



# How Should Crowdfunding Research Evolve? A Survey of the *Entrepreneurship Theory and Practice* Editorial Board

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The explosion of crowdfunding within entrepreneurial circles is attracting increased academic interest in the nature of crowdfunding, its antecedents, and its consequences. In an effort to help researchers concentrate their inquiry on the most promising questions and theories involving crowdfunding, we surveyed key thought leaders within the entrepreneurship field—the *Entrepreneurship Theory and Practice* editorial review board—regarding what inquiry they believe is needed. Their responses offer implications for crowdfunding research. For example, cross-disciplinary work is one approach that board members believe holds high potential. In response, we outline a cross-disciplinary research agenda that can inform scholarly efforts.

**E**ntrepreneurship Theory and Practice (ETP) is at the center of the scholarly conversation on crowdfunding. This makes the members of ETP's editorial review board important thought leaders and gatekeepers within this nascent yet growing conversation. We asked these scholars to help us to identify valuable existing and new avenues for crowdfunding research and to elucidate the challenges for crowdfunding research going

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forward.<sup>1</sup> We received full responses from 54 of the 121 editorial review board members; a response of rate 45%.

## Is Crowdfunding a Novel Phenomenon?

We first asked board members to assess the extent to which crowdfunding is a distinct concept from eight neighboring concepts. We used 5-point Likert scales ranging from 1 (very similar) to 5 (very distinct). As shown in Table 1, the board collectively believes that crowdfunding is quite distinct from other sources of entrepreneurial financing such as loan procurement (4.52/5.00), initial public offerings (4.33), venture capital (4.19), and angel investing (3.82). This distinctiveness lends support to the notion that the antecedents and outcomes of crowdfunding may differ from those associated with other funding sources (e.g., Skirnevskiy, Bendig, & Brettel, 2017). It also serves as a caution that crowdfunding scholars need to be attentive to the differences in context when generalizing from findings in these related areas. For example, explicitly explaining why relationships should hold when moving from one financing context to another is important.

In contrast, board members view crowdsourcing, another crowd-based phenomenon, as fairly similar to crowdfunding (2.23). Crowdsourcing is defined as fulfilling supply needs that would normally be assigned to an internal party to a “crowd” of external parties via an open call (Afuah & Tucci, 2012). Both crowdfunding and crowdsourcing engage a crowd and entail the solicitation of resources (financial/human) from outside the firm, often in exchange for compensation whether financial, equity, or reward. However, these phenomena also have important differences. Beyond the obvious financial versus task-oriented distinction, crowdsourcing introduces questions regarding the boundary of the firm. Crowdsourcing also frequently requires more knowledge and coordination of the crowd because activities may be completed by different outside individuals who may not interact with each other outside of a crowdsourcing project (e.g., Ford, Richard, & Ciuchta, 2015). The similarities between these phenomena may suggest opportunities to draw theoretical insights from one phenomenon and test them in the context of the other. However, in doing so, researchers should be attentive to the differences between them and carefully explicate the limits to the generalizability of findings.

## What Theories Offer the Most Promise?

Based on our analysis of the existing crowdfunding literature and insights from research in other similar management and entrepreneurial phenomena, we generated a list of 10 theories that may shed light on different aspects of crowdfunding. As shown in Table 2, we asked the editorial review board to indicate the extent to which they believed that each theory would be valuable for studying crowdfunding, again using 5-point Likert scales (very useless—very useful).

The highest-rated theories were network theory (4.19/5.00; e.g., Burt, 1992) and human/social capital theories (3.77; e.g., Nahapiet & Ghoshal, 1998). Two of the papers in this issue draw from these theories. Butticè, Colombo, and Wright (2017) and Skirnevskiy et al. (2017) examine different aspects of how internal social capital develops

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1. We thank the members of the editorial review board for their thoughtful feedback regarding the state and future of crowdfunding research.

Table 1

## The Distinctiveness of Crowdfunding and Other Concepts

Rank	Phenomenon	Very similar (1)	Somewhat similar (2)	Neither similar nor distinct (3)	Somewhat distinct (4)	Very distinct (5)	Responses	Weighted average
1	Loan procurement	0	3	5	7	39	54	4.52/5.00
2	Initial public offering	1	5	1	15	32	54	4.33
3	Venture capital	1	8	2	12	31	54	4.19
4	Sales	0	12	6	15	21	54	3.83
5	Angel investing	2	12	2	16	22	54	3.82
6	Market research/ Validation	2	12	6	15	19	54	3.69
7	Bootstrapping	3	21	4	11	15	54	3.26
8	Crowdsourcing	18	20	5	5	5	53	2.23

Table 2

## The Potential Value of Theories for Crowdfunding Research

Rank	Phenomenon	Very useless (1)	Somewhat useless (2)	Neither useless nor useful (3)	Somewhat useful (4)	Very useful (5)	Responses	Weighted average
1	Network theory	1	3	23	22	52	4.19/5.00	
2	Human/social capital theories	2	4	12	21	14	3.77	
3	Goal-setting theory	1	5	17	19	8	3.56	
4	Resource-based theory	3	5	15	22	8	3.51	
5	Social identity theory	1	10	13	15	11	3.50	
6	Psychological contract theory	2	6	13	23	6	3.50	
7	Prospect theory	1	8	15	23	4	3.41	
8	Agency theory	4	12	11	14	12	3.34	
9	Organizational learning	3	9	14	20	5	3.29	
10	Personality theories	2	18	11	18	3	3.04	

between serial crowdfundingers and their previous backers, and the consequences of this social capital.

The members of the editorial review board also saw considerable promise in examining crowdfunding through a goal-setting theory lens (3.56; e.g., Locke & Latham, 1990). Crowdfunding offers potentially interesting avenues for extending goal-setting theory. For instance, in crowdfunding, the entrepreneur generally sets the goal for the campaign and uses this goal to motivate potential funders to contribute. In most cases, the role of any individual funder in reaching the goal is relatively small because most individuals contribute a modest amount. Future research could examine how the goal set by the entrepreneur and the current progress toward meeting that goal influences crowdfunding investor behavior. For example, are potential funders more likely to chip in as a campaign approaches its goal in order to enjoy a shared success experience?

We were surprised that psychological contract theory ranked in the lower half of the theories (3.50; e.g., Rousseau, 1989). Psychological contract theory has been used in management research to examine how the breach or fulfillment of a psychological contract—the beliefs a party has regarding the nature of an exchange relationship—between employer and employee influences employee outcomes (e.g., Turnley, Bolino, Lester, & Bloodgood, 2003). Crowdfunding research could extend this theory to examine the psychological contract between investor and entrepreneur in rewards-based crowdfunding. Not all successful campaigns result in fulfillment of the campaign promises. Sometimes crowdfunding investors get neither promised rewards nor their money back. Short of taking costly legal action, crowdfunding investors may have little recourse. Psychological contract theory is particularly well suited to examine how the relationships among investor, entrepreneur, and the crowdfunding platform might change in the case of delayed shipment or outright fraud.

Theories of personality (e.g., Barrick & Mount, 1991; Zhao & Seibert, 2006) received the lowest rating from our respondents. In early entrepreneurship research, scholars sought to understand the stable personality characteristics and traits that differentiated entrepreneurs from managers; however, considerable variance surrounding traits linking to successful entrepreneurship led some to recommend abandoning the search for individual differences (e.g., Gartner, 1988). Indeed, recent research indicates that there is considerable variance in entrepreneurial personality characteristics, suggesting that entrepreneurship is likely not reducible to personality in isolation (Zhao & Seibert). Examining the personality of entrepreneurs who seek crowdfunding would likely suffer from the same limitations, but we believe that there could be promise in exploring how personality influences the likelihood to contribute to crowdfunding campaigns.

## What Questions Should Crowdfunding Scholars Answer?

In our special issue call for papers, we identified a series of research questions that we believed held high potential to fuel important contributions. In our survey, we provided these questions to the editorial review board and asked them to rate each according to the importance of answering the question for advancing entrepreneurship research using 5-point Likert scales (not at all important—extremely important). Table 3 displays the findings.

The highest-rated research question was “How can theory from fields other than entrepreneurship/management such as marketing, psychology, sociology, MIS, and finance help us understand entrepreneurial crowdfunding?” (3.78/5.00). There is some early indication that crowdfunding inquiry will indeed evolve by drawing on different

**Table 3****Potential Research Questions for Crowdfunding Research**

Research question	Weighted average
How can theory from fields other than entrepreneurship/management such as marketing, psychology, sociology, MIS, and finance help us understand entrepreneurial crowdfunding?	3.78/5.00
Entrepreneurs generally broadcast crowdfunding appeals to potential investors using an online narrative. These narratives use a variety of media (e.g., text, video, audio) to encourage investment. How might theories of communication, information processing, and sensemaking explain how the content presented and media used interact to influence crowdfunding outcomes? Are some approaches more successful than others under different circumstances?	3.72
Some entrepreneurs offer crowdfunding investors equity while others offer nontraditional compensation such as products and services. How do entrepreneurs select a form of compensation to offer? How does the type of compensation influence individuals' decisions to invest in a crowdfunding campaign?	3.59
Crowdfunding frequently involves "amateur" investors whose main reasons for investing are not economic. What does theory on altruism, egoism, and prosocial behavior predict about whether noneconomic factors such as the desire to help others drive the decision to invest in crowdfunding campaigns? Do these factors differ across countries and cultures?	3.43
How might social network theory be extended to explain the roles an entrepreneur's social and professional connections play in the success of his or her crowdfunding campaign? What role does a potential investor's networks play in his or her decision to invest in a crowdfunding campaign?	3.41
Do crowdfunding campaigns in certain industries or environments lead to better funding outcomes than others?	3.41
To what extent does the emergence of crowdfunding encourage the refinement and extension of theories currently applied in entrepreneurial resource acquisition areas such as the venture capital, angel investor, and IPO contexts?	3.41
Recently, crowdfunding has been used to create microloans in developing countries. In what ways does this micro-lending differ from crowdfunding efforts by entrepreneurs in developed countries? How does this distinction influence investor decision making?	3.23
Many entrepreneurs that seek crowdfunding make commitments regarding the outcomes they will produce if funded. Some entrepreneurs follow through on their promises while others do not. To what extent do characteristics of the entrepreneur, campaign, and investment profile help predict the likelihood that commitments will be upheld?	3.19
The business press has suggested that significant follow-up work is required after establishing a crowdfunding investment profile (e.g., investor events, social networking, attending trade shows, posting updates). What post-listing activities are most influential in increasing donations to a crowdfunding campaign?	3.19
How do characteristics of the individual launching the crowdfunding campaign, such as physical attractiveness or displayed narcissism, influence crowdfunding outcomes?	3.11

disciplines. As shown in Table 4, the articles most frequently cited by crowdfunding studies as of this writing appear not just in entrepreneurship journals, but also outlets in the areas of management science, finance, innovation, and marketing. Finding that drawing theory from other fields is the highest value research question provides reassurance that this literature is progressing along the right track in examining the crowdfunding phenomenon using multiple lenses. As scholars begin to better understand crowdfunding as a phenomenon and the nature of its nomological network, we suspect that variation in theory will yield somewhat to the creation of greater depth in fewer theories. However, at this point, exploratory and broad theoretical views of the crowdfunding phenomenon appear to remain appropriate and valuable.

The second most highly rated research question was "Entrepreneurs generally broadcast crowdfunding appeals to potential investors using an online narrative. These narratives use a variety of media (e.g., text, video, audio) to encourage investment. How might

Table 4

## The Most Frequently Cited Crowdfunding Articles

Citations	Article	Journal/Book	Type of article
24	Mollick (2014)	<i>Journal of Business Venturing</i>	Empirical
17	Belleflamme, Lambert, and Schwienbacher (2014)	<i>Journal of Business Venturing</i>	Conceptual
11	Burtch, Ghose, and Wattal (2013)	<i>Information Systems Research</i>	Empirical
11	Lin, Prabhala, and Viswanathan (2013)	<i>Management Science</i>	Empirical
11	Schwienbacher and Larralde (2010)	<i>Handbook of Entrepreneurial Finance</i>	Empirical
11	Zhang and Liu (2012)	<i>Management Science</i>	Empirical
9	Agrawal, Catalini, and Goldfarb (2014)	<i>Innovation Policy and the Economy</i>	Empirical
8	Ahlers, Cumming, Günther, and Schweizer (2015)	<i>Entrepreneurship Theory and Practice</i>	Empirical
8	Ordanini, Miceli, Pizzetti, and Parasuraman (2011)	<i>Journal of Service Management</i>	Empirical

theories of communication, information processing, and sensemaking explain how the content presented and media used interact to influence crowdfunding outcomes? Are some approaches more successful than others under different circumstances?" Crowdfunding appeals are the mechanism whereby entrepreneurs and investors come together. Understanding why and how some appeals work and others do not is important from both scholarly and practical perspectives. Research on crowdfunding has begun examining how the media content (text, video, audio, and images) influences crowdfunding phenomena (e.g., Allison, McKenny, & Short, 2013; Herzenstein, Dholakia, & Andrews, 2011; Mollick, 2014). As this inquiry develops, it may give rise to a series of guidelines that can help entrepreneurs maximize their chances of success as well as help investors better sort through appeals in order to put their contributions to best use.

The lowest-rated question was "How do characteristics of the individual launching the crowdfunding campaign, such as physical attractiveness or displayed narcissism, influence crowdfunding outcomes?" (3.11). Juxtaposed with the board's feedback on personality theories, an emergent theme is that a degree of skepticism surrounds efforts to tie individual characteristics to crowdfunding outcomes. This does not mean that such efforts should be avoided. For example, important contributions could be made by policy capturing studies focused on whether alignment between entrepreneurs and potential contributors in terms of race, gender, and age helps explain whether investors decide to contribute to a campaign. But the authors of such studies would be wise to take extra care in explaining how their efforts add significant value, given that board members are inherently skeptical of work on individual characteristics.

We asked editorial review board members "What would you like to see crowdfunding research examine?" in an open-ended format in order to identify important research questions beyond those we generated. The lead author coded each of the responses into categories and used axial coding to connect and aggregate similar categories in order to arrive at a set of themes. Four themes emerged; each was touched upon by five or more board members.

The first theme is that *we need to better understand the characteristics of the pool of investors that contribute to crowdfunding campaigns*. One board member expressed a desire to see "a focus on the investors – The investors are assumed to be (but I'm not sure we know) largely unsophisticated and there is no requirement they qualify for private

placement investments. If these assumptions are true, why do they invest?" While many crowdfunding studies theorize why these contributors invest, as another editorial review board member notes "our understanding of funders is based more on assumptions." Courtney, Dutta, and Li (in press) take a step toward understanding investor characteristics through a content analysis of their comments in the campaign. They find that the sentiment of investors toward the entrepreneur's project, as reflected in the language used in comments left on the campaign's page, serves as a source of external endorsement that improves the likelihood of crowdfunding success. While this article provides a valuable first step toward understanding crowdfunding investors, we echo the call for more research in this area.

Second, *we need to understand the higher-level antecedents, consequences, and contexts of crowdfunding*. One board member would like to better understand "what are social or economic factors that influence the choice to crowdfund and the outcomes." Similarly, another member wonders "how government or institutional controls and barriers [alter] availability of capital and investing." These notions overlap with our research question of "Do crowdfunding campaigns in certain industries or environments lead to better funding outcomes than others?" However, one board member took a different approach, asking "to see research that [examines] the optimal market design" noting that "crowds tend to [lose] money on average . . . [leading] to market crash in the long run." We believe that drawing from economics theories to understand the points of potential market failure in crowdfunding is a promising notion. Ideally such studies would identify potential remedies for failures, thereby improving the long-run viability of crowdfunding capital markets.

Third, *we need to understand the relationship of crowdfunding to other methods of entrepreneurial financing*. Some board members suggested questions paralleling our highest-rated research question concerning how theories used in other fields can inform crowdfunding research. Others saw value in examining how crowdfunding and other forms of entrepreneurial finance interact. For instance, one suggested developing a better understanding of how crowdfunding "impacts angel [and] VC investing, especially at the deal level." Because equity crowdfunding is now permitted in U.S. markets, future research might examine how rounds of financing using equity crowdfunding influence the willingness of venture capital investors to invest, and how crowdfunding investor ownership changes in these deals. Research might also examine why entrepreneurs choose to engage in crowdfunding rather than bootstrapping or seeking traditional sources of capital.

Fourth, *we need to understand the determinants of crowdfunding performance*. This parallels the cornerstone strategic entrepreneurship theme of understanding the entrepreneurial determinants of firm performance (e.g., Ireland, Hitt, & Sirmon, 2003; Ketchen, Ireland, & Snow, 2007; Short, McKelvie, Ketchen, & Chandler, 2009). This is a key question within crowdfunding research to date (e.g., Allison, Davis, Short, & Webb, 2015; Calic & Mosakowski, 2016; Moss, Neubaum, & Meyskens, 2015) and interest in this question continues to grow (e.g., Chan & Parhankangas, 2017; Josefy, Dean, Albert, & Fitza, 2016). One particularly promising approach on this theme may involve comparing entrepreneurs' desired and actual outcomes. Much of the existing literature has examined objective measures of crowdfunding performance, such as meeting the entrepreneur's preset pledge goal. However, pledge goals may be set for tactical reasons, rather than reflecting the actual aspiration of the entrepreneur. For instance, on platforms like Kickstarter, entrepreneurs only receive funds if their goal is met, incentivizing entrepreneurs to set lower goals in order to improve the likelihood of receiving any funds at all. Accordingly, understanding project performance relative to the true aspirations of the

entrepreneur may provide complementary insight regarding the performance of crowd-funding campaigns.

## What Are the Barriers to Publishing Crowdfunding Research?

As key gatekeepers to publication in ETP, editorial review board members were also asked to identify the challenges associated with publishing crowdfunding research. Specifically, we asked, “What do you see as being the biggest barriers to publishing crowdfunding research in entrepreneurship journals?” Four themes emerged.

The first theme is the need to understand *what crowdfunding is and is not* before the literature progresses further. In discussing crowdfunding, one respondent noted that “it is important to understand it first before we get obsessed with generating general theory based on it.” Another noted that we “require more background on the context before getting to the theory.” These comments suggest that there would be great value in descriptive and inductive work on crowdfunding. In particular, developing grounded theory about crowdfunding, its antecedents, and its consequences using qualitative methods such as participant-observation could offer powerful steps forward (Gioia, Corley, & Hamilton, 2013).

The second theme centers on *phenomenon-driven versus theory-driven research*. Several respondents highlighted that crowdfunding is a phenomenon rather than a theory. This situation may give rise to research that involves a trade-off between making a theoretical contribution in order to examine a novel phenomenon. For instance, one board member identified “unpacking how crowdfunding changes predictions of extant theory rather than examining crowdfunding as merely a novel context for empirical testing” as being a hurdle for crowdfunding scholars. Others were more pointed in their critiques. Several board members lamented a “lack of theory” in past crowdfunding research. A specific concern is that crowdfunding research has not adequately developed “constructs and/or definitions.” We agree that these needs must be filled if inquiry on crowdfunding is to significantly advance as a research stream.

It also seems likely that crowdfunding might shed new light on existing entrepreneurship theories. Extant theory was developed with certain assumptions about investors. But unlike other sources of entrepreneurial capital, crowdfunding investors may not receive returns, may not be professional investors, and may not formally syndicate with other investors. An opportunity for crowdfunding scholars here is to ask how relaxing these assumptions changes existing theories, thereby adding boundary conditions to their applicability or changing their predictions in a new setting.

A third emergent theme is that *crowdfunding might be a fad*. Several respondents suggested that crowdfunding might not have staying power as a fundraising mechanism. One board member suggested “the topic may seem too faddish to some to be ready for serious academic research.” Another noted that crowdfunding scholars need to establish “the (enduring) socio-economic importance of the crowdfunding phenomenon.” We see this concern as an opportunity for further research. Abrahamson and Eisenman (2008) have examined the development of management fads and investigated how they differ from enduring practices. Future scholars could examine crowdfunding in this light to ascertain whether crowdfunding is more likely to be a fad or to endure. This concern also underscores the importance of making a theoretical contribution in crowdfunding research. Purely phenomenological crowdfunding research would lose value if crowdfunding proves to be a fad. By contrast, if crowdfunding research makes theoretical contributions, these advances will remain important even if crowdfunding someday becomes extinct.

Finally, research designs need to meet the field's quality standards. Several board members highlighted the difficulty of accessing top quality data, with one noting that "gathering appropriate longitudinal data may be difficult and certainly time consuming." One board member lamented that much crowdfunding research relies on convenience sampling and wondered "how to establish generalizability" of such studies. A possible approach for resolving these concerns may be multimethod designs that couple the realism of field research with the rigor of policy capturing and experimental methods that can provide better evidence of causality. Triangulating the findings of field studies with those of experiments, even without random sampling and longitudinal data, can build confidence in findings that neither design on its own could provide.

## Encouraging a Cross-Disciplinary Approach to Crowdfunding Research

Our survey of board members found that drawing from multiple theoretical perspectives represents the most fruitful avenue to further future research in crowdfunding. To set the stage for such inquiry, we were inspired by previous efforts from entrepreneurship scholars who advocate for the value of applying cross-disciplinary approaches to the concepts of strategic entrepreneurship and opportunities (i.e., Ireland & Webb, 2007; Short, Ketchen, Shook, & Ireland, 2010). As shown in Table 5, we suggest that research in other areas of business and beyond has potential to inspire crowdfunding research and offer important new perspectives on the phenomenon. Below, we detail our thoughts on areas where particularly promising opportunities exist to inform crowdfunding at the intersection of entrepreneurship and relevant fields.

The field of human resource management holds great promise to shed light on a number of questions relevant to crowdfunding. Scholars studying the recruitment process have found that website features indicating diversity can prime how individuals view the organization (Walker, Feild, Giles, Bernerth, & Short, 2011). Such findings suggest that images of the organization can be managed through effective website design. Consequently, future research may be able to leverage best practices culled from insights in human resource management and view the crowdfunding process as one where organizations work to effectively attract potential funders much like organizations strive for effectiveness in their recruitment practices.

Organizational behavior and psychology have offered insights surrounding how leader behaviors and personalities hold potential to impact and persuade followers. One stream of research has examined how the language of leadership can be used to convey constructs such as charismatic leadership (Bligh, Kohles, & Meindl, 2004) and positive psychological capital (McKenny, Short, & Payne, 2013). For example, scholars in this stream examined how language indicating charismatic leadership differed before and after the 9/11 crisis (Bligh et al.). Scholars could use this approach to examine if the projection of certain leadership rhetoric is more likely to be associated with crowdfunding success. In addition, longitudinal studies could examine if different types of rhetoric became more prevalent following key crowdfunding events. For example, such efforts could be pursued by exploring how campaigns might have changed the language used to persuade potential funders following May 16, 2016 when the JOBS act went into effect.

Strategic management has long focused on issues of governance linking shareholders and the firm (Daily, Dalton, & Cannella, 2003). Crowdfunding offers new research questions for governance researchers to consider. Rewards-based crowdfunding must confront the problem of discovering what duties, if any, are due to crowdfunding "backers." A research question in this area could examine how backers perceive their association with

Table 5

## Future Interdisciplinary Crowdfunding Research Topics

Field	Examples of general research questions relevant to entrepreneurship	Possible research questions informing crowdfunding
Accounting	How do information disclosures impact the IPO process?	How do firms classify and characterize funds received through crowdfunding?
Anthropology	What is the relationship between cultures and entrepreneurship?	How do cultural traditions influence perceptions of the legitimacy of crowdfunding?
Economics	How do institutions and economic growth impact entrepreneurial actions?	What is the influence of macroeconomic growth on entrepreneurs' use of crowdfunding?
Finance	How do entrepreneurs acquire financial capital for entrepreneurial efforts?	How does the liquidity of a secondary market for crowdfunded equities influence investor decision making?
Organizational behavior	How do differing entrepreneurial cognitions impact venture performance?	Does rhetoric associated with the language of leadership facilitate crowdfunding?
Human resource management	How do entrepreneurs effectively staff their firms?	How can crowdfunding campaigns leverage knowledge from human resources best practices to effectively recruit funders?
Strategic management	How do firms minimize agency conflicts?	How do crowdfunding backers monitor their investment?
Marketing	What is the relationship between market orientation and entrepreneurship?	How do the number and assortment of rewards in rewards-based crowdfunding influence campaign contributions?
Operations management	What internal processes best facilitate entrepreneurial actions?	How do crowdfunded ventures approach production planning and bottlenecks?
Political science	How does public policy impact entrepreneurship?	How do media portrayals of crowdfunding campaigns influence public support for crowdfunding as a practice?
Psychology	What role do entrepreneurs' personalities play in venture creation?	What psychological constructs are conveyed in successful crowdfunding efforts?
Sociology	How does societal context affect the landscape within which entrepreneurship takes place?	How can resource mobilization theories regarding social movements inform fundraising using crowdfunding?

a crowdfunding venture. Do they perceive it as an investment, as many outraged backers of Oculus VR did prior to its acquisition by Facebook? Or do they perceive it as a mere purchase? Turning to equity crowdfunding, another potential research opportunity is to examine whether there are relationships among the number and size of equity crowdfunding backers and company governance outcomes.

The field of marketing has much to contribute to research on crowdfunding. In particular, rewards-based crowdfunding frequently offers investors products or services in exchange for investment in the venture (Mollick, 2014). Crowdfunding research might borrow insights from marketing theories on product assortment and consumer behavior to examine how rewards-based crowdfunders structure their rewards portfolio. For instance, choice overload theory suggests that providing a large number of similar products to choose from may actually inhibit the likelihood of purchase (e.g., Iyengar & Lepper, 2000). Crowdfunding research could build on this theory to examine whether offering a diverse portfolio of rewards influences funding outcomes.

The field of finance has emphasized the importance of secondary market liquidity to investment outcomes (e.g., Chordia, Roll, & Subrahmanyam, 2001; Corwin, Harris, &

Lipson, 2004). With the passage of the JOBS act, individual investors with little experience in financing entrepreneurial ventures are able to participate in equity crowdfunding. However, there is not yet a robust secondary market for crowdfunded equities, and when one does appear, it is unlikely to provide the liquidity that investors enjoy with the familiar NASDAQ, NYSE, and LSE exchanges. Accordingly, an interesting area of future research bridging finance and crowdfunding research might examine the development and characteristics of crowdfunded equity secondary markets, and how crowdfunded equities trade differently from equities generated via traditional IPO in these new markets.

In summary, we hope that the promise of crowdfunding confirmed by entrepreneurship scholars coupled with the possibilities offered here and in Table 5 will provide inspiration for future efforts using a multidisciplinary perspective to build knowledge about crowdfunding.

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