

## **Post doc proposal: “Understanding social motivations and success factors of crowdfunding”**

CentraleSupélec, Paris Saclay campus, is hiring a post-doctoral researcher on a pluri-disciplinary project (sociology/economy). The candidate will join the research team of the French national research program UMICROWD (Understanding, Modeling and Improving the outcome of Crowdfunding campaigns). UMICROWD gathers experts in economy, sociology, mathematics and data science for studying the dynamics of crowdfunding and promoting sustainable and socially responsible project funding. The candidate will be hired by CentraleSupélec and will work closely with IDHES lab (ENS Paris Saclay), the ESCE business school (La Défense) and the LBNC lab (Avignon).

### **Context:**

Crowdfunding (CF) allows entrepreneurs who are willing to overcome classical funding channels such as venture capital and credit loans to address directly the crowd via Internet-based Crowdfunding Platforms (CFP). Crowdfunding started as a niche but gained increasingly in importance in the past ten years and its social and economic impacts can no longer be neglected.

While the literature on crowdfunding is already rich, the dynamics of fund collection on CFP is not yet well understood. [Cordova15] and [Colombo15] observe that CF has reinforcement characteristic in the sense that contributions generate additional contributions. [Salahaldin22] showed that there are pivotal moments at which a small additional amount of funding may have a large impact on the success of a campaign. [Belleflamme15] compares two forms of CF, reward-based and equity-based, and shows that the choice made by the entrepreneur to select between these two forms depends essentially on the amount of required capital and that equity-based CF is more suitable for large projects. In general, a big goal is negatively correlated with success [Negrao21]. [Mollick14] shows that the quality signals of the campaign page are also success factors. [Jiang20] found that soft information, extracted from descriptive text, contributes greatly to crowdfunding success.

From a social point of view, [Geobey12] indicated that impact investors seek to place capital in businesses and funds that generate social or environmental value, and at the same time ask for a nominal interest payment. [Berns20] observed that, even in specialized Prosocial Crowdfunding and despite a prosocial setting in nature, crowdfunders tend to act strategically, positively responding to signals of quality and low risk, and that projects that are high on both financial and social appeal receive the highest average amount of funding.

The empirical study of [Selasinky21] concludes that entrepreneurs need to balance the pro-social or pro-environmental orientation to create a competitive advantage (concave curve between performance and these orientations). However, CF in a social entrepreneurship perspective may provide additional ‘legitimacy’ to the venture and create a strong investment signal to other players in the field, such as social banks and public agencies [Frydrich14]. This positive signaling is to be included in the balance sought by entrepreneurs. [Lehner13] observed that a first CF campaign for a social enterprise reduces the risk for social banks and public-private funds, as there would be more data available for a credit rating.

However, as indicated by [Bockel21], the majority of empirical works on crowdfunding are quantitative and there is a need for rigorous qualitative studies to complement the understanding of the causal mechanisms.

### **Research objectives:**

The objective of this post doc is to understand empirically the dynamics and success factors of crowdfunding campaigns. We will follow a qualitative approach based on semi-directive interviews in order to understand in a coherent way the different social dimensions of CF. We will conduct interviews with key players of Crowdfunding in France (platform managers and entrepreneurs) and send online surveys targeting the Crowd. While analyzing these interviews/surveys, we will distinguish and link three levels: a contextual analysis of the theme carried by the CFP according to a given geography, the concrete practices of the project holders coupled with a biographical approach and an analysis of their role in the community, and the social dimension carried by the fundraising and the created solidarity community. The post doc will also provide results and guidelines for a quantitative analysis that will complement the qualitative study by studying the impact of the different parameters of the platform and the campaign on the success.

### **Candidate profile:**

The candidate must hold a doctoral degree in the field of economy/finance/sociology.

The candidate must have a solid background in qualitative research, including conducting and analyzing interviews.

The candidate should demonstrate exceptional research skills as evidenced by publications in leading international journals.

### **Applications:**

The application file should be sent by email to:

- Natacha Chetcuti Osorovitz, CentraleSupélec and IDHES: [natacha.chetcuti-osorovitz@centralesupelec.fr](mailto:natacha.chetcuti-osorovitz@centralesupelec.fr)
- Linda Salahaldin, ESCE: [linda.salahaldin@esce.fr](mailto:linda.salahaldin@esce.fr)
- Jimmy Merlet, Université d'Avignon and LBNC: [jimmy.merlet@univ-avignon.fr](mailto:jimmy.merlet@univ-avignon.fr)

The file (a pdf) must include:

- A cover letter
- A detailed CV (research, teaching, mobility, publications, etc.)
- And any documents that attest previous experience

### **References:**

[Belleflamme15] P. Belleflamme, N. Omrani, M. Peitz. The economics of crowdfunding platforms. In: Information Economics and Policy, Vol. 33, no.1, p. 11-28, 2015.

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[Frydrich14] Frydrich, D., A. J. Bock, & T. Kinder. (2014). "Exploring Entrepreneurial Legitimacy in RewardBased Crowdfunding." *Venture Capital* 16 (3).

[Geobey12] Geobey, S., F. R. Westley, & O. Weber. (2012). "Enabling Social Innovation through Developmental Social Finance." *Journal of Social Entrepreneurship* 3 (2): 151– 165.

[Jiang20] Cuixia Jiang, Ranran Han, Qifa Xu, Yezheng Liu, The impact of soft information extracted from descriptive text on crowdfunding performance, *Electronic Commerce Research and Applications*, Vol. 43, 2020.

[Lehner13] Lehner, O. M. (2013). Crowdfunding social ventures: A model and research agenda. *Venture Capital: An International Journal of Entrepreneurial Finance*, 15(4), 289—311.

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[Salahaldin22] Salahaldin, L., Varma, V. S., & Elayoubi, S. E. (2022). When and how to intervene for saving an entrepreneur's crowdfunding campaign. *Finance Research Letters*, 50, 103189.

[Selasinky21] Von Selasinsky, C., & Lutz, E. (2021). The Effects of Pro-Social and Pro-Environmental Orientation on Crowdfunding Performance. *Sustainability*, 13(11), 6064.