1

Introduction: From Fundamentals to Advances in Crowdfunding Research and Practice

Rotem Shneor, Liang Zhao, and Bjørn-Tore Flåten

Crowdfunding is a method to obtain money from large audiences, where each individual provides a small amount, instead of raising large sums from a small group of sophisticated investors (Belleflamme et al. 2014). Such pooling of contributions from multiple backers (Short et al. 2017) is done via the Internet, and often without standard financial intermediaries (Mollick 2014). This phenomenon finds its origin in the application of crowdsourcing principles to the practices of fundraising while creating new community-enabled financing channels (Schwienbacher and Larralde 2012) for a wide variety of projects including commercial, cultural, humanitarian, social, political, environmental, and technological projects to name a few.

What started initially as sporadic independent fundraising initiatives, has transferred into a proliferation of crowdfunding-dedicated platforms, which served as market makers bringing fundraisers and funders to interact via a common trusted system. Indeed, research on the state of the

R. Shneor (✉) • L. Zhao • B.-T. Flåten
School of Business and Law, University of Agder, Kristiansand, Norway
e-mail: rotem.shneor@uia.no; liang.zhao@uia.no; bjorn-tore.flaten@uia.no

© The Author(s) 2020
R. Shneor et al. (eds.), *Advances in Crowdfunding*,
https://doi.org/10.1007/978-3-030-46309-0_1

global industry, based on data collected from over a thousand platforms, shows that in 2017 global alternative finance volumes (covering all crowdfunding models) reached USD 371 billion, growing by 42% from 2016 volumes (Ziegler et al. 2019). Furthermore, when excluding the unique context of China, global volumes have grown by 28% from USD 47 billion in 2016 to USD 60 billion in 2017, growing by a further 48% to USD 89 billion in 2018 (Ziegler et al. 2020).

However, the term "crowdfunding" is an umbrella term reflecting a wide variety of fundraising models. At the most basic of levels, these models can be distinguished by their underlying logic either intermediating investments or non-investment financing. Thus far, research and practice have distinguished between four core models, including crowdlending, equity, reward, and donation crowdfunding (Mollick 2014; Belleflamme et al. 2014). The first two capture the dominant investment types of models, and the latter the dominant non-investment types of models. Later in the book, we provide a detailed overview of crowdfunding models in use, their characteristics and unique aspects.

However, for introductory purposes one can highlight the four core models by building on the definitions provided by the Cambridge University Centre for Alternative Finance (hereafter "CCAF") in its annual reports (e.g. Ziegler et al. 2019): (1) *Crowd-lending* is when individual or institutional backers provide loans to borrowers while expecting the repayment of the principle and a set interest within a predefined timeframe. (2) *Equity crowdfunding* refers to backers buying an ownership stake in an organization. (3) *Reward crowdfunding* means that backers provide funding in exchange for non-monetary rewards, most frequently in the form of pre-purchased products or services. And, (4) *donation crowdfunding* is a provision of funding based on philanthropic or civic motivations without expectation of material rewards.

In this chapter, we introduce the fundamental concepts and dynamics of crowdfunding, which will serve as a common understanding for the discussions in the remaining chapters of this book. Here we present the key stakeholders in crowdfunding engagements, as well as the crowdfunding process and stages. This is followed by a brief introduction to each of the book's chapters while highlighting their main insights and contributions.

Crowdfunding Stakeholders

At the core of crowdfunding practice lies an expectation for a "win-win" game, where all parties enjoy various benefits from their involvement in the process, as highlighted in Fig. 1.1. The three main parties to crowdfunding transactions include the fundraiser, the backer, and the platform. Accordingly, in the context of crowdfunding, a *Fundraiser* can be defined as any individual or organization that makes a public call for the financing of project(s) with particular purpose(s). Literature has referred to them as either "fundraisers" (e.g. Wang et al. 2018), "creators" (e.g. Ryu and Kim 2018), or "campaigners" (e.g. Hobbs et al. 2016). Successful fundraisers may reap benefits from the money received, as well as from market validation outcomes that arise from wide public acceptance and support, establishing relations with prospective customers, engaging in cost-efficient marketing promotions, as well as collecting feedback that may inform further product development efforts (Frydrych et al. 2014; Thürridl and Kamleitner 2016; Wald et al. 2019).

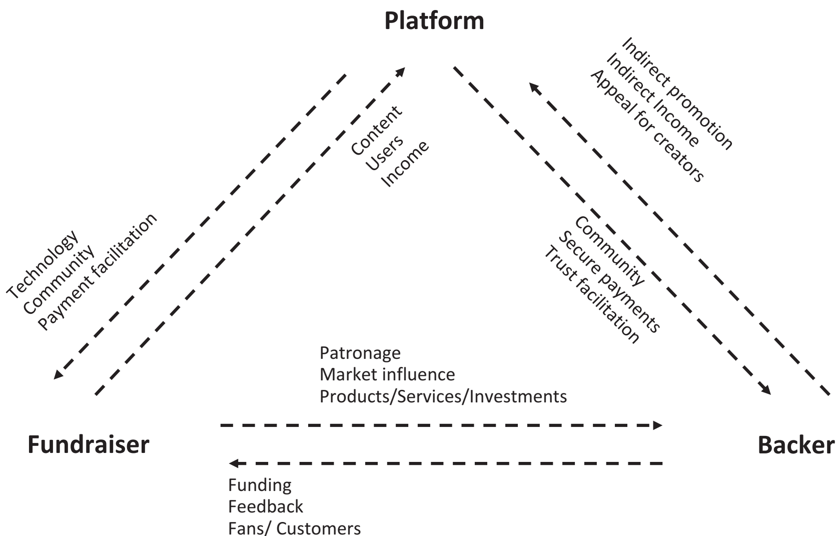

Fig. 1.1 Win-win dynamics in crowdfunding

Similarly, in the context of crowdfunding, a *Backer* can be defined as any individual or organization that provides finance while answering a public call for the financing of project(s) with particular purpose(s). Literature has labelled this group inconsistently as either "backers" (e.g. Shneor and Munim 2019), "funders" (e.g. Kang et al. 2016), "supporters" (e.g. Gerber and Hui 2013), as well as "donors" in donation crowdfunding (e.g. Carvajal et al. 2012), "sponsors" in reward crowdfunding (e.g. Ryu and Kim 2016), "investors" in equity and lending crowdfunding (e.g. Dorfleitner et al. 2018), as well as "lenders" in crowd-lending (e.g. Chemin and de Laat 2013). In terms of benefits from crowdfunding engagements, backers enhance their levels of customer empowerment by influencing the design of future market products, as well as their own future consumption opportunities, while strengthening their sense of belonging to certain groups and communities (Chaney 2019; Gerber et al. 2012; Steigenberger 2017).

A crowdfunding platform is defined as an Internet application linking fundraisers and their potential backers while facilitating the exchanges between them in accordance with pre-specified conditions (Shneor and Flåten 2015). Such intermediaries make their income in forms of campaign success fees and payments for supporting services (Belleflamme et al. 2015). However, at the same time, with each successful campaign completed, their own reputation is enhanced while making them more attractive facilitators for future fundraising initiatives and contribution behaviour. Furthermore, each campaign helps the platform build its own user base (Thies et al. 2018), both in terms of attracting new fundraisers, as well as expanding the value of new users that registered for the purpose of supporting a specific campaign, and converting them into prospective funders of future campaigns as well.

An additional stakeholder, namely the public authorities, while not directly involved in each transaction, do carry great influence on the way the industry develops, and how each party to the crowdfunding transaction interacts with the other. More specifically, regulation sets the rules under which different models of crowdfunding may be practiced by defining compliance requirements primarily aimed at consumer and investor protection. However, at the same time, authorities also have vested interests in supporting new channels for the financing of small and

medium sized businesses in their jurisdictions (as job creators and tax payers), as well as enabling greater public contributions to civic, cultural, educational, and environmental initiatives that may align with government policies and agenda. Research here has both theorized about (Kshetri 2015) and empirically showed a clear positive association between perceived adequacy of national crowdfunding regulation and crowdfunding volumes per capita both globally and regionally (Ziegler et al. 2019, 2020).

The Crowdfunding Process

Crowdfunding is not a quick or short-term activity and involves a process with multiple stages, requiring different activities and focus. One earlier conceptualization of this process has identified two stages relevant for backers, including pre-investment and post-investment (Macht and Weatherston 2015). Pre-investment involves due-diligence efforts and investment decision making based on relevant motivations. The post-investment stage relates to additional involvement of backers in a project at later stages either in value adding activities, or additional investments. From a fundraiser perspective, earlier conceptualization referred to three stages simply defined as before, during, and after the campaign (Gerber and Hui 2013).

Taking into consideration additional insights that have emerged in recent years, we propose a more detailed process model including seven distinct stages that while corresponding with earlier conceptualization, do provide some additional clarity. Figure 1.2 presents the three core stages and their sub-stages, while listing related activities fundraisers should engage in during these stages. In this respect, the suggested model represents both descriptive and normative aspects of best practice that fundraisers are encouraged to follow for enhancing the likelihood of their success.

First, before the campaign is formally published and open for money collection, fundraisers usually should engage in (1) *campaign planning*. During this stage, the objectives and goals of the campaign are defined, different platforms are evaluated, one is chosen, campaign materials such

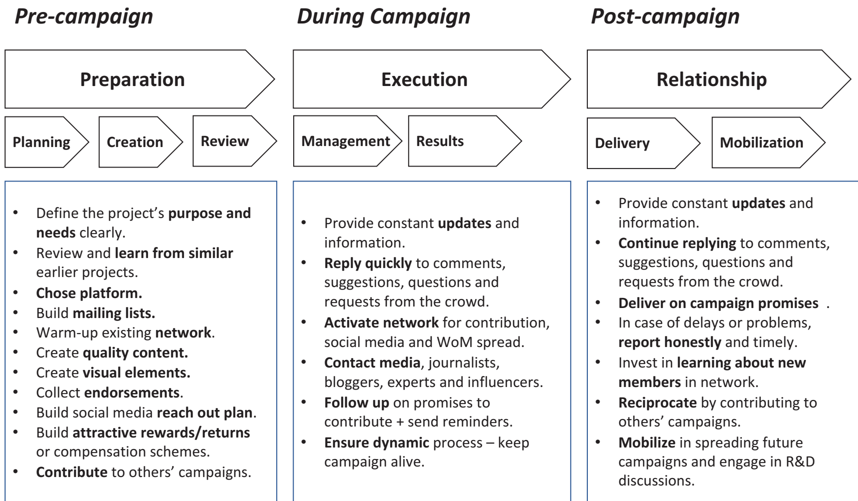

Fig. 1.2 The crowdfunding campaign process

as texts and visual media elements are prepared, promotional strategies are devised, and an execution plan with action points and deadlines can be outlined. Next, fundraisers engage in (2) *campaign creation*—where materials are uploaded to the selected platform, presence in social media is established (e.g. Facebook page, Instagram page, Twitter account, etc.), and initial feedback is collected from first pilot viewers. Lastly, the (3) *campaign review* takes place when the submitted materials are reviewed by platform operators, which ensures compliance with regulation, verification of fundraiser identity, and in some cases quality of the materials provided. When meeting requirements, the platform then approves the campaign for publication, its information is made publicly available, and the collection of funding is enabled.

Second, once approved, the campaign is live and during a set period defined for the campaign, fundraisers engage in (4) *campaign management* which includes promotional efforts both offline and online, and especially via social media platforms, mobilization of network relations takes place, and new information and updates are gradually provided to fans and followers. At this stage, fundraisers need to focus on availability and responsiveness to comments, suggestions, and questions from the

crowd for signalling trustworthiness as well as avoiding the loss of prospective contributors. In this sense, during this stage, the backers' decision-making process is both triggered and supported.

This phase ends when the campaign reaches its end date, and (5) *campaign results* are finalized. The results may vary by the scheme under which the campaign was run (Cumming et al. 2019). Campaigns which ran under the "all-or-nothing" schemes are paid out to fundraisers after deduction of platform fees only if they met the minimum stated sum goal. If this goal was not met, payments made are returned to the backers that made them. Campaigns which ran under "keep-it-all" schemes are paid out to fundraisers after deduction of platform fees regardless of whether they have met their minimum stated goals or not. While the former models are relevant for non-investment crowdfunding models, in the case of investment models only the "all-or-nothing" scheme is available. However, some platforms allow campaigns to publish a range rather than a specific sum goal, but in such cases the sum which defines the minimum threshold of the range applies as the basis for "all-or-nothing" pay-out to campaigners.

Finally, once the campaign is finished, a post-campaign stage unfolds. During this period fundraisers must first (6) *deliver on campaign promises* in sending promised products, services, or information, pay back loans with stated interest, or inform investors about firm growth and finances in case of equity investments. In case changes occur to original plans that were specified in campaigns, and informed financial contribution decisions by backers, fundraisers need to honestly inform their backers about such changes and their implications in terms of delays or when surpassing expectations by meeting goals earlier than planned. Furthermore, the backers constitute a network of supporters the fundraisers can and should (7) *develop further relations* with. Such backers are assets that can be mobilized and tapped into in future activities, may they be additional rounds of fundraising or business development activities such as spreading promotional campaigns, or engagement in product development initiatives. In this context, research indeed shows that fundraiser track record and experience can lead to the creation of social capital that supports additional successful fundraising in following campaigns, however it does have its limitations and depreciates over time if excessively used (Butticè et al. 2017).

Towards Advances in Crowdfunding Research and Practice

During the past decade interest in crowdfunding among academic scholars has increased dramatically. Indeed, research has been identified as one of the key pillars that can support both industry development and policy making (De Buysere et al. 2012). An initial mapping of core themes in early crowdfunding research (Moritz and Block 2016) has identified several streams of inquiry including: analyses of fundraisers' motivations to adopt crowdfunding, the determinants of successful crowdfunding campaigns, legal compliance, and challenges primarily with respect to investment crowdfunding models, factors impacting backer behaviour, the role of social networks in crowdfunding, applications of signalling theory in crowdfunding, as well as typologies of crowdfunding models. Here, while initial strides have been made, various authors have suggested that a gap between the available research on crowdfunding (Short et al. 2017) and the increasing academic and public interest in it (Martínez-Climent et al. 2018) remains wide. Lists outlining relevant directions for future research opportunities have been outlined in several literature reviews (e.g. McKenny et al. 2017; Moritz and Block 2016; Shneor and Vik 2020).

Accordingly, in this book, we aim to contribute to improved understanding of crowdfunding by both taking stock of existing knowledge, as well as presenting new aspects and insights that help us advance it. The book includes contributions from a wide range of influential authors and thought leaders from across the globe, representing a range of significant research institutions. In the remainder of this chapter we provide a brief overview of each of the chapters to follow while highlighting their main contributions.

In the first chapter, *Shneor* unravels the diversity of models through which crowdfunding manifests itself. He does so by laying a detailed review of the characteristics of the different crowdfunding models currently in use, as well as the key premises for the use of each. Furthermore, he suggests some of the first frameworks developed for guiding prospective fundraisers in choosing between models. Each of the frameworks is designed for a different type of fundraisers may they be organizations or

consumers. In this respect, he provides a useful tool for guiding relevant decision making by practitioners, and at the same time presents a framework that can be tested and fine-tuned in research about such decision making.

In Chap. 2, *Ziegler and colleagues* take a macro level view on crowdfunding market development dynamics and present insights from research on the factors impacting such development trajectories highlighting the roles of economic development, adequate regulation, and IT infrastructure, among others. They present facts and figures from national and regional markets in a comparative manner, while accounting for the diversity of crowdfunding models, growth trajectories, and geographical variations. The chapter shows that crowdfunding is no longer a fringe activity but gradually moving mainstream with substantial volumes recorded nationally, regionally, and globally. Furthermore, it illustrates the dominance of crowd-lending models across regions, as well as their sub-model variations within regions.

The following four chapters examine each of the core models in greater detail. Chapter 3 picks up from the previous chapter and delves deeper into the understanding of the crowd-lending variant of crowdfunding. Here, *Ziegler & Shneor* present the brief history of crowdlending, its diversity of models, the current state of the industry, as well as the underlying mechanisms and principles guiding platform operations including risk assessment and the matching of borrowers and lenders. These discussions are supported with evidence from recent research and highlights the benefits and risks for both lenders and borrowers while assessing the industry development vis-à-vis earlier practices via traditional financial institutions.

In Chap. 4, *Lukkarinen* provides a review of research on equity crowdfunding. She describes the typical equity crowdfunding process, investor characteristics, and investor motivations. Recognizing the limited due diligence efforts of the crowd, Lukkarinen refers to the role of platforms in evaluating and preselecting target ventures. She highlights the importance of rapidly observable campaign features and signals of venture quality in investor decision making, while also emphasizing the relevance of experienced investors and the herding tendency of crowd investors. These discussions are supplemented by a comparison of equity crowdfunding

investors with traditional providers of early-stage equity financing enhancing our understanding of the commonalities and differences among these groups of investors.

In Chap. 5, *Zhao & Ryu* present the reward-based crowdfunding model and its unique aspects. This discussion is based on a four-dimensional framework of the crowdfunding process accounting for the fundraisers, the backers, the campaigns, and the platforms. In addition, the development of reward-based crowdfunding is reviewed in a comparative manner across different global regions, highlighting regional variances in terms of developing trends, R&D priorities, female participation, internationalization of platforms, and risks involved. This is supplemented by a literature review of the academic research with a focus on the two main research streams of campaign success drivers, as well as consumer behaviour in reward crowdfunding.

Next, in Chap. 6, *Zhao & Shneor* address the current state and particularities of donation-based crowdfunding, as primarily driven by philanthropic motivations without expectation of monetary or material rewards. In this model intrinsic motivations dominate, and a form of impure altruism characterizes backers that seek satisfaction, joy, and sense of belonging to be achieved with their donations. They suggest that despite accounting for only a marginal share of global crowdfunding volumes, donation crowdfunding is a unique model for supporting a wide range of prosocial and charitable causes, while allowing fundraisers to leverage benefits afforded by ICT solutions for more effective and efficient fundraising. The chapter provides an overview of the limited research available in the context of donation crowdfunding while highlighting donor motivations and behaviour, as well as drivers of success in donation campaigns.

Once the various models are outlined in detail, and the state of both research and practice concerning each are presented, the two chapters that follow shift towards the normative view of crowdfunding. Here, in Chap. 7, *Shneor & Torjesen* present one of the first discussions of ethical issues in crowdfunding practice from multiple stakeholders' perspective. Here, the authors draw on ethical principles outlined in both classical and business-specific approaches and discuss whether crowdfunding presents an ethical solution or a source of ethical problems. To further anchor the discussion, a framework classifying potential ethical dilemmas

and pitfalls in crowdfunding practice, as well as potential means for addressing them, is developed for each relevant stakeholder. This framework may both guide practitioner's practice, as well as serve as a theoretical basis for research on ethical practices in crowdfunding.

Furthermore, in Chap. 8, *Cai and colleagues* acknowledge that since financial crowdfunding involves a range of risks, it requires comprehensive governance mechanisms. In this chapter, the authors build a three-level stylized model to explain how legal institutions and social capital at the macro, meso, and micro levels affect the performance of crowdfunding campaigns and the development of the financial crowdfunding market. Such discussion results in highlighting the critical roles of platforms in enforcing laws and building social capital at both the meso and micro levels are highlighted.

In the second part of the book, readers are encouraged to take a step back in order to look forward with two chapters reviewing crowdfunding in a historical perspective. Chapter 9 examines crowdfunding development in the context of the financial industry. Here, *Kallio & Vuola* build on the view that the history of financial markets is marked by continuous fluctuations between economic cycles, which are often caused by structures that enable opportunism and moral hazards. Every crisis contains the seeds of change, but also risks for regulative overreactions. Accordingly, crowdfunding as a form of financing is part of this series of innovations in financial markets. Hence, this chapter gives a historical overview of crowdfunding as part of the history of the ever-changing modern financial markets.

A different perspective, more anchored in the historical evolution of technology, places crowdfunding in the context of Financial Technology (FinTech). Such narrative is outlined in Chap. 10, where *Griffiths* gives an overview of how the financial services sector, especially banking, was a driver for ICT development in the last quarter of the twentieth century, and early years of this century. The chapter examines the conditions that have led banks to "get their eyes off the ball" and open the window for a whole new industrial sector to emerge, namely—Fintech. Furthermore, a framework consisting of a double-entry table where one dimension is financial services functionality and the other technological applications, is suggested for helping readers understand the diversity within the

industrial organization of the sector. More specifically, crowdfunding occupies two positions on the functional dimension of this framework: Alternative Finance, and Investment Opportunities.

In the third part of the book, a series of chapters geographically contextualize the crowdfunding industry development while considering relevant drivers, barriers, and growth trajectories, as well as highlighting context particularities. In Chap. 11, *Zhao & Li* discuss the unique conditions and development trends of crowdfunding in China, the world's largest crowdfunding market by far. The authors discuss crowdfunding in China from the perspectives of different stakeholders (platforms, fundraisers, funders, and regulators) and crowdfunding models (reward-based, equity-based, loan-based, and donation-based). Overall, they suggest that while the Chinese crowdfunding market has developed rapidly such development is contrasted with a reality of a relatively underdeveloped regulatory system and availability of personal credit, which are likely to limit further growth. Accordingly, some solutions for addressing these challenges are proposed in this chapter.

Chapter 12 examines crowdfunding market development in the Indian subcontinent, which represents somewhat of a contrast to rapid dynamics that characterized the Chinese crowdfunding market development. Here, *Suresh and colleagues* explore the history, ongoing activity, and future prospects of crowdfunding in the new emerging markets of India and Bangladesh. Overall, they observe that India is largely dominating the crowdfunding activity in the South Asian region, which is otherwise limited in its neighbouring countries. Such discussion highlights the social, cultural, and regulatory conditions influencing such developments.

Chapter 13 veers further afield to the African continent. Here, *Chao and colleagues* present the current state of crowdfunding research and practice in Africa while outlining opportunities and challenges associated with them. The authors suggest that the growing popularity of digital and mobile finance, low penetration of traditional financial institutions, and a long cultural heritage of communal support may enhance crowdfunding uptake in this region. On the other hand, conditions of unclear regulation, relatively low levels of Internet access, and societies characterized by low social trust may all hinder such uptake. Accordingly, African crowdfunding is at its infancy and involves transitory hybrid practices of early adoption,

often involving reliance on foreign contributors via donations and pro-social lending platforms.

In Chap. 14, *Efrat and colleagues* present the crowdfunding market in Israel, representing a unique national context that despite adversities has emerged as a regional leader, as well as one of the global leaders, in terms of both general entrepreneurial finance market, and crowdfunding market in particular. The authors argue that crowdfunding has its roots deep in the Israeli entrepreneurship ecosystem. The characteristics of which include collective individualism combined with flat hierarchies, low degree of separation, mandatory army service that enforces innovative thinking and improvisation, Chutzpah, and finally high tolerance for failure, all provide fertile ground for entrepreneurship and facilitate innovative approaches to entrepreneurship funding such as crowdfunding.

Chapter 15 ventures further north and reviews the crowdfunding market in Europe, while highlighting the various facets of its fragmented nature. Here, *Wenzlaff and colleagues* present current market conditions and argue that fragmentation is mostly caused by differences in national regulations, which represent an obstacle to industry growth. At the same time, the European Union has recently introduced the European Crowdfunding Service Provider (ECSP) regime aiming towards harmonized regulations. This regime is expected to facilitate platform growth via easier cross-border transactions and international expansion of platforms operating under the business lending and equity investment models.

In part four of the book, three chapters provide insights into unique aspects of crowdfunding applications for concrete types of campaign objectives. Chapter 16 focused on using crowdfunding for financing sustainable projects, that is projects aiming to extend their goal beyond market success and provide benefit to the larger part of society. Here, *Maehle and colleagues* discuss the definition and dimensions of sustainable development and entrepreneurship. The chapter provides an overview of the existing literature on crowdfunding of sustainable projects. The authors also review four European sustainability-oriented crowdfunding platforms representing different crowdfunding models. This review reveals that sustainable projects have rather high success rates in crowdfunding and may address important dimensions of sustainable development. And while the environmental dimension gets the most attention, pro-social

crowdlending seems to have the highest success rates. Hence, the focus on a certain sustainability dimension may influence the choice of the crowdfunding model employed.

Chapter 17 discussed crowdfunding applications in the cultural industries. In this chapter, *Rykkja and colleagues* trace the early adoption of crowdfunding by cultural industries to a comprehensive value chain reconfiguration in the cultural sector, which were triggered by the advent of digitalization on the one hand and the downsizing in public funds in many countries on the other. The authors highlight the importance of studying crowdfunding in the cultural sector, as it presses creators to strike a balance between the commercial and the non-commercial, the economic and the cultural outcomes, as well as the authentic and independent versus the mass dictated and dependent. Accordingly, they review earlier research on cultural crowdfunding, identify core themes that attracted research attention, and outline an agenda for future research.

In Chap. 18, *Wenzlaff* discusses civic crowdfunding, as when crowdfunding campaigns are used for funding the creation or provision of a semi-public good. Unlike other crowdfunding practices, civic crowdfunding creates benefits for people outside of the group of supporters as well. Such a situation creates unique dilemmas as well as motivations for participation. This chapter analyses the literature on civic crowdfunding and proposes to view this through four perspectives: the project, the supporter, the project owner, and the platform. The chapter argues that the platform is central to understanding the self-positioning of projects, supporters, and project owners within civic crowdfunding.

Finally, the concluding fifth part of the book includes two chapters addressing future considerations for crowdfunding research and practice. Chapter 19 highlights the importance of education about crowdfunding highlighting both its benefits and advantages, as well as its risks and challenges. Here, *Shneor & Flåten* argue on the need for crowdfunding education, and present a concrete program developed at the University of Agder as a credit awarding course named the "UiA Crowdfunding Lab". This chapter outlines course objectives, content, pedagogy, and assessment issues, while presenting opportunities for further development.

The book concludes with Chap. 20 which is dedicated to a critical reflection on current crowdfunding research and practice. Here, *Shneor and colleagues* present eight dilemmas that are expected to influence and shape the future of crowdfunding. Each of which is critically discussed and followed by suggestions for future research. These dilemmas include (1) the need to strike a balance between idealism and pragmatism; (2) the extent to which crowdfunding platforms should cooperate with traditional financial institutions; (3) how should we measure crowdfunding success and performance in both financial and socio-economic terms; (4) the need to strike a balance between quantity and quality in campaigns approved for publication on platforms; (5) understanding the conditions and implications of domestic versus international growth of crowdfunding platforms; (6) the responsibility of manoeuvring between facilitation of collective decisions as crowd wisdom while avoiding crowd madness, as well as intentional and unintentional harmful crowd behaviour; (7) whether should platforms focus their technological development on efficiency gains versus community support; as well as (8) how to best inform the public through educational efforts without constraining our understanding of the crowdfunding phenomenon too early.

At this stage, we wish to express our gratitude to all contributors, and invite readers to explore the rest of the book in greater detail.

References

Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding: Tapping the Right Crowd. *Journal of Business Venturing, 29*(5), 585–609.

Belleflamme, P., Omrani, N., & Peitz, M. (2015). The Economics of Crowdfunding Platforms. *Information Economics and Policy, 33*, 11–28.

Butticè, V., Colombo, M. G., & Wright, M. (2017). Serial Crowdfunding, Social Capital, and Project Success. *Entrepreneurship Theory and Practice, 41*(2), 183–207.

Carvajal, M., García-Avilés, J. A., & González, J. L. (2012). Crowdfunding and Non-profit Media. *Journalism Practice, 6*(5-6), 638–647.

Chaney, D. (2019). A Principal–Agent Perspective on Consumer Co-production: Crowdfunding and the Redefinition of Consumer Power. *Technological Forecasting and Social Change, 141*, 74–84.

Chemin, M., & de Laat, J. (2013). Can Warm Glow Alleviate Credit Market Failures? Evidence from Online Peer-to-Peer Lenders. *Economic Development and Cultural Change, 61*(4), 825–858.

Cumming, D. J., Leboeuf, G., & Schwienbacher, A. (2019). Crowdfunding Models: Keep-It-All vs. All-Or-Nothing. *Financial Management,* https://doi.org/10.1111/fima.12262

De Buysere, K., Gajda, O., Kleverlaan, R., et al. (2012). A Framework for European Crowdfunding. Retrieved from https://www.fundraisingschool.it/wp-content/uploads/2013/02/European-Crowdfunding-Framework-Oct-2012.pdf.

Dorfleitner, G., Hornuf, L., & Weber, M. (2018). Dynamics of Investor Communication in Equity Crowdfunding. *Electronic Markets, 28*(4), 523–540.

Frydrych, D., Bock, A. J., Kinder, T., et al. (2014). Exploring Entrepreneurial Legitimacy in Reward-Based Crowdfunding. *Venture Capital, 16*(3), 247–269.

Gerber, E. M., & Hui, J. (2013). Crowdfunding: Motivations and Deterrents for Participation. *ACM Transactions on Computer-Human Interaction, 20*(6), 1–32.

Gerber, E. M., Hui, J. S., & Kuo, P.-Y. (2012). Crowdfunding: Why People Are Motivated to Post and Fund Projects on Crowdfunding Platforms. Retrieved from http://www.juliehui.org/wp-content/uploads/2013/04/CSCW_Crowdfunding_Final.pdf.

Hobbs, J., Grigore, G., & Molesworth, M. (2016). Success in the Management of Crowdfunding Projects in the Creative Industries. *Internet Research, 26*(1), 146–166.

Kang, M., Gao, Y., Wang, T., et al. (2016). Understanding the Determinants of Funders' Investment Intentions on Crowdfunding Platforms: A Trust-Based Perspective. *Industrial Management & Data Systems, 116*(8), 1800–1819.

Kshetri, N. (2015). Success of Crowd-Based Online Technology in Fundraising: An Institutional Perspective. *Journal of International Management, 21*(2), 100–116.

Macht, S. A., & Weatherston, J. (2015). Academic Research on Crowdfunders: What's Been Done and What's to Come? *Strategic Change, 24*(2), 191–205.

Martínez-Climent, C., Zorio-Grima, A., & Ribeiro-Soriano, D. (2018). Financial Return Crowdfunding: Literature Review and Bibliometric Analysis. *International Entrepreneurship and Management Journal, 14*(3), 527–553.

McKenny, A. F., Allison, T. H., Ketchen, D. J., et al. (2017). How Should Crowdfunding Research Evolve? A Survey of the Entrepreneurship Theory and Practice Editorial Board. *Entrepreneurship Theory and Practice, 41*(2), 291–304.

Mollick, E. (2014). The Dynamics of Crowdfunding: An Exploratory Study. *Journal of Business Venturing, 29*(1), 1–16.

Moritz, A., & Block, J. H. (2016). Crowdfunding: A Literature Review and Research Directions. In D. Bruntje & O. Gajda (Eds.), *Crowdfunding in Europe: State of the Art in Theory and Practice*. London: Springer.

Ryu, S., & Kim, Y.-G. (2016). A Typology of Crowdfunding Sponsors: Birds of a Feather Flock Together? *Electronic Commerce Research and Applications, 16*, 43–54.

Ryu, S., & Kim, Y.-G. (2018). Money Is Not Everything: A Typology of Crowdfunding Project Creators. *The Journal of Strategic Information Systems, 27*(4), 350–368.

Schwienbacher, A., & Larralde, B. (2012). Crowdfunding of Small Entrepreneurial Ventures. In D. Cumming (Ed.), *The Oxford Handbook of Entrepreneurial Finance*. New York, NY: Oxford University Press.

Shneor, R., & Flåten, B.-T. (2015). Opportunities for Entrepreneurial Development and Growth Through Online Communities, Collaboration, and Value Creating and Co-creating Activities. In H. R. Kaufmann & S. M. R. Shams (Eds.), *Entrepreneurial Challenges in the 21st Century*. Basingstoke: Palgrave Macmillan.

Shneor, R., & Munim, Z. H. (2019). Reward Crowdfunding Contribution as Planned Behaviour: An Extended Framework. *Journal of Business Research, 103*, 56–70.

Shneor, R., & Vik, A. A. (2020). Crowdfunding Success: A Systematic Literature Review 2010–2017. *Baltic Journal of Management, 15*(2), 149–182.

Short, J. C., Ketchen, D. J., McKenny, A. F., Allison, T. H., & Ireland, R. D. (2017). Research on Crowdfunding: Reviewing the (Very Recent) Past and Celebrating the Present. *Entrepreneurship Theory and Practice, 41*(2), 149–160.

Steigenberger, N. (2017). Why Supporters Contribute to Reward-Based Crowdfunding. *International Journal of Entrepreneurial Behavior & Research, 23*(2), 336–353.

Thies, F., Wessel, M., & Benlian, A. (2018). Network Effects on Crowdfunding Platforms: Exploring the Implications of Relaxing Input Control. *Information Systems Journal, 28*(6), 1239–1262.

Thürridl, C., & Kamleitner, B. (2016). What Goes Around Comes Around? Rewards as Startegic Assets in Crowdfunding. *California Management Review, 58*(2), 88–110.

Wald, A., Holmesland, M., & Efrat, K. (2019). It Is Not All About Money: Obtaining Additional Benefits Through Equity Crowdfunding. *The Journal of Entrepreneurship, 28*(2), 270–294.

Wang, T., Liu, X., Kang, M., et al. (2018). Exploring the Determinants of Fundraisers' Voluntary Information Disclosure on Crowdfunding Platforms: A Risk-Perception Perspective. *Online Information Review, 42*(3), 324–342.

Ziegler, T., Shneor, R., Wenzlaff, K., et al. (2019). *Shifting Paradigms—The 4th European Alternative Finance Benchmarking Report*. Cambridge: Cambridge Centre for Alternative Finance.

Ziegler, T., Shneor, R., Wenzlaff, K., et al. (2020). *The Global Alternative Finance Benchmarking Report*. Cambridge, UK: Cambridge Centre for Alternative Finance.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (http://creativecommons.org/licenses/by/4.0/), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons licence and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons licence, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons licence and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.