Contextual heterogeneity and marketing strategies in crowdfunding.

❖ Novel method for funding variety of new ventures

❖ Transforming from a marginal to a global mainstream discipline

❖ Exponential growth in recent years -"208% increase from €130 billion in 2015 of to €262 billion in 2016

(Shneor, R. and Z. H. Munim (2019). "Reward crowdfunding contribution as planned behavior: An extended framework." Journal of Business Research 103: 56-70.)

❖ High failure rate of campaigns individual despite the encouraging success rate reported by the Cambridge Center for alternative Finance (2019).

      * 82% on Indiegogo

(Cumming, D. J., et al. (2019)."Crowdfunding models: Keep-It-All vs. All-Or-Nothing." Financial Management)

      * approximately 70% on other platforms such as; Invesdor, Kickstarter, Seedrs etc.

(Lukkarinen, A., et al. (2016). "Success drivers of online equity crowdfunding campaigns." Decision Support Systems 87: 26-38.)

❖ Literature confirms the lack of certain basic knowledge of the dynamics of crowdfunding to be the genesis of these failures.

(Moleskis, M., et al. (2019). "Crowdfunding Entrepreneurial or Humanitarian Needs? The Influence of Signals and Biases on Decisions." Nonprofit and Voluntary Sector Quarterly 48(3): 552-571)

(Wang, W., et al. (2019). "The evolution of equity crowdfunding: Insights from co-investments of angels and the crowd." Research Policy 48(8)).
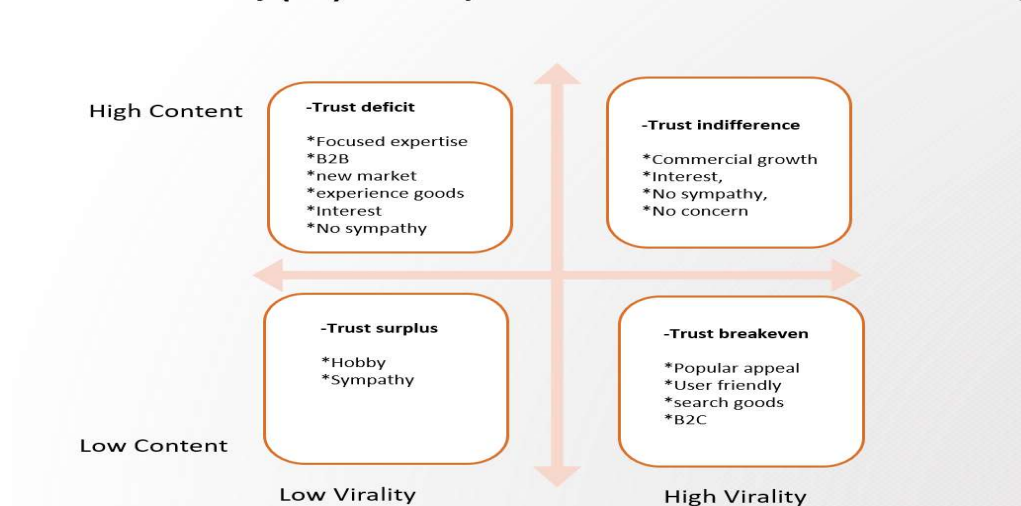
❖ 'Content' and 'virality' -the black-box syndrome in crowdfunding promotional campaigns.

      e.g. video quality, text, experience, expert involvement, financials, proximity, third-party certification, social network, spread, etc.

UiA School of Business and Law

AACSB ACCREDITED

Paper 1: A typology for crowdfunding campaign promotion

❖ Aim: Develop a marketing and promotional strategy base on Project characteristics.

❖ Research question: How are crowdfunding campaigns being promoted?

❖ Method: Conceptual integration of existing knowledge on 'online marketing/promotional strategies' and 'what charecterizes crowdfunding campaign success'.

'Content-Virality (CV) Matrix'/ 4 Ts of Content and Viral Marketing

High Content	**-Trust deficit** *Focused expertise *B2B *new market *experience goods *Interest *No sympathy	**-Trust indifference** *Commercial growth *Interest, *No sympathy, *No concern
	-Trust surplus *Hobby *Sympathy	**-Trust breakeven** *Popular appeal *User friendly *search goods *B2C
Low Content	**Low Virality**	**High Virality**

Paper 2:
Predicting campaign success base on the 'Content-Virality Matrix'. A 'sector-based' comparative analysis.

Research question?

What is the optimal level of content and/or virality of a campaign that enhances success?

Method:

A quasi-experimental design will be used, where prospective funders and fundraisers will rate campaigns before results are known.

Based on these ratings campaigns will be assigned a classification in the C-V matrix.

Real-time results will help to analyze which configurations results in different levels of success by sector or theme of campaign.

Literature:

The study will build on marketing and success literature in crowdfunding.

Paper 3.
Predicting campaign success base on the 'Content-Virality Matrix'. A *'regional-based'* comparative analysis.

Research question?

What is the optimal level of content and/or virality of a promotional campaign that enhances success?

Method:

Same design as in paper 2, but will compare ratings in different national contexts, to see whether different classifications in different national contexts, are associated with different levels of success.

Literature:

The study will build on cultural aspects, marketing and success literatures in crowdfunding.

Thank you for the attention…

Prince Baah-Peprah
Center for Crowdfunding Research
School of Business and Law
University of Agder, Norway
E-mail: prince.baah-peprah@uia.no