



Università
Ca'Foscari
Venezia

Master's Degree
in Innovation and
Marketing

Final Thesis

Crowdfunding as a marketing toll

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Academic Year

2019 / 2020

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INTRODUCTION

The purpose of this thesis is to analyze a complex phenomenon like crowdfunding. Given its particular structure, crowdfunding has proved to be a valid tool for fundraising, both for start-ups and for SMEs, even reaching larger and more complex companies. This thesis aims to bring under the focus a particular nuance of this microfinance practice: marketing.

In the following pages we will examine the phenomenon of crowdfunding up to understand how this can become a valid marketing tool.

We are talking about a particular form of marketing, as we will see, which combines fundraising with the possibility of testing and making known a product and a business, and other aspects that will be subsequently exposed.

The reasons behind this choice are twofold: on the one hand there is an in-depth study of a relatively recent and very engaging topic, on the other the study of an unconventional marketing tool, which allows to find out how can attract the attention of consumers (and not only) in an innovative way.

The goal is therefore to find out if and how crowdfunding can be exploited as a marketing tool.

With this in mind, the first chapter includes both a historical-cultural analysis and an analysis of the various forms of fundraising, to better understand the phenomenon of crowdfunding.

In the second chapter, the practical functioning of the campaigns and the platforms will be analyzed, also providing the motivations behind the investors' choices and the possible problems of this methodology.

The third chapter focuses on crowdfunding as a marketing tool. We will analyze how crowdfunding mixes with concepts such as the four Ps and Web 2.0. The chapter ends with an analysis of the reasons behind the

choice of this tool, highlighting the implications related to the world of marketing.

The fourth and final chapter aims to bring practical cases to support the theses set out in the previous chapters. three key figures from three different Italian crowdfunding campaigns were interviewed, showing us how it was used as a valid marketing tool

CHAPTER 1: CROWDFUNDING

1.1 THE BACKGROUND AT THE BASE OF THE PHENOMENON

Before analyzing crowdfunding in detail, it is necessary to take a step back and start talking about the phenomenon that is at its base: crowdsourcing (Howard, Thomas J., et al. 2012). Crowdfunding is often described as a form of the more general practice of crowdsourcing and represents one dimension of this phenomenon, that includes: crowdfunding, crowdcreation, crowdvoting and crowdwisdom. Crowdsourcing was initially conceived as a solution to allow non-company entities to solve problems or access knowledge from areas where the company may not have access. (Jeppesen & Lakhani 2010). Crowdsourcing is defined as “The act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call.” (Howe 2008)

In other words, it is a business model that entrusts the outsourcing process (obtaining ideas, information and adequate solutions) to a diverse and heterogeneous set of subjects (crowd or open source community).

Given the extreme similarity of the two forms, many authors therefore recognize crowdsourcing, as the antecedent to crowdfunding. (Dell, 2008; Howe, 2008; Kleemann et al. 2008; Belleflemme et al., 2010; Rubinton 2011; Poetz and Schreier, 2012).

In addition to crowdsourcing, the phenomenon of crowdfunding has a lot of concepts in common with many realities like microfinance. For this reason and others, it is considered a very interesting form for scholars to be analyzed, as Cordova et al. (2015) say: “At the crossroad of micro-finance and social networking, crowdfunding is undergoing intense scrutiny from scholars and policymakers to understand where it positions in the chain of startup funding”.

Crowdfunding is closely linked to microcredit, a concept that refers to the idea of financing subjects that have access to conventional financing by credit institutions (Armendariz & Morduch 2010).

What has changed in our society which allowed a crowd of citizens, geographically scattered and apparently unstructured, conveying its resources, both economic and intellectual, in entrepreneurial projects just to see them realized? To explore phenomena such as crowdfunding and crowdsourcing it is necessary to introduce some concepts that have become stable over the years in our everyday life.

A lot of studies suggest that the funding gap is strictly related to asymmetry of information and expectations: “entrepreneurs believe that they can somehow make a profit, but the investors (and lenders) do not” (Bhide 2003).

The consequence is that “many entrepreneurs waste a lot of valuable time by prematurely seeking seed capital from business angels and even from formal venture capitalists—searches that come up empty-handed almost every time”. (Bygrave et al. 2003).

The reality is that the demand for finance will always outweigh the supply by a margin, and no one government has sufficiently resources to fill the funding gap. (Lam 2010).

Indeed, despite the self-reported “success” of efforts to fill the funding gap over the last few years, the proportion of SMEs gaining finance through formal, and external sources remains very low.

Furthermore, crowdfunding is essential to promote innovation and technological progress. Large companies tend to preserve existing markets, innovating and incrementing them, rather than introducing new disruptive products. For this reason, innovators often tend to work

in small new companies, which need funding to finance their ideas (Riedl, 2013).

Due to their lack of guarantees, limited cash flows and the absence of previous results, start-ups get bank loans more difficult than larger and more mature companies (Schwienbacher and Larralde 2010).

Also, a report by the Department of Business, Innovation and Skills (BIS 2012) shows that less than 50% of small and medium-sized enterprises (SMEs) use a form of external financing, even if we talk about credit cards and overdrafts; only 11% of those SMEs use bank loans (including commercial mortgage) and between 1% and 2% attempt to obtain equity finance.

These data highlight how the issue of financing for SMEs is a very delicate and complex problem that struggles to find a solution, and that supply and demand are unlikely to meet, despite the attentions of governments to try to encourage a meeting between parts.

For SMEs, the problem of third-party financing is not just about not meeting demand and supply, but includes matters like high risks, lack of sound-track record, nature and characteristics of the business, and the perception and attitude of owner managers towards external finance. Entrepreneurs, therefore, are faced with problems with investors about the venture's quality such as insufficient cash flows and information asymmetry. The recent financial crisis made the barrier even higher (Block & Sandner 2009).

For these reasons' entrepreneurs have attempted to seek alternative sources of finance to fund their new projects, especially in the beginning of their entrepreneurial activity (Cosh et al. 2009).

However, many companies fail to attract capital because of unsuccessful attempts in convincing investors, as well as the lack of sufficiently high sums from investors and the lack of peculiar specifications of industries or necessary capital. (Lambert & Schwienbacher 2010).

Consequently, entrepreneurs are forced to turn to a variety of external capital sources, including venture capital funds, banks, leasing

companies, up to asking loans from citizens such as the entrepreneur's friends and family. (Agrawal et al. 2014)

This typology of financing is called bootstrapping (a term that literally means pulling oneself up for boots) and defines the first phases of self-financing of a startup when entrepreneurs do not have results to promise to investors and, even less, they have assets to offer as collateral. So we can finance ourselves as we can: with our savings, with the help of friends and relatives, with the money of those who believe in it and, which is of no less importance, offers help without the clauses and interests of a bank or of a traditional creditor. The system is not only the most immediate and fast way to obtain a loan, but it has also proved to be a good fuel for a startup that, in this way, can focus its attention on the needs of customers, rather than on investors or ways to attract them.

Crowdfunding is a financing method capable of overcoming market inefficiencies, reducing entry barriers for new projects and absorbing investment risk, especially for innovative start-ups.

In recent years, crowdfunding has emerged as “novel way for entrepreneurial ventures to secure funds without having to seek out venture capital or other traditional sources of venture investment” (Mollick 2014).

Although Schwienbacher and Larralde (2010) define crowdfunding as “an open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes”. Mollick (2014) defines crowdfunding in an entrepreneurial context as “the efforts by entrepreneurial individuals and groups—cultural, social, and for profit—to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the Internet, without standard financial intermediaries.”

After having analyzed this part, it is easy to understand how crowdfunding can be a fundamental element in fundraising also thanks

to the evolution of the Web 2.0 technologies (Agrawal et al 2011, Cordova et al. 2015).

1.2 CROWDFUNDING

Crowdfunding is a typical example of a two-sided market, tying "together two distinct groups of users in a network" (Eisenmann et al. 2006)

Two-sided networks are constituted by a subsidy-side and a money-side. The subsidy-side consists of a group; part of this group are investors, the funders or “backers” that contribute to the money-side, which is made up of a single element, the founder. In this scheme there is a particular third part: intermediaries, that charge fees to backers while funders do not have to pay a fee to the platform.

“Crowdfunding can be defined as a collective effort of many individuals who network and pool their resources to support efforts initiated by other people or organizations. This is usually done through or with the help of the Internet. Individual projects and businesses are financed with small contributions from a large number of individuals, allowing innovators, entrepreneurs and business owners to utilize their social networks to raise capital” (De Buysere et al. 2012).

Starting from this definition, we can describe the three main part that are involved in the process:

- **The crowd:** is a group of people who combines their effort, energy, resources and contributions to help the campaign creators in fulfilling their projects, in exchange for a reward.
- **The entrepreneur:** the one who looks for capital in order to invest his idea, which can be philanthropic or a real business.
- **The Internet:** is the glue between the two main performers. However, it should be noted, that without the presence of this element, crowdfunding could not have been developed. Thanks to the internet,

the meeting between supply and demand can take place in pre-existing platforms or in platforms created for this purpose.

Therefore, the creators of a campaign can promote their project and gaining visibility and allowing them to keep track of the steps followed by users and allow them to have constant updates on campaign developments.

A non-secondary aspect of crowdfunding is freedom of choice. Those who decide to donate something to a project do that by their voluntary choice with or without the expectation of getting something as a reward. For this reason, the analysis of the phenomenon will then focus on the reasons that lead a donor to give his money to support a project. As it has been said by Belleflamme et al. (2011), a very important aspect is that “the basic idea of crowdfunding is to raise external finance from a large audience (the “crowd”), where each individual provides a very small amount, instead of soliciting a small group of sophisticated investors”. The term "sophisticated investors" is related to institutional investors such as banks, business angels and venture capitalists. We therefore move from a qualitative factor to a quantitative one. The opportunities of crowdfunding lie exactly in this: it is the crowd that chooses which project deserves to be financed among those proposed. Crowdfunding consists in a set of decisions that include both the operational and the financial sphere. While, on the one hand, it is obviously a decision linked to financing, precisely because it is a methodology of credit raising for a project and, on the other hand, it is an operational decision, in the measure in which it influences sales and, the level of production. Furthermore, if there is a pre-sale of an asset that will be produced thanks to the money raised, we are discriminating prices, which makes the choice to finance itself through a reward-based crowdfunding model that is very important from the point of strictly operational and management view.

1.3 CULTURAL BACKGROUND BEHIND CROWDFUNDING

1.3.1 STRONG AND WEAK TIES

Another phenomenon that has allowed crowdfunding to have all this success is that of strong and weak ties.

As it has already been mentioned, in crowdfunding relations, both online and offline, there are an indispensable element in the success of the project. those are indispensable elements for the product success in crowdfunding relations. As has already been mentioned, in crowdfunding relations, both online and offline, are an indispensable element in the success of the project. Online communities are characterized and based on two types of links involving users:

Strong ties: they are the relationships determined by an intimate relational interest.

Weak ties: these are the relationships that are stressed in a discontinuous way and that can be measured quantitatively (friends, followers, subscribers, fans). Those are all people with whom the relationship is mainly based on superficial experience.

Taking Facebook as an example, at the beginning we contact people who are most important to us prevail, that are friends, family and close acquaintances, then we add friends of friends, we widen the circle of our ties creating weak ties, making them last in time.

“Weak ties may also be more prevalent when someone is connected to several otherwise dispersed networks of people. In other words, rather than being central in a few tightly connected networks, the person serves as a node in several relatively unconnected networks.” (Tuten & Solomon 2017).

Before the Internet we lived in a society of small “boxes” (family, friends, colleagues, cities), within which the greatest number of links was represented by strong ties, with the advent of the web something has changed. Our small “boxes” continue to exist in our lives and, in addition to these, we now have the possibility of get in touch with people who live in other “boxes” (or social realities), with whom we have only weak ties. In the end, only the proportion between strong and weak ties changes.

One very important factor of these connections, that we can establish on social networks or online, is that they are not active relations. Rather, they are latent bonds: pre-existing connections that over time have not turned into strong bonds. The maintained social capital refers to the value we obtain from maintaining relations with latent bonds. It is normal that while we move in the path of our life, perhaps from one city to another, some people stay in touch with us, but others lose relevance as we develop and change. Social networks are valuable connectors for latent links because they involve a low-involvement channel with low efforts for maintaining these links.

As evidence of this, some research has found that university students use social networks specifically as a way to preserve their network of latent links. (Tuten & Solomon 2017).

As it has already been anticipated, in a project based on crowdfunding, the relationship between the entrepreneur and the crowd is fundamental, among which a relationship based on trust and cooperation is developed. In an online fundraising project, the first lenders are those that make up the circle of ties closer to the entrepreneur who, with their gesture, goes to establish a sense of trust around a project and legitimizes it as a worthy asset. These subjects, or strong ties, provide a proof that validates the project for the later users, that are weak ties (friends of friends, or some strangers). This process creates a sense of consents that find content and form in social media. Networks and crowdfunding thus expand in the form of a community with "perpetual" support, composed of strong and weak ties.

In support of these statements we note the research conducted by Hekman and Brussee (2013). In this survey the researchers analyzed the influence of social networks in the success of crowdfunding campaigns and in particular the role of strong bonds with respect to weak ones.

The results of this study show “that successful initiators on Kickstarter have more friends but a sparser network. Unsuccessful entrepreneurs on the other hand have a higher average degree suggesting a denser network.”

A sparse and well-differentiated network, which however starts from an intense relational capital, is therefore a positive element for the success of the campaign.

But why a larger number of people decide to contribute to the development of a project through a "small" sum of money, for crowdfunding?

These are subjects that probably live in distant cultural and geographical contexts and what unites them is both the interest towards a particular idea and the fact that it can find concrete realization. Consequently, it is therefore a crowd of people interested in a particular topic, those that are described by Howe as "amateurs": hobbyists and enthusiasts who are the "fuel for the engine of crowdsourcing" (Howe 2008).

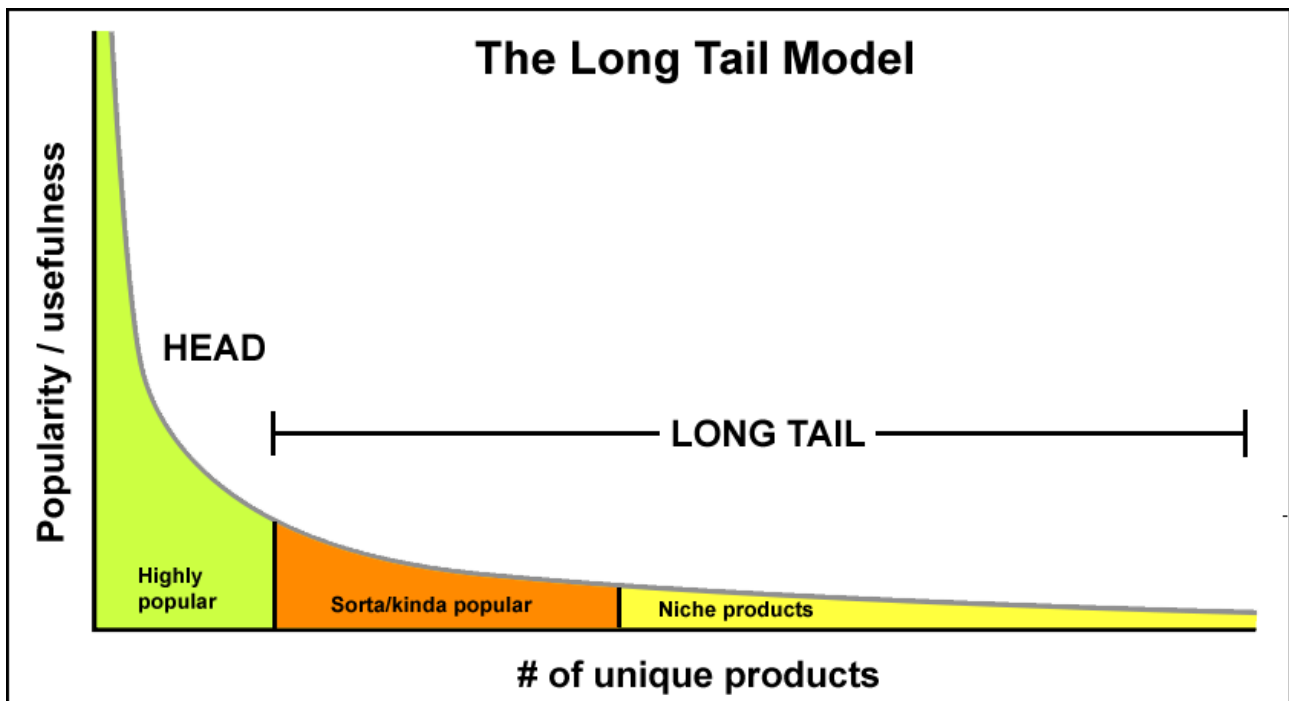
The crowd is not a simple summation of people but is driven by a common interest. It is a niche crowd interested in a theme, in an idea and, thanks to the internet, now it has the opportunity to channel its energy and interests into a common space.

1.3.2 THE LONG TAIL

Another concept that explains how the relationship between the people who produce, distribute and consume has changed is the model called "The Long Tail". This model was theorized by Chris Anderson in an article published by Wired in October 2004.

This model describes how with the advent of the Internet and the web, a twist was created at the base of the logic of digital entertainment that went to profoundly change the market. We are substantially witnessing a profound change in the mass market: if the industry in the 20th century was essentially tied to the best seller market, in the 21st the development of numerous niche markets had loomed.

If the warehouse and distribution costs are high, only the most popular products are sold, but if these costs are virtually zero, then a similar model is much more likely to be applied. On the web, content production can take place at a lower cost and we are not bound to achieve industrial scale economies. In essence, digital market keeps costs low, thus making the creation of niche products feasible.



The Long Tail Model

The graph shows how the hit market (on the left) concentrates a limited number of goods that accumulate high sales indexes. The long tail represents the various niche markets which, developing in the network and exploiting the peculiarities of the -commerce, tend towards the right side of the graph. These are profitable markets because, although less profitable than the large-scale industry, they are calibrated to the

customer's wishes and satisfy a new demand. The demand has been generated thanks to the emergence of a more segmented, critical and able to benefit society and, at the while producing content. For this reason, according to Anderson, there are some companies that have very high sales rates following this model, such as Amazon, Netflix and iTunes. Companies that offer a wide range of products through online sales. But it has been found that the profit gap of these sites between best sellers and niche markets is going away, sales are distributed more evenly thanks to the recommendations, filters and reviews systems that these portals provide.

The concept of long queue is connected to crowdfunding precisely as it concerns the production of goods and services considered niche products, which are produced in small quantities but they are conveyed with passion, interest, sense of community or business by an enthusiast crowd.

1.3 HISTORY AND EVOLUTION OF CROWDFUNDING

The history of crowdfunding can be traced back to 19th century. In 1886 the construction of the Statue of Liberty pedestal in New York was only made thanks to public mobilization launched by an American publisher, Joseph Pulitzer. In a few months, 120 thousand people contributed and \$100,000 were collected for the construction of the base. One of the other most famous examples ante-litteram of crowdfunding is the case of the band Marillion, that in 1997 managed to collect about \$ 60,000 from their fans, thus managing to finance their tour in the United States. Later, the band used the same mechanism in 2001 for recording a new album.

But real crowdfunding is connected to digital media and its official birth date is linked to a specific project. The first crowdfunding platform was created by Brian Camelio, a Boston musician and computer programmer, that launched ArtistShare in 2003 (Freedman & Nutting 2015). It started as a website for musicians, where they could seek donations from their fans to produce digital recordings. Starting with this first version and continuing on the same way, it slowly turned into a fundraising platform for more types of projects in the art world, such as film/video and photography projects as well as music.

The first project was funded thanks to ArtistShare's and was Maria Schneider's jazz album "Concert in a Garden." Schneider offered a tiered system of rewards. Starting from a contribution of \$9.95, for example, a backer had the chance to be one of the firsts to download his album as soon as it was released. Donors who contributed \$250 or more (in addition to receiving an album download) were listed, in the booklet that accompanied the album, as participants who "helped to make this recording possible."

The fan who contributed with the unexpected amount of \$10,000 was listed inside the CD as executive producer.

In the end the campaign managed to gather about \$130,000, enabling Maria Schneider to compose the music, pay her musicians, rent a large recording studio, to produce and to market the album (it was sold exclusively through the ArtistShare website). Thanks also to the success of the crowdfunding campaign the album won a Grammy Award in 2005 for best large jazz ensemble album.

The success of this campaign and ArtistShare website aroused a lot of interest, other platforms were subsequently born, based on the rewards-based model. The most famous platforms are Indigego (launched in 2008) and Kickstarter (launched in 2009), and currently which are also the most used in the world.

From its launch in 2009 through June 2020, Kickstarter hosted more than 488,000 funding campaigns with a success rate of 37,77 percent. The 183,497 succeeding campaigns raised a total of \$5.059.886.700 from more than 18 million donors. About 60,000, or 32 percent of the successful campaigns, raised more than \$10,000; and about 3.9 percent raised more than \$100,000, and there are 459 campaign that raised more than \$1M.

The categories that have the most grip on Kickstarter are music and film / video, followed by distance, art, publishing, games, design, theater, and eight other categories.

Among the various successful projects on the platform should be mentioned are “Pebble Smart Watch” and “Coolest Cooler”. The first one was a digital, customizable wristwatch that runs downloadable sports and fitness apps, and connects wirelessly to an iPhone or Android smartphone. It could be pre-ordered on the platform at a price of \$ 99, when the market price was around \$ 150. The object of the campaign was \$100,000, but the campaign raised \$10,266,845 from 68,929 backers.

The second one is a is a multi-function cooler, that raised \$13,285,000 from 62,000 backers on Kickstarter while the initial goal of the developers was set at \$50,000.

In the case of debt-based crowdfunding, the phenomenon emerged as an investment vehicle in 2006 in the United States, and a year earlier in the UK.

Instead, if we talk about donation-based crowdfunding associations, they have started to raise funds long before the birth of dedicated portals. If we want to look for the birth of the first dedicated platforms we must wait until 2010, when GoFundMe was launched.

In addition to the aforementioned cases, there are some historical examples that are worth talking about to remember like Barack Obama initiative to open his own website www.barackobama.com in February 2007.

Opening this page, you can find a photo of Obama's family and three buttons: "Who I am", "How I think about it" and, last but definitely more important, "Join the movement". In the United States, if you want to become President, you need many resources. Consequently, Barack Obama looked for a way to raise money in order to pay his presidential campaign.

Another example is the "Tous Mecenes" campaign of the Louvre, aimed at purchasing the "Three Graces" painting by Cranach. The owner collector for the work required 4 million euros, the Museum had only 3 million available and therefore the administrators decided to launch a crowdfunding initiative in order to collect the missing amount. Since November 2010, more than 7,000 donors have participated, who have been rewarded by the Louvre with the inclusion of their name within the museum's patrons list.

The crowdfunding landscape in Italy is a bit different than the one of foreign countries. The sector, compared to the American counterparts, is having a delayed explosion. This is what emerges from the annual report of Starteed: the sector is characterized by a constant increase in volumes (in terms of total donation). The biggest growth is very recent and it happened between 2017 and 2018. In this period there was a growth in the sector of around 91.86 percent, reaching a total of € 244,730,127 donated.

A case less mentioned is MyFootballClub, an English Society that since August 2007 has recruited at least 50,000 football enthusiasts all around the world, who purchase the football club Ebbsfleet United in the United Kingdom. The contribution of fans (a membership fee of £35) allowed them to complete the takeover of the club and has formed a community with real decision power such as team selection and player transfers; and off the field, like what type of food to serve at the stadium. The online community experienced among investors allowed crowdfunders to enjoy additional benefits beyond than purely financial return from their investment.

Another interesting fact coming out in this report is the positive assessment of the sector's performance. Many evaluate the experience linked to the world of Crowdfunding due to the dynamism and the avant-garde of the techniques that encourage, especially the professionals, to reinvent themselves and to propose more efficient improvements on the market.

The greatest challenges are the optimization of the support strategies for designers. The biggest challenge, therefore, is linked to the understanding of the crowdfunding tool and difficulties in the engagement capacity of the reference community.

Among the potential felt by professionals there is the opportunity to promote the project that a campaign (and the communication plan) associated, giving the possibility to also obtain a pre-validation by the market.

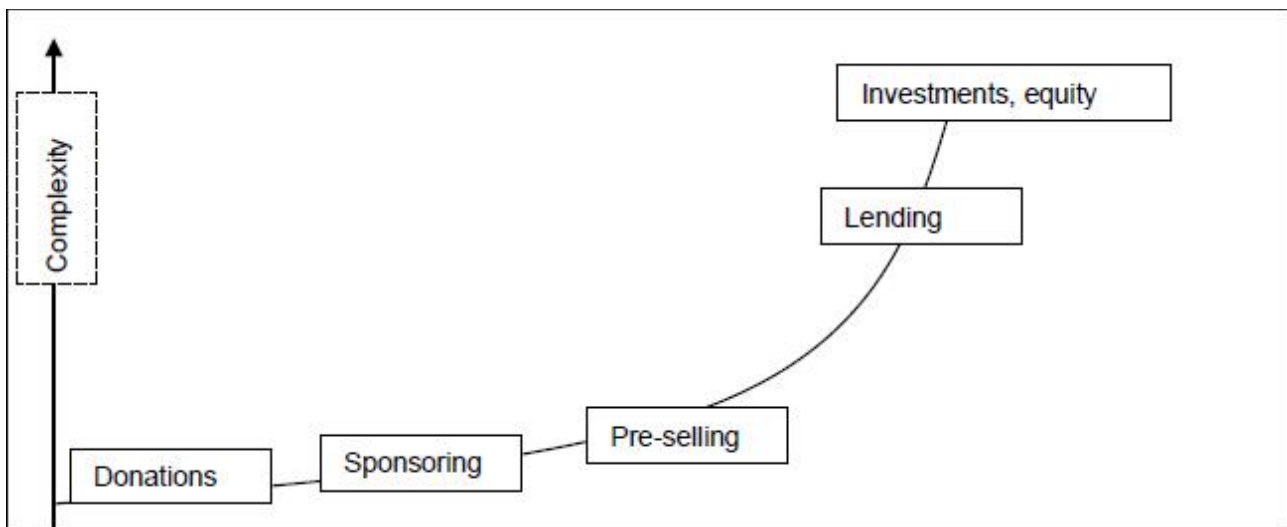
Brief, the basis of a community for feedback it is possible to extract the index of interest enjoyed by the idea presented through the campaign. Associated with the promotion opportunity is the resulting growth in terms of new contacts and donors to implement loyalty and involvement strategies for future projects.

1.4 DIFFERENT CROWDFUNDING MODELS

The various types of crowdfunding differ in terms of resource allocation and return to investors. The individuals, who form a crowd, generally receive a reward, although it would seem not to be in some cases. The reward can be present in different forms: the material compensation, often in the form of monetary, good or service reward, or the intangible compensation in the form of social recognition; these two forms are the most important. However, we must say that this is a complex phenomenon and continuously changing. One of the most interesting things of crowdfunding is the different model possibility of combination, which allows greater customization and an always different offer from one campaign to another, without limits of imagination or possibility. Despite this, there are four principal models at base of crowdfunding:

- **Donation-based crowdfunding.** It is based on donations like charity, and nothing is generally expected in exchange for donation. Donating is the easier way to finance a project. The birth of crowdfunding comes from this model and has its roots in microcredit.
- **Reward-based crowdfunding.** This is probably the most known form of crowdfunding. Supporters decide the size of their support and receive something in return. The more money they choose to invest, the better the reward is. In many cases, this form can be transformed in pre-sales crowdfunding: instead of deciding the size of the investment, pre-sales come with a fixed price that usually is lower than the expected market value.

- **Lending-based crowdfunding.** Loan with interest rates that are lower and more competitive than those normally applied by credit institutions.
- **Investment-based crowdfunding.** Typically, contributors buy shares, which may give them say in the project. Sometimes, investors only buy a share of the revenue.



The major forms of capital provision ranked by process complexity (Hemer 2011)

The graph shows the different models related to the level of complexity required: as we move away from the philanthropic model par excellence, donation increases management complexity.

1.5.1 DONATION-BASED CROWDFUNDING

In this case, the investor gives a sum of money at his pleasure. Obviously, is the world of NGOs in interested in this type of initiative. This model is one of the most widespread methods in the field of social, cultural and artistic initiatives. Even if the donation is an altruistic

action that does not foresee any form of reward, some crowdfunding projects provide however a recompense.

These rewards usually are intangible assets, that assume a special value, that is a symbolic value for the donator. An example could be an artist's autograph, the name mentioned among the "credits" of the work, the invitation to a premier.

Donors are emotionally involved in the project and faithful to it, and for these reasons they expect timely and transparent information and updates on the status of the project and possible developments.

In Italy, the most known platforms that do this type of initiatives are Iodono, BuonaCausa and Rete del Dono.

1.5.2 REWARD-BASED CROWDFUNDING

This model allows to participate to the phases that precede the production of a good or a service. In this case, the donation necessarily has a form of reward. This crowdfunding typology is the most famous and used form; it is used by the majority of the platforms, like Kickstarter and Indiegogo. The reward is different based on the amount of money donated. It starts with small rewards such as the official thanks (perhaps in a special space, or in the credits of a paper or filmographic work) up to increasingly exclusive material goods as the donation rises. The cost of the reward is less than the value that the investor perceived and it usually is less than market value.

Summing up, the recompense can be of two types: a pre-purchase (for example pair of shoes, a record, a comic, etc.) or a gadget unique or not, based on the amount donated. In the case of information asymmetry, the true quality of the product is revealed later, so the firm must deal with consumers with different expected valuations of its forthcoming product. This induces consumers with the highest expected valuation to pre-order before the quality is known (Nocke et al. 2011).

A fundamental thing to specify is that all rewards-based crowdfunding campaigners retain their intellectual property rights like patents,

trademarks, and copyrights. This means that the crowdfunding platform (Kickstarter, Indigogo or whatever it is) is not a producer or a publisher or a marketer, but just an intermediary that connects those who are looking for money with donors and enables them to communicate among themselves.

Another factor to clarify is that when you fund a campaign of this type it is that you do not really buy an object or a reward. Backers assume risks. Even when projects are fully funded, there is no guarantee that the entrepreneurs will fulfill their promises or that he can do it in time. At least 70 percent of projects miss their delivery deadlines. The platform job finishes when the campaign ends, it does not mediate or intervene when funded companies fail to keep their promises.

This is a very interesting model because it allows donors to become potential customers of the product which they are financing. An interesting factor, not only for the sale itself but also when the opportunity to better analyze the target to which we are referring.

This typology is the most used one and about 2/3 of worldwide crowdfunding platforms are based on this model. The well-known reward-based platforms in Italy are Kapipal, Eppela and Starteed.

1.5.3 LENDING-BASED CROWDFUNDING

In this case we are talking about social lending (or peer-to-peer loan), or the loan of money between subjects without the intermediation of credit institutions. This is an alternative channel for requesting credit through Internet, that has quickly developed thanks to its fast and simply feature. Another important factor of its success is that is presented as an alternative to the widespread situation of credit crunch. There are two subjects involved in this process: the investor provides money to a company or to a person who need credit, without the intermediation of a bank.

Its strength lies in its transparency and in the economics of interest rates, that are cheaper compared to those that are applied on average of the market.

In this case, the entrepreneur registers and uses official lending crowdfunding platforms, controlled and remunerated for the selection, analysis and distribution of loans (the percentage they retain is on average around 1%).

This is an interesting tool for the companies who are searching money for particular activities or for investing in projects that otherwise could be impossible to do.

Unfortunately, not all projects are accepted and only a small percentage of applications are approved. For example, Lending Club (launched in 2006 in San Francisco), the largest lending-based platform in the world in terms of issued loan volume and revenue, has an approval rate of about 10 percent. In Italy the largest platforms are Smartika, Younited Credit and Borsadelcredito.it.

1.5.4 EQUITY-BASED CROWDFUNDING

The last model to be analyzed is equity crowdfunding, a particular form of profit-sharing that allows interested parties to receive equity in the companies they support. Investors can choose a project based on its future potential or even shared values. Typically, contributors buy shares, which may give them a say in the project. Sometimes, investors only buy a share of the revenue. Also, in this case, the transaction takes place through the mediation of an online platform. Projects funded with equity crowdfunding usually are developed by innovative start-ups which, due to their nature, have a high percentage of failure and risk. This does not allow them to have sufficient requirements to access traditional forms of credit.

Precisely because this form is particularly linked to risk, they need more control. In Italy, for example, the regulation identifies two types of platforms: ordinary and special. Ordinary platforms are an extension of the activity of the credit institutions which, by their nature, are already appointed and controlled.

The special platforms are those that require particular control, or rather need to demonstrate to Consob that they have the necessary

requirements and are able to guarantee a healthy and virtuous management. In Italy the most used platforms are Mamacrowd, Crowdfundme and Walliance. According to the Italian Crowdfunding report produced by the homonymous Observatory of the School of Management of the Politecnico di Milano, the 2019 equity crowdfunding has more than doubled compared to 2018: last June 30th this online fundraising mode that provides funding in exchange for shares has exceeded the threshold of 82 million euros collected, when a year ago they were much less than half, or about 36 million euros. In the last year the collection was 49 million, with 170 campaigns surveyed, almost one every 2 days, with a success rate of 75% in the first 6 months, when the average of the entire sample from 2014 was 71.7 %). One major platform in Italy of this kind is SiamoSoci.

1.5.5 OTHER FORMS

Recently, other minor forms of crowdfunding have also risen such as:

- **Civic crowdfunding.** Involving the use of crowdfunding to finance public works and projects by the citizens themselves.
- **Corporate crowdfunding.** Is a type of financing which, starting from the concept of CRS (Corporate Social Responsibility), can help companies in the design of products/services, directly involving customers in this phase.
- **Energy crowdfunding.** Is a form of funding from below in the green and renewable energy sector for the implementation of sustainable projects and energy transition, with the aim to reducing dependence on fossil fuels and contribute to the development of infrastructures and innovative technologies.
- **Real estate crowdfunding.** Is a typology of collective loan in which capital is raised for real estate investments. Basically, it is a subset of

crowd investing that allows investors, in exchange for a return on capital, to participate in the financing of a real estate project in a residential or commercial environment. The purchase of a property so that it can be used for income, the restructuring of a property or the development of a greenfield project.

- **Recurring crowdfunding.** Is a type of continuous donation-based or reward-based fundraising that does not expire, unlike normal bottom-up funding campaigns.

There are also models that are a combination of those we have examined above. For entrepreneurs there are many positive factors deriving from the choice of one of these hybrid platforms. They can have advantages of several types and differentiated from each other compared to financing their project in a portal that allows only one solution.

1.6 CROWDFUNDING PLATFORMS

One of the main factors in the development and success of crowdfunding are the online platforms where the phenomenon occurs. For this reason, technology is the keystone that has allowed the development of this phenomenon, both for the active part of the process and for the passive one. The possibility of having a portal available to meet supply and demand, like the possibility of paying online quickly and securely, as well as updating your network in one click, are some of the fundamental tools that allow you to facilitate the crowdfunding mechanisms.

Online platforms are portals that facilitate meetings between entrepreneurs and investors; act as real intermediaries between who is searching money and the crowd. In order to develop their own business project, entrepreneurs try to intercept funders from the web and the donors, having a portal, can see which projects are active and choose whether participating in the development of a project or not. The platforms are real notice boards that, without borders or geographical limits, are sufficiently structured to be able to provide the details of an entrepreneurial initiative. The project for working at its best usually needs as much more information as possible. For this motivation in a crowdfunding platform, you can find a section dedicated to the publication of a detailed form, the link to the channel of YouTube that hosts the video and, testimonials or extra content, direct links to various social networks, and a section dedicated to the news.

There are different typologies of crowdfunding platform which differ from each other depending on the type of projects they accept: some sites only accept projects related to the art world; some related to companies that base their core business on technology, while other structures can host all types of projects, regardless of the branch of origin. Projects however are not selected for their potential profit but on

their originality and feasibility, quality, nature, project leader and location.

Another possible division could be referred to the typology of project that you can upload into, In other words, there are platforms that don't make a selection of the field of the project or platform that don't allows all the projects, because they don't meet the right target.

In many cases, but not in all, platforms ask a percentage of the money donated, usually between 2% and 15%. On average, crowdfunding platforms retain 5% commission, while in Italy the figure is slightly different: the average commission required is 6%.

There are also portals that do their job without asking a percentage. In this case, platforms give their services for free. Platforms are proposed as showcase that act as a point of contact between the applicant and supporter and where generally neither supports nor filters are provided. Once the campaign is over, if the minimum funding provided at the time of launch is reached, there is the actual transfer of money to the entrepreneur's account. The project can then be started, and the platforms will retain the percentage due. If the latter provides for the application of the model "keep it all" the money transfer will take place regardless of the success or failure of the campaign. It can be said that a strong acceleration and confidence rose with the arrival of eBay and Amazon, since some goods can be appreciated in a virtual showcase and purchased in safety. What made these two websites important in the world and leader in the sector is the ability to access online payment systems, including PayPal and Amazon Flexible Payment. Moreover, in most cases the platforms can monitor the "status" of the campaign both in terms of capital and of traffic reached.

1.6.1 DIY: DO IT YOURSELF

You can choose not to use a crowdfunding platform already existing, although this is obviously the most popular choice. However, the trend

seems to have changed direction: crowdfunding projects have lately preferred to equip themselves with autonomous platforms, created specifically for the campaign. This allows, of course, to possess an almost absolute freedom on the management of the campaign, both from the point of view of creativity and from the point of view of the lack of constraints (without forgetting that percentages of the sum collected must not be paid).

It seems clear that not everyone can take advantage of this type of opportunity. The creation of a site and a crowdfunding campaign is not accessible or possible for everyone. Structured realities have specific skills (press office, communication and internal planning) and a consolidated community of reference. Different organizations choose to host the campaign on their own website, or to create one ad hoc so as not to waste one's relational capital, being able to exploit crowdfunding not only for direct purposes (fundraising tool), but also to create opportunities for dialogue with one's own social network.

For these reasons, companies are developing, which deal with providing DIY solutions that can support creating a personalized website with all functional elements of the campaign (section dedicated to fundraising directly managed by the organization, definition of a graphic layout and community management). This because it is clear, both for organizations and for companies, that social capital is an important asset. Being able to control it, as well as conveying and "inventory", is a relevant aspect that must be managed by the institution and not necessarily outsourced.

First, through simulations we show that CF platforms are more viable for projects with small-scale capital requirements than those with large-scale requirements. Second, due to information asymmetry, non-profit projects are likely to acquire more funding comparing with for-profit projects. Third, CF platforms can reach maximum performance (indicated by the success rate of projects) by applying certain control mechanisms, such as acceptance rate and diffusion density.

CHAPTER 2: HOW A CROWDFUNDING CAMPAIGN WORKS

2.1 STEP IN CREATING A CAMPAIGN

When someone starts a challenge like a crowdfunding project, he must be aware of the difficulties that will face. As has been anticipated previously, we understand how the challenges for the entrepreneurs who decide to venture into this world are more linked to marketing and communication activities. Unlike traditional forms of financing, the goal of crowdfunding is to convince people to donate. The target is a large and heterogeneous crowd, a miscellany of subjects with different characteristics that share a possible common interest.

For a crowdfunding project, the objective is to involve as many people as possible thanks to a careful strategic communication planning and with a set of targets, for which a single channel, like the business plan, would have a limited impact (Steinberg & DeMaria, 2012).

As we will see in more detail later, in order to reach the maximum possible audience, the crowd must be involved through social media such as Facebook, Instagram, LinkedIn or Twitter, but also through specialized blogs that deal with specific topics in line with the project. To meet the needs of newcomers, crowdfunding platforms often provide guides explaining how to best manage campaigns, such as the Kickstarter guidelines or the Success School offered by RocketHub. These guides are based on the experience of who have succeeded in financing their project and decided to describe their strategy, the results achieved, their opinions and opinions on the development of the

campaign and the services of the platform (Steinberg & DeMaria, 2012). Other platforms, like Eppela offer a team of people to help manage campaigns.

The campaign management process that follows, comes from the division made by Steinberg and DeMaria (2012). The process is therefore divided into four progressive phases:

1. **Ideation and planning of the campaign** (Pre-Launch Planning)
2. **Actual launch of the campaign** (Launch Program)
3. **Management and evolution of the campaign** (Post Launch Management)
4. **Gathering of the feedback and developments after the completion of the initiative** (Post-Completion Follow Up).

1. **Ideation and planning of the campaign.** The first phase, when a crowdfunding campaign is being prepared, is pre-launch planning. This phase has a critical importance, as it concerns the design in detail of everything that will be done later, starting from the positioning of the products or services, to the creation of common objectives and visions, up to defining who the target supporters will be.

The campaign material is prepared by the creators of the project, who must also think: a name for the campaign, a description of how the funds will be used, a presentation of the team and its members, the funding objective, the duration of the campaign and the various bands to donate; in the event that a reward is provided for, the prizes that will be assigned to the supporters must be established accordingly. Every initiative must be capable of being concretely developed: initiatives that are too disorganized or charitable are not accepted from some platforms. At this stage, it is important to clarify all the processes that are necessary for the development of the product

or service. Aspects related to the feasibility of the product and the positioning. Therefore, it is necessary to know the characteristics of similar products (analysis of the production chain, distribution and characteristics of competitors such as the analysis of prices and communication and marketing strategies undertaken with their respective customers). This is the moment when price categories are set in relation to rewards. For example, according to Kickstarter, the average donation is \$ 70, while the most popular is \$ 25. Usually there is a tendency to add a video too, as various studies have shown that it increases the possibility of success of a project (Kraus et al. 2016, Wheat et al. 2013).

It is important to "put one's face", so that the crowd can know "in person" who they are supporting. Building the image of the project through a simple title, an effective image, a clear and comprehensive biography and project sheet. The entrepreneur submits his idea to the platform that verifies the adequacy of the proposal (innovative idea, quality of the presentation, schedule and compliant deadlines, ethical nature of the initiative).

An element that can be useful in the design phase is the analysis of successful campaigns with the aim of studying their weaknesses, key strengths, understanding the management processes and assessing the objective of financing with respect the size of the project. According to Steinberg and DeMaria (2012), before moving on to the next phase of the project, it is useful to stop a further moment, to go in search of a first group of supporters in the project, but also to try to stimulate friends and family, who will form the first core of trust around the project.

This network of people, in fact, represents not only the numerical starting point of the support of the project, but at the same time is a sign of trust to the same, a factor that allows subsequent donors to be able to trust in turn.

2. **Actual launch of the campaign.** Once accepted, the project is launched by the platform. In this context the model to be adopted is defined, if it is not decided a priori by the platform: "keep it all", the sum collected is transferred to the entrepreneur's account even if the goal has not been reached, or "all or nothing", the project does not reach the goal and the donations set aside are returned to the supporters. In this phase, creators try to engage their audience and try to get feedback on the materials of the campaign.

3. **Management and evolution of the campaign.** A communication plan is developed with the aim of reaching as many potential lenders and supporters as possible. This type of campaign is processed through the main social media, blogs, e-mails, offline communication technologies and in-person requests. As lenders monitor launches, entrepreneurs need to make known their work. In this phase the interaction with the potential investor is essential. For this purpose the interactions are made of updates and constant communications with all the offline and online promotion tools. The more a project is kept alive and updated, the more chance it has of success. The frequency of updates, in particular, the management of the latter over the first three days after launch, is another quality indicator. A study carried out by Xu et al. (2014) analyzed 8529 Kickstarter campaigns to find out what was the difference between projects with or without an update. The results showed that the chances of success of a project with updates were 58.7% against 32.6% if no updates were presented. Furthermore, the campaigns that had different types of updates (such as social promotion, progress reports, new content, new reward or others) were on average more successful than the others. The same analysis was done for understand when updates are recommended, the result is that the initial part of the project was the best (Xu et al. 2014).

Kickstarter, on its website has an entire section dedicated to suggestions on how to manage a campaign and reports. The timing reports and the management of the promotion, both online and offline, are up to the designer who must be completely autonomous in promoting your project by leveraging all available tools. In this phase of the project, if the project is well developed, interesting or has good attractiveness, it begins to receive the first donations, and the campaign managers only need to keep active interest by continuing the storytelling on the progress of the project. If the platform is one of those that allows you to collect money even before the deadline, the creators of the campaign can start taking advantage of donations by producing prototypes or enhancing the communication campaign.

- 4. Gathering of the feedback and developments after the completion of the initiative.** Depending on the model reached, there will be the disbursement of money from the current account of the supporters to the entrepreneur. Anyhow, once the goal is achieved and the campaign is completed, the products or services are finally developed and the project creators start delivering awards to supporters. Donors will be waiting to receive the reward, if expected. At the end of the project, regardless of whether the campaign is successful, further post-completion is required: collection of feedback and analysis. We therefore proceed to collect feedback on the campaign as well as any considerations and opinions on the project. You can take advantage of this moment to go and analyze important data in order to eventually manage other campaigns and projects. This phase is very interesting because we can have positive exchanges of experiences and knowledge through direct and indirect declarations.

The first phase, in which we study the target and the design of the campaign is performed, is fundamental because shows the importance of an effective and focused use of the channels of communication, both made available by the platform and external. It is essential to the success of the project the presence of a careful and accurate description of the project, a video that allows a better understanding, a dedicated blog. Above all the adequate planning of constant updates on the developments of a campaign and of the objectives set the most important means by which it is possible to show the quality of the projects and the level of knowledge of the creators to the crowd (Schwienbacher & Larralde 2010).

The following steps, two and three, are those that describe the actual phenomenon of crowdfunding: these steps are crucial to attract the attention of sponsors and implement an effective marketing campaign, aided by the effect of and by word of mouth. The last phase, the money is collected and the prizes are sent, unless the project concerns the pre-launch of a product. A factor that emerged from Mollick's famous analysis (2013) is that even the most structured and successful projects often present delays in the delivery of rewards.

According to Lehner, one of the most important steps in the crowdfunding process is to propose something that has a demand because “not only the entrepreneurs have to identify an opportunity, but also the crowd has to recognize and evaluate it” (Lehner, 2013).

An important study carried out by Steinber and DeMaria (2012), provides us with an operational guide on how to create a successful crowdfunding campaign. The study, based on empirical observations, aims to provide novice entrepreneurs with guidelines on how to develop a campaign in the best way in order to maximize the performance of a proposed project through a crowdfunding platform.

Moreover, it becomes quite useful to look at some of the building blocks of several successful campaigns over the internet, which according to Steinberg and DeMaria (2012) are:

- A solid idea and sellable vision for the product or service;
- Careful pre-planning and preparation;
- A strong presentation, ideally coupled with high production values;
- A reward structure that appeals to the project's audience;
- Ongoing outreach to backers;
- Effective social media, marketing and PR strategies;
- The presence of a popular pre-existing brand or personality that is attached to the project or an existing audience for the property.



(Author's elaboration (Steinberg, DeMaria 2012))

2.2 HOW A CROWDFUNDING PLATFORM WORKS

Technology, as has already been pointed out, is the keystone that allowed the development of this phenomenon, both for the active and the passive part of the process. As has already been anticipated, the platforms are the link between the two groups involved in the process and without some technological innovations it would not have been possible to arrive at this revolution in credit collection.

Leaning on a portal where the attention of demand and supply can be channeled, paying online quickly and securely, as well as updating your network in a click, are some of the fundamental tools that allow you to facilitate the crowdfunding mechanisms.

The online platforms are therefore portals that facilitate the meeting between entrepreneurs and web users, going to perform the task of intermediaries between entrepreneurs and the crowd. The former, in order to develop their own business project, try to intercept funders from the web, the latter having money can choose whether to participate in the development of the same or not.

The platforms are real notice boards that, without borders or geographical limits, are sufficiently structured to be able to provide the details of an entrepreneurial initiative (a section is usually dedicated to the publication of a detailed form, the link to the channel of YouTube that hosts the video and, depending on the case, testimonials or extra content, direct links to various social networks, a section dedicated to news).

The platforms can be of a generalist type, portals that host various types of projects with a limited target, or vertical, like platforms with a high level of specialization. If the platform is "all or nothing", once the campaign is over, if the minimum funding provided at the time of the launch is reached, there will be the actual transfer of money to the entrepreneur's account. The project can then be started and the

platforms will retain the percentage due. If the latter involves the application of the "keep it all" model, the money will be transferred regardless of whether the campaign is successful or not.

The most famous example of an "all-or-nothing" platform is Kickstarter.

Kickstarter acts as an intermediary between a credit application and an audience of web users willing to purchase a "closed box" good, while providing guarantees to all those involved. This platform does not consider the formula "keep-it-all" effective because it would not guarantee both entrepreneurs and supporters sufficient margins of success. The "all-or-nothing" model is the only solution proposed and is motivated by the portal (Kickstarter) as follows:

- **It's less risk for everyone.** If a project doesn't reach its funding goal, creators will not be expected to complete their project without the funds necessary to do so, and backers will not be charged. Therefore, it is better to guarantee entrepreneurs the actual target share and "security" investors to be able to receive the prize.
- **It motivates.** Adding a sense of urgency motivates your community to spread the word and rally behind your project.
- **It works.** Of the projects that have reached 60% of their funding goal, 98% were successfully funded. We find that projects either realize and surpass their goal, or they never fully take off.

In his study Mollick (2013) analyzed the economic trend of both "failed" and positively closed projects. Initiatives that fail tend to be very far from the goal. Projects that are not funded are on average 10.3% of the target, only 10% of the cases reach 30% of the target while a very small percentage, 3%, reaches at least 50%.

If, therefore, a project reaches only a few donors, it is unlikely that it will be able to attract other forms of financing that will allow the entrepreneur to reach the target. For this reason, for Kickstarter it is better not to waste the resources accumulated in projects that, far from the goal, would be difficult to complete the whole process.

Moreover, in most cases the platforms are able to monitor the progress of the campaign step by step both in terms of capital and traffic achieved. For example, every day Kickstarter identifies the "staff picks", these are projects considered of particular interest by the team that are positioned on the home page of the site for a day. To achieve this level of visibility, all the required quality indicators must be met.

If Kickstarter's strategy is to make people understand what the most important factors for the success of a campaign are and then go and analyze them manually, Indiegogo has decided to take a different approach to go and reward the most deserving projects.

Indiegogo has developed an algorithm, the "GoGo Factor", which tracks all the activities surrounding a project: from what is financed, to the number of comments, the frequency of updates.

Dahlhausen et al. (2016) through "The Koala Project", a research project to study how antibiotics affect the health of the intestinal koala microbiome, has studied more thrust some crowdfunding dynamics, because in search of data concerning the demand and the interest aroused by the project.

Among the various things discovered by the researchers there is the presence of the algorithm called "GoGo Factor" that requires you to create traffic to your campaign from your immediate network before the project is searchable on their site.

The researchers realized how the funding objectives would not be achieved had it not been for articles written in the popular press that allowed the project to reach people outside their network of friends, relatives and acquaintances. (Dahlhausen et al. 2016)

Indiegogo also offered them the opportunity to extend the campaign beyond the established duration as it was still making substantial

contributions during the last week of my campaign. And since the campaign was successful, they offered the opportunity to keep the campaign active indefinitely (or "InDemand") after the campaign ended.

2.2 THE MOTIVATIONS OF THE INVESTOR

The motivations that push an entrepreneur or a private individual to invest in the world of crowdfunding will be analyzed in the next chapter, as they are linked to marketing strategies. In a system in which two parties participate, not only the motivations of those proposing a given project must be strong, but it must also be interesting and advantageous for the donors. They receive the proposals and decide to spend time and money on seeing their realization. One of the precursors of the analysis of the reasons that motivate backers to donate is Harms, that in 2007 conducted a questionnaire-based research precisely for this purpose. The results of this research “led him conclude that, in addition to self-expression and enjoyment, the overall benefit investors derive with respect to their contribution (economic value), the presence of a guaranteed tangible output of the project (certainty effect), the degree to which the functional benefits of the project outcome serves a functional need of the individual consumer (personal utility), all significantly drive funders’ intention to invest.” (Cordova et al. 2013). Closely linked to the question of the motivations that push financiers to give small or large sums of money there is obviously a reward, but not only. What motivates a person to provide money without a detailed evaluation of a project or without being able to know the quality a priori? These types of benefits vary according to the forms of crowdfunding, which range from a model based on equity, a scheme for profit sharing and loans to definitive donations.

According to Kleemann et al. (2008) those who decide to participate in the foundation or development of crowdsourcing and crowdfunding projects have both intrinsic and extrinsic motivations.

A body of literature found non-financial intrinsic and individual motives as the dominant drivers of investors’ funding contributions to reward-based crowdfunding (Allison et al. 2015, Fuller 2010, Gerber &

Hui 2013, Zhang & Chen 2019). Collins and Pierrakis (2012) in their study found that investors are mostly motivated by a combination of intrinsic, social and monetary motives (Bagheri et al. 2019). An important feature of crowdfunding are the private benefits that backers (or investors) enjoy by choosing to support a project. (Belleflamme 2014)

As previously mentioned, one of the success factors of crowdfunding is the fact that people invest in projects that are very close to their values, emotions, geography or personality. In addition to these motivations that are strictly related to the personal sphere, donors can show interest in a project for their willingness to contribute with their knowledge and their involvement is very similar to that of angels and venture capital funds. Bretschneider & Leimeister (2017) highlighted the importance of extrinsic and social motivations also in the field of crowdfunding which is based on investments. The two authors have discovered that the motivations behind these donations can not only be related to the mere interest in investments, but they can also be: developing one's self image, advocating the realization of a specific project, developing the sense of connection and be part of product team. Among the various scholars to have been interested in the topic, Van Wingerden and Ryan (2011) made a distinction between intrinsic motivations (control of the use of an innovation, improvement of current circumstances, enjoyment and sense of involvement) and extrinsic motivations (reward financial).

The macro division that I consider most comprehensive and clear is that of De Buysere (2012). For the researcher the lenders are interested in participating in crowdfunding projects for three main reasons: social, material and financial returns.

- When it comes to social return, it is the satisfaction that lenders have when they see that a project can become reality, donation-based crowdfunding is usually based on this mechanism.

- With a material return, or rewards, lenders actually receive something for their commitment and investment.
- We talk about an economic return when the lender invests in equity-based loans and crowdfunding: the risk is diversified and the premium is collected through the payment of interest or dividends.

As for the individual categories, is interesting what is proposed by Hemer (2011) in his study "A Snapshot on Crowdfunding". He explains how backers are not only motivated by material rewards (material returns and economic returns), but mainly by intangible rewards and by a series of intrinsic reasons (social returns). The scholar then lists them:

- Personal identification with the project's subject and its goals.
- Contribution to a societally important mission.
- Satisfaction from being part of a certain community with similar priorities.
- Satisfaction from observing the realization and success of the project funded.
- Enjoyment in being engaged in and interacting with the project's team.
- Enjoying contributing to an innovation or being among the pioneers of new technology or business.
- The chance to expand one's own personal network.
- The expectation of attracting funders in return for one's own crowdfunding project.

Once a division has been identified in which macro compartments are identified, we can then proceed to analyze in detail which are the main reasons that push backers to invest in a specific crowdfunding project.

2.2.1 SEEK REWARDS (MATERIAL RETURN)

While on the one hand there is the search for funds or other benefits related to their project or their company, on the other hand of the crowdfunding process the lenders look for rewards, often in the form of tangible products and/or services.

There is clearly interest by many backers to be able to purchase and obtain items.

The lender, therefore, expects to get a reward even if through a significantly longer transaction than the typical consumer purchase transaction, whether it occurs in a normal offline store, or in an online store. These motivations are also explained by the fact that the objects that are sold or given as rewards are often unique, numerically limited or sold ahead the rest of the market.

The lenders are therefore aware of the value of the exchange and positively evaluate the presence of a surcharge. The more the rewards are directly related to the project, the more they will be appreciated, because in line with the purpose of the loan.

Obviously the presence of some realities that operate according to the "all or nothing" scheme, makes it even easier for donors to invest and believe in a project, given that there is almost absolute certainty that the rewards will be paid or that ours will be returned, furthermore there is the awareness that your money will not be wasted or used in ways other than those indicated.

2.2.2 PRE-SALES (MATERIAL RETURN)

As pre-sales crowdfunding can be considered a sub-category of reward-based crowdfunding, the reasons behind the choice to donate to a crowdfunding project related to pre-sales are very similar to those related to rewards. A pre-sale crowdfunding project is often rewarded by donors with the success of the campaign. The pre-sale of products is chosen more often than other types of prizes (Crosetto & Regner 2014).

Donors who fund a project feel part of a "special" or "privileged" consumer community as we can see later. The fact of belonging to this community allows him to enjoy unique advantages, such as the opportunity to make pre-sales.

Lenders have consistently reported being motivated to give to get the product first or get a limited edition of the work. Therefore, they are also willing to pay more to get it (Gerber et al. 2012).

Therefore, investors are not only able to select themselves in this community but are happy to have the opportunity to do so. As already mentioned, pre-sales is a particular form of rewards in reality, which allows entrepreneurs to auto-segment donors. From the point of view of consumers this represents an excellent opportunity to be able to purchase a good preview of the other buyers who will only be able to dispose of it once it has entered the market. This represents an obvious motivation for investors, who not only have the opportunity to finance a project they believe in, but also receive something in return that allows them to differentiate themselves from other consumers. Sometimes this becomes an additional motivation thanks to the fact that the goods sold in pre-sales have a price lower than the market value.

How this can become a marketing lever for the proponents of a project will be analyzed in the next chapter.

2.2.3 ACCESS TO INVESTMENT OPPORTUNITIES (ECONOMIC RETURN)

This motivation is closely linked to the forms of equity crowdfunding and lending crowdfunding. Gubler (2013) describes crowdfunding as “giving ordinary investors the opportunity to get in on the ground floor of the next big idea.” We are therefore talking about offering the opportunity to people who would otherwise hardly be inclined to start "adventures" like these. According to a study carried out by Daskalakis and Yue (2017) it emerges that those who decide to participate in p2p crowdfunding investments seem to be more motivated mainly by higher returns, but also by interest and excitement.

2.2.4 SUPPORT CREATORS AND CAUSES (SOCIAL RETURN)

The participation and support of a crowdfunding project can be strongly motivated by wanting to support creators and causes that are in line with the values of the donor, as they are driven by creating something important compatible with their principles. People support efforts consistent with their own identity or identity to which they aspire (Aaker and Akutsu 2009), for this reason they prove available to projects close to their ideologies.

As already mentioned above, many lenders, for this reason, undertake to donate and support projects undertaken by friends or acquaintances, or to support causes close to us.

The analysis carried out by Gerber and Hui (2013) suggests that backers are also inclined to financially support a friend in times of need, but not only that, supporters are also willing to support people they don't know well. The backers are therefore moved by the desire to help others with the intent to give a useful and significant contribution. Crowdfunding offers the opportunity to get to know the projects of others and to establish relationships of trust and social bonds, so that we can make shared success (Gerber & Hui 2013).

Donors are motivated to connect and support other individuals in their social networks by helping them achieve their goals. Consistent with prior marketing research, identity influences what actions people take and why they give (Aaker & Akutsu 2009). People engage in efforts consistent with their identity and values, supporting the causes of this kind. In this way, crowdfunding influences the kind of ideas that are realized, allowing smaller niche markets.

The study carried by Choy and Schlaqwein (2016) moves in this direction: “a team or community as the social intrinsic motives and improving public visibility of support for the project cause and signaling a certain image of themselves to others as the social-extrinsic motives for donors’ contributions” (Bagheri et al. 2019).

As regards social causes, altruism is obviously the dominant reason for individual donations to charity crowdfunding (Aitamurto 2011, Burtch et al 2013, Gleasure & Feller 2016, Mariani et al. 2017)

2.2.5 ENGAGE AND CONTRIBUTE TO A TRUSTING AND CREATIVE COMMUNITY (SOCIAL RETURN)

“In addition to supporting individual creators, crowdfunding also provides a way to feel part of a community of like-minded people.” (Gerber & Hui 2013).

Among the various motivations that push backers to participate in crowdfunding activities, we can also identify what Hemer (2011) defines "satisfaction from being part of a certain community with similar priorities". The goal may therefore be to be part of a retentive community made up of creatives: according to a study by Ramsey (2012) crowdfunding can be an “opportunities to talented people with limited resources and to investors who want to keep that talent in the community”.

In general, scholars argued that donors are mainly motivated by their needs for approval and interactions with the society target than the monetary rewards to do so (Collins & Pierrakis 2012, Hui et al. 2012, Li et al. 2017, Schwinbacher & Larralde 2010, Bagheri et al. 2019).

The emotional passion of this model allows people to feel involved in the project for the duration. Crowdfunding offers the opportunity to be part of something, they otherwise would never have had the opportunity to get involved with. Sometimes it's just feeling part of something that really motivates people to contribute economically and not just to these kinds of projects.

Cooperation remains regulatory behavior for many online communities: this is the difference between the community of this type and the other realities linked to the world of creativity (Kraut and Resnick 2011).

In other sectors people tend to have the tendency to feel competitive with others who are doing something similar. In crowdfunding, on the

other hand, people feel more collaborative, and therefore more willing to finance other people's projects as supporting acts, but also to show the fact that they believe in the potential of projects and the platform. Another fact that is fundamental to underline is that the backers at the base of their relationship with other members of the community (entrepreneurs) place trust. Trust is a common basis for monetary transactions (Gefen 2000) and crowdfunding platforms are able to foster trust between supporters, creators and other supporters (Gerber & Hui 2013).

2.2.6 COMMUNITY BENEFITS (MATERIAL RETURN)

Although it appears to be part of the previous subparagraph, it actually refers to two different aspects of life in a community. If before we talked about the advantages of being part of a community of creative minds and being able to interact with them, in this sub-paragraph are analyzed the material advantages connected to the communities. Crowdfunding proves interesting not only for donors as individuals, but also for local and global communities because therefore generate "community benefits" for participants (Belleflamme et al. 2014).

The nature of these benefits for the community varies with the form of crowdfunding: the benefits for the community are linked to the consumer experience within the pre-ordering mechanism and to the investment experience within the participation mechanism in the useful. Kitchens and Torrence (2012) state that crowdfunding is a tool that pushes individuals to invest and believe in their communities and this can contribute to a general sustainable economic wellness.

2.2.7 INTEREST, CURIOSITY AND EXCITEMENT (SOCIAL CAUSES)

Huili et al. in 2016 found out that the basis of backers' behavior can be found interest, accomplishment feeling, curiosity, knowledge, experience sharing, fun and dissatisfaction with the product. In the same direction, Füller (2010) highlighted among the various key factors that push consumers to act curiosity, interest, dissatisfaction with a product, showing idea and gaining knowledge. Those who decide to participate in crowdfunding equity crowdfunding investments seem to be motivated not only by higher returns than ordinary investments but also by interest and excitement (Daskalakis and Yue 2017). Therefore, the possibility is given to those who would otherwise have no way of investing, and this not only causes the possibility of participating in earnings but also of experiencing experiences otherwise denied.

2.5 CROWDFUNDING PROBLEMS

The search for funds through crowdfunding is not characterized only by points in favor, but there are also some difficulties and risks: in fact, like any source it is characterized both by pros and cons.

Among the various weaknesses that can be listed for this methodology there are some more important than others, and I think it's fair to mention them.

Crowdfunding cons can include administrative and accounting challenges, the possibility of ideas being stolen, weaker investor protection and potential for fraud, also, crowdfunding is exceptionally internet based, so investors might lack advice. Such threats as the risky nature of small business and unsuitable legal restrictions arise.

Therefore, it should be emphasized that entrepreneurs seeking to finance their activities through crowdfunding should consider in greater depth the administrative and accounting challenges with which they will have to commit. If we consider equity crowdfunding, companies must be found ready for situations in which it is necessary to calculate what is due to each donor, "this would require a meticulous and laborious accounting of all the investments and actions of the company to determine the share of profits to which each investor is entitled" (Sigar 2012).

For example, the campaign and the fundraising period can prove to be much more stressful than planned for the creators of the project both for mental effort and unnecessary but also for the lack of certainty in the success of the project. Despite careful preparation and a well-designed marketing campaign it is always possible that a project, even if valid, will "lose" among the many projects launched every day, going to lose its visibility.

Furthermore, it takes a lot of time to create a marketing plan that is adequate to better support the project and be able to reach the goal set; without adequate preparation it would be extremely difficult to spread

and promote the campaign. While crowdfunding can be used as a test bed to verify the actual demand for a project, on the other hand the creators of the project must be able to propose something for which it could exist or there would be a concrete demand.

In the case that a project does not reach the set target, not only in some cases it cannot exploit the funds, but the entrepreneurs also risk that the failed campaign is counterproductive for the rest of its activities. In fact, a bad reputation can derive from a campaign that went wrong, especially in the case of campaigns launched by a company. Crowdfunding is however characterized by the presence of possible risks connected to fraud and abuse, the lack of information at the end of the financing of a project and the conflict of interest. One of the biggest threats is that related to the possibility of incurring fraud. (Galwin 2012) In the United States, the JOBS Act (2012) eases regulatory requirements for small businesses in various ways and can become a prerequisite for crowdfunding fraud (Gobble 2012). In addition to these types of deception, purely related to the customer-related part, there is also the fear (for entrepreneurs) that someone might copy their ideas. It can prove dangerous to share ideas with the Internet community, because their idea could be stolen by investors who are better financed or large companies (Sullivan & Ma 2012). An entrepreneur who undertakes a project of this type can sometimes not be found ready to protect their business ideas and plans and, moreover, if an idea or a business plan is stolen, most entrepreneurs would lack resources to fight in court. In scientific literature, fear of public failure is mentioned as one of the main reasons, why potential project initiators finally decide not to run a RBCF campaign they had planned or thought about (Gerber and Hui 2013).

CHAPTER 3: CROWDFUNDING AS A MARKETING TOOL

3.1 FOUR PS APPLIED TO CROWDFUNDING

According to many studies, including that carried out by Michael Beier et al. (2019), "the reward-based variant of crowdfunding can also be applied as a powerful marketing tool for already established small and medium sized enterprises (SMEs)." The authors justify this choice because reward-based crowdfunding is a particular combination of several elements from social media and e-commerce (Beier and Wagner 2015a, 2016b).

Crowdfunding platforms can be exploited as social media tools, in where entrepreneurs can show the campaign as a showcase. The entrepreneurs can present and promote their project or company by simply uploading texts, photos or videos (Lai and Turban 2008; Wu et al. 2014). On the one hand, platforms offer some features of social networks, thus allowing the promoters of the project to be able to publish updates on their own projects (Beier and Wagner 2016b; Mollick 2014; Xu et al. 2014).

On the other hand, as was already explained, a crowdfunding campaign based on the reward-based model is also based on e-commerce. The platforms, in fact, provide entrepreneurs with a point of sale where they can offer their products and services to the public (even if cataloged as "rewards").

A large part of the literature considers reward-based crowdfunding only a financing tool for start-ups, to be studied only in the functioning and in the factors that influence its success (e.g. Beier and Wagner 2015; Kraus et al. 2016; Koch & Siering 2015; Kuppuswamy & Bayus 2018; Moritz & Block 2016). Part of the literature, however, is analyzing the phenomenon in a different light: crowdfunding (and in detail the reward-based model) can be an interesting tool in the hands of small and medium-sized enterprises (SMEs). Moreover, if they manage an already started activity, as in addition to being an effective tool for collecting credit, it can also prove an optimal marketing tool (Beier et al. 2014; Brown et al. 2017; Kunz et al. 2016).

It is still a new topic for scientific research, studies on reward-based crowdfunding as a marketing tool have focused on analyzing how launching a project can be useful for market controls, demand estimates or price discrimination (Beier et al. 2019).

What should be emphasized is how "for some companies the overall feedback of their RBCF campaign was essential for strategic decisions, especially in critical business situations." (Beier et al. 2019)

3.1.1 PROSUMERS

An aspect that was left out so far, and that is worth treating in this part, is the concept of the prosumer. The prosumer is a recipient of goods and services that is not limited to the passive role of consumer, but actively participates in the different stages of the process productive. The context of this transformation is once again Web 2.0, which allows the consumer to get in touch with the entrepreneur. As was said before, for Web 2.0 we are considering sets of tools that are made available to users who therefore have the possibility for users to interact, edit and create content online. Web 2.0 is defined by Tim O'Reilly (2005) as "is the network as platform, spanning all connected devices; Web 2.0 applications are those that make the most of the intrinsic advantages of

that platform: delivering software as a continually-updated service that gets better the more people use it, consuming and remixing data from multiple sources, including individual users, while providing their own data and services in a form that allows remixing by others, creating network effects through an "architecture of participation," and going beyond the page metaphor of Web 1.0 to deliver rich user experiences".

This allows an incredibly large number of people to connect and through connections (strong or weak) to create online communities, sharing content, information, knowledge and thoughts. Thanks to the possibility of increasingly accessing high-quality technological tools and at limited costs, those who previously assumed the role of simple spectator now begin to play an active role in the supply chain.

The term prosumer was coined in 1980 by Alvin Toffler in his book *Third Wave*. According to Kofler (2010), if on the one hand we have the simple consumer who buys goods and services already made by third parties, on the other hand we have the prosumer, the one who prefers to be part of the production process of the goods and services he will also use.

The consumer is no longer a simple user, but therefore participates in the creative process. The user of Web 2.0 is a subject who has a proactive attitude towards the tools of the network, he is, for example, active in social network or in a blog. Therefore, this type of user is a prosumer, a mix between producer and consumer who takes an active role in information systems. This subject has a new power that no one previously have: over the contents, which he can share with the subjects belonging to his community. Ha can decide also when, how and where consume, and produce.

3.1.2 FOUR PS

The concepts of Web 2.0 and prosumer are fundamental to better understand how crowdfunding can be used as a marketing tool and not as a simple fundraising tool. To fully figure out how this tool can have a dual use, we need to examine how the various variables make up the marketing mix. Then, we will analyze in depth the variables that can be controlled by an entrepreneur who decides to take full advantage of the capabilities offered by the platforms. For this reason, it is inevitable to take into consideration of the "four P's" of the marketing mix: price, place, promotion and product, which contribute to building a marketing strategy.

- **Place:** the place is internet, where a billion and more people all around the world are daily connected via computers and mobile devices. The entrepreneur can exploit the reward-based crowdfunding platforms as a timely sales channel for his activities. Usage as an additional sales channel is essential for SMEs that want to use crowdfunding to generate revenue. Crowdfunding projects can also be a good tool for SMEs to experiment their sales with new variants and distribution channels, helping the entrepreneur to "recognize early potential weaknesses and advancements in their planned sales and distribution channels for a new product line." (Beier et al. 2019)
- **Price:** in the case of crowdfunding campaigns, the price is generally divided, different tranche are identified, in order to expand the number of potential lenders. A price corresponds to a reward that must be well aligned with the nature of the object. As it was remarked, the possibility of selling goods or services in the portals dedicated to crowdfunding before any marketing also allows for a segmentation of consumers, that is also supported by the presence of rewards of various types and

amounts. Crowdfunding campaigns can also be used by SMEs as a timely limited sales channel, which allows price discrimination, as well as experimenting price levels and packages (i.e. product combinations) in rewards. As far as price discrimination is concerned, the literature does not agree: for some authors it can be a source of greater profits, while for other scholars the presence of surcharges is not justified because the consumers expect to pay a lower price because of the uncertainty.

From the results of some studies (Sayedi and Baghaie 2017), it sounds possible to generate further profits by targeting specific segments of consumers willing to pay a higher price for a product. The users willing to pay a surplus would be the so-called early adopters, i.e. those who contribute to the development and improvement of goods or services by providing feedback to the manufacturer. In addition to this motivation, consumers are willing to pay a higher price to receive a unique or innovative product with a higher perceived value than the subsequent introduction on the regular market (Belleflamme et al. 2014, Slater et al. 2007).

According to other studies, supporters of the campaigns could also be expected to pay a lower price than the market value due to the uncertainties present. These uncertainties are both related to the product, that may not be faithful to what is illustrated during the campaign, and to the logistics of deliveries (Leone et al. 2018; Mollick 2014). For these reasons, supporters tend to want to pay less for the product or service (Brown et al. 2017).

- **Product:** a good product is not enough, it must have a Unique Value Proposition, providing tangible benefits and satisfying a market demand. It is not a coincidence that Damian Ryan and Calvin Jones (2013) talked about the product, explaining that the latter must be “something that leaves the consumer with a

“genuine perception of value””. As it was anticipated, reward-based crowdfunding is a valid tool to validate testing the characteristics of a product, of a product line or of the entire offer of company services (Brown et al. 2017). Crowdfunding allows entrepreneurs to design campaigns outside of normal corporate management, making them perceive stakeholders as separate from the normal context (Beier et al. 2014). This allows people to take some extra risk when you decide to test a new product or service. In the study carried out by Beier et al. (2019) all campaigns undertaken by SMEs offered varying rewards for current or future products (or services) of the company.

- **Promotion:** all both online and offline actions that the entrepreneur can and must put in place to conquer his "core team", the hard core of the crowd composed, in the first instance, of subjects belonging to the threshold of strong ties to cross then the “bridges” of weak bonds, retain them and gradually acquire new crowdfunders.

A central feature on which the communication of the entire project should be based is that inherent in the "financing history". Given the tight deadlines and the typical crowdfunding methods, SMEs have the need and the opportunity to tell a compelling and emotional story to motivate the crowd (Kraus et al. 2016). To take this unique opportunity, each campaign must be able to fully tell the story around the project, in order to be able to involve the crowd not only emotionally, so that users can be motivated to donate (Frydrych et al. 2014). This type of narration not only makes the company reality more widely known, but it also communicates in a different way, which is usually used in traditional channels and not only, as well as to send a signal to its stakeholders that reality of its SME is "digital" and updated. As by Beier et al. (2019) analyzed, companies exploit their crowdfunding campaign as an opportunity to carry out their communication activities around

it. In fact, supporting the crowdfunding project with a whole series of activities such as public relations and media management, event organization, online and social media advertising.

3.2 WEB 2.0, SOCIAL AND CROWDFUNDING

3.2.1 WEB 2.0 IN CROWDFUNDING PROCESSES

One of the key elements that allows crowdfunding to exist and be exploited as a marketing tool is Web 2.0.

“What is new in crowdfunding is that it exploits the capabilities of social networks and other new features of Web 2.0, especially the function of "viral networking and marketing", which enables the mobilization of a large number of users in specific Web communities within a relatively short period of time.” (Hemer, 2011).

Web 1.0 allowed the simple consultation of documents and files according to a static relationship: the user searched for information or whatever on the network and found it based on the chosen parameters. Web 2.0 is characterized by a system that allows the user to interact with content or with other users. People can communicate, access, and constantly provide information (Wolf et al., 2012, Bouncken et al. 2015). The term Web 2.0 defines instruments enabling users to perform different tasks with content on the Internet such as content creation, publication, sharing, commenting, voting, and recommending (Evans 2010). Social media, media sharing sites, Wiki-style sites (the most famous, of course, Wikipedia) and microblogging sites are oriented in this direction; this leads to the systematic and continuous exchange of content and information in virtual communities. Crowdfunding is for these reasons a Web 2.0 based phenomenon (Leimeister, 2012), that finds its roots on the digitalization of the society (Bouncken et al. 2015). The number of internet users in the world increased up to almost 1,157 % between 2000 and 2019; in Italy, for example, the current internet penetration is 92.5% (Internet World Stats, 2019).

Through these changes, also the corporate communication finds itself in a system that prefers and encourages "below the line"

communication: viral marketing strategies, buzz marketing or word of-mouth (digital word of mouth).

These strategies include such tools as direct marketing, public relations or social media marketing. Thanks to its nature, crowdfunding therefore finds its maximum expression and development on the Web 2.0, even if other more consolidated tools are often used by project managers. It is essential to fully understand the relationship between social networks and crowdfunding and how it can be best exploited.

3.2.2 SOCIAL NETWORK

By social network we mean a form of online interaction, composed of a system of services and tools that allows people to create, comment, share, and exchange content with other people (Evans 2010). Social media is based on three elements: content, communities, and Web 2.0 (Ahlqvist et al. 2008). In social networks the communication model is not “linear”; from one to many as happens with traditional media, become from many to many. Not only the methods of communication change, but also the contents: users can also generate content based on their ideas, preferences, or tastes. User-generated contents can be created in various forms: textual, visual, musical, and other (Mangold and Faulds 2009).

Web 2.0 has offered users the opportunity to express their opinions and to be able to share them with other members of their communities, this concept is valid for every theme, starting from politics up to products / services. At first, people took advantage of these possibilities to express negative opinions on products / services (Evans 2010), subsequently, the opportunity was recognized to involve consumers in a proactive way (Moissejev, 2013b).

With the advent of social media, companies lose control over information and a message can potentially be used against its sender (Scovotti and Jones 2011). Consumers no longer have companies as

their only source of information, they can find different sources of information on social media and thanks to this they have become more informed and have acquired more power (Evans 2010).

As for individual social media, the classification, that Moissejev (2013b) reports as more complete and at the same time simple, is that made by Kaplan and Haenlein (2010).

The six types of social media proposed are:

- Blog
- Social Network Sites
- Virtual Social Worlds
- Collaborative Projects
- Content Communities
- Virtual Game Worlds

However, this classification does not include the forums, which were included in the Mayfield classification scheme (Mayfield 2008).

- **Blogs.** They allow you to view information in reverse chronological order or based on the settings chosen by the blog owner. The most popular forms are personal diaries and company sponsored blogs (Mangold and Faulds 2009).
- **Social network sites.** They allow users to create personal pages where they upload content such as photos, videos, links or text files. Social network sites provide the opportunity for other users to access these pages and exchange instant messages with them (Kaplan and Haenlein 2010).
- **Virtual social worlds.** They create three-dimensional environments that allow users to have a personalized appearance in the form of an avatar and interact with other users.

There are two types of virtual worlds: virtual game worlds and virtual social worlds (Moissejev 2013b).

- **Virtual game worlds.** They represent a continuation of computer games on the Internet that allows users to be combined in an online community.
- **Virtual social worlds.** They provide their users with more freedom as they are not restrained by a game mission (Kaplan and Haenlein 2010).
- **Collaborative projects.** Allow for the cooperation of different users in creating content (Kaplan and Haenlein 2010).
- **Content communities.** Content sharing among users.
- **Forums.** It is probably the oldest type of social media; it represents sites allowing users to hold discussion on specific topics (Mayfield 2008). Forums were popular in the 90s and the millennium years.

A very important factor is that social media (especially if run on mobile devices) offer two types of data not available in any other medium: time and position of the consumer. This offers many and new marketing opportunities related to the personalization of promotions and discounts, or the possibility of sharing consumer-generated content, or other ways to engage consumers, such as communities (Kaplan 2012). Timeliness of the medium is another element that differentiates social media from traditional media. At any time, it is possible to update the content with a news, publish new text, interact by commenting on another user's profile.

Social media can be used not only to take advantage of the data-related opportunities that users "leave" online, but also by actively including

users for initiatives, such as the development of ideas for the innovation of products or services, timely warning of problems or opportunities, awareness-raising tools, market expansion, advice for customer services, public sentiment regarding legislative action, competitive threats and exposed weaknesses (Evans 2010).

Whereas the goals of traditional media are exposure and impression, social medias allow the exchange of views and collaboration between businesses and consumers. According to Evans (2010), there are four ways (seen as successive steps) of involving consumers in the social enterprise: consumption, care, creation and collaboration.

- **Consumption.** It is defined as a starting point, and includes various activities related to the use of content such as downloading, viewing, reading and listening.
- **Curation.** It is the process by which the contents are sorted, filtered, classified, examined and commented on.
- **Creation.** It means the creation of content by users and their uploading to a website.
- **Collaboration.** It is seen as the end point of this hypothetical path in stages, where the involvement of users is maximum. Consumers create content together.

With this in mind, crowdfunding presupposes more active roles for consumers (Fisk et al. 2011). The possibilities offered by Web 2.0 and social media have offered consumers an even greater role: key resources and co-creators of value in the perspective of the "dominant logic of the service" (Vargo and Lusch 2004). And it is precisely in this context of interactions and mutual exchange that the concept of prosumer finds concrete expression. He is able to share information and create user generated content. From passive user, he becomes an active

actor of the web, going to modify all those traditional dynamics that saw him only as a receiver of communications. However, it must also be clear that the prosumer does not have the same professionalism and knowledge as a professional. The prosumer's characteristics are to be understood as those of a consumer customer who is committed to perfecting a product so that it is more user-friendly.

3.2.3 CROWDFUNDING AND SOCIAL MEDIA

As it was already mentioned above, there are some elements that are the basis of crowdfunding that, at the same time, represent some benefits. These elements are linked to the potential offered by Internet: "in the knowledge economy, the formation of an information society should be noticed and taken into consideration." (Valanciene & Jegeleviciute 2013).

The technologies connected to the online network have become increasingly advanced, but also increasingly intuitive for the non-experts, giving the possibility to more and more people to be able to use them. This flow of people has allowed realities like crowdfunding to be able to come to the surface, and through social networks, to be better known and more easily exploited.

Social networks can be used to allow the project to be expanded from friends and family to a larger crowd, made up of friends of friends. As it was already pointed out, family and friends contribute in the initial phase of fundraising. After this phase, through social networks, it is possible to make the project known to friends and acquaintances, plus validating the project through our donation and acting as a reliable source. These components are not only a tool that allows crowdfunding to work, but above all one of its strengths.

Crowdfunding offers consumers something more than the possibility of producing content, it offers the possibility of playing an entrepreneurial role. Thanks to crowdfunding, consumers obtain the prospect of being

able to influence the development of new products and investments in products that wish to be available to consumers (Fisk et al. 2011).

It is important to underline how crowdfunding is a quantitative and non-qualitative tool Belleflamme et al. (2010). The probability of creating a successful campaign depends on the number of people who are reached through the tools made available by platforms, social media, platformers with user generated content and offline channels rather than by the topic of the project. About this, it is important to stress how, through retweeting or commenting on Twitter, or by liking and commenting on Facebook, messages can appear on the timelines of as yet unconnected others (Borst et al., 2018).

According to Wheat et al. (2012) who studied scientific crowdfunding: “scientists who spend time nurturing these relationships (with the crowd) and cultivating new ones will likely experience rewards beyond monetary gain. The true potential of crowdfunding lies not in raising funds for conducting research, but in the opportunities for public outreach and science education engendered by this type of funding model”.

In this context, entrepreneurs are working on the sentiment of the community and not only on the image of the product. The marketing activity linked to crowdfunding will tend to involve the same users, and study their preferences at the same time, but also to build the product with the users themselves.

Therefore, this business model creates opportunities to increase transparency and public involvement, and to create links between people regardless of their knowledge of a specific sector. As it was analyzed by Byrnes et al. (2014), whoever intends to start a crowdfunding campaign should first build an audience around the project. It is more profitable to start exploiting the tools of social media and blogs long before embarking on the actual campaign. Once the campaign has starts, it is fundamental to keep alive the connections with the crowd: sharing information, both on the platform itself, both via e-mail, or with posts on social channels or in blogs. This commitment attracts the public to the project, it helps to create a wider network, but

it also increases the chances of obtaining more funding. The attitude of those who deal with online public relations must therefore not be defensive but proactive; the goal is to generate a positive reputation through content, opinions and quotes generated from below. To do this, the importance of influencers or opinion leaders of the network is fundamental: they can control the opinions, positive or negative, of a product. The involvement of social networks in the social media marketing activity clearly leads to positive results and in particular: more satisfied customers, feedback and an improvement of the products. In this sense, crowdfunding is often interpreted as a tool aimed at intercepting the needs of consumers, before the production chain has actually been activated, and at skimming any business that, erroneously from the forecasts, may have little grip on the market.

The ways to interact with backers are varied, for example through Facebook messages that included a solicitation (Bekkers and Wiepking, 2010) have been effective in increasing the financing of latent bonds. From what Borst et al. (2018) have analyzed Twitter is used to share opinions and information rather than to socialize online, while Facebook is more popular for social interaction (Hughes et al., 2012). It is interesting to note that some studies (Moisseyev 2013b) have moved to identify the connection between the total fundraising harvest and the "likes" achieved.

According to this study, a total of 546 likes (on Facebook ed.) can be enough to raise funds for an expected amount ($R = 100\%$). The author specifies, however, how this is not a "magic" number that guarantees the result, but a point of reference for those who want to try their hand at such a project, explaining how without the "likes" sufficient, the project goal will probably not be achieved. This speech is not repeatable with followers. The number of followers is the result of relationships and relationships, real or virtual, that take time.

According to the analysis carried out by Borst et al. (2018) successful projects seem to have attracted higher proportions of latent tie funders, this seems to be explained by the fact that potential financiers follow peer behavior (visible on social media and on the crowdfunding

platform) and provide funding for the project. The study analyzes how weak and latent ties have proven more "useful" for the overall performance of the project.

3.3 THE MOTIVATIONS OF THE PROPONENT

3.3.1 AN OVERVIEW OF THE MOTIVATIONS

It is obvious that one of the main motivations is the collection of funds to finance their projects in a different way from what has been done so far. As it was mentioned above, crowdfunding is an alternative to traditional fundraising methods; for the lending and equity crowdfunding the fundraising remains the primary purpose, since entrepreneurs urge people to provide money on loan or a share of future profits or equity securities. However, it is not possible to believe that this aspect, alone, makes crowdfunding a valid and competitive tool. Entrepreneurs are looking for other possibilities that can be made by this tool. For this reason, it is also important to analyze the other strengths of crowdfunding.

Entrepreneurs on crowdfunding platforms not only receive money from donors but they can receive small payments from a large number of people, in a democratic way. In fact, people are able to contribute, if want they it, they are not obliged. Platforms does not put the search for funds as the sole objective, but they rather encourage creators to submit a project even if securing financial resources are not critical to its success (Gerber et al. 2012).

We have already anticipated how a crowdfunding campaign is an activity outside of normal business management. For adequately exploit crowdfunding as a marketing tool is fundamental to underline how it is an additional job, which requires coordination of activities and development of adequate skills, without forgetting that this activity must be carried out simultaneously with normal business management.

“The process of founding and launching a crowdfunding campaign is also less time intensive than other options, as no legal applications or approval procedures are involved.” (Brown et al. 2016).

According to the study carried out by Gerber and Hui (2013) entrepreneurs should be interested in carrying out crowdfunding projects not only to raise funds, but also to make their product or cause known to a large number of people, and allows founders to set up relationships for get feedback on the project or generate a return of customers. Other reasons identified by the two scholars are the need to maintain copyright control (of a book, film or work) and a desire to learn fundraising skills.

In Kickstarter in the “frequently asked questions” section it is possible to find a question that ask: “I’d like to use Kickstarter to get my project out there, but I don’t really need money. Is that okay?”.

Kickstarter responds at this question in the following way: “Kickstarter is about more than just money. A Kickstarter project is a great way to connect with your audience and spread the word about your work.”

Funders are interested in crowdfunding because it is more similar to their needs and their motivations: this fundraising methodology is therefore a more consistent way with their values. This is consistent with identity-based motivation in which people are motivated to give in ways that are consistent with their identity (Aaker & Akutsu 2009). This is also consistent with identity-based motivations for joining online communities (Kraut & Resnick ,2011).

Crowdfunding does not seem to be used solely as a form of fundraising for the short term, but it is also presents itself as a viable source for the search for the capital needed for entrepreneurial start-up (Schwienbacher & Larralde, 2010) or the funds necessary for entrepreneurs to collect the initial funds needed to start up their new business. Among the 50 most funded projects up to 2012 on Kickstarter, for example, 45 have exploited the funding collection to become defined entrepreneurial realities (Mollick, 2013).

The most important benefits of this tool are: the opportunity to test the marketability, the benefits for communities, the company's decisions to stay in the hands of entrepreneurs. One of the aims, for example is also to be able to demonstrate the demand for a product that does not currently exist, and then to take advantage of more traditional types of financing.

A case of this use of crowdfunding can be found in the Pebble “smart watch,” which was initially rejected for venture capital funding but was able to secure a large amount of VC funding after its Kickstarter campaign (Dingman 2013).

Crowdfunding can also be used for some marketing-related purposes, such as creating interest and conversations around new projects, during early stages of development. This is particularly interesting for projects that seek to create free product ecosystems. For example, Ouya, a videogame console, led other developers to write applications for these products even before they were released, helping build competitive advantage even before the projects were released to the public (Mollick 2013).

According to what was reported by Moissejev (2013a), crowdfunding can prove to be a very valid tool for small and medium-sized enterprises that can exploit it in three ways:

- According to Moissejev, the first way to take advantage of the launch of a crowdfunding campaign, beyond the mere search for funds, is using it as a research tool to evaluate the quality of products/services and ideas. By tracking the number of supporters and social media feedback, organizations can compare the ideas of their products with those of competitors.
- A project can be used to promote a new product/service, going to intercept not only the people who support the project, but also a wider audience thanks to social networks and pre-existing communities linked to the world of crowdfunding.

- A further use is the exploitation of the crowdfunding portal as a direct sales channel by rewarding lenders with the first versions of sample products or special offers.

Other studies, such as that the one carried out by Brown et al. (2017) focuses on the reasons that move small and medium enterprises (but not only) to undertake a crowdfunding project are six, as can be seen in the table. The following table shows which results have been identified: the primary objectives are marked with an X, while the additional advantages have been marked with +.

Table 1. Firm objectives of crowdfunding campaigns

Campaign	Raise capital	Promote product	Get market feedback	Direct sales	Crowdsourcing ideas	Branding
Pebble 1	x	+		+		
Pebble 2	+	+		x		
FirstBuild Opal		+	x	+		
Hasbro			+		x	
Shock Top						x
Camden Town	x					

x = primary objective; + = additional benefits

Source: Brown et al. 2017

The scholars (Brown et al. 2017) who have dealt with this study have analyzed some case studies (which are precisely shown in the table) to come to talk about these purposes of using crowdfunding. These cases concern:

- **Pebble 1.** The initial plan was to raise capital through ordinary channels. Failed this project, the founder of Pebble decided to try to raise funds through crowdfunding. This has brought enormous unexpected benefits in the form of product promotion and direct sales.

- **Pebble 2.** The second Pebble campaign, thanks to the knowledge gained during the first crowdfunding project, deliberately implicated the purposes of marketing, recording direct sales and promoting the new smartwatch.
- **FirstBuild Opal.** FirstBuild was born as a subsidiary of General Electric, which in July 2015 launched a crowdfunding campaign on Indiegogo for a counter ice maker, Opal. Thanks to the success achieved on Indiegogo (\$ 2.8 million against the set target of \$ 150,000), FirstBuild made Opal available for purchase through traditional sales channels. (Cowley, 2016). According to Naturajan Venkatakrishnan, the director of FirstBuilder, crowdfunding had been fundamental because “The benefits of launching a new product like Opal using the Indiegogo crowdfunding platform allows us immediate feedback on market acceptance” (Freeman, 2015). General Electric therefore took advantage of crowdfunding in order to evaluate the potential demand for its product before engaging in large-scale distribution. The main goal of the campaign was to get feedback from the market before mass production. As the project was successful this also helped promote the product and generate sales.
- **Hasbro.** Hasbro created a competition with Indiegogo in which the crowdfunding community was asked to present game ideas. Among the 500 proposals received by Hasbro, a project was selected (Irresponsibility) which was then launched in the Indiegogo platform, collecting only \$ 10,487 (however higher than the \$ 3,500 target) (Kastrekas, 2016). Despite the uninspiring result recorded, it is interesting to analyze how Hasbro used a crowdfunding platform to carry out crowdsourcing (Afuah & Tucci, 2012, 2013; Prpic´, Shukla, Kietzmann and McCarthy, 2015).

- **Camden Town.** Equity crowdfunding can also be used as a marketing tool as in the case of Camden Town Brewery, a London-based beer company. Through a dedicated portal (Crowdcube) it raised over £ 2.75 million, allowing the company to expand its production capacity and export its products beyond national borders. In December 2015, Camden Town Brewery was purchased by Anheuser-Busch InBev, with an estimated return on investment of 70% (Davies, 2015).

- **Shock Top.** Shock Top also launched a competition on Indigogo, called Shock the Drought, in which it asked the crowdfunding community to come up with innovative ideas to deal with the drought in California in the summer of 2015. Of all the ideas presented, three were selected:
 - Drop-a-Brick 2.0, a rubber brick to be inserted in toilet tanks to reduce water consumption.
 - EvaDrop, a shower head equipped with a sensor and a timer to reduce the waste of water.
 - Dropller Water Monitor, a visual and interactive water meter.

Each of these projects has been financially supported and raised awareness (Kastrekas, 2016). Since Shock Top works in a different sector (drinks) from that of the projects proposed on Indigogo, the campaign can be considered a form of branding, as it associates the brand with a social cause. (Brown et al. 2017)

The campaigns examined show that not all options are valid or interesting for all the different business realities. The approach selected therefore depends not only on the objective of the crowdfunding campaign, but also on certain constraints, such as the presence of a physical product. As in the same way it is the presence or absence of a

product, as in the cases of Hasbro and Shock Top, which characterizes the ways in which companies can interact with users. As shown by the study by Brown et al. (2017), crowdfunding campaigns can be an interesting marketing tool, not only for start-ups from companies with a history of crowdfunding, but also other established companies. In addition to those mentioned, there are many opportunities offered by crowdfunding, such as the possibility that there is already a market niche interested in the product, information society and the positive effects that crowdfunding should have on the economy in general. It may also happen that the creators of the project can collect much more money than they thought and had set as a goal, or that enthusiasts build a community around the topic that can spread the word and information about projects via the web.

The following sub-paragraphs analyze in detail what are the most important marketing objectives connected to crowdfunding.

- Test Marketability
- Establish Relationships
- Receive Validation
- Price Discrimination
- Replicate Successful Experience of Others
- Retain Ownership and Copyright
- Abatement of Geographical Distances
- Expand Work Awareness
- Form Connections
- Learn Skills
- Acquire New Customers

3.3.2 TEST MARKETABILITY

One of the most interesting advantages for entrepreneurs to exploit the potential offered by crowdfunding is the possibility of testing marketability.

The whole mechanism of crowdfunding is based on attract as much attention as possible, and to attract a large number of people who will create the crowd. The reference target are the people who consider ours an interesting idea, on which it is worth investing their attention and their money.

Ramsey (2012) emphasizes that “they can gauge the potential for a successful start-up of the business based on the public’s response to the request for support”.

It can allow a product to be tested directly on the target we are interested in, and allows us to evaluate with a relative temporal advantage the effect that these products would have on the market and see if there is effective demand for this.

In other words, if so many people believe in a project, in a good, in a service or in a business model, through the feedback obtained from crowdfunding one can guess whether the idea or the business model could be successful, or the idea must be perfected, or simply set aside. A crowdfunding project can therefore be used to estimate demand by using crowdfunding sites to perform practically free market research (Sayedi & Baghaie, 2017). Better yet, they can affect high demand production. As a successful producer told the New York Times (Kurut 2011): in the past, his company would have risked its money, hired a producer and hoped for sufficient interest from retailers and consumers to make a profit, or at least in balance. “The beauty of Kickstarter is that it eliminates the whole model,” he said. Crowdfunding also allows producers to block demand before production (Friedman 2013). This allows SMEs to have lower costs production levels: if they did not get stuck in demand before incurring the cost of production, they would risk their investment, if a bigger and more established competitor gets a similar product on the market ahead of them and at a lower cost. Manufacturers can use crowdfunding to reduce uncertainties in the production of a new product (Sayedi & Baghaie, 2017).

Entrepreneurs can also take advantage of crowdfunding to get feedback on their product in view of a marketing, but also take advantage of the "wisdom of the crowd" effect, that states that a crowd can at times be

more efficient than individuals or teams in solving corporate problems, going to identify and resolve the critical issues of a product / service (Schwienbacher & Larralde, 2010).

3.3.3 ESTABLISH RELATIONSHIPS

Another motivation, that makes choosing crowdfunding to the detriment of other forms, is the possibility of developing long-term relationships between financiers and entrepreneurs. People who participate in crowdfunding projects develop emotional connections with entrepreneurs, and often interact with them (Gerber et al. 2012; Richter, 2015).

Relationships go beyond the simple moment of the financial transaction, that is typical of other way of collecting money. Although, the time of donation is circumscribable, once the payment has been made, it is still necessary to wait a long time before receiving the possible reward, in case it is foreseen. In the case there is a loan of money or the acquisition of shares, it is even more clear that there is a bilateral interest in keeping contacts alive and a positive relationship over time.

Thanks to crowdfunding, entrepreneurs have the opportunity to become part of a virtual community founded on a strong sense of mutual identification (Nahapiet & Ghoshal, 1998). A priori from the presence of a reward, be it monetary or in the form of a good, this form of financing allows, and indeed stimulates, the possibility of interacting and therefore of developing long-term relationships. As we will see later, this exchange of information makes it possible for donors and entrepreneurs not only to interact, but also and above all to collaborate in order to improve and carry out a project, blurring the role between producer and consumer. Individuals, in this community, are motivated to provide funding, feedback and visibility on other members' projects (Buttice et al., 2017).

A very important factor, from this point of view, is certainly the trust that is established between the entrepreneur and the backers.

“The finding aligns with authors’ assumptions derived from unique characteristics of reward-based crowdfunding - community and collaboration because personal, dynamic message interactions were more effective than static, historical success records on the trust establishment. In addition to the main effects, the results also showed entrepreneur’s prior success crowdfunding records positively moderated the effect of entrepreneur-sponsor interaction on fundraising performance.” (He et al. 2016)

3.3.4 RECEIVE VALIDATION

According to the research conducted by Gerber et al. (2012), the creators of the projects exploit crowdfunding also to receive a validation of their work, which according to the authors increases the perception of their abilities. It is normal, for people, to increase their awareness of their abilities, when they receive the recognition of others or they can succeed in a project. A tool such as crowdfunding makes it possible to clearly see whether people are interested in a project through the commitment, they demonstrate both in dialogue with the creator and, of course, with financial support.

Lenders are looking for funds from a crowd of people interested primarily in the project, but also in the entrepreneur's success, as people do not only believe in your business, but also that they are able to carry it through.

The online validation supports the positive perception of one's abilities, and for this reason, together with the others, pushes people to test their skills (Schwienbacher & Larralde, 2010).

The results of this study proved to be consistent with social cognitive theory, which suggests that people construct beliefs in their abilities through social interactions (Bandura 1986). This discovery is supported by previous research in online communities, which they discover that

people engage in these communities to build self-esteem (Wang & Fesenmaier 2003).

3.3.5 PRICE DISCRIMINATION

According to a study carried out by Belleflamme et al. (2014), a crowdfunding system based on pre-sales can allow the entrepreneur to discriminate prices by defining differences between consumers, by creating two groups of potential buyers. We are obviously talking about "crowdfunders", who have the possibility to pre-purchase the product, and "regular" consumers, who wait for the product and the product to be available through the usual sales channels. This type of consumer segmentation allows entrepreneurs to extract higher profits. Consumers segment themselves based on their interest in the goods offered by the project. In fact, the model proposed by Belleflamme et al. (2014) shows how otherwise the entrepreneur is unable to identify consumers with a high willingness to pay and is going to use the possibilities offered by crowdfunding to make a selection. For the authors, "it is common for consumers who pre-order the product to pay more than regular consumers, who wait until production takes place before purchasing directly." (Belleflamme et al. 2014).

Through this self-selection, consumers therefore reveal their willingness to pay more to make a pre-order.

The remaining consumers, who will therefore buy the goods through traditional sales channels, will pay a different and lower price.

According to scholars, this type of crowdfunding constitutes a special form of discrimination based on behavior, as it is the consumers themselves who choose which group to join based on their preferences. Furthermore, some studies highlight the fact that a higher presence of pre-selling rewards is a determinant of project success (Crosetto & Regner, 2014).

3.3.6 REPLICATE SUCCESSFUL EXPERIENCE OF OTHERS

Among the various motivations, that push entrepreneurs to choose the crowdfunding model, is the attempt to imitate and replicate the success achieved by others who have tried before him (Cialdini 2001). A fundamental element, that allows this kind of inspiration, is once again the presence of online communities, in which the two parties can confront and take inspiration from each other. So, in addition to establishing relationships, communities also allow users to get in touch with the creators and learn from them how they can become the founders of a project. Simple users can become creators by observing the best practices implemented by others before them through social proof.

Social proof describes this psychological and social phenomenon, that lead people behaving in ways that they see others behaving. Although, the presence of social effects inherent in relationships within online communities (Belleflamme 2010) and not, as shown by the study of Gerber et al. (2012) focused on crowdfunding.

The theory of social proof explains this type of behavior: people tend to imitate the actions of others, which in our case translates into engaging in crowdfunding projects if they see others try and succeed.

Seeing others perform certain actions, provides us with social proof that these tasks are correct, such as deciding whether or not to attempt a business through crowdfunding. As has also been said previously, a decisive factor that favors crowdfunding over other forms is certainly the possibility of understanding whether a job is actually within their reach. Watching others engage in this type of project, can allow some to gain confidence in their abilities. Such vicarious learning allows people to engage in new tasks which they have not experienced before (Cialdini 2001, Bandura 1986).

3.3.7 RETAIN OWNERSHIP AND COPYRIGHT

Before crowdfunding, creators often had to "lose" control of the project to get funding or other benefits associated with working with a large label. It is also important to remember that in the case of risk capital and business angels, entrepreneurs are stripped of part of their role, as investors can gain significant control over company decisions. The fundraising through crowdfunding therefore has a different perspective: the entrepreneurs are not forced to renounce these rights, thus maintaining the possibility of autonomously making decisions concerning the business management. Crowdfunding, by providing an alternative to the current model undermines these concepts, leaves entrepreneurs' absolute freedom in managing their project (Gerber & Hui, 2013).

Not only does the entrepreneur retain the right to manage his own companies without restrictions, but also allows complete control over the management of the fundraising campaign. Which can be both relative to the timing and the quantity and the way in which the sum is collected.

The results of the research carried out by Gerber & Hui (2013) show how entrepreneurs prefer to maintain control over their project and reject the image gain associated with a large producer. During the time, the reputation acquired by the various crowdfunding platforms allows us to offer an institutional legitimacy similar to that of the big producers.

Maintaining control gives people confidence in their ability to perform a task on their own, thus building self-efficacy (Bandura 1997).

3.3.8 ABATEMENT OF GEOGRAPHICAL DISTANCES

One of the features of crowdfunding is that it allows raising funds in a system that is no longer local, but global. When online transactions take place, it is possible to escape from the patterns that characterize

traditional forms of investment. According to Agrawal et al. (2011), the tendency to localization in financing activity ends after the first phase in which friends and family interact. Thus, a financing system is outlined that is able to break out of boundaries that are otherwise invalid, in fact, research shows that 86% of the capital for successfully financed projects comes from individuals that lives more than 60 miles away from the creator and the average distance between the creators and the financiers it was about 3,000 miles (Agrawal et al. 2011). A study carried by Cordova et al. (2013), shows how crowdfunding can play an important role in financing new initiatives, overcoming the geographical constraints associated with other sources of financing such as traditional venture capital.

Under certain conditions, crowdfunding can allow creators to access capital at a lower cost than traditional sources. Among the various motivations that are at the root of this phenomenon there is one particularly interesting. The creators manage to get in touch with those individuals who have the maximum willingness to pay for equity in their business (or for early access to their new product), this is also due to the fact that the odds of match with some subject is more likely in a global rather than local environment (Agrawal et al. 2014).

3.3.9 EXPAND WORK AWARENESS

In traditional fundraising methods, only application reviewers can read about the project, crowdfunding instead undermines this concept and offers everyone the possibility to be able to explain their project to all interested parties in an exhaustive way through written descriptions and videos. (Gerber & Hui, 2013). Crowdfunding proves to be a very valid tool to intercept as many interested parties as possible: it allows not only to reach people through social media, but also through traditional media given the great attitude that the press dedicates to the topic. Reaching the general public, crowdfunding allows entrepreneurs to sensitize people with whom they are not closely connected (Gerber & Hui, 2013).

With this in mind, there is also the theory of reinforcement, according to which major initial contributions will have a positive effect on subsequent contributions, as backers will be influenced by the presence of previous supporters, creating a good opinion on the project (Burtch, Ghose and Wattal 2011).

Most crowdfunding sites provide access to the list of lenders and information about user accounts on social networking sites. The crowdfunding sites also provide a list of metrics that measure the support of supporters, including those related to social media, making data of this type accessible to consumers, also promoting the transparency of a crowdfunding project (Moisseyev 2013b).

A potential supporter can therefore be motivated to support a project if he sees that he has received significant social support at an early stage. This in part (along with other factors) may explain why 82,9% of failed projects received less than 20% of target funding (Kickstarter Stats 2020).

3.3.10 FORM CONNECTIONS

The data collected by Gerber and Hui (2013) show that "the creators are also motivated by the interest in connecting with people through a long-term interaction that extends well beyond a single financial transaction."

The crowdfunding platforms allow the storage of information and contacts, but also the possibility of interacting with the creators through internal messaging services, allowing entrepreneurs to interact with supporters.

Interactions via email or via other services allow backers to be involved within the project, allowing you to go on building a relationship of trust and create a fan base around the project. If short-term relationships are typical of online transactions (eBay, Amazon, etc.), crowdfunding takes a different perspective, going to favor and encourage these typical behaviors of many communities based on non-financial transactions,

such as online discussion (Kraut & Resnick, 2011; Gerber & Hui, 2013).

The entrepreneurs are not only interested in networking with backers, but also with other entrepreneurs with whom they share similar experiences related to crowdfunding, allowing them to be able to compare, collaborate and learn from each other.

This is very interesting, because “the relationships they build are not quite alike professional ones but rather like personal ones. Later, they will benefit from these when it comes to business opportunities or issues.” (Schwienbacher & Larralde, 2010).

3.3.11 LEARN SKILLS

According to the analysis carried out by Gerber and Hui (2013) the entrepreneurs, once the campaigns were completed (regardless of their success or not), proved to be interested in creating further crowdfunding projects so as to be able to broaden their marketing, communication skills, management, risk taking and financial planning. In fact, in order to publish and make known a project in a crowdfunding platform at its best, a lot of practical knowledge (and not only) is needed, which is sometimes learned only during the process (Schwienbacher & Larralde, 2010).

3.3.12 ACQUIRING NEW CUSTOMER

Most campaigns focus heavily on acquiring new customers in specific segments. For example, a goal of a campaign can be to convert the members present in the platforms into customers, or to make the company known to more active sectors online (millennials). Moreover, this allows you to create interest around a project or around a new idea (Mollick, 2014). Furthermore, crowdfunding campaigns can have both the objective of finding new commercial partners and that of

maintaining and intensifying existing relationships with customers or partners, or in the same way it may have the objective of reactivating old relationships.

A further interest for SMEs related to the participation in crowdfunding can be the collection of e-mail addresses which can increase their database for newsletters or e-mail marketing, and allows the entrepreneur to continue and enhance new relationships with established customers and to start further interactions in new contexts, once the actual campaign is over, such as the offer of vouchers or the like. This type of approach can trigger further interactions even after the end of the campaign, by proposing other goods and services in addition to those sponsored during a reward-based campaign. This can happen by slowly creating stable and "ordinary" relationships with the company's customers.

CHAPTER 4: CASE STUDIES

4.1 THE REASONS BEHIND THIS CHAPTER

In the previous chapters, the phenomenon of crowdfunding was progressively analyzed, moving from a generic overview, down to the detail. The purpose of this thesis is to better understand how crowdfunding can be exploited for different purposes, than just fundraising. For this reason, in the third chapter have been identified some possible marketing objectives that entrepreneurs can pursue during a fundraising campaign.

The purpose of this fourth, and final chapter, is to understand how, what has been presented so far as part of a theory, can also be reflected in practice: the purpose is to have some empirical cases that can describe what the theory widely describes above.

With this in mind, interviews involving some managers are reported in this chapter.

Some entrepreneurs have been selected who have benefited from crowdfunding in Italy with campaigns that are particularly important examples. The crowdfunding campaigns that have been selected are those that concern the Vitesy, Covo di Nord-Est and EatTiamo.

These three examples have been selected in particular, because as will be analyzed in the following paragraphs, they represent three different ways to be able to use crowdfunding as a marketing tool.

These campaigns, at the base, had different purposes, which were pursued differently from each other. They share the fact that we made

use of crowdfunding not only as a useful tool for fundraising, but also as a marketing tool.

4.2 VITESY

Vitesy was born in 2016 under the name "Clairy", as an evolution of Vincenzo Vitiello's thesis project. With the co-founders Paolo Ganis and Alessio D'Andrea, he designed a technological and design solution, capable of transforming a simple plant pot into a tool to reduce indoor pollution and monitor air quality. The project is based on the fact that the internal pollution of our homes and offices is up to 5 times higher than the outside. The air seems clean, but in reality, it presents toxins and pollutants, caused both by the entry of the smog and from the activities we do at home. Vitesy aims to identify what these pollutants are, where they come from and, above all, how to eliminate them.

Vitesy flagship product is Natede, a Hi-Tech vase that uses phytodepuration to accumulate and eliminate indoor air pollution. Natede is equipped with a photocatalytic filter covered with titanium dioxide which captures and eliminates VOCs, viruses, odors, and bacteria. The physical part of the product is supported by the Natede app, which shows real-time monitoring of indoor air quality and allows you to connect your product to Google Home and Amazon Alexa. This product aims to mix nature, technology, and design, amplifying the power of plants.

These strengths have enabled entrepreneurs to raise 1 million euros on Kickstarter in just 40 days. In this case, we are facing a company that has created two reward-based campaigns with a physical product.

To analyze this case study, Paolo Ganis, Co-Founder and CEO of Vitesy, was interviewed.

Vitesy first campaign – Kickstarter/Indiegogo

Launch: 23.03. 2016

Closing: 22.04.2016

Goal: 100.000 €

Fund raised: 354.917 €

Backers: 1.893

Vitesy second campaign – Kickstarter

Launch: 17.04.2018

Closing: 01.06.2018

Goal: 50.000 €

Fund raised: 765.265 €

Backers: 3.821

The primary objective of Vitesy was to raise funds to be able to finance its project, but there is another important objective: the desire of “making us known as a start-up and therefore, a very important marketing operation was done, where a very large pool of users can see our idea, can comment on it, and, above all, buy it.”.

Crowdfunding can be an excellent way to expand the work awareness of a project, right from the base of its planning.

This goal takes full advantage in the potential of the platform: in this case was chosen Kickstarter, this platform was preferred to Indiegogo. A platform which guarantees the possibility of being able to get in touch with audiences who would otherwise hardly be aware of the product. This has allowed entrepreneurs to be able to cut geographic distances by focusing heavily on the American market. From what emerges from the interview, the platform and goal choices were made based on the marketing objectives. Kickstarter is in fact perfect for the American public, which Vitesy wanted to go to, because the product would have been enhanced more; in this campaign the product had a central importance.

During the second crowdfunding campaign, thanks to a greater number of feedbacks, they managed to pursue this objective in a better way: “we went to target the best performing cities, therefore, certainly those of the United States, as I said before, but also those of Southeast Asia, such as Singapore, Hong Kong, UK, Canada; and maybe an audience

between 35 to 50, perhaps precisely with family, homeowners et cetera.”.

As previously noted, the goal can be exploited for marketing purposes, and the Vitesy second campaign is an excellent example to describe this phenomenon. The attitude was different compared to the first campaign, and they decide to "lower the target of the campaign to 50 thousand, lower not because we needed less money, indeed we needed many more, but precisely because there it was a marketing choice, precisely to make a goal in low quotation marks, therefore 50 thousand euros, to be reached in a very short time, and then to show that there was attraction on the campaign, and therefore obtain more and more visibility, see that a successful campaign and all the rest. ".

In the previous chapters, the issue of price discrimination and how this is strongly linked to reward-based crowdfunding has been widely discussed. Vitesy also offers us an empirical experience of this type: in their reward-based campaign not only the product has a very strong importance but also the price was strategically used. The choice was to offer a product at a lower price than the market one, to make it more attractive to consumers. The entrepreneurs aim, in this case, was to strategically manage the price to engage consumers and convince them to buy “something new, exclusive, but also wants to take it at a discounted price also with respect to the various evolutions of the campaign.”.

Reward-based crowdfunding is a way for create awareness not only from the point of view of consumers.

Launching a new product with a crowdfunding campaign means carrying out a market test for a product. It can be shown that the product has the possibility of having a market, which can be very interesting to attract investors. In fact, Paolo Ganis says that after the success of the first campaign it was much easier to find investors, both public and private. After the campaign ended, business angels became interested in Vitesy and the entrepreneurs managed to convince the European Union to invest a considerable amount. The second campaign also brought similar results, making it possible to increase credibility,

receiving validation from the market, and proving interesting for further investors.

Among the marketing objectives that were listed in the previous chapter, Vitesy, following this interview appears to have pursued the following:

- **Test Marketability:** the goal of the first campaign was to test the product, to understand how much it was appreciated by consumers.

- **Receive Validation:** as was stated in the interview, the campaign also served to validate the product. This was useful for making the company more credible and attractive to investors, both public and private.

- **Price Discrimination:** price discriminations were carried out in both campaigns to encourage consumers to purchase the product.

- **Abatement of Geographical Distances:** despite being an Italian company, the target of the first campaign was the United States. During the second campaign the target was even wider, consumers were targeted in the USA, Asia, and Europe.

- **Expand Work Awareness:** make your work known to both potential customers and investors.

- **Acquire New Customers:** the goal was to attract as many consumers as possible in order to sell the product, and make the company well known.

4.3 COVO DI NORD-EST

The Covo di Nord-Est is a historic place, located in the renowned Ligurian Riviera, is one of the most famous places in the whole peninsula, located between Santa Margherita and Portofino.

It is a building nestled in the rock overlooking the sea, built at the beginning of the twentieth century as a private home.

In 1934 the building was transformed into a public place. Lying on the Tigullio sea, it enjoys a natural harbor that saw the boats of tycoons and rulers of all flags dock. The Covo di Nord-Est became known during the industrial and economic boom years, becoming very popular with the presence of well-known personalities, both Italian and foreign. It reached the peak of its success in the sixties and seventies, becoming one of the most popular places in Italy. After a bad period of abandonment and degradation, in 2009 the Covo di Nord-Est reopened its doors, immediately enjoying great success, accompanied by an international resonance for the projection of an image of prestige and exclusivity.

On 29 October 2018, a violent storm hit Liguria, particularly affecting Santa Margherita. During this tragic event, the Covo di Nord-Est is practically destroyed, and suffers damage for two million euros.

In view of the reopening, the "Reconstruction Partner" project and a crowdfunding campaign were launched to gather the necessary resources, as Matteo Canepa, one of the two owners of the Covo di Nord-Est, tells in the interview.

In this case we are faced with a crowdfunding campaign not to launch a new product or service, a campaign to finance, in part, a reconstruction.

Covo di Nord-Est - Eppela

Launch: 05.03.2019

Closing: 22.05.2019

Goal: 50.000 €

Fund raised: 63.765 €

Backers: 201

As stated in the interview, the goal of this crowdfunding campaign was not to cover all the costs of the work, but to focus the attention of the community on the project, to avoid the silence fall around this event. The amount of money needed to complete the work was much higher than the established goal. This makes it clear that the primary goal was not fundraising itself.

What emerges from the interview is the clear desire to use the crowdfunding campaign as a tool to enhance the community around the event. In this direction some decisions are made:

- The public to whom the campaign is aimed is not a new audience, but the loyal ones. There is no search for new customers, but the strengthening of the existing base.
- The contents on social media were not sponsored, and particular attention was paid to the official profiles of the restaurant.
- One of the strengths of the campaign was word of mouth among friends and relatives, also taking advantage of a large base of employees, who were encouraged to make the initiative known, involving them in person, even in the video presentation of the project.
- The rewards, in addition to offering a voucher to be used during the season, in any case provided for the presence of the name of the backer on the wall dedicated to supporters.

The owners themselves confirm that was the primary objective, even if it risks passing secondary. They have been accused of exploiting the

campaign, as explained in the interview: “the campaign has been exploited by some, they said “ah, you are asking for alms.””.

But at the end, however, the message was relating to the fact that “it is not the economic value we have received, but honestly more a fact of strength, what you are doing is beautiful, we like people and people have an interest that you keep going, and who still gives you a hand, for what it can give you, a small gesture can give you.”.

The goal was to make the community aware of the problem and pay attention. Crowdfunding proved to be the appropriate tool for this purpose, and effective given the result obtained. The media resonance given to the storm and to the campaign contributed to this.

Among the marketing objectives that were listed in the previous chapter, Covo di Nord-Est, following this interview appears to have pursued the following:

- **Establish Relationships:** the goal was to develop trusting relationships with donors and community members.
- **Receive Validation:** in this case there was no search for a validation of a good / service, but receiving recognition, having a "certification" from the community, that there are people who believe in them.
- **Expand Work Awareness:** to make known the work behind the reconstruction and the critical conditions in which the place was facing.

4.4 EATTIAMO

The initial idea of EatTiamo was a marketplace for small Italian producers, to enhance and help them sell their products online, first in Italy and then abroad. In 2015 they are selected by H-Farm, a start-up incubator, thus going from 5 to 80 producers. In 2016 was selected by Food-X, a start-up accelerator, vertical on the world of food. Food-X is based in New York and EatTiamo is the first European project to be selected.

The idea is to bring authentic Italian products to the American market, a problem particularly felt due to the phenomenon of "Italian Sounding", products made in USA, but with Italian names. EatTiamo is a platform that connects producers of gastronomic excellence and people who want to experience the true experience of Italian food. The service is available such as a subscription and once you have signed up, you are given one package per month. With this box, the necessary ingredients for a complete meal for a family are delivered, complete with recipes. In the USA, the phenomenon of subscription boxes is widespread, a service that once a month send boxes to their subscribers containing a thematic selection of products. In this case, a newsletter is sent every month notifying you of the arrival of the box and at the same time informing you about the upcoming products and the recipes that can be made.

EatTiamo - Mamacrowd

Launch: 5.11.2018

Closing: 31.01.2019

Goal: 100.000 €

Fund raised: 223.257 €

Investors: 117

For the analysis of this campaign, María González, EatTiamo Co-Founder was interviewed. In this case we are faced with an equity crowdfunding campaign. In the previous chapters, the connection between reward-based crowdfunding and marketing has been highlighted, but from this interview it can be understood how in practice even an equity crowdfunding campaign can pursue marketing objectives, albeit slightly different. The company plans a second campaign in the future, this time trying the way of reward-based crowdfunding.

From the interview, it was immediately clear that one of the primary objectives of the EatTiamo crowdfunding campaign was to create awareness about the project. In this case, the goal was not directly the market, but to get noticed by the world of B2B, therefore, not only potential investors interested in investing, but also possible food producers that could be attracted and included in the program. A double awareness, both on the product they were creating and on the business behind them. Mamacrowd is an Italian platform, which is aimed at an audience of potential Italian investors, however some of the investors have links or work in the American market. This allowed EatTiamo to have a better and more detailed overview of the market in which they wanted to enter.

As also specified in the interview: “when you do a crowdfunding it is a bit like if you had the excuse to go on stage, and therefore on the one hand we used Mamacrowd contacts to organize meetings where we made our pitches, we went out on the print, I remember the Sole24Ore, Millionaire, [...] digital print and traditional print, let's say. Then there are also groups of Mamacrowd on Whatsapp that are active and therefore that was also useful.”.

The aim was to make itself known to as many investors as possible, both inside and outside the platform. As for the platform, it is clear from the interview how an important part was carried out by its network, which proves useful not only for the fundraising part but also for useful contacts for the business, therefore being able to establish fruitful

relationships for the practical realization of the business. The crowdfunding campaign proved to be fundamental for “making a leap on B2B, because up to crowdfunding we were only B2C and by going to this fair* we say that we have accelerated B2B which was also one of the stated objectives in crowdfunding.”.

* Fancy Food Show in New York

From what emerges from the interview, a very important role is played by newsletters, which in this case have a dual role.

The newsletters were divided according to the target, one for the investors and one for the customers. Before, after and during the crowdfunding campaign, this important activity played a fundamental role. What emerges is that initially “we made a virtually weekly newsletter plan where we gave a bit of an update on how the campaign was going, at the beginning of what our goals were, then how the campaign was going.”. In a second moment what has been done is to send a survey, “to see what job they do, in the sense to see if they were in the food field or not, if they had knowledge or contacts in America and then we also asked him what they wanted to be informed, so we send newsletters to everyone every 4 to 5 months, a bit for general information on how the project is going, the progress.” .

Among the marketing objectives that were listed in the previous chapter, EatTiamo, following this interview appears to have pursued the following:

- **Receive Validation:** this opportunity allowed them to put the project under a lens and receive the validation of investors and producers interested in the project, increasing their credibility.
- **Abatement of Geographical Distances:** in this case the investors were mainly Italian, but it nevertheless allowed entrepreneurs to find opportunities and contacts with the American market.

- **Expand Work Awareness:** one goal of this crowdfunding campaign was to create awareness around the project and it was possible thanks to articles on sector media and the Eppela network.
- **Form Connections:** a fundamental part of this campaign was to find links in the food sector to implement its sector knowledge and expand the network of both producers and investors with knowledge in the US market.

4.5 CONCLUSION

A first fact that can be seen from these interviews is that crowdfunding, given its structure, can become an excellent opportunity for the company to get noticed. Crowdfunding proves to be an amplifier that allows those with good initiatives to exploit it to gain visibility on every medium, both online and traditional.

As has been stated in all three interviews, the crowdfunding campaigns have attracted the attention of the media and helped them to make the campaign known, enhancing its usefulness. This allows entrepreneurs to make their company known and to take advantage of the opportunity to speak and make others speak about it.

As anticipated, those proposed are three very different campaigns, and this allows you to have a broad look for understanding how crowdfunding can be used as a marketing tool.

The objectives of the three campaigns were different from each other, and the way they were pursued also differs greatly from each other. On the one hand, we have two start-ups whose aim is to raise as much funds as possible and make known the business realities to entice consumers and investors, even if through two different types of crowdfunding. On the other hand, we have a company that is looking for funds to rebuild itself and doing work awareness.

As was also analyzed in the previous chapters, crowdfunding offers the possibility of proposing a project to an audience, and the public itself validates it or not. As these three cases also demonstrate, crowdfunding is a very important test to demonstrate the interest of an audience, which would otherwise be impossible. Vitesy has managed to demonstrate that it has a market for its product, EatTiamo found investors and suppliers and the Covo di Nord-Est brought the community together around the restaurant, in a particularly dramatic moment.

In managing the various crowdfunding campaigns, marketing has been very important, both in terms of objectives and strategy.

For Vitesy, crowdfunding has made possible to test the product, an activity otherwise very expensive. Testing a product is a very delicate operation, which can lead to very serious consequences for a small company as well as for even larger companies. Vitesy took advantage of the opportunities given by crowdfunding to carry out a test on the product and receive confirmation from the market, at the same time strengthening its image and credibility.

For EatTiamo, crowdfunding has proven to be a springboard that has allowed the company to make itself known both from investors and from the network of the sector to which it belongs, in fact speeding up the processes of brand awareness and brand reputation.

For Covo di Nord-Est, crowdfunding was an opportunity to do an image strengthening activity on its community, using emotional levers, a very strong factor in the field of fundraising.

For marketing behind a campaign, as highlighted in the previous chapter, some particularly important tools emerge: the role played by some components was very strong in all three campaigns.

As highlighted in the interviews, great attention was paid to the choice of the monetary target, and to the frequency of the newsletters, which were a very useful vehicle for updates. As already pointed out previously, the traditional and non-traditional press contributed a lot, and this is also due to the role played by the PRs. Obviously, one cannot fail to mention the importance of the official social channels that have made it possible to make the activities known in detail.

A very interesting factor to analyze is that once a crowdfunding campaign has been carried out, it can become a tool to be used again. In the case of Vitesy, two campaigns have already been carried out, another campaign for the future is planned for EatTiamo and the entrepreneurs of the Covo di Nord-Est have already carried out a crowdfunding campaign previously.

Crowdfunding proves to be a valid tool for both startups and SMEs, as much as for larger companies. The various reasons that push an entrepreneur to undertake a similar project are therefore the resignation that crowdfunding may not be used solely for the raising of funds.

This is related not only to the fact that you become capable of managing the instrument and you have a good response, monetary or otherwise. This is not enough to explain the phenomenon of serial crowdfunding. Buttice et al. (2017), analyzing a sample of 31,389 Kickstarter campaigns, put a focus on serial crowdfunding, i.e. entrepreneurs who repeatedly turn to crowdfunding to finance their projects. The study was created with the aim of demonstrating how serial crowdfunders take advantage of the social contacts that have supported their previous campaigns.

Crowdfunding manages to bring together a crowd of people who share the same values, allowing entrepreneurs to create a community ready to support them during subsequent crowdfunding campaigns, thus having a huge advantage over their beginner counterparts.

As has already been pointed out, social capital is of fundamental importance for a crowdfunding project: reaching a large number of supporters in the first days of a campaign greatly increases the chances that the campaign will reach the target capital (Wash, 2013). Therefore, entrepreneurs able to mobilize the support of their social contacts in the early days of the campaign enjoy an obvious advantage (Colombo et al., 2015; Vismara, 2016, Buttice et al., 2017).

An entrepreneur can be moved to develop a crowdfunding project, thanks to the fact that he has already acquired the share capital and can exploit it again: the launch over time of numerous successful crowdfunding campaigns offers entrepreneurs the opportunity to interact with supporters and is a powerful tool for developing social capital.

CONCLUSION

The purpose of this thesis was to demonstrate that crowdfunding can be considered, in certain cases, a valid marketing tool.

The literature on this topic has proved to be wide and varied, and several studies have been found, these studies have found many results that move in the same direction of this work.

The particular structure of the crowdfunding campaigns offers very interesting ideas regarding marketing.

It is an instrument strongly linked to social issues; it was created to offer donations for charity/cultural purposes (donation-based crowdfunding).

This serves to underline the strong link with the themes chosen for a campaign and the strong involvement that attracts the backer. Crowdfunding allow to show an idea to a large audience, aiming for involvement, even emotional.

Two of the main actors, entrepreneur and crowd, can get in touch thanks to the third actor: the internet.

The Internet, in its various forms, allows entrepreneurs to showcase their idea and offers users the possibility to choose and reward projects deemed valid. The role played by the internet is twofold, through the crowdfunding platforms the meeting of supply and demand is allowed, social networks allow entrepreneurs to make their reality known to as many people as possible.

The concepts of Web 2.0 and prosumer are fundamental for fully understand how crowdfunding can be used as a marketing tool and not as a simple fundraising tool. The term Web 2.0 defines instruments enabling users to create contents, public, share, comment, vote and recommend them. Web 2.0 allows users to interact with content or with other users, and to create and propose their content to others. This allowed the pre-existing phenomenon of the prosumer to find its

maximum expansion. The prosumer is a consumer who prefers to be part of the production process of the goods and services that he will also use. The consumer is no longer a simple user, but therefore participates in the creative process. The user of Web 2.0 is a subject who has a proactive attitude towards the tools of the network, is for example active in social networks or in a blog.

In the first part of a crowdfunding campaign an important role is played by the strong ties, which provide economic help and social evidence for weak ties or investors that become aware of the project through word of mouth or by discovering it.

People and ties are at the basis of the crowdfunding phenomenon, and you need to understand the reasons behind certain choices you know from the side of entrepreneurs and from the point of view of donors.

Investor motivations are a fundamental factor in analyzing this phenomenon. They allow us to understand why this is an excellent tool and what donors are looking for. The backers are moved both by motivations related to material return (reward, pre-sales, community benefits), to an economic return (access to purchase opportunities) and to a social return (support creators and causes, engage and contribute to a trusting and creative community, interest, curiosity and excitement).

For an entrepreneur, crowdfunding, first of all, is a system for fundraising, but the opportunities and motivations offered by crowdfunding are many and very different from each other: test marketability, establish relationships, receive validation, price discrimination, replicate successful experience of others, retain ownership and copyright, abatement of geographical distances, expand work awareness, form connections, learn skills, acquire new customers. To better understand this, we interviewed entrepreneurs from three different realities, who have used crowdfunding in the past: Vitesy, EatTiamo and the Covo di Nord-Est. The most interesting part of these case studies is the distance between them, which offers a very broad insight into how crowdfunding can be exploited.

On the one hand we have a campaign, the second one carried out by Vitesy, which voluntarily used crowdfunding as a marketing tool in

order to make the product known, carrying out a marketability test, receiving validation by a very large audience, both numerically and geographically. This allowed Vitesy to make itself known also to investors.

On the other hand, EatTiamo carried out an equity campaign, effectively shifting the focus on the company reality. Crowdfunding allowed them to receive a validation of their business, fortifying their image and increasing their credibility. Furthermore, thanks to the Mamacrowd network, they managed to find important opportunities, both on the supplier side, and on the end market side, which is particularly important given the distance between the Italian headquarters of the company, and the American market.

The last case is that of Covo di Nord-Est, which took advantage of the crowdfunding opportunities to carry out a marketing activity on its community. The entrepreneurs have strengthened the bond with them and made them aware of the sacrifices and difficulties experienced following the destruction of the premises, receiving validation from their customers.

Theoretical elements have been found that can lead crowdfunding to an unconventional form of marketing, such as the very close relationship with concepts like 4 Ps, Web 2.0, social networks and others related to the world of digital marketing.

The results of this thesis are perfectly in line with those of other studies analyzed during the investigation of the crowdfunding phenomenon such as Gerber et al. (2012), Gerber & Hui (2013), Moissejev (2013), Brown et al. (2017).

The use of crowdfunding as a marketing tool, is in line with their analyzes. In particular, the authors have identified some marketing objectives, which found feedback during the empirical analysis.

Specifically, was found an affinity with the studies carried by Sayedi & Baghaie (2017), Schwienbacher & Larralde (2010), Richter (2015), Buttice et al. (2017), He et al. (2016) and Agrawal et al. (2011), Beier et al. (2019).

It is interesting to underline how a different picture emerged from the interviews as regards price discrimination. Belleflamme et al. (2014) claim that entrepreneurs tend to discriminate by offering prices higher than market value given the uniqueness of the situation. Instead, what emerges from the interviews are lower prices to encourage backers to donate, in line with what has been shown by Mollick (2014) and Brown et al. (2017).

The results that come out of this thesis are very interesting, crowdfunding is an excellent marketing tool, if managed properly, and can bring much more important results than expected in the design phase. This is particularly true when it comes to issues such as product launches and market tests, which allow investors and consumers to better analyze the product and the business. This allows entrepreneurs to make the product known and to be able to work on relationships, both with customers and with members of this particular niche.

This can, for example, allow start-ups, with limited availability, to raise funds and set up a winning model, as it can allow small and medium-sized enterprises to maximize results by exploiting it appropriately. In fact, it must be emphasized that it is not a magical tool that automatically brings results, indeed. It is an easy-to-use tool, but extremely complex in case you want to exploit its full potential, which requires preliminary studies and knowledge that not all realities can afford.

INTERVIEWS TRANSCRIPTION

VITESY

D: “Intanto ti chiedo il consenso per poter registrare questa telefonata ai fini di ricerca.”

R: “Acconsento.”

D: “Perché tra le varie forme di finanziamento avete scelto il crowdfunding?”

R: “Beh, noi abbiamo scelto il crowdfunding proprio perché è una start-up di prodotto e quindi start-up che fanno prodotti fisici sono molto più agevolate nell’implementare una campagna di crowdfunding di prodotto, proprio perché abbiamo un prodotto fisico da mostrare. Abbiamo bisogno di finanza per strutturare la supply chain, i manufacturers e tutti quelli che ci possono aiutare nell’implementazione della nostra idea di business, e quindi abbiamo scelto Kickstarter. Tra Kickstarter e Indiegogo, siamo andati subito su Kickstarter, perché ha visualizzazioni molto maggiori rispetto ad Indiegogo e poi è molto più affine a prodotti di design e tecnologici come il nostro. Quello che era anche l’obiettivo, a parte la finanza, era di farci conoscere come start up e quindi un’operazione di marketing molto importante dove un bacino di utenti molto vasto può vedere la nostra idea, può commentarla e soprattutto comprarla”

D: “Ok, quindi avevate obiettivi di marketing durante la fase di progettazione della campagna?”

R: “Assolutamente sì, cioè volevamo proprio che più persone possibile venissero a contatto con la nostra idea e il nostro prodotto”

D: “Ok, allora, in base a quali motivazioni avete scelto il traguardo monetario?”

R: “Allora, nella nostra prima campagna di crowdfunding, perché ne abbiamo fatte due. Vuoi che ti parli di entrambe? Allo stesso momento? Prima l’una e poi l’altra? Come vuoi?”

D: “Se per ogni domanda riesci a darmi prima l’una e poi l’altra sarebbe perfetto”

R: “Ok, nella prima campagna abbiamo fissato un goal di 100 mila dollari che era già piuttosto ambizioso, perché era la cifra minima che ci serviva proprio per imbastire la produzione, quindi i primi stampi, anche se gli stampi fatti con la ceramica, perché il primo prodotto era in ceramica, elettronica e quant’altro, ma soprattutto anche una cifra che ci permettesse un primo lancio di produzione interessante. Nella seconda invece, abbiamo abbassato il target della campagna a 50 mila, non tanto perché ci servissero meno soldi, anzi ce ne servivano molti di più, ma proprio perché lì è stata una scelta di marketing, proprio quella di fare un goal tra virgolette basso, quindi 50 mila euro, da raggiungere in pochissimo tempo, e quindi far vedere che c’era attrazione sulla campagna, e quindi ottenere sempre più visibilità, vedere che una campagna di successo e tutto il resto. Il goal realistico che avevamo in testa invece per la seconda campagna era intorno ai 750 mila, un milione, ed è infatti quello che siamo riusciti ad ottenere e siamo stati molto contenti di ciò.”

D: “Ok, quale pubblico avete deciso di targettizzare?”

R: “Allora, il pubblico, beh nella prima campagna eravamo molto alle prime armi e quindi non sapevamo bene chi potesse essere il nostro pubblico, il target di riferimento. Avevamo sicuramente fatto un po’ di analisi prima e targettizzato persone prima di tutto per geografia, quindi, Stati Uniti perché hanno maggiore capacità di spesa, adorano questi prodotti Hi-Tec e anche perché la piattaforma di Kickstarter è perfetta per il pubblico americano, seconda cosa ovviamente l’età, quindi, un pubblico tra i 30 e i 60 anni e differenze tra donne o uomini. Mentre sulla seconda, dato che avevamo molto più feedback, siamo andati proprio a targettizzare le città più performanti, quindi, sicuramente quelle degli Stati Uniti, come dicevo prima ma anche quelle del Sud-Est asiatico, come Singapore, Hong Kong, UK, Canada; e magari un pubblico tra i 35 e i 50, magari appunto con famiglia, proprietari di case et cetera.”

D: “Ok, quali sono le leve di marketing che avete sfruttato?”

R: “Allora, le leve di marketing sfruttate son state: mentre nella prima campagna avevamo un budget molto molto basso, direi praticamente nullo, abbiamo sfruttato sicuramente le Facebook ads e qualcosina di Google AdWords, però abbiamo fortunatamente spinto tantissimo grazie a una agenzia Pr con uscite su grandissimi blog del settore o grandi testate, tipo Business Insider, Wired e molte altre che hanno portato moltissimo traffico. Giusto per darti un’idea, un articolo uscito su Business Insider che ha performato veramente molto bene anche in termini di condivisioni, e anche Business Insider era contento, ci ha fatto raccogliere più o meno 80 mila dollari in tre giorni di preordini, quindi, è stato molto interessante. Nella seconda campagna, invece, dato che non eravamo più così una novità, dato che avevamo già fatto una campagna è stato più difficile targettizzare questi grossi colossi dell’informazione e abbiamo spinto molto di più su Facebook Advertising e Google AdWords, e anche un po’ di Instagram.

D: “Ok, le ricompense che ruolo hanno svolto nella campagna?”

R: “Beh, le ricompense in una campagna crowdfunding di prodotto, sono ovviamente il prodotto stesso, prezzo scontatissimo, rispetto a quello che sarà il prezzo di retail, diciamo che il duro lavoro lì da fare è trovare quel prezzo che riesca a coprire i costi di produzione e che sia molto appetibile per il consumatore. Diciamo che noi ci siamo attestati su un prezzo medio in entrambe le campagne sui 200 euro, 200 dollari e ha performato molto bene. Poi è chiaro che bisogna fare tutta una logica, ed è molto difficile anche questo, fare tutta una logica di Early Bird, di quanto farli durare, quanta la quantità, bisogna giocare molto su queste cifre perché bisogna entrare nella testa del consumatore che in poco tempo vuole qualcosa di nuovo, esclusivo, ma vuole anche prenderlo ad un prezzo scontato anche rispetto alle varie evoluzioni della campagna.

D: “Ok, attraverso quali strumenti avete perseguito il vostro obiettivo?”

R: “Strumenti di che tipo?”

D: “Mi hai nominato ad esempio Facebook, Instagram, Google Ads, et cetera, Pr, cose simili”

R: “Quindi ribadisco questo concetto qui? Beh, abbiamo perseguito grazie ai classici mezzi dell’online advertisement, quindi Facebook Ads, Google Ads, poi un ruolo molto importante l’ha ricoperto l’agenzia Pr che abbiamo scelto; abbiamo scelta una americana, che ci ha dato non solo una mano nello strutturare tutta la campagna, sicuramente nella prima campagna perché era la nostra prima volta, ma poi anche nella seconda, in tutto il project management, però poi è stata molto brava nell’andare a colpire grossi colossi dell’informazione che ci hanno sponsorizzato.”

D: “OK, quali sono i risultati al di fuori della campagna?”

R: “Mah, diciamo che dopo la prima campagna abbiamo dimostrato che non solo il prodotto e l’idea era buona, ma soprattutto che c’era gente che lo voleva comprare, quindi poi siamo tornati in Italia dalla Silicon Valley ed è stato molto più agevole trovare degli investitori che credessero in quello che stavamo facendo, sia degli investitori privati: business angel che hanno investito delle buone quantità di denaro nella nostra società, ma soprattutto siamo riusciti a convincere l’unione europea ad investire tramite un bando in noi una cifra importantissima, due milioni di euro che ci ha praticamente fatto svoltare. Mentre nella seconda campagna, ripeto anche quello di far vedere che non era un caso e che non fosse casualità il successo della prima, ma che stavamo crescendo e che con maggiore finanza siamo riusciti a implementare la tecnologia, quindi a gestire bene le finanze, consegnare il prodotto, che comunque non è banale, quando si lancia da 0 una start up di prodotto e quindi una seconda campagna ha confermato tutte le buone premesse della prima e soprattutto le premesse di un’azienda in fase di lancio e quindi ha aumentato tantissimo la credibilità, anche qua con ulteriori investitori, stakeholder e molti altri.”

D: “Ok, ti faccio l’ultima domanda. Come avete gestito i contatti acquisiti durante la campagna e la fase post campagna?”

R: “Mah, allora i contatti sono molto importanti, si fa un intenso lavoro prima della campagna, si fa un’attività di lead generation, quindi si fa una landing page teaser del prodotto, dove si raccolgono lead, questi contatti poi vanno scaldati ogni volta con le newsletter, degli aggiornamenti, fino a poi c’è il lancio della campagna. Il giorno 1 è molto importante, giusto per farvi capire, il primo giorno della seconda campagna, abbiamo raccolto 60, 70 mila dollari e quindi abbiamo beccato il goal in 12 ore praticamente, quindi, un bel risultato. Poi durante la campagna bisogna fare un’intensa attività di gestione della community, perché comunque possono comprare di più, possono fare passaparola, possono fare tanto per aiutare una campagna e poi

naturalmente c'è tutto il post perché sono persone che hanno creduto in te e sono di fatto anche loro degli investitori e devono essere aggiornati costantemente sull'andamento del prodotto, ne possono comprare di più, devono sapere tra quanto gli arriverà, devono capire che magari ci sono delle difficoltà, ci possono essere dei ritardi e quindi bisogna fare un'intensa attività di community fino alla consegna del prodotto, ma poi da lì diventano parte effettiva della community, perché poi abbiamo dei backers ad esempio che ne hanno comprato uno o due su Kickstarter, ma poi ne hanno comprate 5, 10 dopo perché comunque gli è piaciuto tantissimo. Però devi sempre aggiornarli e gestirli in maniera molto corretta e opportuna.

COVO DI NORD-EST

D: “Quindi ti chiedo di nuovo il consenso per inserire questa registrazione all’interno della tesi”

R: “Sì”

D: “Quindi ti chiedo perché tra le varie forme di finanziamento avete scelto il crowdfunding?”

R: “Fondamentalmente la nostra situazione era abbastanza delicata in quanto venivamo da una mareggiata che a fine Ottobre aveva distrutto completamente il locale e quindi fondamentalmente abbiamo deciso di lanciare una campagna di crowdfunding a livello reward, quindi non donation, ma a livello di reward, perché avendo noi una base alta di clienti, tanti clienti che comunque erano e sono affezionati comunque alla struttura e al locale, eravamo convinti di raggiungere comunque buoni risultati in quanto fondamentalmente il clienti ci aiutava acquisendo dei pacchetti che poi poteva usufruire, tra virgolette spendere, durante la stagione che veniva. Fondamentalmente il crowdfunding ci ha dato una base per ripartire, perché comunque abbiamo raggiunto 60 mila euro, adesso a memoria non ricordo la cifra esatta, ma che comunque su un danno economico di quasi 2 milioni di euro, diciamo che è un po’ una goccia in un mare però non è tanto quello, ci è servito tanto la partecipazione e le tante donazioni anche da poco perché comunque, non le donazioni, tanti, come possiamo chiamarli, acquisizioni di pacchetti, anche da poco da 10, da 50, 100 euro fino anche ad aziende che hanno preso pacchetti da 10 mila euro e questo ci è servito perché ci ha dato la forza di andare avanti perché comunque quello che stavamo facendo, ovvero cercare di ricostruire, di ripartire, perché comunque non è facile, vuol dire che era un qualcosa

che la gente comunque era con noi, ci dava supporto e quindi insomma stavamo facendo qualcosa di bello per tanti, oltre che per noi stessi”

D: “Ok, perfetto, avevate obiettivi di marketing durante la progettazione della campagna? Se sì, quali?”

R: “Personalmente quando è stata fatta, è stata fatta molto home made, nel senso che non ci siamo, come posso dire, l’abbiamo fatta noi, il video per dire l’abbiamo fatto noi, gli attori, tra virgolette, dei video siamo stati noi in prima persona, non ci siamo appoggiati a nessuna azienda esterna o comunque agenzia che ci ha curato tutta la campagna. Anche per Eppela, che comunque è stato il sito sul quale abbiamo fatto partire la nostra campagna, non abbiamo richiesto una partecipazione da parte loro per quanto riguarda il marketing, ma solo ed esclusivamente un discorso di visibilità e quindi di lanciare la campagna sul loro sito, ma poi abbiamo fatto tutto noi con le nostre forze e le nostre idee. Di sicuro non c’era un fine di ottenere più clienti o quant’altro. Avevamo bisogno di una mano per poter comunque ripartire, tanto è vero che il nostro hashtag era ripartiamo insieme.”

D: “Ok, ti chiedo, visto che il progetto ha superato il traguardo fissato, su quali basi avevate scelto il traguardo?”

R: “La base principalmente era, data un po’ comunque, essendo una cosa nuova, nel senso che non avevamo mai fatto un lavoro del genere, o meglio, io in prima persona, avendo un’altra società che fa tutt’altro, avevamo fatto una campagna di crowdfunding su Kickstarter però per un altro progetto, con altri fondi e altre cose. Sinceramente il target che ci eravamo messi è stato un attimo comunque studiato, tra virgolette, con i referenti di Eppela, che anche loro stessi cercavano di metterlo un po’ più basso, il primo step di metterlo il più basso possibile, personalmente non c’è stato un perché, non so come spiegarti, è stato un obiettivo che pensavamo, speravamo di poter raggiungere, poi

fortunatamente siamo riusciti a raggiungerlo anche abbastanza facilmente, ecco.”

D: “OK, quindi, io ti chiedo quale pubblico avete deciso di targettizzare?”

R: “Gli affezionati, si fondamentalmente anche a livello di sponsorizzazione, non è stata fatta nessuna campagna di sponsorizzazione a pagamento, che ne so sui social o quant’altro ma solo esclusivamente una sorta di passaparola, un po’ siamo stati anche aiutati, tra virgolette, dalle testate giornalistiche, piuttosto che dai media, in quanto comunque l’evento della mareggiata ha avuto appeal molto forte a livello mediatico, e quindi il fatto della campagna di crowdfunding per cercare di ripartire, quindi di dare aiuto alla ricostruzione del locale ha avuto un bel seguito anche dal punto di vista dei media, giornali e quant’altro. E poi solo un passaparola con i propri contatti, propri amici, Facebook e i social di ognuno che poi avevamo coinvolto, in questo l’unica, tra virgolette, idea, diciamo furbizia che abbiamo avuto è stata quella di appunto anche nel video, coinvolgere più persone possibili, che comunque calcola che la nostra struttura ha assunto 120 persone, quindi volevamo, come posso dire, abbiamo cercato di coinvolgere più persone possibili della struttura, non tutte logicamente, perché non riuscivamo nei tempi o nei modi comunque a farlo in maniera tale che loro stessi invogliati comunque a rendere virale il video, ecco questo è stato, ha ricevuto tante visualizzazioni, è servito sicuramente.”

D: “Ok, allora io ti chiedo se avete utilizzato alcune leve di marketing e quali avete utilizzato”

R: “Mah, leve di marketing come ti ho detto, a parte a livello tecnico, quindi, magari io non è che ti sappia dire esattamente come si chiama, quel nome o quella cosa, sinceramente abbiamo fatto tutto molto così, d’impatto, d’impulso. Una cosa che vedendo magari altre campagne,

altre situazioni che cos'hanno utilizzato, che cosa non hanno utilizzato, come l'hanno utilizzato e noi in parte abbiamo preso spunto e poi abbiamo utilizzato la nostra creatività e i nostri contatti. Il marketing è stato proprio utilizzare le risorse interne alla struttura, all'azienda, e comunque essendo un locale d'intrattenimento, oltre che spiaggia, discoteca, scusami, ristorante e varie attività, all'interno abbiamo comunque utilizzato i nostri canali social per diffondere fondamentalmente questo messaggio e ti dico onestamente che è andata molto bene e il risultato è stato anche molto apprezzato dai clienti in quanto comunque acquistando uno di questi pacchetti poi comunque durante la stagione avevi un buono da poter usufruire, consumare all'interno della struttura e sono stati consumati tutti ecco.”

D: “Ok, io infatti ti volevo chiedere che ruolo hanno avuto le ricompense nella vostra campagna”

R: “Sono state fondamentali, perché comunque ripeto, il nostro non è stato un discorso, una campagna di crowdfunding di donazione, ma è stata una campagna di crowdfunding di ricompense e quindi noi mettevamo dei pacchetti a target, a prezzo e venivano acquistati dai clienti e poi, la cosa positiva è stata che comunque molti dicevano, passando un po' di tempo, han detto “eh vabbè pazienza, non mi interessa”, però da parte mia e nostra, comunque c'è stato un interesse a farli spendere questi buoni, perché comunque non mi piaceva la cosa che uno avesse fatto una donazione, no, è giusto che tu mi hai dato una mano, nel momento in cui avevo bisogno è giusto che tu abbia questa ricompensa, poi se la vuoi spendere tu, tuo figlio o tuo nipote o un tuo amico o quant'altro, non importa, decidi tu, non c'è problema e infatti mensilmente, scusami, settimanalmente mandavamo una mail con un aggiornamento a tutti, dicendo “hai ancora un buono da 200, piuttosto che, da spendere presso le nostre strutture” e quindi questo insomma è piaciuto molto ai clienti, non è stata una furbata ecco, mettiamola così ecco. Ho fatto la campagna, mi son intascato i soldi e grazie ed arrivederci, no, assolutamente.”

D: “Ok, allora io ti chiedo quali sono i risultati che avete ottenuto al di fuori della campagna”

R: “Sicuramente, inizialmente è stata un po’ per ignoranza culturale secondo me italiana, la campagna da alcuni è stata strumentalizzata, come dire “ah chiedete l’elemosina e quant’altro”. Io invece, sono uno dei sostenitori del crowdfunding in generale e personalmente penso che sia uno strumento molto utile e sinceramente i risultati dal popolo, mettiamolo così, son stati molto positivi, i riscontri son stati molto positivi. Fondamentalmente la campagna ha avuto molto successo, al di là che abbiamo raggiunto e superato il target che ci eravamo posti, ma proprio anche il coinvolgimento della gente e quant’altro, poi perché comunque diciamo che il nostro locale è molto, i clienti sono molto legati, è un locale che c’è dal 1934, perché i magari i genitori dei genitori si sono conosciuti in questo locale, poi grazie alla campagna di crowdfunding abbiamo ricevuto un sacco di segnalazioni, di lettere, di comunicazioni. Una donazione che mi ha toccato molto è stata una donazione da parte di un ragazzo che ha voluto mettere il nome della mamma che era mancata, perché noi praticamente facevamo la lista di tutti i donatori, abbiamo fatto un wall all’ingresso del locale, con scritto “siamo ripartiti grazie a” mettendo tutti i vari nomi se volevano, i nomi, nickname o se non volevano, potevano mettere la spunta di non mettere il nome e quant’altro, tutti comunque hanno scelto di mettere il nome; ha voluto mettere il nome della madre e del padre che erano mancati in quanto si erano conosciuti al Covo. Eh insomma sono belle storie emozionanti e comunque da imprenditore ti dico, al di là dei soldi a cui siamo abituati, è brutto da dire, ad essere in contatto con tanti soldi, o pochi, dipende dai momenti, non è quello, non è il valore economico che abbiamo ricevuto, ma sinceramente più il discorso di forza, che quello che stai facendo è bello, ci piace la gente e la gente ha interesse che continui ad andare avanti e che comunque ti dà una mano, per quello che ti può dare, un piccolo gesto ti può dare. Noi eravamo in difficoltà e ce l’hanno dato, questa è stata una bellissima cosa e ci ha dato la forza,

tant'è vero che poi dopo 162 giorni con il locale distrutto, non so se hai visto i video, era veramente distrutto siamo riusciti a ripartire e poi abbiamo fatto una bellissima stagione e poi peccato che adesso siamo in questa situazione, un'altra situazione che non c'entra niente con il crowdfunding, ecco.”

D: “Ok, come avete gestito i contatti acquisiti durante la campagna e come avete gestito la fase successiva alla campagna?”

R: “Allora, i contatti sono stati semplicemente gestiti che venivano, non sono stati messi nelle nostre mailing list o quant'altro, semplicemente erano in una lista solo ed esclusivamente dedicata al crowdfunding, i quali quindi non venivano tartassati di mail, pubblicità o cose inerenti al locale, ma solo comunicazioni dirette e relative alla campagna, quindi, che ne so se c'erano, abbiamo fatto un party riservato solo ai sostenitori della campagna, abbiamo mandato l'invito con ingresso gratuito, piuttosto che, come ti dicevo prima, comunicazioni inerenti al credito, che tra virgolette gli rimaneva da spendere presso la struttura. Quindi a livello di mail diciamo sono stati gestiti in questa maniera. La seconda domanda che mi è sfuggita?”

D: “La gestione della fase successiva alla campagna”

R: “La gestione della fase successiva, diciamo che all'inizio è stato un po' complicato, diciamo che comunque non essendo una cosa che facciamo abitualmente, ci siamo trovati un attimo a doverci organizzare. Ripeto, gli step successivi precisi, non è che ho a mente come li abbiamo gestiti, sinceramente per noi era abbastanza semplice, perché fondamentalmente noi avevamo mandato dei buoni a ciascun cliente e poi una volta che questo si presentava all'ingresso del locale, del ristorante, in spiaggia, aveva i buoni da spendere all'interno della struttura, dava il nominativo, nome e cognome e quant'altro e venivano, alle case avevano dei fogli prestampati con l'importo che di buono che avevano e venivano smarcati e poi gli veniva mandata una comunicazione del report della settimana, diciamo.”

EATTIAMO

D: “Ti chiedo se posso registrare questa telefonata per inserirla nella mia tesi.”

R: “Sì, certo.”

D: “Perché tra le varie forme di finanziamento avete scelto il crowdfunding?”

R: “Diciamo che il crowdfunding è una forma di finanziamento che ti permette anche di fare tanto, di lavorare sull’awareness del tuo progetto. Poi noi in particolare abbiamo scelto Mamacrowd perché è una piattaforma molto conosciuta nel mondo delle start up. Ci siamo affidati a loro perché hanno una rete di investitori molto valida, quindi sapevamo di voler andare avanti con loro.”

D: “Ok, avevate obiettivi di marketing durante la fase di progettazione della campagna? Se, sì quali?”

R: “Obiettivi di marketing, prima di fare crowdfunding intendi?”

D: “Diciamo a monte, nella progettazione della campagna, cioè, mentre avete fatto la campagna avevate in mente altro, oltre la raccolta fondi, degli obiettivi di marketing?”

R: “Essendo noi comunque sul mercato americano, facendo la campagna di crowdfunding in Italia, era difficile raggiungere degli obiettivi di marketing sul mercato italiano, però ti permette di guadagnare awareness fino ad un certo punto, perché comunque sia fai più awareness sui produttori, cioè facendo la campagna di crowdfunding abbiamo ricevuto tanti contatti, tante chiamate di

produttori italiani che volevano essere inseriti all'interno delle box. Facendo in Italia questo non ci aiutava tanto per il consumatore finale, che comunque sia era in America.”

D: “Ok, in base a quale motivazione avete scelto il vostro traguardo monetario?”

R: “Abbiamo fatto una stima diciamo, dei soldi che ci servivano per arrivare al Break Even, quindi, un business plan e in base a quello ci siamo fissati un obiettivo di 200 mila euro che non era impossibile, irraggiungibile per noi per portare avanti, almeno fino al Break Even, il progetto di start up. È stato raggiunto, raggiunto e superato, quindi siamo arrivati alla fine a 230 mila, che insomma ci hanno permesso di fare un bel boost.”

D: “Ok, quale pubblico avete deciso di targettizzare?”

R: “Abbiamo targettizzato diciamo tutti gli investitori di Mamacrowd e poi siamo usciti anche su alcune riviste in Italia che ci hanno permesso in generale di attirare l'attenzione di altri investitori. Però diciamo che in generale erano persone in qualche modo legate al mondo del food, tanti erano produttori qui in Italia e c'erano anche altre aziende, cioè alcune persone che sono investitori italiani che in qualche modo sono legati al mercato americano. Quindi, conoscendo il mercato hanno visto in noi potenziale. Diciamo che noi quando abbiamo, se ti serve come curiosità, nei primi anni di EatTiamo abbiamo settato tutta la fase di logistica iniziale, diciamo che non è scontato vendere in America, perché ci sono tutti i costi di spedizione che sono folli, la dogana. Gli americani sono super abituati a ricevere, ad avere un sistema di logistica e di consumer service al top e quindi una volta fatto questo setting della macchina, la start up poteva solo che essere, poteva solo che avere dei risultati esponenziali, e quindi in quel momento il crowdfunding l'abbiamo fatto per investire i soldi in campagna advertising e in awareness, quindi con un prodotto che funziona, volevamo

semplicemente farlo conoscere che è la difficoltà in America che è un territorio gigante.”

D: “OK, quali sono le leve di marketing che avete sfruttato?”

R: “Quando abbiamo fatto il crowdfunding allora; diciamo che quando fai un crowdfunding è un po’ come se avessi la scusa per salire sul palcoscenico, e quindi da una parte abbiamo sfruttato contatti di Mamacrowd per organizzare dei meeting dove abbiamo fatto i nostri pitch, siamo usciti sulla stampa, ricordo il Sole24Ore, Millionaire, se vuoi te lo posso mandare anche, non ricordo a memoria, però tutti i link di dove siamo usciti, quindi stampa, stampa digitale e stampa tradizionale diciamo. Poi ci sono anche dei gruppi di Mamacrowd su Whatsapp che sono attivi e quindi anche quello è stato utile e insomma abbiamo fatto anche, cioè l’abbiamo anche raccontato un po’ sui nostri canali LinkedIn e canali social. C’è anche il family, c’è anche il family and friends che comunque sia, far girare la voce tra i nostri contatti del mondo lavorativo e anche quello ci aiuta comunque sia ad avere visibilità.”

D: “Ok, attraverso quali strumenti avete perseguito il vostro obiettivo?”

R: “Attraverso quali strumenti, cioè, rispetto a quello che ti ho detto, cosa intendi per strumenti?”

D: “Eh non lo so, Pr, come vi siete mossi sui social, cose del genere”.

R: “Allora abbiamo diciamo che abbiamo inviato tante, abbiamo fatto un piano di newsletter praticamente settimanale dove davamo un po’ un aggiornamento di come stava andando la campagna, all’inizio di quali erano i nostri obiettivi, poi come stava andando la campagna. Man mano che si andava avanti abbiamo visto, ma questo succede in tutte le campagne di crowdfunding, quando ti avvicini alla fine vedi questo: cioè più persone diciamo aderiscono alla campagna, più fa agli altri

venire voglia di. E quindi le newsletter hanno funzionato tantissimo poi i post che facevamo sui social e ovviamente anche le uscite stampa e poi abbiamo fatto un'intervista, siamo andati sulla Rai”.

D: “Ok, quali sono i risultati che avete ottenuto al di fuori della campagna?”

R: “Allora come ti dicevo al di fuori della campagna, più network, si è allargato il nostro network di produttori in Italia e devo dire che sono stati molto interessanti alcuni contatti, alcuni investitori italiani ma che vivono in America e con loro ancora oggi mi scambiano diverse mail, ti aiutano ad avere gli occhi sul mercato americano, perché in questo momento diciamo siamo basati qui in Italia, siamo rientrati per un tema di costi, di stipendi e di tutto e quindi mi aiutano in qualche modo a seguire i trend e questo è super utile per noi.”

D: “Ok, come avete gestito i contatti acquisiti durante la campagna e come avete gestito la fase post campagna?”

R: “Come scusa? Puoi ripetere la prima parte?”

D: “Come avete gestito i contatti acquisiti durante la campagna?”

R: “Allora, tutti i contatti, diciamo tutti quelli che sono stati nostri investitori, che sono 114 persone, quello che abbiamo fatto all'inizio è mandare una survey, per vedere cosa facevano come lavoro, nel senso per vedere se erano nel campo del food o no, se avevano conoscenze o contatti in America e poi gli abbiamo chiesto anche a che punto volevano essere informati, quindi mandiamo delle newsletter diciamo ogni 4 5 mesi a tutti, un po' per informazione generale di come sta andando il progetto, gli avanzamenti. Adesso, per dire, con tutto quello che è successo con il Covid, tanti si chiedono ma stanno esplodendo le vendite in America o no? Cosa sta succedendo in questo momento? Come funziona, come vanno le spedizioni? Queste news interessano un

po' a tutti, poi ci sono quelli che in particolare sono più dentro al business e vogliono essere più informati, quindi, con loro abbiamo un contatto più diretto. Tanti, per esempio, hanno contatti in America e ci aiutano con la campagna di Natale, quindi ci aiutano anche ad avere un po' una spinta alle nostre vendite sul mercato.”

D: “Ok, la fase successiva alla campagna?”

R: “La fase successiva è stato stabilire un piano, un business plan con una campagna advertising focalizzata, diciamo che quello che abbiamo fatto è una strategia per cui EatTiamo si è concentrata sui momenti gift dell'anno, poi sul food diciamo che il Natale, pesa circa il 60% delle vendite dell'anno, quindi noi avendo finito il crowdfunding a gennaio, era la tempistica perfetta per stabilire il nostro business plan, preparare in anticipo un business plan tale che sarebbe partita a settembre e poi una piccola parte dei soldi del crowdfunding li abbiamo usati per andare al Fancy Food a giugno, che è una delle fiere più importanti del food negli Stati Uniti e quello ci ha permesso di fare anche un salto sul B2B, perché fino al crowdfunding eravamo soltanto B2C e andando a questa fiera diciamo che abbiamo accelerato il B2B che era anche uno degli obiettivi dichiarati nel crowdfunding.”

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