



Subject	International Business	Date	14.5.2018
Author(s)	Maiju Pohjola	Student number	505334
		Number of pages	69p. + appendices
Title	Crowdfunding as an International Marketing Tool		
Supervisor(s)	Elina Pelto, Milla Wirén		

Abstract

The shift from bringing creative ideas to life to promoting existing products and companies on crowdfunding platforms is becoming more and more evident. There is great potential for especially smaller companies with limited marketing budgets to utilise this channel to market their product and reach a potentially large international crowd with minimal costs. This has also been noticed in the Finnish law, as the Crowdfunding Act entered into force in 2016, making it easier to collect funds through crowdfunding. The target organisation in this thesis is a small ethical fashion company that has been struggling to reach out to the broad international audience. In this thesis, crowdfunding is investigated if it can be proven to be an effective marketing tool to reach out to international consumers and hence build awareness around the target organisation and its products. The objective is to create an efficient crowdfunding plan to best target this mission and carry it out in practice to observe the effects.

This research was conducted as an action research, with a practical, problem-solving approach and active participation of the researcher in the center. The existing crowdfunding literature and studies about viral marketing, concentrating on electronic word-of-mouth and social media marketing, were extensively reviewed to form a perspective of how this type of international awareness-building –oriented crowdfunding campaign should be formulated. Additional data was gathered from two interviews from both a representative of the target organisation and a Finnish crowdfunding expert. This enabled to fill in the information gathered from existing literature and made it easier to formulate a realistic crowdfunding campaign plan for the target organisation. The crowdfunding plan was executed by launching a campaign and analysing the results of the campaign.

The campaign had trouble reaching out to international consumers, as it had difficulties to gather the capital in the critical first days of the campaign. At the beginning of the campaign, the contributors consist typically of friends and family of the campaign initiator. It was proven to be challenging to find an appropriate manner to motivate these supporter groups, as the threshold seemed to be too high, and the crowdfunding campaign as a concept, too unfamiliar. Modifying the campaign message and layout to match the target group in each phase of the campaign was proven to be difficult due to the nature of crowdfunding campaigns: the layout, rewards and message are set at the beginning of the campaign. Another important observation was the key message: however important the sustainability message in crowdfunding campaigns is if the project is launched by a company, the reward that the contributor receives in return of their investment plays a crucial role in the motivation to contribute. The message and communication should, therefore, be built around this, and the ethical and sustainability messages should be acting only as an additional incentive to support the campaign.

Key words Crowdfunding, ethical fashion, viral marketing, international awareness, eWOM

Further information

Oppiaine	Kansainvälinen Liiketoiminta	Päivämäärä	14.5.2018
Tekijä	Maiju Pohjola	Matrikelinumero	505334
		Sivumäärä	69s. + liitteet
Otsikko	Crowdfunding as an International Marketing Tool		
Ohjaajat	Elina Pelto, Milla Wirén		
Tiivistelmä			
<p>Yhteisörahoituskampanjat muuttavat kovaa vauhtia muotoaan: monet yritykset eivät enää kerää varoja näiden alustojen kautta "herättääkseen luovat ideansa eloon", vaan alustoja käytetään uusien asiakkaiden tavoittamiseen ja tuotteiden ja palveluiden markkinointiin. Tämä muutos tarjoaa mahdollisuuden erityisesti pienille ja keskisuurille yrityksille, jotka usein kamppailevat pienien markkinointibudjettien kanssa, markkinoida tuotteitaan ja tavoittaa mahdollisesti uusia, jopa kansainvälisiä markkinoita hyvinkin pienellä kustannuksella. Tämän tutkimuksen kohdeyrityksenä on suomalainen eettisen muodin valmistukseen keskittynyt yritys, joka pyrkii lisäämään tunnettuuttaan kansainvälisillä markkinoilla. Yhteisörahoituskampanjaa tutkitaan tämän tavoitteen saavuttamisen välineenä, ja tutkimuksen tarkoituksena onkin rakentaa realistinen yhteisörahoituskampanjasuunnitelma, joka tähtää kansainvälisten markkinoiden tavoittamiseen.</p> <p>Tutkimus toteutettiin toimintatutkimuksena, jonka keskiössä on käytännönläheinen lähestymistapa, joka pyrkii tietyn ongelman ratkaisuun, sekä tutkijan aktiivinen osallistuminen tutkimuksen kaikissa vaiheissa. Teoreettinen viitekehys muodostuu olemassa olevasta yhteisörahoitukseen liittyvästä kirjallisuudesta, sekä viraalimarkkinoinnista, keskittyen etenkin word-of-mouth –markkinointiin sekä sosiaalisen median markkinointiin. Lisäksi empiiristä dataa kerättiin haastattelusta kohdeyrityksen, sekä yhteisörahoitusekspertin kanssa. Näiden pohjalta oli mahdollista luoda todenmukainen yhteisörahoituskampanjasuunnitelma, joka toteutettiin käytännössä käynnistämällä kampanja kohdeyrityksen kanssa.</p> <p>Yhteisörahoituskampanja ei onnistunut tavoittamaan kansainvälisiä markkinoita, sillä kampanjalla oli vaikeuksia kerätä rahoitusta kampanjan ensimmäisinä päivinä, mikä on kriittistä kampanjan onnistumiselle. Tämä rahoitus tulee usein kampanjan perustajan lähipiiristä, sillä perhe ja ystävät tukevat kampanjaa usein eri syistä kuin muut tukijat, jotka eivät tunne yritystä ennestään. Näiden eri ryhmien motivointi oli haastavaa, sillä kampanjan ulkoasu ja viestintä oli suunnattu vain yhdelle kohderyhmälle, kansainvälisille kuluttajille. Kampanjan muokkaaminen jokaiselle kohderyhmälle erikseen on siis erityisen tärkeää. Toinen tärkeä havainto tutkimuksesta liittyy tutkimuksen viestintään: kestävyiden ja eettisyyden korostaminen kampanjassa on todettu tärkeäksi tekijäksi, mutta kun kyseessä on voittoa tavoitteleva yritys, on kampanjan tukemisesta saatavalla tuotteella tai muulla palkinnolla tärkeä rooli. Muiden arvojen esiin tuominen saattaa tukea tukemispäätöstä, mutta tuote tai muu palkinto on oltava yritysten tekemien yhteisörahoituskampanjoiden viestinnän keskiössä.</p>			
Asiasanat	Yhteisörahoitus, eettinen muoti, viraalimarkkinointi, kansainvälinen tunnettuus		
Muita tietoja			

CROWDFUNDING AS AN INTERNATIONAL MARKETING TOOL

Master's Thesis
in International Business

Author:
Maiju Pohjola
505334

Supervisors:
Ph.D. Elina Pelto
eMBA Milla Wirén

14.5.2018
Turku

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin OriginalityCheck service.

Table of contents

1	INTRODUCTION	7
1.1	The rise of crowdsourcing	7
1.2	Objective and structure of the study	9
2	BUILDING AWARENESS THROUGH CROWDFUNDING AND VIRAL MARKETING	12
2.1	Crowdfunding as a promotional tool	12
2.1.1	Message and rewards	14
2.1.2	Different stages in the campaign	15
2.1.3	Community within the platform	18
2.1.4	Communication	19
2.2	Role of viral marketing	20
2.2.1	Electronic Word-of-Mouth (eWOM)	21
2.2.2	Promotion through social media	23
2.3	Synthesis	24
3	METHODOLOGY	29
3.1	Research approach	29
3.2	Data collection	30
3.3	Data analysis	32
3.4	Data evaluation	32
4	DEVELOPING THE CROWDFUNDING CAMPAIGN PLAN	35
4.1	Ethical fashion – an overview	35
4.2	The target organization: Myssyfarmi	36
4.3	Creating a crowdfunding campaign plan for Myssyfarmi	38
4.3.1	Message and rewards	38
4.3.2	Adjusting the message	40
4.3.3	Different stages of the campaign	42
4.3.4	Harnessing social media in promotion	44
4.3.5	Other communication	47
4.4	Campaign plan	48
4.5	Testing the plan	50
4.5.1	Campaign page	50
4.5.2	Close social contacts	53
4.5.3	Social media	54

4.5.4	Community within the platform	57
4.5.5	Bloggers and traditional media	58
4.5.6	Performance summary	59
5	CONCLUSIONS	61
5.1	Theoretical contributions	61
5.2	Managerial implications	62
5.3	Limitations of the study and future research.....	63
6	SUMMARY	65
	REFERENCES	67
	APPENDICES	72
	Interviewees.....	72
	Interview Questions.....	72

List of figures

Figure 1	Awareness-building on a crowdfunding platform.....	13
Figure 2	The tendency of local and distant funders to contribute as time passes and capital accumulates.....	17
Figure 3	Increasing awareness of a crowdfunding campaign.....	25
Figure 4	Different contribution groups.....	43
Figure 5	Optimal channels for reaching each audience.....	46

List of tables

Table 1	Campaign plan.....	49
---------	--------------------	----

1 INTRODUCTION

1.1 The rise of crowdsourcing

What does a hip-hop band from Sweden, a t-shirt manufacturer from Canada and a candy store from Bali have in common? They may all benefit from the same activity, called crowdsourcing. Crowdsourcing was first defined by Jeff Howe in 2006 as an activity that harnesses the creative powers of the masses and utilises them to help perform an action usually done by an employee in a company. From then, it has been widened to describe all the activities that are done by sourcing from a large crowd of people, with the aim of solving a specific problem (Brabham 2008, 79). The hip-hop band from Sweden might be looking for financial funding and a community to support their newest album; the t-shirt manufacturer can be sourcing creative ideas for their newest prints and the candy store might collect donations to organise a children's festival in their town. An enabler for this phenomenon is the first and foremost Internet, which allows people around the world to operate in a single environment, and facilitates bringing together geographically and culturally dispersed, independent ideas (Brabham 2008, 81).

The crowdsourcing phenomenon has also reached the financial markets. Especially after the 2008 financial crisis, start-ups have faced increasing difficulties getting loans from banks. Therefore, new markets for capital have been formed, first unofficially, but later forming into an increasingly organised way to fund businesses. (Crowdfunding's Potential for the Developing World 2013, 8.) This form of crowdsourcing has been titled as crowdfunding. Oxford Dictionary defines crowdfunding as: "The practice of funding a project or venture by raising money from many people whom each contribute a relatively small amount, typically via the Internet" (Oxford living dictionaries 2017). A more detailed definition is provided by Belleflamme, Lambert and Schwienbacher (2014, 588): "Crowdfunding involves an open call, mostly through the Internet, for the provision of financial resources either in the form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes". By collecting a small amount from a large crowd, an individual, company or a non-profit can finance their operations, as well as enjoy other additional advantages. These can be: increased exposure to the public, creating a communication channel and a community and getting feedback to improve their product. (Van Wingerden & Ryan 2011, 8; Crowdfunding's Potential for the Developing World 2013, 4.) Many of the crowdfunding platforms operate on all-or-nothing-basis, which means that no money is transferred unless the target amount is reached. This makes the use of crowdfunding an affordable and a risk-free solution for aspiring entrepreneurs to see if their idea can be turned into a viable business, and for

existing companies striving to expand their operations, as well as for funders that are willing to support the project financially.

The actuality of the topic can also be seen in the Finnish law: The Crowdfunding Act entered into force in September 2016. This act eases the regulation on investment-based crowdfunding and defines the ground rules for loan-based crowdfunding. The act is a step towards opening the financing possibilities for Finnish companies and helping the crowdfunding sector grow because it is a viable and a growing sector as a solution to get funding for a company. (The Ministry of Finance 2016.)

Even though the crowdfunding field is relatively new, there has been an impressive amount of studies on the issue in recent years. Most of them are quantitative rather than qualitative, searching for patterns in the existing successful campaigns, rather than trying to understand the phenomenon. The focus group is often people in the creative business: aspiring musicians, filmmakers and journalists, or in the business-side on individual entrepreneurs and start-ups, and not established enterprises. Usually, the phenomenon is looked through the lenses of financial aid, where it is needed by entrepreneurs who wish to turn their ideas into businesses, and companies that require financial aid to keep them afloat or help them grow (Stemler 2013, 271). A small, but growing body of marketing-oriented crowdfunding literature has emerged lately, however concentrating mainly on acknowledging and describing the phenomena (see e.g. Brown, Boon & Pitt 2016; Molllick 2014). This is aligned with the initial idea of crowdfunding, to bring ideas to life, not act as a marketing medium for companies. The role of crowdfunding is, however, changing, so that companies have started to use crowdfunding platforms as marketing channels and commercial platforms (Knox 2015), but studies addressing this change are minimal. A few studies have acknowledged the central need for entrepreneurs to create awareness for their products through a crowdfunding campaign (Gerber & Hui 2013, 24;), yet the question how is still unanswered. There is a notable lack of empirical evidence on, for example, the role of social media in crowdfunding (Hong, Hu & Burch 2015, 2). Providing guidelines to how this kind of marketing-oriented action is best conducted for already established enterprises is the gap to which this thesis tries to provide answers.

From a broader perspective, this study can hopefully shed light on how micro-sized companies in Finland can access larger pools of customers, visibility and financial aid. Micro-sized companies are defined as companies employing less than ten people. They are dominating in Finland: in 2017, there are over 260 000 of them, accounting for 93% of all the companies. (Yrittäjät.fi 2017.) For these companies, finding new markets and financing could be the deal breaker, and help them grow or keep them afloat. Because Finland is a small country, the potential larger markets can be found abroad, where the right consumer groups most definitely exist. With the help of the Internet, this chance is now easier than ever to seize, if only one knows how. Crowdfunding could be an essential tool for micro-sized companies in Finland to find their markets and build awareness on

an international scale. This study could prove to be essential for the leaders of those companies. It is essential to find the factors that contribute to reaching international customers in a modern way by using crowdfunding so that these companies can use this information to grow and prosper.

1.2 Objective and structure of the study

This thesis is conducted as problem-solving oriented action research, in the context of an ethical fashion company, Myssyfarmi. Myssyfarmi produces hand-knitted wool accessories: beanies, scarfs, tubes, ties and headbands. The company was founded in 2009, and its sales have been on a modest level all this time. In 2016, it started to operate internationally as the company was provided international expansion funding from a Finnish organisation, FinPro, that supports small and medium-sized companies on their internationalisation projects. Since then, retailers from many different countries have shown interest in Myssyfarmis original wool products, and the Finnish farm-life-highlighting brand has been proven to appeal to international consumers. The brand has the potential to grow internationally and ride the current trend-wave that indicates a shift from fast-fashion to ethical and sustainable fashion that is made of high-quality materials. Despite efforts in social media, they have had trouble reaching out directly to international consumers, and therefore a crowdfunding campaign was researched as a potential marketing tool for them, enabling them to grow internationally.

There are different types of crowdfunding, most often divided into three: donation-based, equity-based or reward-based crowdfunding. In equity-based crowdfunding, the supporter receives equities of the company in return for the support. This is a somewhat rare form of crowdfunding, mostly due to legislation (Mollick 2014, 3; Belleflamme et al. 2013, 588). In donation-based crowdfunding, the supporter will not get anything in return, but all the support happens with no physical or monetarily compensation from the company or project supported. (Mollick 2014, 3). Reward-based crowdfunding is most often used of these three, and this is also the approach of this research. Here, the company has a product ready for launching, and it can provide its backers with the ready product as a reward for backing the project. This reward-based crowdfunding is also the approach that most of the crowdfunding platforms support, causing its popularity.

A company engaging with reward-based approach can have purely financial goals, or it can use the crowdfunding campaign to perform as a marketing function. The use of crowdfunding as a marketing function, according to a division made by Moissejev (2013), is divided into three categories: 1) To research how interested people are in your product and to make further decisions on the future of the product, 2) To promote the

product and the company, 3) To act as a direct sales channel with no intermediaries such as retailers.

This thesis concentrates on reward-based campaigns and using crowdfunding as a marketing function to promote the products of the target company, and the company itself. A reward-based campaign was chosen due to its simplicity, popularity and possible marketing advantages. It also fits the best with the target company, which has products already on sale and can provide them as rewards for funders. Starting a crowdfunding campaign could act as an inexpensive way to reach international customers, which Myssyfarmi has not been able to reach efficiently. The international crowdfunding platforms, such as Kickstarter and IndieGoGo, are often very international marketplaces including campaigns from all over the world. As they are online platforms, it enables the online actions and the efficient use of social media for the promotion of projects, which makes it easier and more affordable to reach consumers all over the world. Viral marketing plays a vital role in this, as online channels enhance the viral spread of everything, creating electronic word-of-mouth. Due to having a real-life problem as a starting point, this research will be conducted as an action research, with a strong focus on the active participation of the researcher and finding a practical solution to this specific problem (Eriksson & Kovalainen 2008, 194).

The main purpose of this research is to **develop a plan for executing a crowdfunding campaign oriented for international awareness-building.**

The sub-objectives are:

- 1) *To form a plan for executing a crowdfunding campaign in the context of an ethical fashion brand*
- 2) *To apply the plan by launching a crowdfunding campaign*
- 3) *To evaluate the performance of the plan*

With these objectives, the study will try to understand the dynamics of international marketing-oriented crowdfunding campaigns, and being able to provide useful insights on the possible factors that in practice contribute towards efficiently reaching international consumers through a crowdfunding campaign. This research will then provide principles for executing an international marketing-oriented crowdfunding campaign in the context of an ethical fashion brand. An explicit model is structured based on existing literature and interviews with a crowdfunding expert and with the CEO of the target organisation. This plan will provide a practical plan to guide the campaign throughout the campaign and to draw attention to the main aspects to which the company should pay attention.

The structure of this thesis is as follows: The theoretical framework is formed from two fields of study: crowdfunding, that provides practical information about launching a successful campaign, and viral marketing that is the awareness-generating element. From these, a synthesis is formed, which centres on the factors that should be applied in a project to maximise its international visibility. The research methodology is explained in the chapter following the theoretical part. The context of the study, ethical fashion, is introduced next. To complement the theoretical findings with empirical knowledge, the plan is further constructed via co-analysis together with the target company. The plan is constructed by considering the objectives and ideas of the representative of the target company and the contributions from the existing literature as well as from the empirical data collected from an outside crowdfunding expert. To apply the plan in practice, a crowdfunding campaign is launched, and the performance analysed every step of the way, according to the plan. The report will end by presenting and summarising the findings in conclusions and presenting managerial implications and limitations to the study.

2 BUILDING AWARENESS THROUGH CROWDFUNDING AND VIRAL MARKETING

2.1 Crowdfunding as a promotional tool

A smartwatch producer called Pebble has launched two crowdfunding campaigns in total, both having different objectives. The first campaign was in 2012 when a group of entrepreneurs wanted to raise funds from the crowd to bring their dream smartwatch to life. The raised amount was a record-breaking \$10.2 million, which allowed it to start the production. In 2015, Pebble launched their Time smartwatch that, again breaking records, raised \$1 million in 30 minutes. This time it was not about collecting funds to start a “creative project”, but about a commercial launch for their new product. (Knox 2015.) The role of crowdfunding is changing. Up to 83 percent of campaign launchers have said to have awareness building as their most important reason to launch a campaign. Moreover, it is no surprise, since crowdfunding offers a global reach with low cost (Agrawal, Catalini & Goldfarb 2015, 255; Van Wingerden & Ryan 2011, 8).

Crowdfunding sites allow reaching a global audience, as the distance-related frictions are overcome in three manners. First, it allows for a smooth search as the projects are presented in a standardised and straightforward way. Second, there is less need for monitoring due to small donation amounts, and third, information about other people’s activities are provided by enclosing the information about the cumulative amount collected and funder’s online identities (Agrawal, Catalini & Goldfarb 2015, 255). This extensive reach of a campaign is also affordable: the marginal cost of storage and price per display is nearly 0. The platform usually only collects a small percentage as a fee from the project if it has reached its goal. (Van Wingerden & Ryan 2011, 8.) Also, the lack of intermediaries on crowdfunding sites has made it an appealing channel to promote products, and especially fashion brands have noticed the advantage of this compared to traditional retail models (Knox 2015). Even though these platforms seem like an easy solution to market and sell products to a large crowd, the project needs to be actively marketed to reach the target, as the marketing efforts correlate directly with the success of the campaign (Burch, Ghose & Watal 2013, 499).

To increase the awareness of a crowdfunding campaign, the viral marketing activities and tools to enhance this are important to get people notice the project and create buzz around it. The created buzz increases trust in the project (Thies et al. 2014, 2; Agrawal et al. 2015, 264, 269), which is an essential factor in crowdfunding. Many of the platforms have low standards for entry, and therefore the supporters put much weight on the trustworthiness of the campaign (Wang & al. 2018, 107).

Determining the factors that make a campaign successful in the sense of awareness-building, the increase in social media activities is considered, as well as how well is the financial target of the campaign reached, as it often correlates with the reach of a campaign. Consumers who invest and become part of the community of the crowdfunding project and the brand, are likely to share the investment experience with his personal contacts which in turn creates public exposure and “hype” around the project (Macht & Weatherston 2014, 8; Hui et al. 2014). Even though this does not provide entirely accurate information how well the campaign has come to the attention of consumers, it is a decent indicator of the awareness built around the project in general. What would be the best way to measure it, would be the amount of word-of-mouth and electronic word-of-mouth created around the project. The created word-of-mouth is however extremely difficult to measure. The three principal problems when trying to measure word-of-mouth marketing are: Difficulty to gather data, difficulty to set measures to analyse that data, and the inconsistency with time (Godes & Mayzlin 2004, 546). Other, more simple ways to measure the audience reached, is the increase in sales on the website and possible coverage on blogs and publications. The rest of the awareness-building benefits might spread over time in increased sales, but this is difficult to account to any certain mediums. Therefore, the success is measured primarily by the monetary success of the campaign and the other, before mentioned aspects are also observed at the end of the study.

The supporters that are most likely to share the campaign on their own social media channels are the ones that have themselves supported the project (Macht & Wheterston 2016). On figure 1, is illustrated how this type of circle of funding and awareness-building can happen.

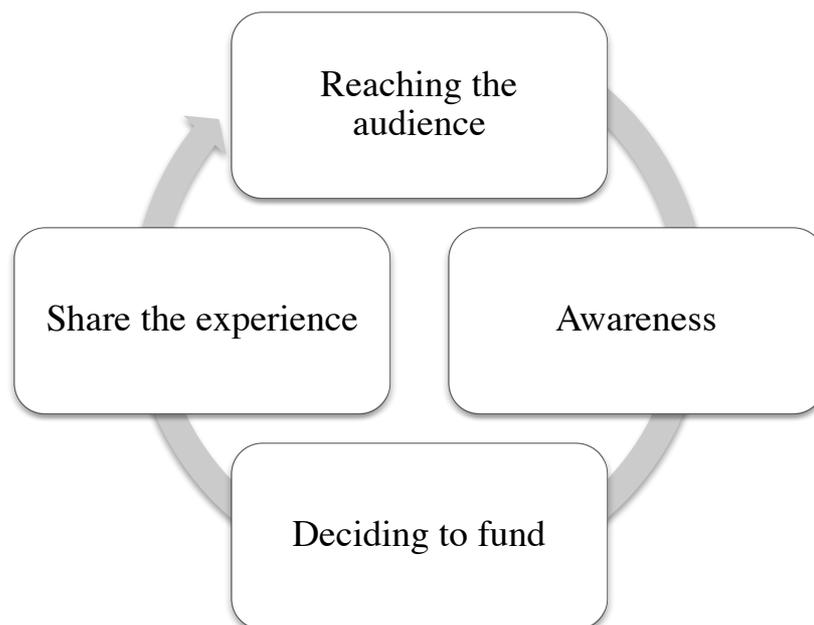


Figure 1 Awareness-building on a crowdfunding platform

As can be seen from the Figure 1 above, in the best-case scenario, the project can start a positive spin around it and attract extensive attention from public and media, and go viral – resulting in an excellent start for any company’s international launch or growth. A great example of this is a campaign by Solar Roadways, which attracted 49 000 backers and got mentioned by the president Obama in his State of the Union Address in 2015 (Indiegogo.com 2016). There is no need for guessing about the awareness of Solar Roadways after that.

Apart from the central viral marketing contributions from the literature related to crowdfunding, this thesis concentrates on three campaign-specific aspects that according to theory, seem to play an essential role in attracting funders. This again fosters the viral expansion of the project. The three aspects are: message and rewards of the campaign, the attraction of early contributors, community benefits and right communication style.

2.1.1 *Message and rewards*

When building a crowdfunding campaign, there are few practical aspects to be considered. First one is the platform, where the campaign will be executed. The most prominent platform is a US-based Kickstarter.com, which however has some geographical limitations, as only companies from certain countries can start a project. However, there are multiple platform choices from the international field, Indiegogo.com and gofundme.com following Kickstarter at their size. There is also a Finland-based platform called mesenaatti.me. After choosing the platform, a company or an aspiring entrepreneur forms a pitch, which typically includes information about the a) target amount desired, b) the time limit by which the amount needs to be collected, c) the reason for which the capital is collected d) the reward which is offered for a contribution. (Macht & Weatherston 2014, 5.) They all together influence the success of the campaign, but in this research, the most central aspects are the parts visible in the awareness-building: the message and the reward for the contribution.

How is the message then built so that it would have the best chances to stand out and motivate people to support the campaign? There is a need to outline the underlying motivations to support a campaign to determine this. In their study Bretschneider and Leimeister (2017, 257) found four prevailing motives to support a campaign where the supporter gets a reward in return for the investment. These motives are: expecting recognition from others, wanting a specific project to be realised, liking a particular project or they want to be liked or well-regarded by others. These findings go hand in hand with the existing literature of the optimal message frame that encourages to build the message so that the supporters can relate to and it correlates with their values and personal beliefs (Kastanakis & Balabanis 2012, 1405-1406; Gerber & Hui 2013, 16). Sharing values with

the company enable trust-building with the funder (Macht 2014, 453), and increased trust can motivate backers to support the project through word-of-mouth (Hui et al. 2014). The campaigns should, therefore, have a strong message to be sent out to the potential supporters, that can then identify themselves with, and have the feeling of sharing similar values and beliefs. Essential here is to find the fundamental values and features of the campaign to be brought up, and formulate a strong message that is communicated in the campaign.

As people want to be well-regarded by others, it is only rational that companies that bring out their sustainability message, have been proven to be more successful on crowdfunding platforms, than traditional, purely commercial enterprises (Calic & Mosakowski 2016, 740). The sustainability orientation here is meant as “a focus on the preservation of nature, life support, and community in the pursuit of perceived opportunities to bring into existence future products, processes, and services for gain, where gain is broadly construed to include economic and non-economic gains to individuals, the economy, and society” (Shepherd & Patzelt 2011, 137). This can be explained by the creativity of the project: often the companies that operations are motivated by sustainability, are more creative, endorse out-of-the-box –thinking and hence exert better performance (Calic & Mosakowski 2016, 761).

In the reward strategy, the fit between the project type and the reward structure is essential. In projects that have a physical product to give as a reward, it should offer the product as a reward, when again in creative projects, such as dance and theatre, the supporter values an experience reward more (Thürridl & Kamleitner 2016, 103–104). The reward itself is higher appreciated when it makes the contributor feeling unique, and they are more motivated by limited edition –rewards (Thürridl & Kamleitner 2016, 1032–103).

2.1.2 Different stages in the campaign

Many previous studies have indentified that the early contributions are central to the success of crowdfunding campaigns (Colombo, Franzoni & Rossi-Lamastra 2015, 87). A popular crowdfunding platform IndieGoGo claims that campaigns that reach 30 percent of their goal in the first two days are statistically more likely to reach their full goal, than the campaigns that take longer to gather this sum (Indiegogo.fi). In another study, both the number of the early backers and the percent of the target capital collected early in the campaign signal a significantly higher chance for a successful campaign (Colombo et al. 2015, 87). The marketing efforts put in the first few days are the most critical and should be in the centre of attention for campaign planners.

This type of action on online communities has been proven to relate to the bandwagon effect, which implies that the consumption preferences of the individual are profoundly

linked to the consumption of the crowd: “the desire of people to wear, buy, do, consume, and behave like their fellows; the desire to join the crowd –” (Leibenstein, 1950, 184). Multiple studies show that whether we are talking about comparing social media updates with little or high number of likes, or campaigns with little or high amount of accumulated capital, the more support it has behind it, the more likely it is to generate even more support, as consumers hop on the bandwagon (see e.g. Agrawal et al. 2015, 262; Zhang & Liu 2012; Egebark & Ekström, 2011, 2). This herding effect was also proved to mediate the effect of other underlying motives to support a project, such as liking the project or wanting to present a particular image of oneself by backing a specific project (Bretschneider & Leimeister 2017, 257). Being able to attract supporters to back the project seems to have a significant effect on the overall motivation of an individual to support the project, even more than other factors.

Which factors need to be considered when trying to gather the base of supporters that will help the project by motivating others to support too? There is a great importance of local and distant funders when taking advantage of the bandwagon effect in a crowdfunding campaign. The local funders consist mostly of friends and family and other people that are in the close social circle of the initiator of the crowdfunding project. These are more likely to pledge at the beginning of the project. The distant funders, consisting of the people that are not in the close social network of the initiator of the crowdfunding project, are more likely to invest as the capital accumulates. (Agrawal et al. 2015, 264, 269.) The local funders’ eagerness to invest in the beginning can be due to awareness of funding possibilities, social pressure (Agrawal et al. 2015, 264, 269) or philanthropic behaviour, as they have a willingness to help people in their close or extended contact network (Gerber & Hui 2013, 14). The distant funders, on the other hand, might interpret the accumulated capital and the buzz around the project as a signal from high quality and excellent potential (Agrawal et al. 2015, 264, 269) or as a signal of trustworthiness (Macht 2014, 454). These factors increase the motivation to invest. The accumulation of capital in time and the tendency of local and distant funders to contribute to the campaign is illustrated in Figure 2.

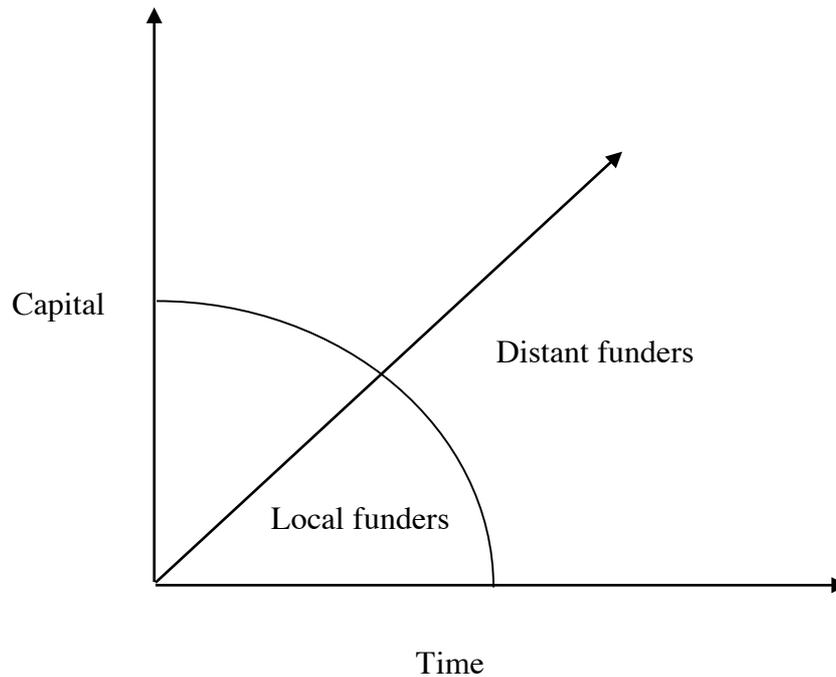


Figure 2 The tendency of local and distant funders to contribute as time passes and capital accumulates

A company should, therefore, strive to engage the closer networks at the beginning of the campaign, and as the capital accumulates, get more distant consumers involved. The quicker the attention is gained among the local consumers in the beginning, the quicker the project can start building awareness among distant, including international, consumers. These two factors are illustrated in figure 2, where the increase in capital shifts the target from local to distant crowds. The objective of the marketing-oriented crowdfunding campaign is after all to build awareness among those who do not belong to the crowd-funders close social circle, in other words, are not family or friends. They, however, act as an essential link to reach these distant consumers. The local crowd should not be neglected when promoting the crowdfunding campaign, and especially in the beginning, they can prove to be an important asset.

Given the importance of early contributors, the duration of the campaign has evoked controversial opinions from the theory: Burch et al. (2013, 508) argue that the more extended the campaign period, the more publicity the campaign gets and is more likely to succeed. This is based on their theory of longer period attracting more contributors, which in turn might signal about the project quality and in turn attract more contributors. However, Colombo et al. (2015, 89) conclude based on a quantitative study that the duration of the campaign does not play a role in the success of the campaign. Kickstarter has lim-

ited its campaign duration to 90 days, from before having no limits on the duration. Usually, the action is slower in the middle of the campaign (indiegogo.com 2016), which would speak in favour of the duration not playing a significant role. Stretching the campaign to last longer extends the time to deliver the rewards to the funders, which might, in turn, impact negatively to the decision to contribute. Deciding the optimal duration of the campaign, it is best to determine it according to each campaigns' unique attributions.

2.1.3 Community within the platform

Crowdfunding is not just for exchanging money and products. People also exchange feelings, sympathy and encouragement on crowdfunding context. (Zhao et al. 2017, 371.) Community support is an essential factor for success in crowdfunding, even more than, for example, in traditional entrepreneurship (Hui et al. 2014, 71). It contributes positively in all stages of the project, as the crowdfunding sites often act as open communication platforms, where the funders can engage in the company's progress and keep supporting them as they grow (Crowdfunding's Potential for the Developing World 2013, 4). Founders of the campaigns also rely on up to some extent on community efforts to help the project to gain publicity (Hui et al. 2014, 67).

The crowdfunding site itself forms a community, and the contacts formed within the platform are of great importance. These internal social contacts, meaning existing backers in the platform and other projects, are referred as internal social capital, while external social capital being friends and family and social media contacts (Colombo et al. 2015, 80). The project also forms a community around it. There is a high motivation to support a certain project, as consumers are eager to belong to a certain crowdfunding community (Belleflamme et al. 2013, 586; Gerber & Hui 2013, 16) and enjoy certain "community-specific advantages" (Belleflamme et al. 2013, 586). Both the broader platform community and the smaller project community have significant benefits for the campaign to increase the chances to reach its target and create awareness among the public.

Belleflamme et al. (2013, 586) argue that the initial willingness to join a crowdfunding campaign is often associated with these "community benefits" that participants gain. In the case of reward-based crowdfunding, the contributors are in for a consumption experience, meaning that they put significant value on the product they get in return for their support. According to existing literature, they are even willing to contribute more if feeling "special" or "privileged" as well as a part of a community. (Belleflamme et al. 2013, 589.) This community-feeling is also present in cooperative actions, such as in projects contributing towards a good cause, where people are feeling as they are together making a certain impact happen (Gerber & Hui 2013, 17). To enhance this feeling, a company

should ensure the funders enjoy these community benefits and actively build trust in the project (Belleflamme et al. 2013, 589).

Trust can be built on the site by adding references from outside the crowdfunding platform (Macht 2014) or within it, referring to past campaigns that have succeeded (Zhao et al. 2017, 381). Trust is also built by increasing the eWOM around the project and by actively communicating with the funders (Hui et al. 2014; Thies et al. 2014, 2). There are three stages identified, through which the communication is most efficient to increase trust: investment pitch, updates and the crowdfunding platform (Macht 2014, 450). Increasing trust by communication increases the feeling of belonging to a community, which in turn makes the funders more eager to encourage others to participate through online sharing and word-of-mouth (Chen et al. 2016, 90; Hui et al. 2014).

Crowdfunding platforms themselves have developed into environments rich in social interactions, norms and behaviours. This encourages the social contacts within the platform to comply with ‘social obligations’ when they are more likely have the feeling to be obliged to support a project (Colombo et al. 2015, 95). However, as the actors in these platforms are not connected with each other like in social networks (Burch et al. 2013, 514), the project initiator needs to be active in creating this social web within the platform. This can be done by backing other member’s projects and by communicating actively within the community (Colombo et al. 2016, 95.) The same type of support motivation has also been noticed within external social capital (Gerber & Hui 2013, 14). To promote the community for external social capital on online channels, a company should regularly interact with them through marketing efforts, participate in discussions, send updates, and inquire for supportive efforts (Hui et al. 2014, 68). Belonging to a community and enhancing this feeling might result in increased support and hence increased visibility for the project, as participants are feeling a part of something bigger. In many studies, much weight is put on the role of social media and other social contacts of the project founders, but the creation and nurturing of internal social capital within the crowdfunding platform should also be considered as a vital source for support. By creating a lively and an active community, it can benefit the project not just in the promotion part, but also in long-term, providing a loyal group of supporters and customers.

2.1.4 Communication

A two-way communication style in crowdfunding campaigns has proven to lead to better campaign success, than one-way, from the campaign to the supporter –type of communication (Wang et al. 2018, 114; Parhakangas & Renko 2017). It is especially essential for social enterprises crowdfunding campaigns (Parhakangas & Renko 2017). This type of

two-way communication can happen within the platform or on social media posts regarding the campaign. In both Kickstarter and on IndieGoGo, there are two sections where the project initiator can post updates and discuss with funders: the update-section and comment-section. In update section, the communication is only one-way, since this can only be accessed by the campaign initiator. There they can post updates on the project, information about new rewards and so on. In the comment section, the backers can comment on the project, ask questions, ask for clarification or encourage the project initiators. Here the project initiator can then comment back and hence build an active communication cycle within the platform.

On social media platforms, the commenting is often even more open, as every update or photo posted, can be commented. On Facebook, encouragement and support to the project can be expressed by liking the update or sharing it on the own social media networks of the supporter. On Instagram, the commenting and liking is possible likewise. A two-way communication cycle is formed by motivating supporters to leave comments and initiating conversations by asking questions rather than merely telling facts (Wang et al. 2018, 114; Parhakangas & Renko 2017). Also, the comment quantity and the positive tone of the comments are proven to lead to the better success of a crowdfunding campaign. (Wang et al. 2018, 114.) To communicate regularly requires a substantial amount of work from the campaign initiator and active participation in the conversations in social media and on the campaign platform. In building the message and the communication plan for the campaign, the communication plan needs to be built according to the characteristics of the organisation, so that the campaign will appeal in the right way to the right crowd, and motivate them to start building conversations with the company in and outside the platform.

2.2 Role of viral marketing

Viral marketing has become one of the most critical marketing trends of the decade (Ferguson 2008, 180–182). It is a marketing strategy, with the aim of “spreading information from person to person by using unconventional means, such as internet and email” (dictionary.com). Companies are employing viral strategies that ensure the adequate exposure of their message through influencer marketing programs, community-building portals, viral videos and street-level guerilla campaigns. New methods are constantly rising, fighting for the attention of the consumer, having a central goal of building awareness and buzz around the company. People enjoy sharing good news about a new product to their extended networks and being in the limelight. Without even realising it, everyone is a marketer now – an average person mentions 20 or 30 brands a day during regular conversations. (Ferguson 2008, 180–182). The objective for any company is to be on that

list. Viral marketing can prove to be the most efficient marketing form, while at its best be very affordable. Online marketing campaigns can become viral in nanoseconds, and prove to be extremely useful in building awareness while simultaneously cost a fraction of the price of traditional marketing campaigns. For small companies with small marketing budgets, it can be the only way to get their names on that list.

Probably the most successful Finnish crowdfunding campaign was launched by Ambronite, “a drinkable supermeal”, which managed to collect over \$100 000 during their 60-day campaign. The co-founder Mikko Ikola (2016) mentioned in his blog post considering the success of their crowdfunding campaign that many companies know about the importance of a video and an attractive profile page, and by applying these, believes in managing to bring in traffic to their project page and reach the funding target. To his opinion, much more important is to proactively reach out to consumers by using variable methods and actively striving to build traffic on the page. In fact, it is proven to be the most important single factor for the campaign success (Hui, Greenberg & Gerber 2014, 68). It is, however, easier said than done – to promote the campaign is very time-consuming, and the project launcher spends anywhere between 2 to 11 hours a day just for spreading the word on the campaign (Hui et al. 2014, 67). Even though it is extremely rare for a campaign to go genuinely viral (Ikola 2016), guidance on even how to leverage the connections of companies (Hui et al. 2014, 68) and build traffic is needed. The fundamental question is: which viral marketing actions work the best in a crowdfunding environment how they are utilised optimally to bring the most publicity to the project? The Internet is the most critical factor and enabler of crowdfunding, and it is the only viable option to reach international audiences. From the promotional viewpoint, the concentration here is on the role of social media and electronic word-of-mouth in viral marketing.

2.2.1 Electronic Word-of-Mouth (eWOM)

There is little doubt that a marketing channel exists that creates more trust in a brand than word-of-mouth communication (WOM). It influences both preference of one product over another and the awareness of a product or a service. (Godes & Mayzlin 2004, 546.) WOM is a more efficient way in affecting people’s decisions to purchase and in new customer generation than traditional media coverage – people are more likely to buy when the incentive has come through a social network from an individual. (Trusow, Bucklin & Pauwels 2009, 98.) The decision to purchase an item or a service depends even so heavily on one’s recommendations to do so that it may even make one ignore own personal information and motivate to act according to the information received through word of mouth (Godes & Mayzlin 2004, 546). Like in the bandwagon theory discussed earlier,

human beings are very prone to behave like the larger crowd around them. Harnessing this power will give any company a great power over their customers and an efficient, yet difficult to control, marketing channel. This type of behavior works most efficiently in smaller communities than in large, less concentrated communities. Other community members recommending a product leads this way to a stronger incentive to also buy. (Lescovec, Adamic & Huberman 2007, 37).

Along with the rise of Internet and online social platforms, electronic word-of-mouth, eWOM is growing remarkably (Ferguson 2008, 179). According to Hennig-Thurau et al. (2004, 39), electronic word-of-mouth can be described as “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet”. eWOM can take place in multiple different ways, such as social media, opinion platforms, review pages and discussion pages. In this thesis, the focus is on social media due to the existing presence of the target organisation in these platforms.

Electronic word-of-mouth can be of great importance in crowdfunding, because it does not require financial investments itself, and it plays a vital role in persuading to contribute. Here again, the likelihood to share the campaign to contributor’s social contacts increases if they have themselves funded the project (Macht & Wheterston 2016), which produces a positive eWOM cycle, where the message gets distributed to always a new tier of social contacts. Also, because the crowdfunding platforms themselves are online platforms and social networks themselves, eWOM is a natural way of sharing information.

In the crowdfunding platforms, the contributions are not automatically visible to anyone, and one can invest without anyone knowing about it but the managers of the project itself. Being anonymous can be beneficial since the contributors are this way less concerned about what other people might think (Burch et al. 2013, 514). On the other hand, a motivation to support a particular project often comes from wanting to showcase a specific image of oneself in the eyes of others or wanting to be liked (Bertschneider & Leimeister 2017, 257). If the supporter wants to show their status, belonging to a group showing others a project worth supporting, they will have to themselves share it on their social media. This is supported by most of the platforms however, as after contributing, there supporter can easily click an icon on which social media they want to share it, and the platform directs to the social media chosen. In some cases, it even provides a ready-made message of contribution, that the person can post as it is. It is essential in crowdfunding campaigns to create this type of “buzz” around the campaign since it is an essential signal of trustworthiness, hence quality, of the campaign (Thies et al. 2014, 2; Agrawal et al. 2015, 264, 269). In previous research, it has been identified as a critical success-factor of a crowdfunding campaign to reach its target (Thies et al. 2014, 2). The word-of-mouth is the means of how to transport the message of the crowdfunding campaign to a receiver, and potentially to make them fund the project and share it onwards

on their networks. The social media platforms act as a medium where the message is shared.

2.2.2 Promotion through social media

Companies need to be where the consumers are – and today that is online on social media channels. To make the most of social media marketing, there needs to be an understanding of the objectives of the users, and how they act on social media platforms. Users of social media are not just connecting with people, but building their identities through social media. They have social status objectives (Egenbark & Ekström 2011, 18), where they are striving to place themselves in a specific spot in the complex social field. They might reap “status points” by liking an update and hence expressing similar preferences than a specific person (Egenbark & Ekström 2011, 17).

Two of the most prominent social media are Facebook and Twitter, enabling people to discuss, share and communicate with each other, which makes them ideal for crowdfunding (Hong et al. 2015, 5). Different social media channels are often seen by marketers as direct substitutes, but they have their own characteristics that people act by, and that should be considered when doing social media marketing. Facebook is based on user’s personal contacts, and as being a venue for social interaction, the information shared on Facebook are often more personal and private (Hong et al. 2015, 6). It is more about belonging to a group (Kwak et al. 2010, 1), than for example Twitter. Twitter is a public forum that has follower-following-relationships, and it is more about information spreading (Kwak et al. 2010, 1). For crowdfunding, the existing literature remarks especially the importance of Facebook as a creator of eWOM for crowdfunding campaigns (Thies, Wessel & Benlian 2014, 14). However, Twitter is proven to be a better channel for crowdfunding campaigns promoting private goods, because of its informative nature. Facebook, in turn, is better for public goods, such as charity campaigns, where the message is formed to highlight the desired behaviour in a social group. (Hong et al. 2015, 3.) Another important social media channel currently is Instagram, which enables the users to post photos and short videos. It is based on follower-following relationship, like Twitter, but is less informative. Instagram is also asymmetric, which means that following someone does not require them to follow back. (Hu et al. 2014, 2.) From Instagram, people often look for inspiration, and the visual side is central in the posts. Instagram being inspiration sharing, which might make it a less useful tool for information-based crowdfunding.

In crowdfunding, the activities on social media are not only meant to bring more visibility to the campaign directly but updating regularly, the creators also maintain good relationships with the funders and seem more reliable. It is also an aspect, which when

neglected can affect the publicity of the campaign negatively. (Hui et al. 2014, 67.) However, the social media activities should be conducted with care. According to a blog post by Tim Ferriss (2012), updates about the project should be posted every 8 hours to keep up the interest of the crowd. There is a fine line in the amount of social media marketing that is optimal – not being too little and not too much. If the project is marketed too often, it can become ignored by the targeted social network and hence weaken the awareness building (Hui et al. 2014, 71).

Apart from reaching the audience on different social media platforms, by performing well on social media, the project can gain exceptional visibility in the crowdfunding site. The crowdfunding page IndieGoGo has a “gogofactor” – an algorithm that facilitates campaigns to achieve greater visibility and reach customers who may find them interesting. Several aspects influence the gogofactor, such as the campaign’s social engagement (for example Facebook shares and likes) and its global reach. (Indiegogo.com.) Gaining visibility on the front page of a crowdfunding platform is a great way to reach the internal audience on the crowdfunding platform, who might be looking for a project to support or are interested to find out about different crowdfunding projects.

Friends and family’s contribution by sharing and liking the project on social media is essential for the start of “spreading the word” (Hui et al. 2014, 67). This can be explained partly by the facts that the more likes an update has, the more likes it is likely to gain. Seeing one’s peer, a close contact, like an update, one is more likely to like it too. (Egenbark & Ekström 2011, 18.) In most crowdfunding platforms, the identities of all the supporters of a project are not straightforwardly visible to others. The list of supporters and the amounts they have donated is visible, but the donator can choose the name that is shown on the donations list. The name can also be chosen to be “anonymous”, which makes it act slightly differently than social media platforms, eliminating directly following your social contacts’ support decisions. However, if the supporter shares their experience on social media, the social behavior comes to play and the activities mirrored through the social network become more important (Egenbark & Ekström 2011, 13).

2.3 Synthesis

The aspects to consider promoting a campaign optimally found in the existing literature of crowdfunding and viral marketing are collected here to form a synthesis of the theoretical findings. These factors, as well as the specific characteristics of the target organisation, will be considered when collecting empirical data in an interview with a crowdfunding expert. The plan will be formulated in cooperation with the target organisation based on these findings, and the effectiveness of them analysed by launching a crowdfunding campaign.

Being able to promote the project outside close social circles or existing supporters of Myssyfarmi, many pieces need to fit together. An underlying presumption is that the campaign will gain most international awareness through viral marketing, more specifically electronic word-of-mouth. Here, the eWOM is considered mostly from the social media perspective. To generate eWOM, it requires a person to like, comment or in best case scenario, to share the message of the campaign on their own social media channel. To have supported the campaign themselves increases the motivation to share it on their own social media channels (Macht & Wheterston 2016). Again, to motivate someone to support the project, there are multiple aspects to be considered. Here, it is seen to gain maximal awareness to a project, when once an individual is aware of the project, they are motivated to support the project and there on motivated to share it on their social media. This increasing awareness of the campaign can be seen in Figure 3.

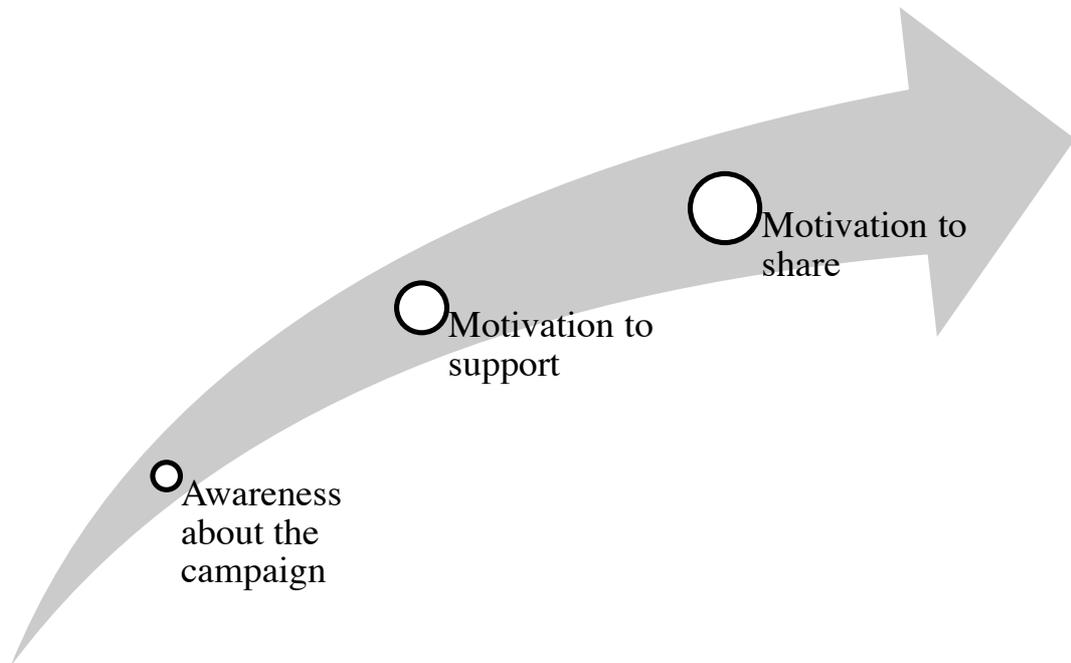


Figure 3 Increasing awareness of a crowdfunding campaign

Here again, once the awareness is created to another tier of social media contacts, to motivate them to support the campaign and to share it will make the awareness of the campaign grow exponentially. To motivate one to support the campaign, according to the existing literature, there is a remarkable difference between the close social contacts, the “local funders”, of the campaign initiator and the distant supporters, that might be aware of neither of the campaign or the founder (Agrawal et al. 2015, 264, 269). To motivate the close social network to support is essential in the beginning, as they will have different motivation to contribute to the project than distant funders. They are more likely to feel

social obliged to support it, and, they will more likely know about the project, either directly from the project initiator or from their social media (Colombo et al. 2015, 95; Gerber & Hui 2013, 14). In this case, the message, rewards or other factors are not that central as the motivation stems from the social relation of the supporter and the project initiator. To have the support of these contacts is essential to reach and convince the people that are unfamiliar with the project to support it. To have cumulated funds in the beginning of the campaign, this is a strong signal of quality and trustworthiness, which plays a significant role in the motivation to support a campaign (Agrawal et al. 2015, 264, 269; Macht 2014, 454.)

Other vital parts of the campaign are the message and rewards. The message is in the core of the campaign: this needs to be a constructed, something that expresses the values of the company and that the supporter can then relate to (Kastanakis & Balabanis 2012, 1405-1406; Gerber & Hui 2013, 16). Also, if there is a sustainability aspect in the company, it might be beneficial to bring it up in the message, since they have been proven to appeal to supporters (Calic & Mosakowski 2016, 740). On top of the message, the reward also plays a role in the investment decision. The supporters might be in for a consumption experience, and the reward will motivate them to contribute. This feeling is enhanced when the rewards are chosen so that it will make the supporter to feel special, by offering limited edition products or products that are only available on the crowdfunding campaign (Thürridl & Kamleitner 2016, 1032–103).

The platforms where the crowd is reached are here limited to the crowdfunding platform and social media, because the target organisation already has a stable presence on social media, and it is the most prominent platform for viral marketing. Also, executing viral marketing on these platforms is very cost-effective. On these platforms, the communication style also plays a role when it comes to motivating to support the campaign. The communication should be two-way, where the supporters and potential supporters are asked questions, not just presented facts. They should also be encouraged to leave comments (Wang et al. 2018, 114; Parhakangas & Renko 2017). From the campaign initiator, updates should regularly be posted both on social media and on the crowdfunding platform. On the crowdfunding platform, with active efforts, there can be created a community around the company and its project, consisting of initiators of other campaigns and supporters of the campaign. This, in turn, can create a positive “buzz” around the company and further help it reach publicity (Hui et al. 2014, 67). All the factors influencing the success of the awareness-building of a campaign according to the literature, are collected in the list below.

Campaign Design

Message

- Sharing values, beliefs
- Highlighting sustainability

Reward

- Consumption experience
- Feeling special

Channels

Crowdfunding platform

- Other campaigns
- Own campaign backers

Social media

- Facebook
- Instagram

Target groups

- Local and distant social contacts
- Internal and external funders
- Large audience

Communication

- Two-way
- Active, question asking
- Regular

Supporting (awareness)

- Monetary support
- Liking, commenting
- Sharing

In the list can be seen all the before mentioned factors that are important to the campaign success and hence the awareness building. When building a campaign, the message and rewards are decided. The message is transferred to the different funder groups and other target groups using different channels: social media and the crowdfunding platform. On these platforms, the communication is two-way, where both the supporter and the campaign initiator can ask questions and discuss the campaign. Within the crowdfunding platform there are internal supporters, and outside the platform, there are local and distant

fundings, that all form different target groups, that are being motivated to support the project. The ultimate, however tricky, goal is for the campaign to viral and to reach consumers all over the world, by the exponential eWOM generated on social media platforms.

In the following part, the methodology of the research will be explained. Then the contributions from the theory will be combined with the insights from the target company and a crowdfunding expert to form and optimise a crowdfunding plan for an ethical fashion company. In the last section, this plan will be executed, and the results reported.

3 METHODOLOGY

3.1 Research approach

This research is conducted as a qualitative action research study. Action research is often used in business research when there is a need to solve real-life, practical problems, and then this problem-solving is incorporated as a part of the study. The solution should also benefit a particular group of people or an organisation (Eriksson & Kovalainen 2008, 193–195.) A practical problem in the business research naturally often arises within a company, and therefore action research and close co-operation with a specific company are hard to separate from each other. In this thesis, the ethical fashion company’s problem was to find ways to increase their international awareness, with limited funds. After a discussion with the manager of the company, the problem was decided to be targeted with the help of a crowdfunding campaign. Therefore, the aim was to develop a plan for executing a crowdfunding campaign oriented for international awareness-building. To approach this mission, the process was concentrated in bringing together reflection and action, theory and practice (Reason & Bradbury 2001, 1). Therefore, the theory part was constructed with a practical mindset, and empirical data collected from interviews to understand the nature of the problem, and how it could be targeted. Combining theory with the empirical data, this thesis aims to create a plan for a marketing-oriented crowdfunding campaign, which is then validated by launching an actual campaign (cf. Eriksson & Kovalainen 2008).

In action research, the co-operation between the researcher and the target organisation is very intense and central in conducting the research (French 2009, 195). It was optimal for the study because the relationship between the researcher and the company was already very close and had been continuing for many years. The company faced a pressing, practical problem and needed help solving it, conducting this study as a participative action research seemed the most appropriate. The problem was best approached systematically, and the problem investigated with more rigour than would be usual in day-to-day business (French 2009, 189). It was especially essential so that the researcher could create a functioning solution to help the target organisation to improve their visibility in the correct, but efficient manner. They would be unable to conduct this on their own due to lack of information about crowdfunding, but also because it can be challenging to identify and detect the critical factors that appeal to outside consumers when one knows the company too well. The target organization had the internal information about the company, its history and culture, and the researcher was an “outsider”, knowing about theory and research (French 2009, 195). The setting already indicated that combining these with an open, participative discussion would be the optimal way to bring about practical solutions

to the problem. The discussion with the company was from the very beginning, when the problem was detected up to clarifying the actual research questions, participative, and the researcher had a high-involvement role in it.

Action research challenges the positivist view on knowledge, proposing that for the researcher to be credible, he/she must remain objective and value-free. Instead, action research looks at knowledge as socially constructed and recognises that research is always embedded in a system of values and promotes human interaction. (Brydon-Miller, Greenwood & Maguire 2003, 11.) The understanding of the issue unfolds as the social interactions take place in the interviews. These are not seen to have an absolute form, but it is more a collection of multilayered issues subject to change due to its nature of social participation. Every action made by the researcher guides the research towards different, subjective views on the knowledge that construct in these situations. The best choice is to try to understand these underlying constructions and to identify possible patterns they form in that situation.

3.2 Data collection

The data collection in action research consists often of multiple types of methods, interviews being the most common one (Eriksson & Kovalainen 2008, 201). Also in this research, the data was collected in two interviews: one with the CEO of the target company, who is also the founder of the company, and the other one with a founder of a Finnish crowdfunding site, here referred as “crowdfunding expert”. Additionally, data was collected in general discussions with the target company, and from an online working platform, where all the employees of the company had access to, and where the campaign outline formed a project that each had a chance to comment. The final findings from these data-collections combined with the theoretical contributions were used to form a clear plan for the crowdfunding campaign, which was then tested in practice by launching an actual crowdfunding campaign for the target company. The campaign launch provided valuable data from how the theoretical and empirical data collected can be applied in the context of the target organisation, and to what kind of results will they lead. In action research, the practical side of the study is highly emphasized, and according to Coghlan (2004, 1) action research focuses on research in action, rather than research about action. Therefore, this type of data collection, including interviews, close co-operation and practical work with the target organisation and implementation of the plan and recording the results, fits the research model well.

The interview with the CEO was conducted face-to-face, lasting in total for 54 minutes. The reason for using interviews as a data collection method was to better understand the nature of the company and their values and communication styles and to be able

to discuss the plan in an open communication environment together. The CEO was the best person to discuss with, since she knows about the deeper meanings the company builds around itself and its products, and she also takes care of all the strategic and tactic operations of the company. Interviewing her was helpful since the interviewee had practical knowledge about the communication styles, target markets and so on, which enables to build the plan to link the theory to practice better.

In action research, the communication with the research object is often open and shared, concentrated on actual practices (Eriksson & Kovalainen 2008, 197). The interview with the CEO followed this pattern, consisting of an open discussion part, as well as part formed of semi-structured questions, concentrating on ethical fashion, the company and its values. The reason for this was first to present the interviewee with the findings from the theory, and then together discuss the practicalities of the plan. The second part was to find out about the values and communication methods on online social media platforms that the company uses. This process helped to form the context and actions needed to take to construct the plan to fit its context. Action research is highly participative in nature (Coghlan 2004, 2) and this is why the interview with the CEO was very open and included participation and comments from the researcher also.

With the crowdfunding expert, the interview was conducted via Skype and lasted for 40 minutes. She was the best person for this to be reached in Finland, as the crowdfunding field in Finland is not that developed yet, she seemed to be a person with great experience and vast knowledge about crowdfunding. She is the founder of the only Finnish crowdfunding platform, and she has many years of experience from launching crowdfunding campaigns herself, as well as giving guidance to others how to launch these. Hence, she was seen as the best option that could be reached in Finland. The interview consisted of semi-structured questions, aiming to understand better the functioning and particular practices in crowdfunding.

The two interviewees were chosen to provide more practical information from their own fields, helping in developing the plan. Myssyfarmi's CEO provided information concerning ethical fashion industry and the company, as well as open discussion and idea sharing about the actual campaign. The crowdfunding expert helped to understand the peculiarities and efficient marketing mechanisms of crowdfunding campaigns from a practical point of view. The marketing solutions risen from the viral marketing context was talked over as well with her, and that gave an insight of the role of it in crowdfunding. Both interviews were central in understanding the dynamics of crowdfunding in an ethical fashion context, contributing towards the researcher being able to understand better how to create a reality-based, marketing-oriented crowdfunding plan for the ethical fashion company, which would yield the best possible outcomes when executing the plan. The plan itself was discussed openly with the CEO of the target organisation, and construction of the plan included the participation of the CEO as well, and this type of participation is

usual in action research that is often research with people, and not only observing from the outside (Coghlan 2004, 2).

3.3 Data analysis

Data analysis in action research often differs from more traditional research and is often conducted in cooperation with the target organisation. This is to provide them with “seeds for development”, in this case information about how crowdfunding can help their business, and to use their expertise in the analysis since they know their organization the best (Eriksson & Kovalainen 2008, 201). The data analysis in this report went as following: from the theory, the main aspects in crowdfunding were identified, and these were first discussed with Myssyfarmi’s CEO in the interview. This is also called “data feedback”, where the data can be gathered and reported by the researcher, but the target organization can join the data analysis (Eriksson & Kovalainen 2008, 201). This interview with Myssyfarmi was later analyzed by identifying, and color-coding, the ideas and viewpoints on the crowdfunding plan they presented as well as aspects that they emphasize in their operations, values and communication styles. The additional ideas and questions spurred from the interview were further researched in the literature. This way the plan was constructed to fit the purposes and personality of the company, and missing essential aspects was avoided. These findings from the literature and discussion with Myssyfarmi were identified as: different stages in the campaign, communication and social media behavior. These were then discussed in the interview with the crowdfunding expert, and color-coding was used again to categorize the answers. The role of the target organization, Myssyfarmi, was included in the further analysis, by discussing about the interview with the crowdfunding expert and the findings from the theory. This was done in phone calls as well as in an online platform where many persons can edit a same form simultaneously (Google Docs). This was critical so that the plan would fit the target organization and the theory-practice gap could be narrowed to a minimum. Some authors claim that the involvement of the target organization is critical for the success of action research (Coghlan & Brannic, 2001). Resulting from this co-analysis, the researcher could form a picture about how the crowdfunding plan should be constructed to fit the target organization and its objectives.

3.4 Data evaluation

According to Lincoln and Cuba (1985, 290), the quality of qualitative research can be determined by the trustworthiness of the research. Trustworthiness is a widely used

method for evaluating the data, and consists of four aspects: credibility, transferability, dependability and conformability.

Credibility means that the research is trustworthy on a general level, the researcher knows the subject, and there is enough material to make deductions and that they are logical and linked to each other (Lincoln & Guba 1985, 296). The knowledge base of the researcher was already broad from the target organisation since she has been working with them and for them for almost two years. The crowdfunding subject was examined from many different points of view, and the familiarising with the subject was done profoundly and consisted of materials from many different sources, such as articles, blog posts, data collected from Finnish and international crowdfunding sites and previous thesis researches. The interview with the CEO of the company, as well as casual discussions with an employee from the company was enough to detect and clarify the problem and address it adequately by offering tools for executing a crowdfunding campaign. To improve the credibility, there could have been more interviews with crowdfunding experts, which could have provided more viewpoints on the issue. The field is somewhat new in Finland, and the researcher did not have means to travel abroad for the interviews, it was considered to be the sufficient amount available at that point. The field is all in all somewhat new, and it evolves all the time, so even having more professional views on it would not necessarily enable to come to conclusions that are “true”, but they change in time and place. The researcher and the interviewee from Myssyfarmi knew each other already, and the interview was an open and discussion honest and straightforward. The study was aimed to help the case company, so the sharing of knowledge of the interviewee, was beneficial to the company and there was no motivation to distort the information provided in the interview. The situation where the interview was conducted was not very calm, and the interview got interrupted three times for a short period, which made the interview less consistent but had no significant effect on the overall flow of the conversation.

Transferability does not mean that the research could be generalised to apply to all similar situations, but so that if the research were conducted again by another researcher, the results would be somewhat the same (Lincoln & Guba 1985, 298). Even though the data collected in this research represented the viewpoints and experiences of the crowdfunding expert proportionally, in action research the research is always tied closely to the target group/ organisation that it is conducted with. Therefore, the analysis of the data cannot be repeated the same way as it has been done in this research, since it was done in close co-operation with the target organisation, and could end up in different results than in this study.

Dependability strives for a logical, well reported and traceable reporting process. The thesis was written simultaneously with conducting the research, and as a part of its nature, the analysing and researching are often overlapping and include the target organisation which makes it more complex than in other research methods. The process is not always

straightforward, as, after analysis, there is often feedback from the target organisations, and then co-analysis, and then more information research and so on (Eriksson & Kovalainen 2008, 201; French 2009, 193). However, action research is a deliberate, systematic approach where all planning, acting and observing is done with more care and more rigour than would be possible in day-to-day business (French 2009, 189). In this research, the process has been reported as logically and as traceable as possible, and the chronological nature of crowdfunding makes this more accessible, as it always has a certain starting point and an end.

Conformability relates to believing in the results, and that it can be detected that they are not just the imagination of the researcher, but they have risen from the collected data (Lincoln & Guba 1985, 300). The theoretical base for the research was wide, and well connected with the empirical material, both in the interview with Myssyfarmi, as well as with the crowdfunding expert. The link between these is well pointed out and drawn together in a coherent picture that shows the logical connection and basis for the findings. As the actual plan is also carried out and the performance can be precisely analysed from the results of the execution of the crowdfunding campaign, the results are easily pointed out as trustworthy and not merely risen from the imagination of the researcher.

In addition to the evaluation of trustworthiness, in case of this research, it is relevant to evaluate the data collected for the theoretical framework since most of the data for the theoretical framework was collected from journals published on the Internet. The most challenging part of using material provided by online services is the researcher's competence and thoroughness in evaluating the quality and usefulness of the data (Eriksson & Kovalainen 2008, 97). Most of the electronic material was searched by using the University library's network and therefore are more trustworthy than articles and information gathered by using search engines, such as Google. However, as crowdfunding is still a somewhat new subject, and especially there are only a few published articles concentrated on using it as a marketing tool, some information was gathered from blog posts written by people who have conducted successful crowdfunding campaigns. These articles are informationally useful because they have a very practical view on crowdfunding campaigns, and provide real-life examples and benchmarking. Many of the starters of successful projects have written about their own view about the success-factors that mostly share the same message unison with each other, which can be a sign of trustworthy information. The general reliability of these articles is however acknowledged, and they are not set in the centre of the study. It is also mentioned every time such an article is referred to so that the reader can take in to account the reliability of the source.

4 DEVELOPING THE CROWDFUNDING CAMPAIGN PLAN

4.1 Ethical fashion – an overview

It is essential to understand the characteristics and principles of ethical fashion to understand the dynamics of the field in which the target company operates. This enables a further understanding of the setting of the study and helps to aim the actions to suit the specific company operating in this field.

Fashion industry is considered to have large-scale negative effects on social and environmental sustainability. It is seen as one of the biggest pollutants of the earth (Viljanen 2017 HS.fi) as the materials often are of unsustainable origin. Most widely used manufactured fibre, polyester is made of petroleum, and the demand for it has nearly doubled in the past 15 years. Cotton, also one of the most popular fibres used in the fashion industry, has a large environmental footprint due to its extensive need for pesticides and water. In the production-side, workers in developing countries have poor working conditions, and they make as little as 12–18 cents an hour. As the global competition in the clothing industry is becoming increasingly fierce, many emerging economies are willing to sustain these poor conditions to get a slice of the world's growing apparel market. (Luz 2007, 450.) To respond to this unsustainable, unethical way of fashion production, a new way to conduct business in the field of fashion is rising, paving the way to the change in the consumption of fashion that does not exploit the natural resources of our planet or the people living there.

There is no industry standard for “ethical fashion”, and it often overlaps with other sustainable fashion fields, such as fair trade and green fashion. To define it the vaguest way, ethical fashion is “fashion with a conscience” so that producers source ethically and provide good working conditions. (Joergens 2006, 360–361.) Often also the materials are organic to have a minimal impact on the environment. Even though the shift to ethical fashion has started, the change is happening slowly. The fashion industry is a tricky field to conduct sustainable business in – the consumers often choose the fashion apparels primarily according to their fashion needs, not for their ethicality. A product being ethical has a positive impact on the purchase decision if compared with products of same price and fashion, but the link to sustainability is harder to identify than for example in buying organic food where the consumer might feel that the purchase affects directly to the health of the consumer. (Joergens 2006, 369.) This behaviour indicates that in apparel, being fashionable comes first – and then the other values that might be attached to the product. Material artefact consumption is, however, more than just buying products – through products people construct their identities, and mediate and communicate personal, social and cultural meanings (Jackson 2005, 30). Especially fashion can be seen as a central

medium for communicating values, as often it is the most visible part of showing your persona. Even though most consumers might put more weight on the fashion status of the product, a new wave of “conscious consumers” is emerging, who build their identities on their ethical lifestyle, and look beyond the products’ current fashion status.

According to a sustainable fashion professor Timo Rissanen, ethical fashion should be more than just ethical production. He states that it should stretch throughout the whole lifecycle of the product, from farming and producing the fibre, all the way to reusing the materials. (Viljanen 2017 HS.fi.) The unsustainable ‘throwaway’ or ‘fast-fashion’ defines well the fashion consumption pattern today. Fashion cycles are no longer tied to four seasons: seasons are becoming shorter, and collections are changing in the stores on a much more rapid pace than four times a year (Bhardwaj & Fairhurst 2010, 166). Quicker fashion cycles shorten the product’s lifecycle as the last season’s trends are of no use anymore, not to mention the material waste from the production. To minimise the waste, different practices and forerunner companies have emerged. These are for example Globe Hope, who is designing their clothes from these surplus textiles, and Pure Waste –textiles using recycled clothes as their material. (Viljanen 2017 HS.fi.) Consumers should, in general, strive to cease to follow the current fashion so obsessively and consume more products that are of good quality and last longer.

In this thesis, ethical fashion forms the context in which crowdfunding and viral marketing are observed. First and foremost, it has large-scale effects on the future of our planet – and is an integral part of the road towards a more sustainable future. To decrease the negative environmental and social impacts, the consumption patterns on fashion need to change. Ethical fashion, being a new and growing field, offers many exciting implications for consumers’ online actions in different platforms, as well as an interesting viewpoint on consumption and supporting patterns on crowdfunding campaigns and social media channels. The issue of reaching the ethical fashion audience on different channels, such as on social media and crowdfunding platforms is also an interesting aspect and how to plan an ethical fashion campaign that has the best chances to go viral and build awareness for the company.

4.2 The target organization: Myssyfarmi

Myssyfarmi is a Finland-based ethical fashion company that produces beanies, scarfs, headbands and ties, made of organic Finnsheep wool. As an ethical fashion company, Myssyfarmi’s operations are rooted in their ethical way of operating, using fully traceable, organic materials and taking care of their workers. The owners live on a farm in a small village in southern Finland, and they have created the strong story of Myssyfarmi

around the farm and its natural environments, promoting the slow-lifestyle and sustainable way of living. All the products are sourced locally, made from 100% organic Finn-sheep's wool that originates from the sheep from the neighbouring farm. The products come in natural, undyed colours such as brown, beige and grey, as well as in plant-dyed colours. All the woollen accessories are knitted into their final form by local grandmothers, that are a central part of the operations and in the ethical story of the company. The products are also provided with a lifetime warranty to encourage the customers to buy less, but higher quality and this way reduce consumption and become more sustainable.

Myssyfarmi is taking one step further, being more than just ethical. It is proactively supporting the community around it, and can, therefore, be categorised as a social enterprise. Social enterprises are addressing the gap between economic activities and social affairs, which have been seen very distant issues. They are breaking free from the traditional value perspective, generating increasing economic value simultaneously with social value and resulting in the long-term success of companies. (Porter & Kramer 2011.) Social enterprises are more about "value creation" than "value capturing" (Agafonow 2014, 710), in other words, instead of viewing value as an output of activity, in social enterprises value is associated with a process or an activity (Seymour 2012, 14; Porter & Kramer 2011). According to Mair and Marti (2006, 38), social entrepreneurs possess exceptional traits, special leadership skills, a passion for realising their vision, and a "strong ethical fiber". Under the term social enterprise, there is a great variety of different businesses; from the private and public sector, non-profit and for-profit organisations and forms that mix these, such as hybrid structures (Johnson 2002, 1; Austin, Stevenson & Wei-Skillern 2006, 2). Also, the definition is not precise, as some insist that all revenues should be invested in the company (Mair & Marti 2006), and some claim that the for-profit social enterprises are the only way to make the global economy grow (Porter & Kramer 2011, 75). Even though social entrepreneurship is an umbrella term, it does not weaken the effect of it. Instead, it gives the enterprise the freedom to mix available resources to achieve the most effective and sustainable solutions (Santos 2012).

When it comes to Myssyfarmi, the ethical touch can be seen in everything they do – it is not just a label added to their products, but it is at their core. Having the local grandmothers hand-knitting their every product, they provide them with meaningful work, reasonable remuneration and monthly gatherings that support their social inclusiveness and are filled with laughter, coffee and gossip. The aim is not just to provide consumers with woollen beanies and accessories, but to also show them the value of the down-to-earth, slow-life of the countryside, strengthen the modern-countryside image among the consumers and simultaneously empower the community in which they work.

So far, the company has been promoting their products actively through their social media pages, Facebook and Instagram, as well as paid advertising on a small scale in these channels. They have a loyal and quite broad fan base on both channels, and they

post updates actively 3–5 times a week. To attract customers and generate sales they have also been attending fairs concentrating on sustainable/ethical lifestyle and Finnish design. They have also attended fairs abroad to attract the attention of international retailers and to gain more awareness among international ethical fashion consumers and influencers. Despite these efforts, they have had trouble reaching out to individual international customers and build traffic on their webshop on an international level. Therefore, crowdfunding can prove to be an essential tool to reach out to these customers and let them know that Myssyfarmi exists.

4.3 Creating a crowdfunding campaign plan for Myssyfarmi

4.3.1 *Message and rewards*

The central message that is conveyed through the campaign should be considered carefully to make the campaign appealing and relatable and to arise the willingness to support in consumers. The message highlighted needs also to fit the crowdfunding concept in general. Derived from the theory, to maximise the success possibilities and hence the visibility of the campaign, this type of ethical company should employ a strategy that highlights the sustainability side of the campaign and brings out the values of the company in a clear and concise manner. The company works in the ethical fashion business and has strong roots in the community they operate. They should, therefore, highlight the empowering effect they have on the community and especially on the local grandmothers that are involved in the production by knitting the products. As found out in the interview, the company has central values of non-conformity, traceability and transparency. These should be highlighted in the campaign to prove that they are not exploiting the nature, but rather working with it, and they are not exploiting the communities, but instead empowering them. They support good working practices and are a proud community of farm people. Supporters that share similar values and beliefs can be motivated to support the project, and then share it on their social media to seem likeable, or that they belong to a certain group of ethical people and build their identity based on that. However, in Myssyfarmi's communication style there can be identified some problems, as they have so many messages, and so "much to say", that it can be hard for the message receiver to identify the core message they are supposed to digest. As the CEO of Myssyfarmi put it:

"I think one of our problems is that there are too many important messages. If there are too many arrows, one of them, or they all get lost"

According to the theory, and the interview with the crowdfunding expert, the message should highlight the core values and sustainability aspects of the company. In viral marketing, it is important to have a strong message that can make it through the information flood and catch on people. The central, utilitarian message to be transferred to consumers were decided to lean on these three aspects: the local grandmothers, the farm and on the wool. Built on this basis, is a concise message that includes both practicalities as well as the social and sustainable side of the company.

Even though the ethical, social inclusiveness highlighting message sent by the campaign is a great motivation, to fulfil it with special rewards can prove to be the final push the customer needs to decide whether to contribute or not.

“And at the same time the project is somehow nice and interesting and the rewards are nice. But in some cases, it is so that the rewards are so nice that they don’t have to think about it at all –“

(Crowdfunding expert)

The rewards are important, and especially when there is an aim to maximise the funding amount, the funds are gathered more quickly with the help of rewards that make people often more willing to contribute. The supporters might be looking for a consumption experience, that then the limited edition –product can be the ultimate motivator to make the contribution. The crowdfunding expert mentioned that sometimes they also just want to help, without wanting anything in return. These should also be then considered in the reward tiers.

The company has many different woollen products, and after a long time spent considering different options, there was a decision in concentrating on rewards that would either directly help the community and be targeted for “non-profit”-minded supporters, and another category of physical products that the contributor would receive few months after the campaign has ended. The donation-type rewards were of lower value, and the products were of higher monetary value. The most common funding amount is 25 dollars, according to (Indiegogo.com), and this was set to be a “day at the spa for the local grandmothers to enhance their social life”. However, according to a study conducted by the crowdfunding platform, IndieGoGo, most of the funding amount consists of contributions of \$100. On this contribution level, we chose the most popular product of the company, Myssy Luxus, which the supporter would get within few months of the contribution. This is to motivate consumers that just want to buy the product for a discounted price. On top of these, there was an “early bird special” that was a product from the upcoming collection, not yet on the markets. This certain product was chosen, to take advantage of the “feeling special” –motivation to fund. Also, the limited time to purchase it was to motivate to act immediately and increase the chances to gather more funding at the beginning

of the campaign. Higher contribution amounts are often somewhat rare, and bigger reward tiers were formed as a combination of products.

4.3.2 *Adjusting the message*

The key to successfully manage the process, is to *target* each audience differently in different phases of the campaign. The message and the reward should be modified to match different target groups and different stages of the campaign. Here, the importance of modifying the message to the close social contacts and to the larger audience becomes important. Also, the impact of each message should be observed throughout the campaign to leverage the best results. The crowdfunding expert described the communication with the target groups as:

“It should start from thinking who are your funders, and then build the message for them... If it goes wrong it needs to be changed... Maybe it’s somehow a creative interaction situation, where one should be attentive and listen”.

Even though, thinking about dividing the market onwards to smaller target groups to make the most of the crowdfunding campaign, this was proven to be difficult in Myssyfarmi’s case. The most significant group purchasing Myssyfarmi’s products are 25–30 young adults, with moderate to high income and living in the city. The CEO of Myssyfarmi thought that putting people in certain categories is harder nowadays than it used to be, and they cannot be exactly categorised according to their income or education level. The CEO of Myssyfarmi saw the purchasing behaviour in ethical fashion as follows:

“And in these clothes, it’s the same thing, that it’s like a matter of values, what you value... But of course they (Myssyfarmi’s beanies) are rather valuable beanies, that makes it also a matter of budget...”

As ethical fashion is more about supporting certain values, forming target markets according to their demographic division was concluded as an irrelevant factor in this campaign for ethical fashion, and therefore the targeting of local and distant funders and the internal and external supporters was the valid central categorisation of target markets.

An aspect the crowdfunding expert highlighted when formulating the message to different groups was the importance of asking for help. She suggested that by asking for help and not directly for funding, they will know that they can help the project financially and

are willing to do so. This is especially an efficient way to contact close social circles because they have a social obligation to help the project initiator.

The willingness to help the project can be motivated by different parts of the project. The crowdfunding expert mentioned that often when it comes to close contacts, who is launching the project is central. Since personal contacts make up a big part of the project, all the actors involved in launching the project should utilise their contacts and promote the campaign. The crowdfunding expert gave an example of how not to do this

“...We have some theater group that has 30 actors and directors and all. Then they do a crowdfunding campaign and no one puts any effort in it, but they hire an external producer who does not even know any of their friends or acquaintances, and then he tries to alone to promote the message...when instead they could all sometimes post and tweet (about the campaign) even a little, that way the campaign would go so much better...”

These close contacts are most likely helping because of the relationship with the person or with the company that is asking for help. Other funders, which are not familiar with the company or the people working there, have different motivations for helping. These include sharing similar values and beliefs or wanting to purchase the product that is a reward. Since Myssyfarmi has a strong sustainability message behind them, this was decided to be enhanced in the campaign. The three aspects that were decided to be highlighted in the social media marketing for the target group outside personal social contacts were: 1) the social inclusiveness of the grannies knitting the products 2) empowering the local farmers and farmers position in the society in general 3) Promoting ethical and sustainable materials, here the organic Finn sheep wool. This message is the best to use for more distant funders, which might have an objective in helping in the empowerment of rural communities, and the company in the middle is just the medium to forward this aid. When the underlying motivations of different target groups to support the crowdfunding project are considered, it is easier to modify the message and the communication to match this.

In addition to asking for help, the message should be action-oriented and made as easy as possible for the person to support the project. The crowdfunding expert mentioned that many people might be interested in helping the project and they are financially stable, having funds to support it, but the main reason they do not do it is that they are not willing to make an effort. Therefore, a good way to encourage people is to send a direct email or a message with the link on it, encouraging them and thanking them in advance for their support. On social media, this can be done by tagging own, or the company's contacts into a post discussing the project, and including a link in it. This method clearly works

only for closer contacts, but if the campaign starts to spread in social media, and people see the number of funders the project has already attracted, this will likely motivate them to fund a cause that matches their values.

4.3.3 *Different stages of the campaign*

The first days of the campaign are essential for the success and spreading of the campaign. During these days, 30 percent of the target amount should be gathered, for the campaign to have the best chances to start growing and to reach its target successfully. The crowdfunding expert confirmed, that to gather the base funding in the first few days, the role of existing social contacts is vital since they are the ones that most likely are willing to fund the project when it is still in the starting line. The motivation is often due to already being familiar with the company or with the founders, and having a will to help “a friend”. Often this is friends and family, and existing fans of the company, such as Facebook likers and Instagram and Twitter followers. In some cases, this can also include a group of supporters of the scene in general:

“We have had these, like boat museum, and a rally museum that (the funding) starts from certain sub-cultures or circles of like-minded people, not from a certain person, especially not relatives – but it depends a lot on the issue...”

(Crowdfunding expert)

Promoting the project on these tight-knit communities can also turn out to be very beneficial word-of-mouth –wise, as the likelihood to purchase because of a recommendation increases as the community gets smaller (Lescovec, Adamic & Huberman 2007, 37). Even the company itself should fund the project in the beginning, just to accumulate capital, that in turn will encourage others, especially the people that are not familiar with the company, to support it. The crowdfunding expert mentioned that one of the first things they always do once having opened a campaign is to fund the project themselves. In figure 4 below, the different target groups are specified and how they make up the target sum that needs to be reached.

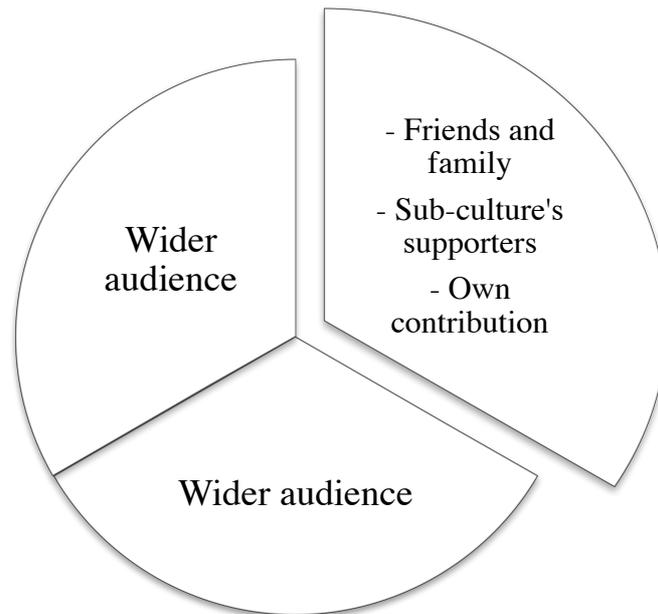


Figure 4 Different contribution groups

The figure 4 illustrates how the 30 percent of the target sum should be gathered in the first few days with the help of close social contacts. This group does not judge the accumulated capital as a sign of quality or trust, but they are concerned about the company or the person starting the campaign and therefore are more willing to help even in the beginning. Besides these, the supporters of the scene can be an excellent audience to reach in the beginning, because they might feel strongly connected to the subject and therefore be willing to contribute. Once this portion is gathered, then has the campaign greater possibilities to succeed to reach a wider audience, motivate them to support and share their experience on social media.

The supporters that are not familiar with the company, the product, or even with the field they operate in, often interpret the accumulated capital and number of backers as an indication of good project quality and trustworthiness, and they are often more willing to do what other people have also done (the bandwagon effect). So, once the closer contacts have contributed to building the funding base, the campaign has better chances to start spreading and reach more distant funders. Myssyfarmi has a large group of Facebook likers on their fan page, as well as Instagram followers. They have been actively participating in fairs and other events where they have built presence and gotten to know other ethical fashion companies in Finland and abroad. The CEO of Myssyfarmi mentioned that in Finland, most of the companies in the fashion industry are concentrated on ethical fashion. Also, the circles are rather small, and there are these certain ethical fashion com-

panies that always participate in the same events as the target organisation. For Myssyfarmi, building the funding-base utilising personal contacts, but also the ethical fashion scene in Finland can be a useful group to try to get support for the campaign.

4.3.4 *Harnessing social media in promotion*

If the close contacts and people supporting sub-cultures are engaged well, and the first 30% of the capital is accumulated, the true international awareness-building can begin. Social media is essential for this, since it reaches people efficiently from all over the world, and is a platform for effective electronic word-of-mouth. When people like posts and updates and comment on them, it encourages others to like and comment too, following the bandwagon effect. However, as discussed with the CEO of Myssyfarmi, activities on social media need to be exceptional to get noticed from all the other messages and information truly. To make the campaign visible at once for a large crowd, can happen if the campaign induces enough social media activities and gets promoted to the front page of the campaign platform. On IndieGoGo, this is the gogofactor, and it spots the campaigns that have had a great amount of social media activities around it. By getting promoted to the cover page of a crowdfunding platform, the campaign creates a remarkable amount of international awareness and reaches potential customers directly.

Often it is emphasised that the company should be present everywhere, promoting their project, talking about it, reminding people and utilising every tool they can to build traffic on the campaign page. This was also acknowledged and mentioned by the crowdfunding expert multiple times as a critical factor for successful campaigns. However, she mentioned that in social media, the company should concentrate their efforts on the channels they are strong at, and even one channel could be enough. She continued:

” That you need to be everywhere, may be a bit misleading...That you have one way to reach people might be enough. What is natural for each and where their networks are”

She added, that even though the social media presence might be concentrated on just a few channels, she has also promoted her own campaigns on chatrooms, magazines and wherever it has been possible. Even though it is essential to promote the project actively, it should be paid special attention to how often is the optimal amount and the receiver does not get appalled by the over-promotion.

Myssyfarmi has a strong presence on Facebook and Instagram, but they do not have a Twitter account. As mentioned earlier, Twitter is a good way to share informative messages, such as in this case would be the empowerment of rural communities. However, as

the presence has not been created before, therefore it should not be installed now either. For future crowdfunding campaigns, Twitter account can be launched, but building the presence needs to be started well in advance. In Myssyfarmi's campaign, the social media efforts were decided to focus on two channels: Facebook and Instagram. As a previous marketing manager for a major Finnish company, the CEO of Myssyfarmi told, there is a certain differentiation between the contents they put on these two channels. As noted from the theory, there is a certain difference in the functioning of these channels too, so this is the optimal way to do it. Myssyfarmi has noticed that on Facebook, which they find the most important channel, it is more about sharing information, articles, pictures and stories with their fans. Facebook then suits well for crowdfunding, as the crowdfunding expert mentioned that social media marketing in crowdfunding should be concentrated on storytelling, discussion, thanking people, and then talking about the project. She concluded:

“In a way, that you are being very social during all that time (the campaign time), very naturally social and then every once in a while, you bring up your own thing and talk about the campaign.”

So, the communication should be two-way, and rather than pushing anyone to support, the tone should be conversing. If the social media platform used supports this kind of communication, it is positive, but the objective above all is to be visible to people throughout the campaign, one way or another.

The CEO of Myssyfarmi finds that on their Instagram, it is more about following people, finding inspiration and knowing “what is going on” in the ethical fashion field. The stories need to be told through photos. In this way, Instagram could be a useful channel for reaching the people supporting ethical fashion both in Finland and abroad. They might have a lower threshold to contribute since they are already familiar with ethical fashion and are willing to support it. However, as Instagram is more difficult for conversing, the stories need to be told through the photos, so special attention needs to be paid on the message that the photos sent to the follower.

Due to the different characteristics of both the supporter groups presented earlier and the social media platforms, the social media communication plan should also be formulated so that it takes these into account. The different supporter groups should be here reached through different channels, and there are different mechanisms how they should be used to reach these audiences. This is illustrated in figure 5.

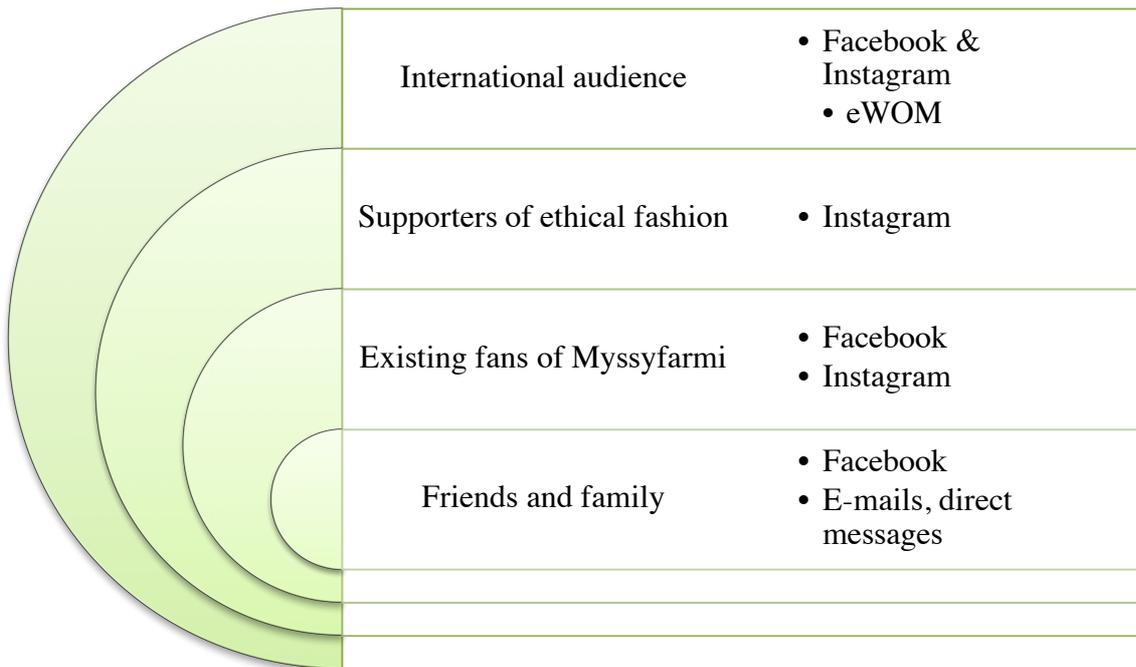


Figure 5 Optimal channels for reaching each audience

As seen in figure 5 above, for friends and family, the close social contacts, the optimal way to contact is to send a direct message, either via e-mail or other messaging services. The existing supporters of Myssyfarmi, Facebook fans and Instagram followers, are best reached through these channels. Here, the message needs to be adjusted to motivate them to support, different from the message that is communicated to close social contacts. The supporters of the field, here ethical fashion, are best reached through Instagram, as it is a place for inspiration searching and following interesting accounts that are appealing to the consumer. Here, Myssyfarmi could search for ethical fashion accounts that have a high number of followers, and reach out to these by starting to follow them. The more substantial international crowd can be then reached through eWOM when people support the campaign and share their actions on social media, or like and share Myssyfarmi's posts about the campaign. The crowdfunding expert mentioned that in previous large-scale marketing campaigns for crowdfunding campaigns, paid advertising on social media channels have been used. The target group for the post can be set very specifically and they often reach a great number of potential customers. However, she mentioned that in crowdfunding this should be used with care. Advertising on social media is a good way to reach people, but not a right way to make people fund the project. Paid advertising is a great way to build awareness, but on the other hand, it does not create eWOM and make the campaign spread organically, but then only end up in the social media newsfeed along with all the other brands. It also will not make the consumers engage with the brand, and hence does not enable the spread of the campaign through funders that would like to share their positive experience with the campaign.

4.3.5 *Other communication*

Even though social media is the most prominent channel in eWOM, the crowdfunding expert mentioned that to get the message of the campaign spread, bloggers and traditional media should be contacted also. Gaining extra visibility on these channels, it would give an exceptional credibility boost for the campaign. The crowdfunding expert mentioned that company could utilise its existing contacts with bloggers and other social media influencers to gain visibility for their project. She, however, admitted that abroad, using bloggers in promoting crowdfunding campaigns is important, but in Finland, the power of it has not yet been truly harnessed. She mentioned that at least in one of their own campaign they had a blogger posting about the campaign and it brought traffic to the campaign page. She recommends trying to contact all the relevant bloggers in the field, and if a company has already worked together with certain bloggers, they should be contacted too. Myssyfarmi has few bloggers that they have been working with in the past, and they have been very excited about ethical fashion and the farm-life, as well as the empowerment of the local grannies. These bloggers have not been paid, but they have made the post out of their own interest towards the company. These were contacted personally by the CEO of Myssyfarmi, and they were encouraged to post a blog post or a social media post about the campaign after the first week of the campaign.

To contact traditional media, the crowdfunding expert recommends making press releases and even trying to get on TV morning shows to discuss the project. Some individuals having executed a successful crowdfunding campaign say that the message sent to media representatives should be personal to increase the chances of appearing on any media. Due to lack of resources, we decided to send out un-individualised press releases to most important media in Finland and to some media abroad that cover ethical fashion-related issues, such as online magazines and ethical fashion community pages. These were all done via e-mail, and the message and objective of the campaign were stated clearly.

The community within the crowdfunding platform can be a great asset, also according to the crowdfunding expert. In the Finnish crowdfunding site, there is a “backroom” –site that has been created to enable the starters of the campaigns to discuss and share their thoughts, with the objective of getting them to support each other by commenting and liking others posts on social media. This is aiming at creating a positive spin on the campaign right from the start. Even though extensive support from the founders of other campaigns would “solve the problem” of creating rather easily the social media buzz around the campaign, the crowdfunding expert mentioned that this type of environment is difficult to create and it has not been able to be created on the Finnish platform yet. On the

IndieGoGo platform, there is not a similar “backroom” where founders of different campaigns could discuss with each other, but other campaigns can be backed, and comments can be left on the campaign pages to show the support of a fellow campaign founder.

4.4 Campaign plan

The campaign plan was divided according to time and categories where the action needs to be taken, as can be seen in Table 1. Different time intervals were: two weeks and one week before the launch, the launch day, three first days of the campaign, weeks 1–3 and the last week of the campaign, week 4. Each time interval and each focus action were precisely planned, and the results of the actions were carefully observed and noted. The actions that took two weeks and one week before the campaign could be categorised more as laying the base for the campaign, whereas the actions on the launch day and during the campaign were more straightforward, promotion-driven. The practical planning was conducted on a cloud-service, on Google Sheets, that enables multiple people to access the same sheet and edit the contents of the sheet. This enabled a smooth co-operation between the researcher, and the two employees of the target company even without a shared physical location. Different parts of the campaign that were focused on, were: outlook and content of the campaign site, blogger co-operation, harnessing existing own contacts as well as own social media, and fellow crowdfunding campaigns.

Table 1 Campaign plan

	Campaign page	Own social contacts	Myssyfarmi's social media	Social network within the platform	Bloggers and traditional media
2 weeks before	Campaign layout, message and visuals	-	Starting to follow ethical fashion influencers on Instagram	Following, commenting	Contacting existing and new bloggers
1 week before	Deciding reward tiers	-	A suspender posts, both on Facebook and Instagram to create interest	Supporting 5 ethical fashion campaigns with a small contribution, a message of support	Further discussion with bloggers, sending products/reminders
Launch	Launching the campaign	Sending personal messages via e-mail and social media	Social media posts on all channels	Update to supporter group	Sending a final reminder: to help and share on their social media channels Sending press releases
3 first days	Promoting the "early bird" special	Sending reminders and messages to more extended group of contacts	A post per day, different aspects	Update every day. Encouraging to share the project on social media.	
Week 1-3	Adjusting the perks	-	Updating on social media about new perks	Update 3-5 times a week.	Following up on social media posts featuring the campaign and sharing on own social media
Week 4	-	Final reminder	Final reminder	A thank you message and practical information	Thanking for cooperation

The campaign was divided into five different sections, as can be seen from Table 1 above. The plan is also divided into six different time slots when the specific actions in each category need to take place. This table is making it simple to follow all the steps in all important fields in the campaign. In the beginning, before the campaign launch and on the launch date and the first three days, there are more actions that need to be taken, since they are the critical times for the campaign. The actions later in the campaign consist mostly of updating information and communicating with the funders.

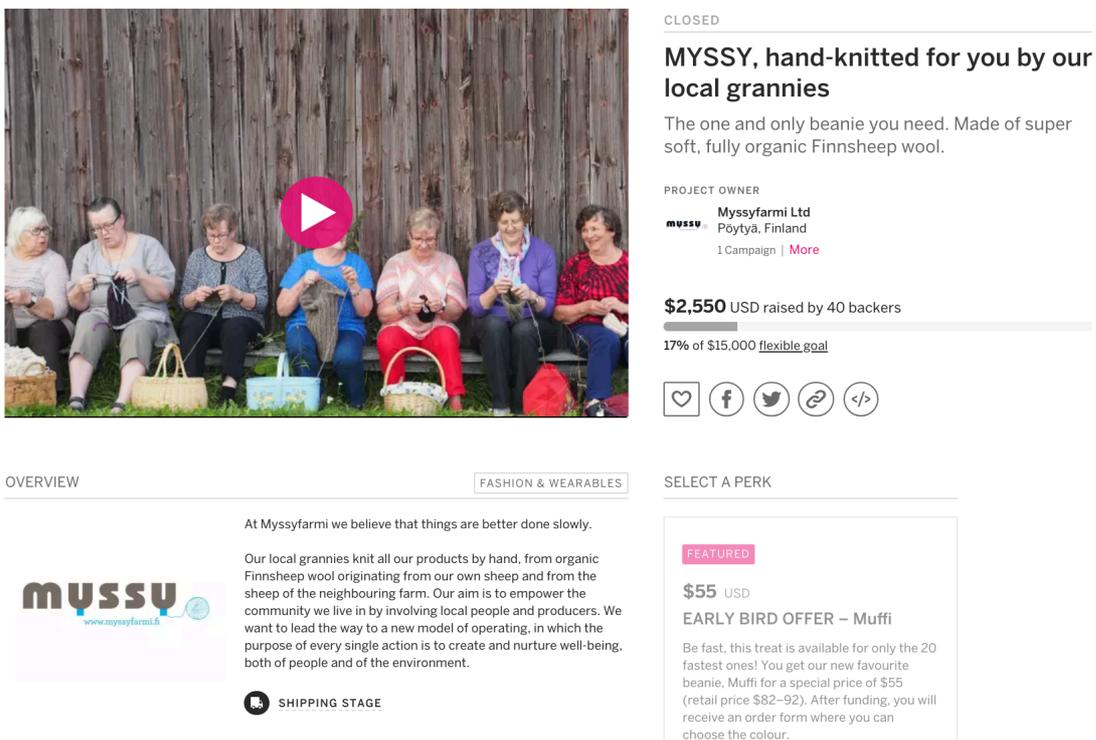
4.5 Testing the plan

4.5.1 Campaign page

The actual page was constructed two weeks in advance. The two most important factors that needed to be considered was the main message of the campaign and formulating the rewards. The message was decided to highlight the role of the Finnish grandmothers knitting the products by hand from organic wool. This was the sharpest message that the campaign was going to convey. In a short “punch-line”, visible in the short introduction and in social media posts that were shared directly from the IndieGoGo platform the text was as follows:

“MYSSY, hand-knitted for you by our local grannies. The one and only beanie you need. Made of super soft, fully organic Finnsheep wool”

When entering the campaign page, the pictures were very down-to-earth, reflecting the feeling of Finnish farm life and empowerment of locals. There was also a short video in the top fold of the page, that tells the story of Myssyfarmi, about their history, values and the production and origins of the about the product they make. In the picture below is how the top of the page looks.



CLOSED

MYSSY, hand-knitted for you by our local grannies

The one and only beanie you need. Made of super soft, fully organic Finnsheep wool.

PROJECT OWNER

Myssyfarmi Ltd
 Pöytyä, Finland
 1 Campaign | [More](#)

\$2,550 USD raised by 40 backers

17% of \$15,000 [flexible goal](#)

♡ f t ↻ ↗

OVERVIEW FASHION & WEARABLES

At Myssyfarmi we believe that things are better done slowly.

Our local grannies knit all our products by hand, from organic Finnsheep wool originating from our own sheep and from the sheep of the neighbouring farm. Our aim is to empower the community we live in by involving local people and producers. We want to lead the way to a new model of operating, in which the purpose of every single action is to create and nurture well-being, both of people and of the environment.

SHIPPING STAGE

SELECT A PERK

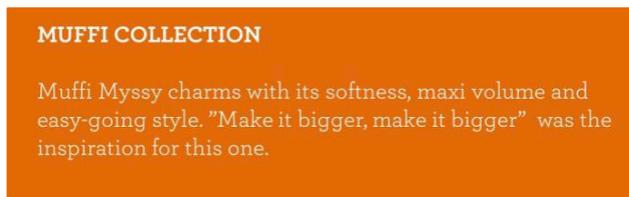
FEATURED

\$55 USD

EARLY BIRD OFFER – Muffi

Be fast, this treat is available for only the 20 fastest ones! You get our new favourite beanie, Muffi for a special price of \$55 (retail price \$82-92). After funding, you will receive an order form where you can choose the colour.

The pictures of the rewards are also an important part of the layout, and those were lower on the page. Each reward type was presented in separate sections with all the colour options from which to choose. This was because in the campaign there were many color options for all the different rewards, and by selecting a reward including a product, the supporter needed to state which color they wanted to receive. One reward tier was a special beanie called “Muffi” and this was presented in the page as it is seen in the picture below. The other products were presented similarly, telling a short story about the product and then showing the different colour options from which the supporter can then choose.



These pictures of rewards were placed after the story of the company and the purpose of the campaign. There were clear instructions from IndieGoGo how the page should be constructed, and they also provided advice about the use of photos and videos, the length of the text and how the site is best constructed. This included for example which part should be in top fold, visible right when entering the page and which parts were meant

for supporters that wanted to know more about the project. The messages in the page did not differ much from the normal marketing communication of the company, apart from being more narrow and clear, highlighting a more specific message and certain products. An example of this can be seen from the picture below.



THE IMPACT

With your help, the local grannies get to do meaningful work, build a strong social network and of course – laugh and have fun. The grannies get a compensation for each myssy they knit, but this is not the essence of it. It's about empowering our local communities and making sure everyone gets to be a part of it. The grannies are central to our work, but the positive impact extends to local producers, inhabitants and other local actors. We hope to grow in order to being able to get more grannies and local producers involved, and share the message of empowering the local communities around the globe.

The reward tiers were formulated according to studies and the comments from the crowdfunding expert: they should act as the final push for people wanting to support the campaign, but also give the incentive to support in the first place: some are supporting only because of the consumption experience. In the beginning, there were all in all eight perks, three of them did not include a physical product, but were meant for people that only wanted to support the campaign because of its good cause, and not interested in getting products in return. These were lower contribution sums, only up to \$25. The rest five reward packages included a woollen product as a thank you for contribution. Each reward had a limit: the “early bird” reward, was most limited in number. The lowest, non-product perks were most numerous, and the number of available products per perk lever got lower as the price of the perk got more expensive. The idea behind this was to moti-

vate people by using the sense of urgency – the motivation to support with a more substantial sum is more easily obtained as the amount is highly limited and reducing all the time.

Perks that included a physical product as a reward were more popular among the supporters than purely supporting the local grannies or the idea behind the campaign. Ten out of the 40 perks claimed were non-reward, and 30 were supports that included a reward. Even though there were many options to choose from, from supporting the idea and common good with a small sum, \$5 to \$25, or support with a larger sum, \$55 to \$500 and getting a reward in exchange, this did not generate as much interest as expected. Even if a consumer would be purely interested in the product, and as the “price” was communicated as low compared to normal prices, and the product “special” and only available on from the campaign, the support for the project did not reach the levels expected. The early supporters’ rewards that were radically discounted, and special new collection models, only 13 out of 20 got claimed. Due to this, the accumulation of funding was slow, and the target to increase the trustworthiness of the project by having accumulated capital on the campaign did not succeed well.

4.5.2 *Close social contacts*

The importance of the support by close social contacts was emphasised both in existing literature and in the interview conducted with the crowdfunding expert. This suggests that campaigns that try to reach a vast audience, either in its own home country or abroad, must rely highly on the existing personal and professional contacts at the beginning of the campaign, to accumulate capital and hence trustworthiness of the campaign.

On the launch day of the campaign, everyone in the company started messaging individuals that they thought could be willing to support the campaign. In the first few days this was close friends and family, but as it did not yield expected results, we started contacting any possible contacts from professional and personal life that seemed viable to be contacted in regards of this campaign. The messages were sent either privately on Facebook, by mail or by text message. They were relying on peoples’ social obligations to “help out a friend” and the willingness to help a good case. The messages were formed personally to each person, and they included a direct link to the campaign to make supporting as easy as possible. The direct answers and reactions from these direct contacts were mostly positive, but the actions taken compared to the number of people contacted were minimal. Even the contacts were already familiar with the product, and they are in social connections with the organisers of the campaign, most of them were not motivated enough to support the campaign even with a small amount. It seems that people that are willing to support, especially in the case of fashion, put a great emphasis on the reward –

in what do they get in return for their investment. This applies to also the close social contacts. Trying to motivate by helping the campaign or the company did not seem to yield that good results, and it would have more likely more beneficial to communicate to close social contacts that this is a great opportunity to buy the product on a heavily discounted price. After the first week, it seemed that the stock of close social contacts was utterly exhausted, and towards the end of the campaign, the focus shifted to Myssyfarmi's social media.

Out of the total sum that the campaign reached, more than 80% came from own social contacts. The estimated number of people the CEO and employee of the target organisation as well as the researcher contacted with a personalised message was 30 people each, accounting for 90 direct contacts. On top of this is the reach of each's Facebook posts since all three shared the post on their own Facebook wall. There were 36 supporters all together, and three of these were own contributions. 26 out of these 33 real contributions were people from the close social circle. If all this activity of contacting personally and sharing on personal Facebook pages is taken into account, the conversion rate from the close social contacts is not very high.

4.5.3 *Social media*

Social media was utilised to create awareness among the existing followers, create interest and willingness to support the campaign and share it onwards on their own social media. As most of the promotion for the target organisation happens through social media, this was the key channel to deliver the message about the campaign and hoping to help it spread wider than the existing group of followers through electronic word-of-mouth. As mentioned the two most important social media channels for the target organisation are Facebook and Instagram. In general, the posts on Facebook were more elaborate than the posts in Instagram, telling about the campaign, what is wanted to achieve by it, and what can the supporter get in return of their support. The posts in Instagram were more visual, including farm-life centred photos and a short, core message included in the descriptions, encouraging to go the campaign page to find more information about this exciting crowdfunding campaign. Unlike on other social media posts by Myssyfarmi, all the campaign-related updates were both in Finnish and in English. This was so that once there would be interest from international markets, the threshold to support would be lower as the social media communication is in English. Also, in Facebook, the banner of the Facebook page was changed to an idyllic photo of the local grandmothers knitting in front of the barn, and including a short text about the crowdfunding campaign. This way

even the new people liking Myssyfarmi on Facebook would notice this ongoing campaign. On Instagram, in the description of the account, visible directly when arriving on the account, was changed to include a little notion and a link to the campaign.

Before the campaign started, Myssyfarmi started to follow on social media some ethical fashion influencers in Finland and around the world, so that they would be aware of Myssyfarmi by the time the campaign starts. This was done in effort to try to engage ethical fashion supporters to notice the project and possibly support it already in the beginning of the campaign. 20 ethical fashion influencers, 10 from Finland and 10 from abroad were started to follow, and some comments were left on their posts, but only 2 of them followed Myssyfarmi back on Instagram. This means that unless they are following Myssyfarmi's account they will not be able to get the posts appearing on their news feed, and will most likely not be aware of the campaign when it launches. This proved not to create this "sub-culture support" that was intended. A lot more effort and systematic building of the ethical fashion supporter's group should have been done.

The first social media posts were posted one week before the launch, on the launch day and once every day during the first week, and then 3–5 times per week after that until the closure of the campaign. The first posts on both platforms before the campaign launch were to create excitement, an announcement that something exciting is about to happen in one weeks' time, and the followers should stay tuned. On the actual launch day, a post about the campaign and why it should be supported was posted on Facebook, which generated a substantial amount of likes as well as some shares, that implied that social media likers were interested in the project and encouraged others to view and possibly support it too. The people sharing the post did not, however, contribute to the project themselves, which was an interesting notion. Seemingly this was a way to show support to the project without putting any money towards it. Similar post to the one posted on Facebook, only shorter, was posted on Instagram. This also generated a good number of likes, but not remarkably more than on other posts. However, even though there was a spike in the visitors that seemed to come directly after the social media posts were published, this converted very poorly to supporting the campaign. To view the page is already benefiting from the awareness-building viewpoint, but as supporting the project increases the likelihood to share it, and how accumulating capital in the early days of the campaign is vital, this was not generating the actions desired.

During the first week, it was noticed that many were unfamiliar with the concept of crowdfunding and this lead to reluctance to support it. Also, what proved to cause especially hesitation among the social media followers to support was the language of the campaign, which was English, and the currency, since all the prices of the rewards were presented in dollars. Most of the followers of the target organisation were Finnish. However, if these had been in the local language and currency, to reach the international audience later in the campaign would have most likely proven to be difficult. In general,

Finnish people did not have much experience or knowledge about the whole concept of crowdfunding, which made it even more difficult to increase the motivation and support for the campaign. If the same campaign had been executed in the American markets with American close social contacts, the outcome would have most likely been a lot different. One Facebook fan of Myssyfarmi had commented on a Facebook post promoting the crowdfunding campaign:

“A great idea, and definitely these subjects are worth supporting. I would love to pre-order a Myssy (the beanie), but is there other way to do it than through the campaign? I have never heard of this concept.”

After reading similar feedback on other social media posts, it encouraged to change the campaign viewpoint slightly. This was done to encourage the local funders to support more eagerly so that the international awareness-building target could be reached later in the campaign. A social media post was posted on Facebook that explained what crowdfunding is and what does Myssyfarmi want to achieve by launching the campaign. Also, it was emphasised more, that this was a great way to pre-order a beanie, Myssy, with a significant discount. When the crowdfunding was explained as a possibility to pre-order, it affected willingness to support the project. By changing the focus from attracting consumers to support a good cause to promoting the possibility to pre-order a product with a discount, this created a visible change in the contributions received. This led to a realisation that promoting a profit-oriented company in charity-manner is not the optimal way to gain support. Customers often would be willing to support the project, but as they know that despite the social enterprise aspects, the target organisation is a company producing real products and selling them, with an objective of making a profit. The utilitarian reasons are difficult to communicate to people keeping this in mind. As soon as the focus was shifted from communicating a message that encourages to support “a good cause” to pre-ordering a product for yourself, the change could be seen in the monetary support for the project as well. The same was for close social contacts that were reluctant to support the project when they were asked to help a company, despite having a social obligation to do so.

In the posts during week 1–4, the social media posts concentrated on promoting the campaign by highlighting different individual products, emphasizing the benefits of the campaign for the customer and the target organization and encouraging customers to act immediately as the campaign only lasted for a limited time. After the first few days as it was noticed that there was a reluctance to support the project, text was added at the end of each social media post, stating:

“Support on the campaign itself or maybe just share our post on your social media – every kind of support to help us on our journey is appreciated!”

At the end of the campaign, the outcome, how well was the target reached, was shared on social media and the social media community was thanked for the support.

At the beginning of the campaign, the posts received a lot of comments, ones that said encouraging words and wished that the campaign will succeed well. However much the posts were centred in storytelling, and questions asked about the personal preferences of the products, and so on, the real communicative atmosphere was difficult to build. If there were responses to the questions, they were often only one word and did not spur any conversations. A way to naturally converse about the campaign on a social media platform, and execute it so that it encourages supporters to join the discussion, is surprisingly difficult to carry out in practice.

4.5.4 Community within the platform

Before the campaign started one part was to support campaigns that share similar values or are in another way in the same field with the target organisation. The researcher commented and supported monetary five other campaigns, all that were in the international field, with the intention to regain the support once the campaign went live, and create positive “buzz” within the platform. The supporting was done two days and a day before the campaign went live so that the organisers of the other campaigns would not need incentive similarly to individual supporters, but the motivation to support would arise from the willingness to help a fellow ethical fashion campaign. They would more likely also be aware of the importance of gathering as much support as possible in the first days of the campaign and would want to give their small monetary assistance in return. The comments were received positively, but there were no benefits from creating a small support group within the platform. As the campaign launched and the focus shifted from the platform community to reaching existing contacts, not more effort was put in nurturing the community consisting of fellow campaigns within the platform. This would have been important to focus well before and reach out more extensively and with more intensity to gain benefits from it.

In the platform, there was a possibility to send out updates to the supporters of the project. These updates were planned to be sent out every day during the first week of the campaign, and the last three weeks, they were planned to be sent out three to five times a week. However, as the message only was sent to existing supporters that had backed the project, and they were only 40 people, in the end, the updates were only sent two times a

week. On these updates, there was an update how much of the target was reached, “did you know” –parts about the company and its mission, and if there have been new rewards added and other practical information. Every time the backers were thanked for their support and encouraged to share the campaign on their social media to help Myssyfarmi on the project. Since there were not many supporters altogether, there were only two times when a backer shared the campaign on their social media on their own incentive. On the comment –page of the campaign, there were 0 comments at the end of the campaign. Motivating backers or other campaign initiators to comment and this way create a lively community within the platform turned out to be extremely difficult

4.5.5 *Bloggers and traditional media*

Concluded from the interviews with the crowdfunding expert and the CEO of Myssyfarmi, to gain visibility for the project, bloggers from Finland and from abroad were decided to be contacted to see if they would be interested in promoting the campaign. The actions that took place two weeks before was reaching out to international bloggers and informing them that this type of campaign was about to take place in two weeks’ time. The bloggers were offered a Myssyfarmi product of their choice in return for their promotion efforts on their blog and social media account. The bloggers and social media influencers that were already familiar with the company and the products and had done co-operation with them earlier were contacted by the CEO of Myssyfarmi and the manager, but the “cold-contacting” was the researcher's task. This division was thought to help the already familiar bloggers to promote the campaign since they would feel connected to the company as well as a social obligation to the employees of the company as they had already formed personal relations with them. As there was not much experience about this in the Finnish market, it was difficult to estimate how eagerly the bloggers would promote the project and how beneficial this would turn out to be. The reason why this was done already well in advance was that the bloggers and other social media influencers often had scheduled their posts in advance, and the goal was to have as many bloggers promoting the campaign during the second week as possible. The accumulation of contributions during the first days of the campaign is vital to the overall success, so based on the theory having an already accumulated contribution, and then having visibility on blogs and social media, would encourage consumers to support the campaign they have never heard of. The likelihood of investing in the campaign should increase by people who are unfamiliar with the brand if they see that the campaign has already succeeded well.

The contacted bloggers were all in the ethical fashion scene, and they were medium-sized, with around 1000 views per week. Any bigger blogs were rather irrelevant to contact since they most likely are charging from all possible visibilities on their pages. The medium-sized bloggers more likely yield better response rate and might be willing to promote the campaign by gaining a reward, a Myssy product, to themselves. This product was then hopefully included in the post, with a link to the campaign. On top of creating awareness, the campaign was a great chance to create a feeling of helping a small ethical company to break it in the world of mass-production, fast-fashion companies. From the international bloggers contacted, five showed interest, and three ended up posting a post about Myssyfarmi and its crowdfunding campaign. This resulted in an average amount of likes on their page, but no supporters of the campaign. The blog posts were published in week 1, 2 and 3. The blog post published in the first week gathered most interested, but this might also be due to that this specific blog had the most readers.

Inspired by the crowdfunding expert, traditional media was also contacted, and press releases were sent. These were highlighting the fact that a Finnish start-up tries its wings on an international crowdfunding platform, IndieGoGo. This was sent to few newspapers in Finland, that had earlier written about Myssyfarmi. There were, however, no responses nor any published articles about this subject. A more extensive reach to different media and highlighting a more interesting angle on the subject could have proven to be more beneficial.

4.5.6 Performance summary

In the end, how did the campaign succeed? The monetary target was reached by 17%, which was a disappointment. Of this 17 %, 13% were reached in the first seven days. This indicates that the first days are truly vital in the success of the campaign, as the buzz around it diminished the further the time passes. The two aspects that were surprising is the difficulty to incentive people to support the project: even the close contacts were difficult to convince despite direct messages, reminders and a limited number of rewards, that were heavily discounted. Many being unfamiliar with the concept of crowdfunding found it too much effort to find out about it and contribute, despite Myssyfarmi posting an “info-post” on their social media. Taking this into account, even there was some visibility gained on international bloggers’ social media, it did not contribute straightforwardly to the success of the campaign as there were no interest from people to support the project, even though the perks were actual products that were possible to obtain for a substantially lower price than when purchasing online afterwards. There was a very small increase in international social media followers or likes, so the real impact will remain difficult to measure on an international scale.

One aspect that could indicate the achieved increase in awareness was the increased number of Facebook likes that the campaign generated. It seemed that many close contacts that were contacted directly, and were reluctant to contribute money towards the campaign, but were instead more willing to give a like to the company's page on Facebook or share a social media post on their own social media, to show their support instead of supporting it monetarily. From this viewpoint can be said that the campaign succeeded to bring awareness to friends and family –circle, and on their social media circles, but failed to raise awareness on an international level.

Benefits from the campaign were more gained from individual acts, such as obtaining valuable blogger support from abroad, which were willing to continue the co-operation after the campaign, creating long-term value. Also, the CEO thought that this was a great way to launch a new collection and bring interest in it – even though this might not have been the best platform to conduct this, the idea behind it and the realization of people's interest to pre-order a product even in the previous season, with a remarkable discount. The message of the campaign can highlight the sustainability of the company or other common-good –angles, but the reward should be in the centre of the promotion. The company is after all with a profit-making reason of existence, and especially in the fashion industry consumers care about the look of the product, and not only its ethicality, leading people to be more reluctant to support the project only because they would want to “do good”. They will most likely want something in return of their investment, even if they were in the close social circle.

5 CONCLUSIONS

5.1 Theoretical contributions

The shift from bringing creative ideas to life to promoting existing products and companies on crowdfunding platforms is becoming more and more clear. There is great potential for especially smaller companies with limited marketing budgets to utilise this channel to market their product and reach a potentially large international crowd with minimal costs. By taking advantage of social media, the creation of electronic word-of-mouth is reachable, even though ever more difficult in the modern world where users of social media get targeted by marketing messages constantly.

This thesis has investigated how an awareness-building -oriented crowdfunding campaign plan is constructed for an ethical fashion company, and which elements should be considered when constructing the plan. Also, the practical implications were observed and analysed by launching a crowdfunding campaign. Especially the importance of different contribution groups and the style of communication were observed, as well as the media where this communication should happen. Two outcomes were identified from the plan:

First, the importance of different target groups in different stages of the campaign makes it difficult to reach international markets. In multiple previous studies, the engaging of close social contacts at the beginning of the campaign is said to be one of the critical factors in the success of the campaign (see, e.g. Colombo et al. 2015; Agrawal et al. 2015). The close social circles might have different motives in supporting the campaign, which is most often related to the social bond between them and the project initiator (Agrawal et al. 2015, 264, 269; Gerber & Hui 2013, 14). This proved to be however quite challenging, as the campaign had been designed to be targeted to the international audience, and hence it increased the threshold for even the close contacts to support the campaign. In many occasions, the unfamiliarity with the crowdfunding concept and the platform, and the communication style created uncertainty among the close social contacts. In this case, the design of the campaign needs to match the target group also, in all phases of the campaign. In the beginning, the communication, message and even the practical side of the campaign should be targeted to the local audience. When enough contributions are gathered, the shift should be switched for a wider audience and possible for international consumers. If the design of the campaign in the beginning already is so that it is designed to attract international consumers, to attract even the close social circles can be difficult. This includes, for example, the language, the currency and rewards in the campaign as

well as the communication style on social media. Shifting focus in the middle of the campaign can, however, make the overall message very scattered. In this way, it can be challenging to use crowdfunding as an international marketing tool.

Second, if the campaign is made for a social enterprise with a ready product as a reward, the product needs to be in the centre of the campaign. A project having a noble social and environmental sustainability goals is an important factor, and it has been said in previous studies to be one of the central reasons for consumers to support a crowdfunding campaign (Calic & Mosakowski 2016, 740). This is beneficial, but it was noticed in the campaign that the reward plays a central role in the campaign, and it should be communicated clearly, as it often is the central motivation to support the campaign. Supporters are more willing to support a company if they get a product in return, and more reluctant to support only the good cause, or to express their values if the campaign has been launched by a company. It also seemed to be more difficult to understand the idea behind the campaign when it was communicated as supporting general good and through that getting a reward in return, than when it was communicated with the product as a selling point.

5.2 Managerial implications

This research provided aspects to be taken into account when launching a crowdfunding campaign oriented for awareness-building. Since the whole study was made from a practical viewpoint and the gap between theory and practice was trying to be minimised, the managerial implications are rather straightforwardly appearing from the research.

The message and rewards should be matched with the campaign type: if the campaign is for a company with an existing product, this should be considered to set in the center of the campaign, as it will most likely make the objective of the campaign clearer to the supporters and as the supporters put significant value on the reward they get. The different stages of the campaign and the groups to target on each stage should be carefully defined before launching the campaign. The company should leverage not only its personal contacts and existing fan base, but should also search for supporters from a larger field of supporters of the subject in general. For example, a producer of craft beverages should find out if there is a group of craft beverage lovers, who would be more likely eager to help fund the project. Also, each company should promote the project on the channels where they have the strongest presence and widest networks. Promoting in this case, means storytelling and conversing with people, and talking about the project and its importance. Also, these channels should be used each in a proper way to reach right groups of people. Facebook is optimal for closer networks and should be used intensively in the

beginning when targeting friends and family. Instagram is better for more distant contributors but also finding supporter groups of a specific subject. Once the first 30% has been gathered, these channels can be shifted to more promotional style, and the audiences that might not be familiar with the company or the field they operate in can be targeted. However, the conversing, storytelling and two-way communicational style should be sustained to encourage people best to contribute, and hence share their positive experience in their own social media channels. There is a substantial amount of effort that needs to be put in the connecting with supporters and potential supporters both during the campaign and before the launch

5.3 Limitations of the study and future research

This research was conducted as an action research study, basing on interviews with the target organisation and one interview with a professional from the crowdfunding field. Therefore, the practices proposed should be verified with more interviews to get a more refined picture of crowdfunding as a marketing tool. As crowdfunding is more common abroad, for example in the USA, specialists' insights from there would be valuable and could be studied in future researches. The plan constructed based on existing literature and on these interviews, was carried out in practice. To entirely being able to observe which aspects of this plan are essential in crowdfunding campaigns, there should have been more activities on the campaign page and the social media of the target organization. It is difficult to clearly identify the aspects that resulted in the failure of the campaign because there were not many activities all in all. Even the campaign was modified slightly during the campaign, and some changes in the behaviour of the backers could be noticed, this was so small that it could be a result from something else also.

Also, the marketing-side could be paid more attention, and traditional marketing, social media marketing and viral marketing experts could be interviewed to find out about possible successful principles that could be applied to crowdfunding. Every campaign is different and complex in nature. Because of that, there are no absolute truths presented in this thesis, and all the suggestions for action should be carefully thought over and modified to the personality and practices of each company.

Due to the complex nature of crowdfunding and the multiple different forms it takes, the collected data is in some cases researched in the context of crowdfunding in a different setting, in, e.g. equity-based, donation-based, public vs private goods –setting, and not solely on reward-based campaigns on which this research concentrates. More information about deeper personality traits, action motivations and other aspects related closely to each type of crowdfunding needs to be gathered. Also, this study was concentrated mainly

on the crowdfunding platform IndieGoGo, and different platforms have different practices. The effect these have on the outcome of the campaign, the aspects that make it easier or harder to execute this type of campaign on each platform could be examined more closely. In addition to previous suggestions, also the media to reach people should be researched on a broader scale. These include for example emails, online and offline media and other innovative ways to reach masses of people.

A lot of the conclusions rely on the facts gathered from the theory, especially on the importance of close social contacts and the importance to accumulate capital in the beginning, so that distant supporters would be convinced by the quality of the campaign and then be motivated to support the campaign too. Failure to reach this in the first days may result to the failure of attracting the wider audience, but the reason may also lie in the product, in the message or the reach of the international audience. If the reach had been wider, may be that the campaign had reached its goal by gathering the contributions mostly from the broader audience already in the beginning. For future research, similar issues could be observed from a quantitative point of view, where the focus can be on which other underlying factors there is for a campaign to go viral, more precisely which factors motivate to share a crowdfunding campaign on social media. Another aspect would be on how to make the campaign to create discussion around it, specifically which are the aspects that motivate to comment and which updates or posts act as a fruitful base for conversations

6 SUMMARY

In this thesis, the use of crowdfunding as an international marketing tool was observed. The study was conducted as an action research study, with a strong focus on the practical side of the subject, and an active participation of the researcher and the target organisation. The research's target organisation called Myssyfarmi, an ethical fashion accessory company from Finland. The starts for this research spurred from a practical problem the target organisation had: inability to efficiently reach international consumers. This problem was targeted by launching a crowdfunding campaign. The research started by doing a literature review on existing researches around the subjects of crowdfunding and viral marketing, concentrating on word-of-mouth marketing and social media marketing. These were able to provide information on what aspects of a campaign contribute toward a successful campaign and how the awareness of the campaign is spread efficiently. Additional information was collected from two interviews: one with the founder of the target organisation and one with a Finnish crowdfunding expert. These gave valuable insight on how the campaign is carried out in practice and matched with the characteristics of the target organisation to yield the best possible outcome. The theory and the interviews then provided valuable information, and based on these, the researcher, together with the target organisation, was able to create a practical and realistic framework on how the campaign plan should be constructed. This campaign plan was followed by launching a crowdfunding campaign.

The campaign plan was divided into five different categories that should be paid attention to optimally spread awareness through the campaign: the campaign page, own social contacts, Myssyfarmi's social media, social network within the platform, bloggers and traditional media. The timeline spread from actions that need to be taken two weeks before the campaign, such as designing the layout of the campaign and deciding on the rewards, to the whole four-week time that the campaign was active. The results in each category were reported separately according to observations during the campaign, mirroring to the theoretical contributions and interviews conducted with the founder of the target organisation and a crowdfunding expert. The campaign managed to reach 17 percent of the target sum, and it came mostly from the close contacts of the employees and founder of the company. Truly international audience was not reached with this campaign. The key findings were related on how the campaign should highlight the reward, the product the consumers get in return of their investment, and this should be a central message in the communication. The sustainability aspects of the company might increase the motivation to support the campaign, but the reward was the primary motivation why a consumer would like to support a crowdfunding campaign launched by an existing company. Another important implication is the difficulty to reach international consumers as the campaign design needs to be modified for each market separately, in separate stages

of the campaign. At the beginning of the campaign, the most likely group to invest is the friends and family of the project initiator and the people involved in it. Only after sufficient capital has accumulated, more distant, including international, contacts and consumers that are not familiar with the product, will be more willing to invest. This would, however, require modifying the language of the campaign, displayed currency and on other aspects for it to seem more appealing to each market. Appealing to each target group separately in different stages of the campaign proved to be challenging and an aspect that was not thoroughly considered when formulating the plan and launching the campaign. To use crowdfunding as an international marketing tool, the obstacles of motivating the close and distant audience efficiently, need to be overcome by making sure that the campaign is appealing to each market and it is communicating the messages that will make the consumers want to jump on the chance and support the campaign.

REFERENCES

- Agafonow, Alejandro (2014) Toward A Positive Theory of Social Entrepreneurship. On Maximizing Versus Satisficing Value Capture. *Journal of Business Ethics*, 125 (4), 710.
- Agrawal, Ajay – Catalini, Christian – Goldfarb, Avi (2015) Crowdfunding: Geography, Social Networks, and the Timing of Investment Decisions. *Journal of Economics and Management Strategy*, Vol. 24 (2), 253–274.
- Austin, James – Stevenson, Howard – Wei-Skillern, Jane (2006) Social and Commercial Entrepreneurship: Same, Different, or Both? *Entrepreneurshi: Theory & Practise*, Vol. 30 (1), 1–22.
- Belleflamme, Paul – Lambert, Thomas – Schwienbacher, Armin (2014) Crowdfunding: Tapping the right crowd. *Journal of Business Venturing*, Vol. 29 (5), 585–609.
- Bertschneider, Ulrich – Leimeister, Jan Marco (2017) Not just an ego-trip: Exploring backers' motivation for funding in incentive-based crowdfunding. *The Journal of Strategic Information Systems* Vol. 26 (4), 246–260.
- Bhardwaj, Vertica – Fairhurst, Ann (2010) Fast fashion: response to changes in the fashion industry. *The International Review of Retail, Distribution and Consumer Research*, Vol. 20 (1), 165–173.
- Brabham, Daren C. (2008) Crowdsourcing as a Model for Problem Solving. *The International Journal of Research into New Media Technologies*, Vol. 14 (1), 75–91.
- Brown, Terrence E. – Boon, Edward – Pitt, Leyland (2016) Seeking funding in order to sell: Crowdfunding as a marketing tool. *Business Horizons*, Vol. 60 (2), 189–195.
- Brydon-Miller, Mary – Greenwood, Davydd – Maguire, Patricia (2003) Why Action Research? *Action Research*, Vol 1. (1), 9–28.
- Burch, Gordon – Ghose, Anindya – Wattal, Sunil (2013) An Empirical Examination of the Antecedents and Consequences of Contribution Patterns in Crowd-Funded Markets. *Information Systems Research*, Vol.24 (3), 499–519.
- Calic, Goran – Mosakowski, Elaine (2016) Kicking Off Social Entrepreneurship: How A Sustainability Orientation Influences Crowdfunding Success. *Journal of Management Studies* Vol. 53 (5), 738–767
- Chen, Steven – Sunil, Thomas – Kohli, Chiranjeev (2016) What really makes a promotional campaign succeed on a crowdfunding platform? Guilt, utilitarian products, emotional messaging, and fewer but meaningful rewards drive donations. *Journal of Advertising Research*, Vol. 56 (1), 81–94.

- Coghlan, David (2004) Action Research in the Academy: Why and Whither? Reflections on the Changing Nature of Research. *Irish Journal of Management* Vol.25 (2), 1–10.
- Colombo, Massimo G. – Franzoni, Chiara – Rossi-Lamastra, Cristina (2015) Internal Social Capital and the Attraction of Early Contributions in Crowdfunding. *Entrepreneurship: Theory and Practice*, Vol. 39 (1), 75-100.
- Crowdfunding's Potential for the Developing World (2013) 4- Information for Development program/The World Bank. Washington DC.
- Dictionary.com Viral marketing definition <<http://www.dictionary.com/browse/viral-marketing>>, retrieved 8.4.2017
- Egebark, Johan – Ekström, Mathias (2011) Like What You Like or Like What Others Like? – Conformity and Peer Effects on Facebook. Department of Economics, Stockholm University and the Research Institute of Industrial Economics (IFN). <http://www2.ne.su.se/paper/wp11_27.pdf>, retrieved 7.3.2017.
- Eriksson, Päivi – Kovalainen, Anne (2008) *Qualitative Methods in Business Research*. SAGE Publications, London.
- Ferguson, Rick (2008) 2008) Word of mouth and viral marketing: taking the temperature of the hottest trends in marketing. *Journal of Consumer Marketing*, Vol. 25 (3), 179–182.
- Ferriss, Tim (2012) Hacking Kickstarter: How to Raise \$100,000 in 10 days. <http://tim.blog/2012/12/18/hacking-kickstarter-how-to-raise-100000-in-10-days-includes-successful-templates-e-mails-etc/?utm_content=bufferd6d28&utm_source=buffer&utm_medium=twitter&utm_campaign=Buffer>, retrieved 16.3.2017.
- French, Steven (2009) Action research for practising managers, *Journal of Management Development*, Vol. 28 (3), 187–204.
- Gerber – Elizabeth M. – Hui, Julie (2013) Crowdfunding: Motivations and deterrents for participation. *ACM Transactions on Computer-Human Interactions*, Vol. 20 (6), Article 34.
- Godes, David – Mayzlin, Dina (2004) Using Online Conversations to Study Word-of-Mouth Communication. *Marketing Science* Vol. 23 (4).
- Greenwood, Davydd J. – Levin, Morten (2011) 2– Introduction to action research. SAGE Publications, London.
- Hennig-Thurau, Thorsten, Gwinner, Kevin P. – Walsh, Gianfranco – Gremler, Dwayne D. (2004) Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the Internet? *Journal of Interactive Marketing* Vol. 18 (1) 38–52.

- Hong, Yili – Hu, Yuheng – Burtch, Gordon (2015) How does Social Media Affect Contribution to Public versus Private Goods in Crowdfunding Campaigns? (Completed research paper) International Conference on Information Systems: Exploring the Information Frontier, 13.12.2015, USA.
- Howe, Jeff (2006) The Rise of Crowdsourcing. *Wired Magazine*, Vol.14.06 <[http://sistemas-humano-computacionais.wdfiles.com/local--files/capitulo%3Aredes-sociais/Howe The Rise of Crowdsourcing.pdf](http://sistemas-humano-computacionais.wdfiles.com/local--files/capitulo%3Aredes-sociais/Howe%20The%20Rise%20of%20Crowdsourcing.pdf)>, retrieved 9.3.2017.
- Hui, Julie – Greenberg, Michael D. – Gerber, Elizabeth M. (2014) Understanding the Role of Community in Crowdfunding Work. (Conference paper) Proceedings of the 17th ACM conference on Computer supported cooperative work & social computing. Baltimore, Maryland, USA – February 15 - 19, 2014.
- Hu, Yuheng, – Manikonda, Lydia –Kambhampati, Subbarao (2014) What We Instagram: A First Analysis of Instagram Photo Content and User Types. Department of Computer Science, Arizona State University. <<http://149.169.27.83/instagram-icwsm.pdf>>, retrieved 8.4.2017.
- Indiegogo.com. The Gogofactor. <<https://support.indiegogo.com/hc/en-us/articles/527476-The-Gogofactor>>, retrieved 13.3.2017.
- Ikola, Mikko (2016) Ambronite Crowdfunding: How we raised \$100,000 on Indiegogo <<http://www.mikkoikola.com/blog>>, retrieved 7.4.2017.
- Jackson, Tim (2005) Live Better by Consuming Less? Is There a “Double Dividend” in Sustainable Consumption? *Journal of Industrial Ecology*, Vol. 9 (1–2), 1–30.
- Joergens, Catrin (2006) Ethical fashion: myth or future trend? *Journal of Fashion Marketing and Management: An International Journal*, Vol. 10 (3), 360–371.
- Johnson, Sherrill (2002) Social Entrepreneurship Literature Review. Canadian Centre for Social Entrepreneurship, Edmonton. <<http://www.cfc-fcc.ca/news/news.cfm?intNewsID=170>> retrieved 15.3.2017.
- Knox, Dave (2015) What Marketers Can Learn From Pebble Time's Kickstarter Launch <<http://adage.com/article/digitalnext/brands-learn-pebble-time-s-kickstarter-launch/297415/>>, retrieved 25.2.2017.
- Kwak, Haewoon – Lee, Changhuyn – Park, Hosung – Moon, Sue (2010) What is Twitter, A Social Network or a News Media? Proceedings of the 19th International Conference on World Wide Web (WWW) <<https://an.kaist.ac.kr/~haewoon/papers/2010-www-twitter.pdf>>, retrieved 8.4.2017.
- Leibenstein, H. (1950) Bandwagon, snob, and veblen effects in the theory of consumers' demand. *Quarterly Journal of Economics*, Vol. 64 (2), 183–207.
- Leskovec, Jure. – Adamic, Lada A. – Huberman, Bernardo A. (2007) The dynamics of viral marketing. *ACM Transactions on the Web*, Vol. 1 (1).
- Luz, Claudio (2007) Waste Couture: Environmental Impact of the Clothing Industry. *Environmental Health Perspectives*, Vol. 115 (9).

- Lincoln, Yvonna S. – Guba, Egon G. (1985) *Naturalistic Inquiry*. SAGE Publications, Beverly Hills.
- Macht, Stephanie A. – Weatherston, Jamie (2014) The Benefits of Online Crowdfunding for Fund-Seeking Business Ventures. *Strategic Change*, Vol. 23 (1–2), 1–14.
- Macht, Stephanie A. (2014) Reaping Value-Added Benefits from Crowdfunders: What Can We Learn from Relationship Marketing? *Strategical Change*, Vol. 23 (7–8), 439–460
- Mair, Johanna – Marti, Ignasi (2006) Social entrepreneurship research: A source of explanation, prediction and delight. *Journal of World Business*, Vol. 41 (1), 37–39.
- Minas N. Kastanakis, Minas N – Balabanis, George (2012) Between the mass and the class: Antecedents of the “bandwagon” luxury consumption behavior. *Journal of Business Research*, Vol. 65 (10), 1399–1407.
- Moissejev, Alex (2013) Crowdfunding as a Marketing Tool <<http://www.socialmediatoday.com/content/crowdfunding-marketing-tool>>, retrieved 25.2.2017.
- Mollick, Ethan (2014) The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, Vol. 29 (1), 1–16.
- Oxford Living Dictionaries (2017) Crowdfunding. Oxford University Press <<https://en.oxforddictionaries.com/definition/crowdfunding>>, retrieved 22.1.2017.
- Parhakangas, Annaleena – Renko, Maija (2017) Linguistic style and crowdfunding success among social and commercial entrepreneurs. *Journal of Business Venturing*, Vol 32 (2), 217–236.
- Porter, Michael E. – Kramer, Mark R. (2011) Creating Shared Value: How to reinvent capitalism and unleash a wave of innovation and growth. *Harvard Business Review*, Vol. 89 (1/2), 1–17.
- Reason, Peter – Bradbury, Hilary (2001) *Handbook of action research: Participative inquiry and practice*. 2nd edition. Sage Publications, London.
- Santos, Felipe (2012) A positive theory of social entrepreneurship. *Journal of Business Ethics*, Vol. 111 (2), 335–351.
- Shepherd, Dean A. – Patzelt, Holger (2011) The New Field of Sustainable Entrepreneurship: Studying Entrepreneurial Action Linking “What Is to Be Sustained” With “What Is to Be Developed”. *Entrepreneurship Theory And Practise* Vol. 35 (1), 137–163
- Stemler, Abbey R. (2013) The JOBS Act and crowdfunding: Harnessing the power – and money – of the masses. *Business Horizons*, Vol. 56 (3), 271–275.

- The Ministry of Finance (2016) Press release: Crowdfunding act enters into force in September. <http://valtioneuvosto.fi/artikkeli/-/asset_publisher/10623/joukkorahoituslaki-voimaan-syyskuussa?_101_INSTANCE_3wyslLo1Z0ni_languageId=en_US>, retrieved 22.1.2017.
- Thies, Ferdinand – Wessel, Michael – Benlian, Alexander (2014) Understanding the Dynamic Interplay of Social Buzz and Contribution Behavior within and between Online Platforms – Evidence from Crowdfunding. Completed Research Paper. Thirty Fifth International Conference on Information Systems, Auckland. 1–18.
- Thürridl, Carina – Kamleitner, Bernadette (2016) What goes around comes around?: Rewards as strategic assets in crowdfunding. *California Management Review* Vol.58 (2) 88–110.
- Trusow, Michael – Bucklin, Randolph E. – Pauwels, Koen (2009) Effects of Word-of-Mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site. *Journal of Marketing* Vol. 73 (5), 90–102.
- Yrittäjät.fi (2017) <<https://www.yrittajat.fi/suomen-yrittajat/yrittajyys-suomessa-316363>>, retrieved 9.3.2017.
- Viljanen, Kaisa (2017) Halpavaatteita vastaan. *Helsingin Sanomat* 25.2.2017 <https://www.hs.fi/elama/art-2000005102017.html>, retrieved 15.4.2018.
- Van Wingerden, Ralph – Ryan, Jessica (2011) Fighting for Funds: An Exploratory Study into the Field of Crowdfunding. Degree Project in International Marketing and Brand Management. School of Economics and Management, Lund University. <<http://lup.lub.lu.se/luur/download?func=downloadFile&recordId=1982630&fileId=2436193>>, retrieved 7.3.2017.
- Wang, Niaxin – Li, Qingxiang – Liang, Huigang – Ye, Taofeng – Ge, Shilun (2018) Understanding the importance of interaction between creators and backers in crowdfunding success. *Electronic Commerce Research And Applications* Vol. 27 (1), 106–117.
- Zhao, Qun – Chen, Chun-Der b – Wang, Jin-Long – Chen, Pin-Chung (2016) Determinants of backers' funding intention in crowdfunding: Social exchange theory and regulatory focus. *Telematics and Informatics*, Vol. 34 (1), 370–384.

APPENDICES

Interviewees

Person	Title	Date and duration
Mrs. Rauhansuu	CEO of Myssyfarmi	14.3.2017 56min
Mrs. Seppälä	Founder of the Finnish crowdfunding site (here: Crowdfunding expert)	28.3.2017 40min

Interview Questions

Interview 1: CEO of Myssyfarmi

Q1: Can you tell me about the values of Myssyfarmi and what are the values related to ethical fashion that you communicate?

Q2: How do you communicate these values in, for example, social media or on other channels? Do you have a certain vision about it or have you thought about how these values are transferred to the audience?

Q3: What are your most important online channels, social media channels?

Q4: What do you think is the core of ethical fashion in Finland? Is there such?

Q5: Do you differentiate your message between different social media channels, such as between Facebook and Instagram?

Q6: What is your most important target group?

Q7: Can you say something about the future of ethical fashion? Where do you see it going or where would you like it to go to?

Interview 2: Crowdfunding expert

Q1: What do you think is a successful campaign?

Q2: What are the central elements behind successful campaigns? Are there similarities that are brought up each time?

Q3: What motivates different funding groups to contribute?

Q4: Is the support from family and friends more linked to the person than to the project?

Q5: What is the role of bloggers and other social media influencers in crowdfunding?

Q6: What is the role of trust?

Q7: Is there such thing as a “typical” crowdfunder?

Q8: What is the relationship like that is built between the funder and the project creator?

Q9: What is the role of internal social contacts in campaigns?

Q10: How do you see the role of social media in crowdfunding? Are there differences between different channels?

Q11: What can you say about the duration of the campaign and its critical moments?

Q12: What are the most common mistakes in crowdfunding?