

**It Is Not All About Money:
Obtaining Additional Benefits Through Equity Crowdfunding**

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Crowdfunding Research Center Launch Event

Kristiansand, September 5, 2019

It Is Not All About Money

1 Background and objectives

2 Method and data

3 Results

4 Future research

Equity crowdfunding (crowdinvesting) is defined as “*a method of financing, whereby an entrepreneur sells a specified amount of equity or bond-like shares in a company to a group of (usually small) investors through an open call for funding on internet-based platforms.*” (Ahlers et al. 2015: 958)

It can be compared to more traditional forms of early-stage financing such as business angels or venture capital (Bradford 2012; Hornuf/Schwienbacher 2017)

Research on equity crowdfunding (EC) focuses on financial/legal aspects, quality/ success rates of ventures, human, social and intellectual capital of entrepreneurs ([Hornuf/Schwienbacher 2018](#); [Macht /Weatherson 2015](#); [Lukkarinen et al. 2016](#))

Recently: additional benefits/resources/values of EC campaigns beyond the pure financing ([Vismara 2016](#); [Paschen 2017](#); [Di Pietro et al., 2018](#); [Brown et al., 2018](#)).

Objectives

- Empirically investigate the additional benefits for entrepreneurs in EC.
- Provide evidence on the prevalence of different benefits and their (relative) importance for the success of EC campaigns

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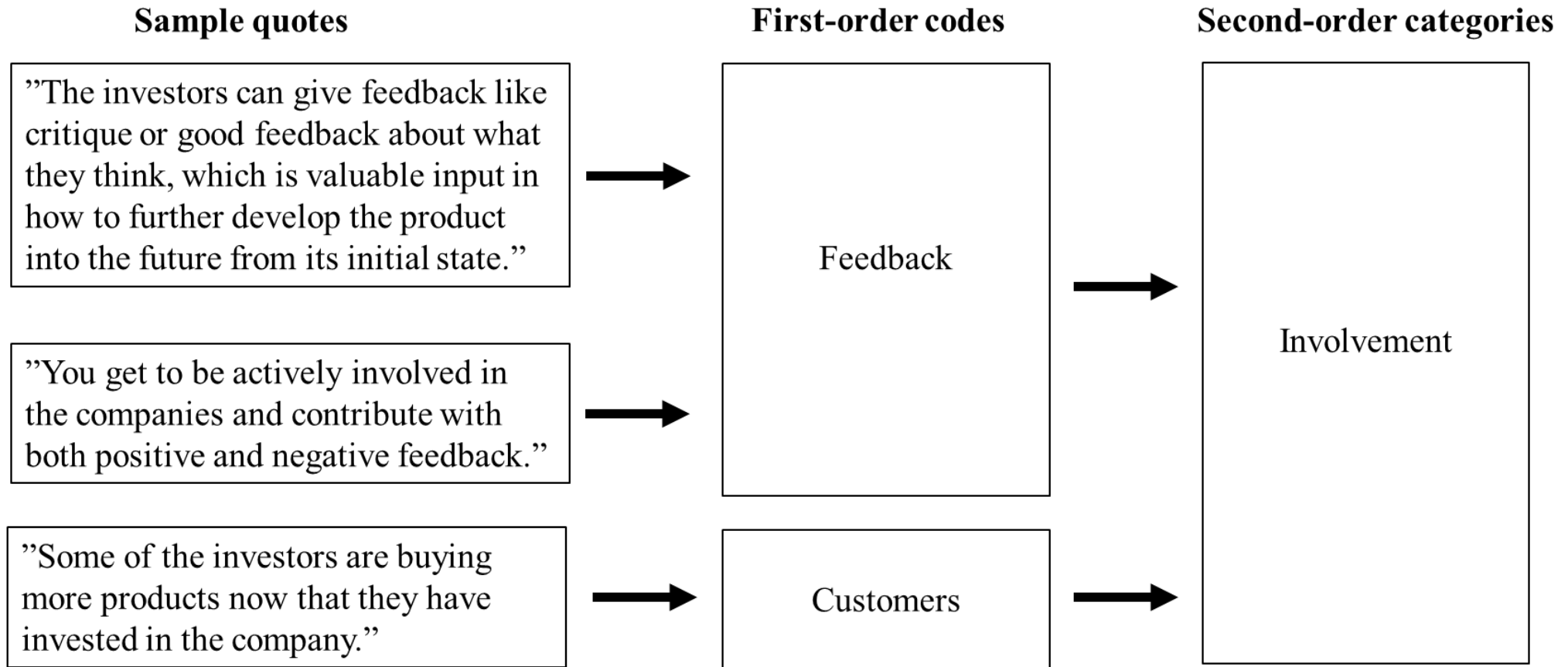
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Sample: most relevant groups of actors in EC - entrepreneurs, investors, CF platforms, consultants, associations

	Israel	Norway	Total
Companies/entrepreneurs	6	3	9
Crowdfunders (investors)	-	6	6
Crowdfunding platforms	2	1	3
Consultants	-	2	2
Associations	-	1	1
Total	8	13	21

Source: Wald et al., 2019: 9

Content analysis of interview transcripts



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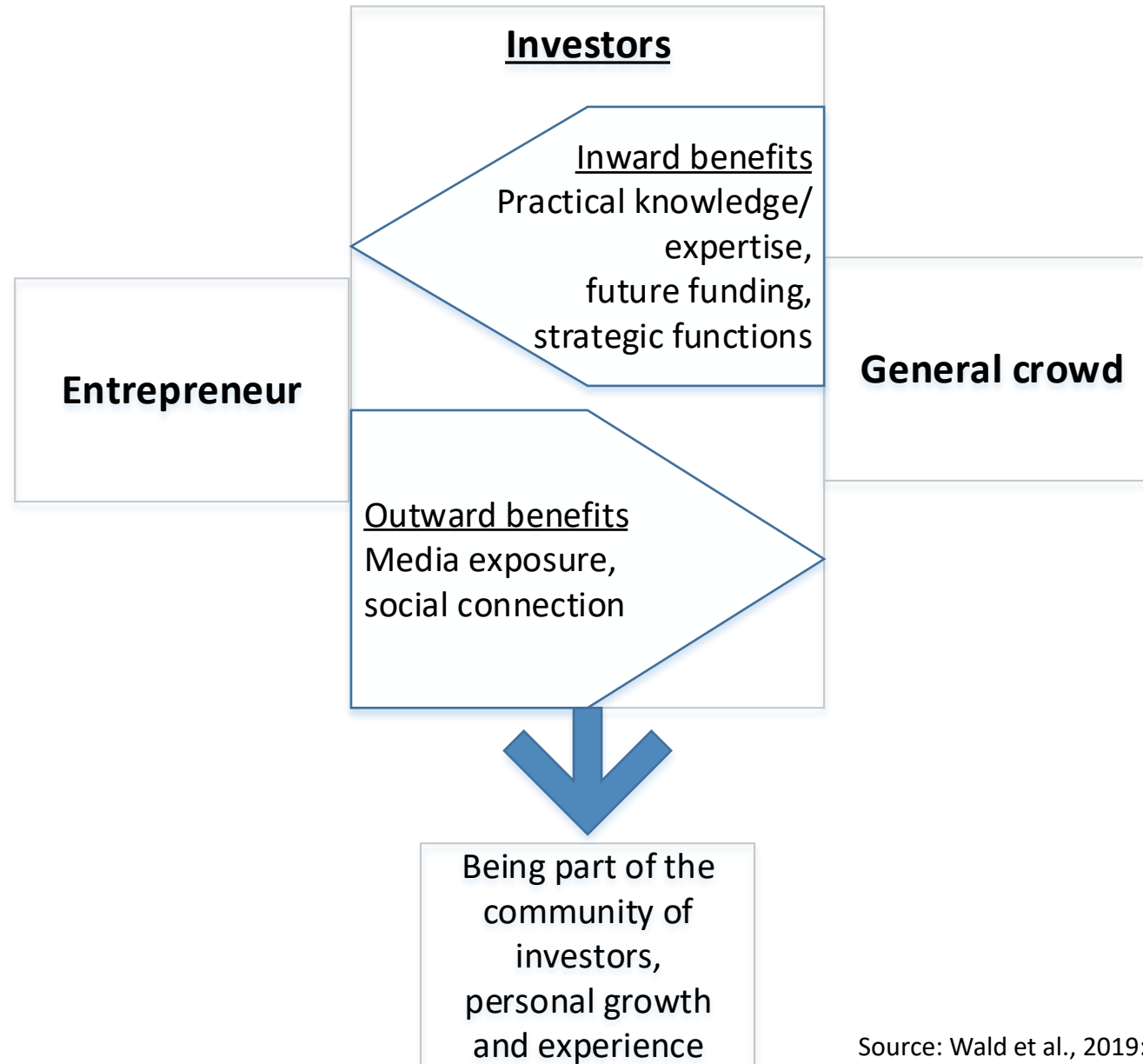
“So, the first added value is publicity... actually crowdfunding amplifies it (the awareness to the campaign) since you have a large group of people...”

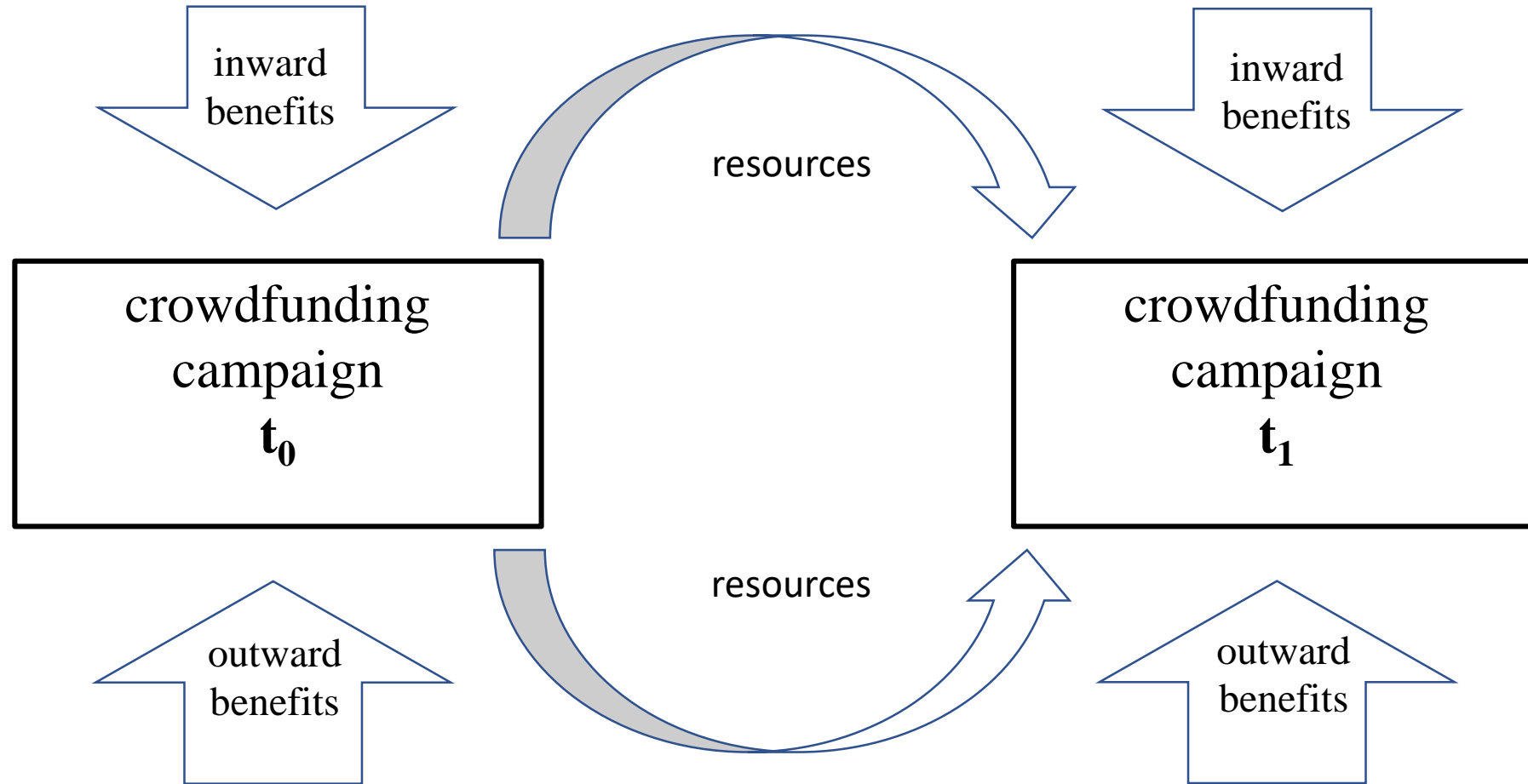
(travelling application entrepreneur, Israel)

“If someone who knows someone who has a piece of information needed to get a deal done for example, this can be crucial for the company. The information distribution or flow of information through the help of the investors I think is the main thing that can help with success.”

(investor in renewable energy technology firm, Norway)

3 Results





Source: Wald et al., 2019: 17

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Benefits of the entrepreneur

Benefits of the investor

Inward benefits

Outward benefits

Psychological added values

practical knowledge and expertise

media exposure

being part of the "club" of investors

future finance

social connections

personal growth and experience

strategic functions

Source: Wald et al., 2019: 15

Well-being (WB) as fundamental human goal (Andrews and Withney, 2012; Diener and Chan, 2011; Seligman, 2012)

WB increasingly researched in entrepreneurship (Kibler et al. 2019; Stephan, 2018; Shirr, Nikolaev, and Wincent, 2018)

Evidence that crowdfunding enhance all three dimensions of WB:

- Hedonic
- Eudamonic
- Relational

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