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Crowdfunding: Differences for Social versus Commercial Digital Campaigns

An Empirical Investigation of Social and Commercial Crowdfunding Campaigns

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Digital customer experience needs to be adapted to specific characteristics of a product or target groups; however, there is a lack of knowledge particularly with regards to effective digital customer experiences for social product campaigns. When taking advantage of a social offer, the functional aspect is not primarily decisive, as in standard purchase decisions; rather, these consumers strive for a feeling of a warm glow, a positive cognitive state that consists of helping others. Therefore, this study aims to answer the research question “*How to effectively use digital design elements for social in comparison to commercial campaigns?*”. We investigate these potential differences via the reward-based crowdfunding platforms Kickstarter and Indiegogo, the two largest platforms of this kind worldwide in terms of project volume (Cumming et al. 2020; Kickstarter 2021). We used a multi-stage procedure where we screened 99,567 crowdfunding campaigns to finally collect and analyze 1,583 data sets (Falke et al. 2020). Our results show surprising differences in the effectiveness of particular design elements by comparing social and commercial product campaigns. We uncovered design-specific differences in individual elements between social and commercial campaigns. Understanding these design-specific differences can increase sales in the online environment and helps marketers allocate resources for efficient design. These findings extend the studies on digital customer experience mentioned at the beginning. Furthermore, the inclusion of linguistic elements not previously considered, such as the use of quality-emphasizing language or heterogeneity of word choice, expands the range of effective but less costly design elements. Along the way, the findings uncover new relevant drivers of campaign success for reward-based crowdfunding (Anglin et al. 2018; Cordova et al. 2015; Courtney et al. 2017; Cumming et al. 2020; Mollick, 2014).

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