

## **SOCIO-PSYCHOLOGICAL MOTIVATIONS FOR SUPPORTING SOCIAL AND COMMERCIAL CROWDFUNDING CAMPAIGNS**

### *Popular science abstract*

Raising capital is one of the most important challenges for new ventures. Budding entrepreneurs seeking capital for social, cultural or small business projects face various obstacles. More conventional means of financing, such as banking, are often inadequate and insufficient due to an entrepreneur's inexperience and lack of creditworthiness. On the other hand, venture capital or business angels which are the types of financing dedicated to start-ups, are strongly focused on innovative projects offering high growth potential. Among the mechanisms that have recently emerged on the market supporting social and small local private initiatives, **crowdfunding** has gained a particular interest among practitioners and scholars. This phenomenon can be defined as raising capital in a form of "an open call" typically through the Internet platforms from large audiences. Thus, it can be described as community-enabled financing in which funds may be provided in exchange for interest or debt security, voting rights, donations or in exchange for some form of reward. The last one, reward-based crowdfunding is particularly interested, mainly due to low level of institutionalisation and the greatest variety of projects. In particular, authors may propose **commercial** projects – introducing products or services for consumers often in a presale – and **social**, aimed at delivering social goods, available for the community, often free of charge, i.e., social projects are aimed to offer 'social returns', which refer to social, humanitarian and environmental benefits.

The problem is that still most reward crowdfunding projects do not reach the minimum necessary funds, so are not successful. The key success factors are related to the crowdfunding campaign's pitch and to the motivation of the supporters. Taking into consideration the fundamental differentiation of crowdfunding campaigns into social and commercial, we assume that the success factors (including project's features and supporter's motivations) differ significantly for commercial and for social projects, as they attracts people with different personalities and thus, different factors may stimulate them to support campaign.

The main aims of the research project is to identify personal traits, as well as project's features that affect intention to support commercial and social crowdfunding projects, and, as a consequence, to ascertain the nature of the differences between projects' features and personality traits that affect intention to support social and commercial crowdfunding projects.

This project's originality lies in the following. First, most relevant studies on the crowdfunding success draw on evidence from campaigns without considering their social and commercial nature, what in our opinion significantly changes the key success determinants. Second, the proposed project aims to ascertain the intention to participate in the project among people who might potentially become involved in such initiatives. Additionally, an experimental approach will be used, which is another feature which differentiates this proposal from other existing studies. Third, in contradistinction to most studies that focus separately either on a crowdfunding project's features or participants' motivations, this study aims to combine those two sets of factors. This is due to a better fit between a project's features and participants' motivations, which is different for social and commercial campaigns.

The study will employ the questionnaire survey. The questionnaire will contain questions related to respondent's intention to support social and commercial projects. We will analyse the influence of selected personal traits: openness, altruism, proactivity in social context, money attitude, materialism on intention to support social and, separately, commercial projects. Furthermore, to deepen our knowledge of the differences in intention to support social and commercial and the role of trust in this context, experimental studies will be employed. We will manipulate the level of trust and project description will differ in terms of the author, budget and photos).

The results of the project will contribute to deeper understanding of human behaviour in crowdfunding and their intention to support project of a different type in terms of the final output, including social and commercial campaigns.