they decided on their media strategy. First of all, they researched for contacts of journalists and bloggers writing in the corresponding field. Then they sent emails about the product and campaign to every identified contact, reaching around 150 writers and getting five positive replies. As the result, an article was published at GearHunter, providing good media exposure with a high conversion rate. This media strategy proved to be the cheapest and most efficient way for Heat

Experience to communicate with potential customers. Heat Experience creator highlighted that they had a person in the team who had previous experience in writing press-releases, and without him they would have sought for external help and guidance.

Directly contacting different journalists and bloggers did not work, however, for MovieMask. Despite having big ambitions for international press coverage in their communication strategy, MovieMask did not get the exposure that they had expected and hoped for. While they are not sure why it did not work as planned, they argue that they gained valuable experience in writing press-releases and were able to identify their weak spots, such as low networking skills with journalists and international media as well as limited participation in conferences and network events.

4.2.5. Social networks

Similar to their media and press communications, the Sound Torch made significant preparations for social network communications. For example, Markus used Thunderclap platform that allowed him to sign an agreement with his friends and relatives to start posting the campaign link on their Facebook pages on a specific date. This strategy allowed him to have the campaign appear on hundreds of Facebook newsfeeds simultaneously. Moreover, this strategy worked well in combination with his agreement with bloggers, resulting in a viral effect and creating wide public awareness for several weeks. The Sound Torch team also attempted to do Facebook ads that did not bring many backers but helped them to better define the target audience. As Markus stated during the interview, *“Facebook ads definitely helped us to find our key customer target. Hard metal fans had the highest conversion rate instead of electronic enthusiasts as I had initially thought.”*

Envavo Heatbuff used social media channels in order to create an email list of 1800 subscribers. 70% of them came from Imgur (online image sharing platform) and the rest came from a big Facebook entrepreneur group in Denmark and a Counter-Strike group with 30 000 members. In both groups their post was the most liked one on the page which made it to stand-out and capture the members' attention, generating good traffic and subscription to the newsletter list. In order to build up the excitement about the launch and keep the subscribers engaged, the project creators made several posts and sent a number of emails during the preparation stage leading up to the launch.

Other campaign creators, however, enjoyed less success with their social network communications. Pins Collective, for example, felt that their Facebook ads did not bring much traffic, while Instagram had a low conversion rate. Moreover, they experienced difficult time creating public awareness as it was hard for them to clearly explain the product and its value proposition through social media content. In case of Heat Experience, Emil admitted that they were not prepared enough and as the result social media reach was not great. The best exposure within their social media eco-system were the Facebook ads. Having previous experience working with Facebook ads helped the team to spend the budget efficiently, investing around \$700 with relatively good results. Teptron, on the other hand, admitted that they did not have social media strategy and as a result created social network accounts only the day before the campaign launch. Consequently, their reach was limited despite the attempts to regularly post about the campaign progress.

5. Analysis and Discussion

Information from in-depth interviews allows to get a better understanding of the phenomena and provide insights on the relationship between certain elements in crowdfunding campaigns outlined in the extended model of communication in crowdfunding. Due to the explorative nature of the study and qualitative data gathered on limited number of crowdfunding campaigns, it is not possible to establish correlations or state with any confidence that there is a cause-effect relationship between certain motives and communication strategies. Similarly, it is difficult to argue that empirical results from nine crowdfunding campaigns analyzed in the study are representative of all reward-based crowdfunding campaigns or at least of those belonging to technology category. Nevertheless, the data analysis offered below contributes to the developing field of research on crowdfunding and suggests some practical implications.

5.1. Campaign creators' motives

Interviews with campaign creators demonstrated that they had clear goals and understanding of what exactly they wanted to achieve by launching a campaign on Kickstarter. All respondents were able to explicitly state their motives and rank them in terms of priorities. Consequently, they were able to reflect and analyze whether they reached their goals, to what extent and whether there had been some additional benefits they got from the campaign that they had not originally planned for.

5.1.1. Combination of motives

In the study, all campaign creators except Charles from Basslet had more than one motive that led them to launch a campaign. All of them had a good understanding about potential benefits that crowdfunding could bring which allowed them to make an informed decision to launch the campaign, being driven not by one motive but rather a combination of different benefits that could be achieved if their campaign is successful. Campaign creators recognized that some of the potential benefits were more important in their situation (such as market validation) and therefore prioritized them, however at the same time they also invested time and efforts in order to achieve other, less crucial but still relevant outcomes out of the campaign (such as increased brand awareness). This combination of primary and secondary motives was highlighted by respondents throughout the interviews and to a great extent affected how the campaigns had been developed.

These findings are in line with those discussed by Lambert and Schvienbacher (2010), who in their survey found that campaign creators were driven by a mix of motives: getting funding was relevant for every respondent, publicity – for 85%, and customer feedback about the product – for 60% of respondents. Nevertheless, some articles on crowdfunding do not sufficiently explore this aspect and overlook the importance of the combination of motives behind creating a crowdfunding campaign.

When discussing campaign creators' motives, it is important to note that generally in order for a campaign to be considered successful it should reach its funding goal. While campaign creators define the funding goal themselves prior to launching the campaign they cannot later change it and therefore have to raise a declared sum, otherwise Kickstarter platform will mark the campaign as unsuccessful and money will be returned to backers. Most of the respondents had the following primary motives: getting funding and validating the market, that in practice again meant raising enough capital and attracting a high number of backers. For example, the motive behind launching the Sound Torch campaign was to raise money to cover manufacturing costs and get market validation since the product was at an early stage of development with no ongoing sales. According to Markus, funding and market validation both go together and they should not be considered separately. He feels that getting funding is at the same time a market validation that the public has interest in the product.

This interlink between funding and market validation was evident throughout the interviews. For most of the campaign creators raising funding was seen firstly as a means to cover production and deliver

rewards to backers, and secondly as a proof that there is a market demand for the product. Thus, in financial terms crowdfunding was used not as a source of profit but rather as a way to reach other goals without spending own capital.

5.1.2. Unplanned benefits of crowdfunding campaigns

It is also necessary to highlight that sometimes campaign creators might not realize all of the potential benefits coming from a crowdfunding campaign and find out about them only in the process of running the campaign or even long after the campaign is finished. For example, as a result of their campaigns, many respondents were able to identify their main target audience and better understand the customer profile, although it was not something that they specifically planned or focused on when launching the campaign. According to the Sound Torch creator, their content aimed primarily at B2B customers and electro music fans, however, as the result of the campaign they realized that the main customers were fans of hard metal. For MovieMask realization was that campaign provided valuable opportunities for building a community around the product that they should but have not fully utilized. Emil from Heat Experience had similar reflections stating that for a new crowdfunding campaign he would start building a community six months before the campaign launch and focus on explaining the objectives of the campaign to the community, making them part of the preparation and including them in the co-creation of the value proposition. Heat Experience case follows the findings of Gerber and Hui (2013) who argued that entrepreneurs who build a community around the product have better chances of crowdfunding success, but they often do not realize the importance of growing this network of supporters prior to launching the campaign.

5.2. Campaign creators' communication strategies

Campaign creators were able to provide valuable information on the marketing and communication strategies they had developed for the campaigns, which were characterized by various content and tools employed. Not only were they able to reflect on how these strategies helped them to reach their aims but also explain why they had chosen one approach rather than another.

5.2.1. Mix of communication tools and channels

No campaign creator relied only on one particular type of content or communication channel, but rather tried to use a mix that would allow to achieve desired outcome even if some communications

fail or prove to be inefficient. These findings are supported by Alfiero et.al. (2014) who argued that considering a number of different communication tools available they are often integrated with each other, thereby allowing to fully capture customers' attention.

It is important to note that even when employing same communication channels, campaign creators used different approaches and techniques. Decisions on communication strategies took into account both the content itself and style/tone of communication as well as the tools and channels to be used to distribute the content. This ranged from creating an ingenious video introduction in a form of a first-person zombie shooter to purposefully connecting with Kickstarter managers and visiting their headquarters or sending hundreds of cold emails to journalists and bloggers.

5.2.2. Informational and emotional content

All campaign creators participating in the interviews have put considerable efforts in developing the content for their campaign page. Analysis demonstrates that most of them tried to both provide relevant information as well as interact with the crowd emotionally and socially, affecting them on a relational level. Both these types of content influence the decision of potential customers to support the campaign (Beier & Wagner, 2015).

Kickstarter platform provides a standardized structure that campaign creators need to follow, providing certain type of information, such as introduction video, pictures, product description, milestones achieved and future plans. Many respondents highlighted that in order to get insights into what information should be presented to the crowd they heavily relied on 'Creator Handbook', a guide offered by Kickstarter to help campaign creators to prepare for the campaign. Olof from Pins Collective even stated that as a campaign creator he could sense that launching a Kickstarter campaign was starting to get more and more standardized with blueprints for successful practices.

There is, however, much bigger variation among emotional content. Many respondents provided examples how they tried to influence potential backers on a relational level, sending emotional messages. This approach allowed to create deeper social relationships as backers develop trust and better understanding of the campaign creators (Beier & Wagner, 2015). Respondents felt that they needed to come up with an individualized and personal approach and design in order to stand out from other projects and attract the crowd's attention. Thus, Teptron made a strategic decision to

differentiate themselves with a more humanized content, employing story-telling and creating a video which aimed to be simple, easy to understand, and fun to watch. Similar thoughts were behind Envavo Heatbuff team, who created introduction video in a form of a first-person zombie shooter, arguing that this original way to present the product was something that any gamer could relate to. As researchers argue, more personal and emotional transfer of information from the creator to the crowd by the means of rich forms of media communications (such as videos) result in better chances of campaign success (Beier & Wagner, 2015; Kuppuswamy & Bayus, 2013).

5.3. Relationship between motives and communications

Careful coding of interview data provided evidence supporting the assumption that there is a link between their motives and communication strategies. This link can be segmented in several ways.

5.3.1. One-way communications

In order to attract public attention all campaign creators used communication strategies that allowed them to instantly reach a high number of people, without necessarily a need to establish two-way communications. Although using somewhat different methods and channels, all respondents employed this approach aiming to satisfy the motives that did not require many interactions with the crowd, such as funding, marketing and market validation. The majority of campaign creators turned to media and press, contacting journalists, bloggers and popular websites in an attempt to have articles published about their product, thereby drawing attention of thousands of people. The best example here is Envavo Heatbuff team who sent 3000 emails to journalists over 4 days, resulting in Mashable (digital media website) creating their own video about the campaign that had more than 200 000 views. In total Envavo Heatbuff campaign was mentioned by around 250 media platforms globally which allowed them to create a big international exposure, reach their funding goal in the first day of the campaign and validate the market demand.

Another strategy adopted by the campaign creators to reach a high number of backers was creating ads on social networks. While less popular than approaching press and media due to greater costs, it was still a viable option for those who were satisfied with one-way communications with customers. Thus, it was an optimal strategy for Basslet: the team was less limited with their resources compare to other campaign creators and they were not planning to include customers in a co-creation process as due to technology limitations they would not be able to change the product's features. In their

communication strategy Basslet heavily relied on Facebook ads, Google ads, and Youtube pre-roll ads, using it before the campaign launch in order to gather email list of potential customers and during the campaign in order to get people to back it.

5.3.2. Two-way communications

Some of the campaign creators, however, required mutual interactions with the crowd as they wanted to get qualitative feedback for market validation, not satisfied with quantitative metrics of capital raised and number of backers attracted. They aimed to find out the crowd's opinion about the product and its features, involve them in a co-creation process and better define the customer profile. Here campaign creators had to employ different strategies that allowed for more personal and interactive way of communications. For Envavo Heatbuff, for example, one-way communications were not enough to satisfy their motives, as they were also very interested in getting customer feedback about the LED feature and pricing strategy which required interactions with backers. Consequently, Envavo Heatbuff communication strategy included the opportunity for backers to participate in a co-creation activity called 'beta feedback panel', where a community of ambassadors was developed who would test the product and give feedback before the product was delivered to other backers. In addition, the team heavily used social networks, interacting with potential customers at two big Facebook groups. This fact is in line with Montoya et al. (2009) findings that social media channels can be used to obtain direct feedback and sustain high quality interactions with potential customers.

Teptron described how they felt that it was absolutely necessary to be proactive and engage with the crowd. They answered to around 4000 messages and comments they got after the campaign launch, which helped to create a strong trust and appreciation within the community of the backers, receive valuable qualitative feedback about the product and validate the market. Moreover, it helped to better understand their key customers and the pains that the product was able to solve.

Although two-way communications with the crowd was not something that Markus was focused on in the Sound Torch, he argued that reflecting on his current experience he would prioritize it for the next crowdfunding campaign, aiming to build a community around the product. Thus, he would completely change his communication approach and livestream the preparation and execution of the campaign, enabling interactions with the target audience and providing rich customer feedback. With

this approach, he would create a pre-launch community where people would feel that they are part of the process.

5.3.3. Combined communications

Finally, some of the communication tools and strategies allowed to satisfy all motives of the campaign creators, enabling both a wide reach and more personal interactions. One of such tools is Kickstarter platform itself. Nowadays crowdfunding sites act not only as platforms for creating crowdfunding campaigns but also accommodate a large crowdfunding community and, as Beier and Wagner (2015) argue, serve as special types of social media channels allowing social interactions and online connections between campaign creators, backers, and the general public.

A campaign that is featured on Kickstarter's main page has much more chances of getting higher number of backers and greater funding (Qiu, 2013). Many respondents described how Kickstarter gave them big exposure by putting their campaigns on the main page (Basslet), top of technology projects page (Teptron) and/or giving them a status of "Projects we love" (Pins Collective, the Sound Torch, Mr. Beam II, Basslet). Some even contacted and networked with Kickstarter staff in order to ensure that their campaign is promoted through all channels that the platform has. Basslet team, for example, heavily interacted with Kickstarter staff (well beyond standard support questions) and as a result has been featured on Kickstarter's main page, newsletter, and social networks. Consequently, more than 50% of backers for Basslet came from Kickstarter community. This ability of Kickstarter to attract backers is important as Gerber and Hui (2013) in their research found that one of the factors that deters entrepreneurs from using crowdfunding is that they do not believe that crowdfunding platforms will help to attract a number of backer required for a successful campaign.

At the same time, 'updates' and 'comments' sections on the campaign page on the crowdfunding platform as well as the ability to write a direct message to campaign creators and backers provide invaluable opportunities to directly engage with the crowd, send important communications and receive rich qualitative feedback. According to Brian from Tagonce, two-way interactions with backers and frequently updating the campaign page is the key to successful crowdfunding. It was his second crowdfunding campaign and the first one failed because of "*not communicating enough with backers and doing too few updates*".

5.4. Influences on motives

When analyzing empirical results, several factors were identified that affected campaign creators' motives. First of all, the authors of this paper suggest that the fact that all products belonged to technology category was one of the reasons why most campaign creators had market validation as a primary motive. Since most campaign creators offered completely new products unknown to the market they required a proof of concept and positive response from customers. For campaigns related to, for example, fashion, film or art categories, the situation and, consequently, motives might be different.

Secondly, findings suggest that motives are affected by the product stage of development. Respondents who had their product still at an early prototype stage wanted to get market validation in order to become confident that there was a demand for such product and its development should be continued. Those with more finalized products, on the other hand, were motivated to get brand exposure and attract potential customers.

Thirdly, access to capital clearly played a role in respondents' motives. The majority of them stated that they did not have enough resources to cover manufacturing costs and therefore launched the campaign in an attempt to acquire such resources. Only MovieMask and Basslet teams did not have funding as their primary motives as they already had capital from prior investments.

5.5. Influences on communication strategies

The analysis demonstrated that while communication strategies employed by campaign creators were influenced by their motives, it was not the only factor. In fact, there seemed to be a combination of factors that to a different degree had influence on campaign creators' decisions behind choosing certain content and communication channels. First of all, unsurprisingly these decisions were affected by campaign creators' awareness on available communication channels and tools. Their choices were guided by their knowledge (for example, only one respondent made use of Imgur platform) and some of them only later found out that they missed some valuable opportunities, such as networking events.

Secondly, findings suggest that many campaign creators take into account their team skills and expertise when developing communication strategies. Having a certain experience in using social networking services the creators of the Sound Torch and Envavo Heatbuff incorporated these channels

into their campaigns, while others either did not use social media platforms at all or deprioritized them. Tagonce and Mr Beam II teams, on the other hand, consisted only of engineers with very limited communication skills and therefore they mainly relied on Kickstarter platform.

Thirdly, resources available were a distinct limiting factor highlighted by every campaign creator. The popularity of sending press releases to mass media was determined by the fact that it was a relatively easy task that did not require much time and, most importantly, financial resources. For this reason, only campaign creators who had a marketing budget were able to do social media ads to promote their projects. This factor was most evident in the case of Basslet, who had prior investments and was the only campaign that heavily utilized Facebook ads, Google ads and YouTube pre-roll ads. Thus, when exploring communication strategies used in crowdfunding it is important to consider them not only in relation to campaign creators' motives, but take into consideration other factors.

5.6. Updated model of motives and communication in crowdfunding

Taken into account the analysis of empirical results, the authors of this paper propose an updated model of motives and communication in crowdfunding (Fig.3).

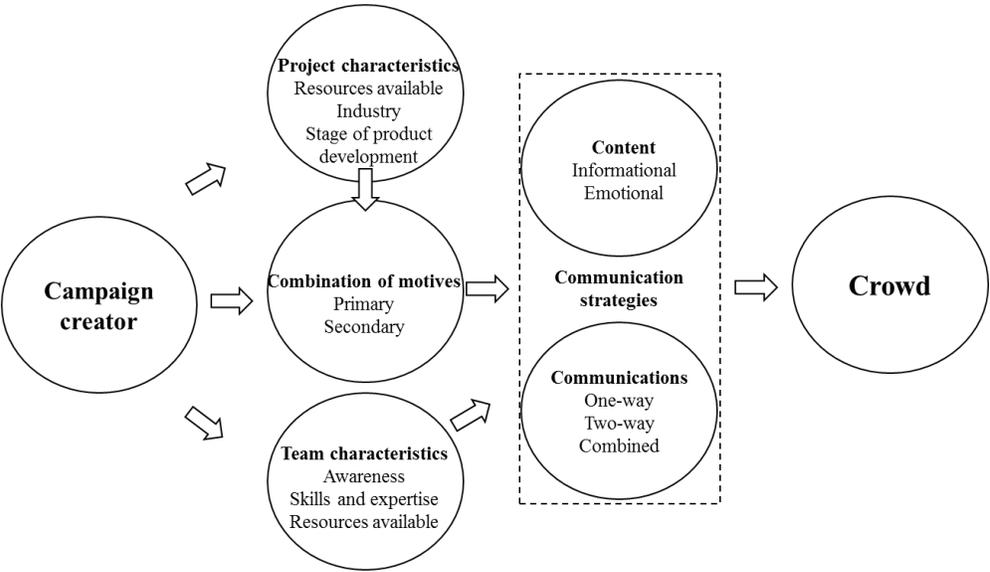


Fig. 3 Updated model of motives and communication in crowdfunding

This model provides a more comprehensive picture of factors and their links influencing crowdfunding campaigns. By applying this model both academics and practitioners are able to see what needs to be considered in order to understand how communications are created and sent by the campaign creator to the crowd. Not only communication strategies are affected by team characteristics

and campaign creator's motives, but motives themselves are developed under the influence of the characteristics of the project/product. Misalignments between these factors may lead to poor choice of communication strategies and, consequently, unsatisfactory results of the campaign.

6. Conclusions and implications

Academic literature on motives and communications used in crowdfunding campaigns is rather limited. To the authors' knowledge no research has been done exploring the links between the motives of campaign creators for launching crowdfunding campaigns and their choice of communication strategies. This study sought to build on existing scholarly research and target the grey area in academic literature and examine such links.

The study validates the findings of Lambert and Schwienbacher (2010) and Gerber and Hui (2013) and highlights that many campaign creators have a combination of motives that they want to satisfy with the campaign. Moreover, the motives can be divided into primary – those that in fact drive entrepreneurs to launch a campaign, and secondary – those that are perceived by campaign creators as less important.

In this research funding and market validation were two most dominant motives that the authors attribute to the fact that, firstly, respondents developed technological products that were new to the market, and, secondly, they had to cover manufacturing costs in order to deliver the rewards. The authors propose that the combination of motives might be dependent on a number of campaign characteristics, such as project industry, stage of product development, and resources available, and suggest that new studies should be conducted in order to explore how various characteristics affect the prevalence of specific motives among campaign creators.

This research has also demonstrated that instead of relying on one specific communication tool or channel, campaign creators tend to develop a strategy that incorporates a combination of communications. This may be particularly evident when they have several motives that require achieving various outcomes, both in quantitative (e.g. number of backers and capital raised) and qualitative forms (e.g. customer feedback). Thus, relating to the research question, the authors argue that the choice of communication strategies is directly influenced by the motives that campaign creators have and outcomes they want to achieve as the result of the campaign.

The study findings contribute to the question raised by McKenny et al. (2017) on the content and communications used in crowdfunding. Campaign creators use both informational and emotional messages in order to increase the impact they have on the target audience. Patterns have been identified and a link has been proposed that explains the use of different communication approaches depending whether a campaign creator requires to reach a wider audience or get involved in meaningful interactions. Thus, communications can be segmented into one-way, two-way, and combined communications.

Campaign creators who have motives that do not require interactions with the crowd tend to focus on strategies that provide one-way communications as they allow to reach higher number of potential customers. Thus, entrepreneurs who are motivated to achieve funding goal and do a market validation (in terms of number of people who became interested in the product and backed the campaign) are more likely to focus on media and press coverage. Those who want to receive qualitative product feedback, involve backers in a co-creation process, or build a community around the product, choose to use channels that allow for two-way communications with customers, such as social networks. Combined communications, such as the crowdfunding platform itself, may, arguably, satisfy the needs of campaign creators with any motives.

It is necessary to highlight the importance of the crowdfunding platform as it is often used as a tool that may satisfy both needs – share information with a large number of people as well as provide a place for discussion between campaign creators and potential customers. Since success of crowdfunding platforms depends on the active and engaged participation of both creators and backers, it is of practical importance for the platforms to understand how to best satisfy those needs.

In addition, the analysis suggests that the choice of communication strategies is influenced not only by campaign creators' motives but also by other factors. Such factors include awareness of the campaign creator or any member of the team of communication tools and channels available, their skills and experience in using them as well as the availability of resources (both in terms of time and finances). Consequently, even campaign creators who have similar products and same motives might develop communication strategies and run the crowdfunding campaign in very different ways.

As a result of data analysis and taking into account previous studies on the subject, a theoretical model has been proposed aiming to map the links and provide a clearer picture on campaign creators' motives and communications in reward-based crowdfunding. Both academics and practitioners might benefit from further research in this direction, exploring various factors in crowdfunding and allowing entrepreneurs to better prepare for launching a crowdfunding campaign and thus increasing the chances of success.

This paper contributes to academic knowledge and theory in entrepreneurship in a number of ways: first, it dwells on the emerging concept of crowdfunding, giving an outline of existing scholarly discussions on motives behind entrepreneurs' decision to launch a crowdfunding campaign and the role of communication in campaign's success. Second, the analysis of the relationship between motives and communication strategies employed in successful crowdfunding campaigns contributes to the developing field of research. A model is proposed that gives a clearer and more comprehensive picture on the different factors affecting how communications between the campaign creator and the crowd are constructed. As little research has focused on this relationship, the authors of this paper believe that the results demonstrate the importance of the link and justify further research in this area. Third, there are practical implications: founders of crowdfunding platforms may get a fuller picture of how the platforms should be redesigned to better meet campaign creators' needs, while campaign creators may get insights into which communication approaches might be the best in their particular circumstances and use them for increasing the probability of reaching desired outcomes.

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Appendix

Interview guide

1. Introduction
 - a. Brief presentation, interview outline, length, permission for recording, etc.
2. Background information
 - a. Can you please provide description of the project?
 - b. What was the stage of the product development?
 - c. What was your role?
 - d. Who else was on the team and their roles?
 - e. How much experience did you and your team have in crowdfunding? Did you make any research?
 - f. Did you get any support from Kickstarter? Anyone else?
3. Motives
 - a. Why did you choose to do a crowdfunding campaign?
 - b. Did you consider any other options? Why not/which ones?
 - c. What were your motives for the campaign? What outcomes did you plan to achieve?
 - d. Did you have only one motive or several of them? How did you prioritize them and why?
 - e. Why did you want to get <stated motive(s)>?
 - f. Were you able to achieve them? To what extent?
 - g. Did you get some benefits that you had not originally planned for? Which?
 - h. Were there any changes in your motives before and after the campaign?
4. Communication strategies
 - a. How much time did you spend on preparing for the campaign?
 - b. How did you create the content? What was the process?
 - c. Who was involved? Anyone outside the team?
 - d. How did you know which content to create and how to do it?
 - e. Did you develop any marketing and communication strategy? How did you do it? What was it?
 - f. What communication channels did you use? How? Why? Priority? Time efforts invested?
 - g. What was the outcome? What worked best?
 - h. Did you try mass media/social media/networking/platform/emails/etc.? Why?
 - i. In retrospect, would you do anything different in preparation and execution (channels, priorities, etc.)?
 - j. How did your interactions with potential backers look like?
5. Roles of motives in shaping communications
 - a. Did communications helped to achieve the outcomes you wanted?
 - b. What made you choose stated communication approaches, tools, channels over others? Do you think they were influenced by some other factors? Which ones?
 - c. Did you tailor your communications to satisfy the motives for launching the campaign?
 - d. Any important data I missed?