

CSR Crowdfunding

A qualitative study on the perceived business case value creation effects of CSR crowdfunding



Universiteit Utrecht



elemental
water makers

Institute: Utrecht University
Host Org.: Elemental Water Makers
Faculty: Faculty of Geosciences
Master: Sustainable Business and Innovation
Course: SBI – Master’s Thesis (GEO4-2606)

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Date: 26-05-2019
Word count: 22,757

ABSTRACT

Increasingly, established companies are adopting crowdfunding activities that aim at funding not-for-profit activities that advance causes beneficial to society and/or the environment. Since these crowdfunding activities fall within the scope of what is commonly regarded as corporate social responsibility (CSR), a novel combination between CSR and crowdfunding has emerged. As of yet, there is very little research on the effects of CSR crowdfunding on companies, except for the hypothetical synergies between crowdfunding and CSR that were suggested by Spanos (2016). The current research seeks to improve our understanding of CSR crowdfunding by answering to the research recommendation of Spanos (2016), who suggests a business-value and CSR-perspective on CSR crowdfunding.

The four modes of CSR *business case value creation* (Kurucz et al. 2008) were used to identify the business-value that CSR crowdfunding can have for companies, which can be: (1) cost & risk reduction, (2) reputation & legitimacy, (3) competitive advantage and (4) synergistic value creation. Fifteen semi-structured interviews were conducted with respondents active in organisations that have implemented CSR crowdfunding: companies using CSR crowdfunding, crowdfunding platforms & crowdfunding service providers, and two interviews were conducted with crowdfunding experts. These respondents were identified based on an internet search followed up by snowball-sampling. The respondents' answers were analysed with respect to the effects of CSR crowdfunding on business case value creation.

This study finds that two dominant types of CSR crowdfunding occur: internal CSR crowdfunding and public CSR crowdfunding. Both types of CSR crowdfunding were found to have particular positive and negative effects on all four modes of business case value creation. These results suggest that CSR crowdfunding can provide the company with opportunities to: (1) increase existing CSR funds by adding crowd or employee donations, (2) improve its reputation and legitimacy amongst the public and its prospective employees, (3) increase its competitive advantage through: gains in reputation, opportunities to market-test innovations and improvements in attraction, CSR engagement, and retention of employees, (4) stimulate its CSR impacts by increasing exposure and funding of CSR initiatives (5) reduce costs of organising CSR and reduce risk of public CSR scepticism. Potential negative effects to a company implementing CSR crowdfunding are related to a possible increased risk to its reputation and legitimacy. Moreover, by corroborating the synergies between crowdfunding and CSR as suggested by Spanos (2016) with qualitative evidence, this study adds to the body of academic literature on crowdfunding and CSR.

EXECUTIVE SUMMARY

Gaining more insights into CSR crowdfunding is very valuable for Elemental Water Makers. Elemental Water Makers is a Netherlands-based company offering sustainable, off-grid desalination solutions to end-users located on coastal regions across the globe, such as hotels, eco-resorts, municipalities and private islands. This means Elemental Water Makers' product can be categorized as high-end products that cater mainly to the business-to-business market. Elemental Water Makers has recently launched its not-for-profit counter-part, Elemental Water Foundation, which can be considered a CSR project of Elemental Water Makers. The aim of this foundation will be to provide solar-powered desalination solutions to remote, developing communities that lack access to safe drinking water. Since Elemental Water Foundation is a not-for-profit foundation, it will have to recover all project costs, most likely through diverse funding streams, which include: individual donations, corporate sponsorship, (non-)governmental grants, NGO & foundation partnerships and potentially CSR crowdfunding. In its consideration to use crowdfunding as one of the fundraising streams for its CSR activities, Elemental Water Makers would be interested in the corporate experience with CSR crowdfunding. Specifically, Elemental Water Makers would like to know of any specific corporate benefits or downsides related to the use of CSR crowdfunding as a means to stimulate fundraising for CSR projects, which could inform the final decision to consider CSR crowdfunding. Ultimately the corporate benefits or downsides to the use of CSR crowdfunding inform a final recommendation to Elemental Water Makers that suggests to use, or not to use CSR crowdfunding.

Based on the findings of this research, *this research does not recommend Elemental Water Makers to use internal CSR crowdfunding but does recommend public CSR crowdfunding for two reasons.* This recommendation is based on the following findings:

The positive effects to business value creation resulting from *internal CSR crowdfunding* are most salient in the case of a large, international company with: many employees (not engaged in CSR activities), many different CSR activities and a company culture that has yet to fully integrate CSR principles in its core business functioning. In the case of the latter type of company, using internal CSR crowdfunding may result in the following: (1) organisational costs of CSR can be reduced, (2) internal and external firm reputation can be improved through employees that become engaged in internal CSR crowdfunding, (3) HR performance (e.g. employee satisfaction/retention) may be improved and the company can become a more attractive employer, (4) CSR funding is increased through employee donations and finally (5) CSR impacts may be increased through increased CSR funding and through increased top-management recognition of CSR.

Given that Elemental Water Makers' entire workforce and management totals three full-time employees, who are equally engaged in CSR, and given there is currently one CSR

activity ongoing, the business value creation resulting from *internal* CSR crowdfunding would be very limited.

Since the positive effects of *internal* CSR crowdfunding would be very limited, the following section will describe why *public* CSR crowdfunding may be able to offer two positive effects to Elemental Water Makers.

The possible positive effects to business value creation resulting from *public CSR crowdfunding* are: (1) a reduction of organisational CSR costs & reputational risk, (2) an improved public reputation of the company (3) opportunities to market test demand for innovations and increase company customer base (4) an increase in CSR funds through incentivized donations by individuals, possibly through addition of company rewards (free products/services) to the crowdfunding campaign.

Given that Elemental Water Makers operates primarily in the business-to-business/high-end market and its single CSR project is catered to a developing community, the opportunities to reduce organisational CSR costs & reputational risk, market test demand for innovations and increase its customer base, are quite limited. Furthermore, due to its high-end products, adding product rewards to incentive donations to crowdfunding campaigns by individuals are quite limited.

Based on the results of this research, the recommendation would be for Elemental Water Makers to opt for public CSR crowdfunding. However, it can be expected that the positive effects to business value creation as a result of public CSR crowdfunding would be limited to an improved public reputation of the company and opportunities to increase CSR funds through crowdfunding donations.

First, by organising a public CSR crowdfunding campaign, Elemental Water Makers increases exposure of its CSR initiative to the public. This can be done by, for example: partnering with a crowdfunding platform or organising a crowdfunding campaign on the public Elemental Water Makers website. By virtue of the trustworthy, transparent and interactive characteristics associated with crowdfunding - as reported by respondents – a public CSR crowdfunding may lead to an increased public reputation of Elemental Water Makers as a responsible corporate citizen. This can possibly provide a competitive advantage over market competitors that have a lesser established public perception of being a social, responsible company.

Second, crowd donations can increase the CSR funds of Elemental Water Makers. Due to the high-end and business-to-business nature of the products of Elemental Water Makers, they do not lend themselves well as an individual reward to crowd donations. However, incentivizing crowdfunding donations by individuals could be stimulated by adding crowdfunding rewards that are sponsored by companies which have product affinity with water, which operate in the lower-end business-to-consumer market. For example, Elemental Water Foundation could partner with a water bottle company to incentivize donations to its crowdfunding campaign by providing the reward of a free water bottle for every 10\$ donation. In this manner, (1) the water bottle company can reap the benefits from communicating its

partnership with a social initiative, (2) the donating individuals receive a reward for their donation to the Elemental Water Foundations and (3) the amount of donations to the Elemental Water Foundation crowdfunding campaign are expected to increase by addition of donation-rewards. Alternatively, Elemental Water Makers could incentivize donations from its business customers by adding tiered, special offers to customers that depend on the size of the donation made to the crowdfunding campaign by the buying customer. For example, if a customer donates \$200 to the CSR project through the public CSR crowdfunding campaign, the customer receives an extended product-servicing coverage or package.

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1. INTRODUCTION

Corporate social responsibility (CSR) refers to the notion that corporate enterprises have a responsibility that extends beyond their shareholders and employees, reaching further into society and the environment. CSR can thus be conceptualized as the realm of corporate actions that furthers public good without explicit self-interest. This is reflected in the following CSR definition: “practices that improve the workplace and benefit society in ways that go above and beyond what companies are legally required to do” (Babiak & Trendafilova, 2007, p.1). Since the 1960s, media, governments and activists have increasingly held companies accountable for the social and environmental consequences of their activities and therefore the importance of diligent CSR has increased (Porter & Kramer, 2006).

Instead of treating CSR as merely an obligation or requirement to which companies must conform, increasing CSR may also be motivated by the firm. A positive relation between increased CSR activities and improved corporate financial performance could explain why a firm would increase its CSR. Based on CSR literature and quantitative models studying the relationship between CSR and corporate financial performance, Kurucz, Colbert & Wheeler (2008) have identified distinct manners in which business value is created through increased CSR. For example, implementing CSR activities may cost company resources in the short-term, while reducing corporate cost and risks in the long run. From the perspective of a company, one of the reasons for increasing CSR engagement or activities may therefore be long-term cost and risk reduction. In total, Kurucz et al. (2008) identified four ‘CSR business cases’ that are distinguished by four different modes of business case value creation: cost & risk reduction, reputation & legitimacy, competitive advantage and synergistic value creation. These four types of value creation are not mutually exclusive. This means a firm increasing its CSR may thereby create the two values of increased competitive advantage and reputation while increasing company costs. Based on this literature and it can be argued that increasing CSR activities can have several benefits for companies.

An innovation in the field of CSR is the recent adoption of crowdfunding as a means to CSR. In crowdfunding, internet-based platforms mediate the process of raising voluntary donations originating from a large number of people, the ‘crowd’, for a specific cause (Belleflamme, Lambert & Schwienbacher, 2014). In crowdfunding, the open-call for financial resources from the crowd is either in the form of a donation, or in exchange for a reward (equity, products, discounts etc.) to the project donors. According to a report on the state of crowdfunding in the EU by Crowdfunding Hub (2016), there is a high level of crowdfunding activity and a fast growth of crowdfunding transaction volumes (in some countries a yearly doubling). According to Agrawal, Cattalini & Goldfarb (2014), crowdfunding constitutes a relatively young form of alternative finance that is steadily growing in popularity worldwide.

Increasingly, established companies are adopting crowdfunding activities that aim at funding their CSR activities that advance causes that are beneficial to society and/or the environment. For example, Domino’s Pizza, a major American restaurant chain, launched a crowdfunding campaign in partnership with Indiegogo, an international crowdfunding website.

This campaign was named '#PoweredByPizza' and rewarded funders of independent non-profit/social crowdfunding projects that were pre-selected by Domino's Pizza (Crowdfund Insider, 2013). In a different case, the National Bank of Greece, the oldest and largest financial commercial banking group in Greece, created its own crowdfunding platform in 2016: act4Greece (Spanos, 2016). This crowdfunding platform funds corporate-initiated not-for-profit projects that fit with the companies' CSR mandate. Most recently, the H&M foundation, the non-profit foundation of H&M, a big multi-national clothing retailer, partnered with the crowdfunding platform Indiegogo, for the Global Change Award 2019. In the Global Change Award, H&M pledged 1 million euros to five independent, innovative and sustainable fashion initiatives featured on Indiegogo, and urged its audience to donate to these initiatives through crowdfunding (H&M Foundation, 2019).

Since these corporate crowd funded activities fall within the scope of what is commonly regarded as CSR, a novel combination between CSR and crowdfunding has emerged. Crowdfunding contrasts strikingly with the conventional ways of CSR funding, since this is traditionally funded by allocating a certain amount of a companies' internal resources (versus public, 'crowd' funds) to a CSR budget. From a cynical perspective, 'CSR crowdfunding' can be viewed as outsourcing CSR funding to (future) consumers that - after donating to CSR crowdfunding campaigns - are expected to become more loyal consumers that further boost corporate sales. From this perspective, it might look as if (future) consumers will not be likely to engage in CSR crowdfunding, which would mean CSR crowdfunding would possibly have a small beneficial effect on a company. However, an increasing amount of companies have been observed to engage in CSR crowdfunding. As such, an investigation into the corporate experience with CSR crowdfunding could possibly identify the 'business case' and company motivations for engaging in CSR crowdfunding.

As of yet, there is no academic evidence of the negative or positive effects of CSR crowdfunding on companies. However, academic studies focussing on crowdfunding and CSR communication have generated a number of findings that may also hold for the case of CSR crowdfunding. For example, increased company funds can be made available through crowdfunding (Agrawal, Catalini & Golfarb, 2014; Golić, 2014). Therefore, it could be possible that CSR crowdfunding may be a way to increase CSR funds for a firm. Additionally, crowdfunding can stimulate positive public perception of companies through company exposure on crowdfunding platforms (Mollick et al. 2016). Similarly, CSR crowdfunding may prove to be a way of stimulating positive public perception of a company.

In contrast, there could also be negative effects on companies as a result of CSR crowdfunding. For example, a company may have to invest considerable resources into CSR crowdfunding, which may outweigh the potential benefits. Alternatively, the interactive nature of crowdfunding on independent crowdfunding platforms grants corporates little control over their communications, and can be a risk to company reputation if not managed well (Illia et al. 2017; Seele & Locke, 2015). Therefore, CSR crowdfunding may similarly induce risk to a company.

It thus remains hard to determine how CSR crowdfunding relates to the four business cases for CSR identified by Kurucz et al. (2008). For example, CSR crowdfunding may offer specific advantages of cost and risk reduction that are not attained through non-crowdfunding CSR, but may have possible negative effect on the reputation of the company.

Due to the growing societal awareness of irresponsible and unethical business practices, companies are increasingly recognizing the need for CSR. This means that it is of *societal relevance* to learn from the corporate experience with CSR crowdfunding in a way that produces insights into the effects of CSR crowdfunding on companies and society. Moreover, since CSR involves multiple stakeholders (e.g. charities, NGOs) and the general public (amongst others through crowdfunding), it would be of value to understand whether CSR crowdfunding, with respect to non-crowdfunding CSR, has positive or negative effects on its stakeholders and the public.

From an *academic perspective*, CSR crowdfunding remains under-investigated. To date, this subject has solely been explored extensively in one academic peer-reviewed paper (Spanos, 2016). Spanos (2016) did not gather evidence originating from companies and crowdfunding organisations experienced with CSR crowdfunding. Instead, Spanos (2016) generated potential synergies and complementarities between CSR and crowdfunding through (1) a literature review of CSR and crowdfunding studies, and (2) an observational study of a bank that integrates its CSR mandate with crowdfunding. Therefore, the study does not integrate insights originating from organisations that are experienced in CSR crowdfunding, and thus offers no account of the corporate experience with CSR crowdfunding and no empirical evidence of the synergies between CSR and crowdfunding. Furthermore, Spanos (2016) suggests future research “should further explore the evolving relationship between crowdfunding and CSR, by examining how crowdfunding/crowdsourcing success stories can enrich CSR business values and strategies” (p.12). The latter research suggestion would be satisfied by identifying which of the four modes of value creation suggested by Kurucz et al. (2008) are enhanced or diminished specifically by CSR crowdfunding.

Increasing societal pressure for CSR has been identified (Porter & Kramer, 2006), there is an emerging trend of CSR crowdfunding by companies (Spanos, 2016) and increasing popularity and use of crowdfunding as means of alternative finance for companies (Agrawal et al. 2014; Golić, 2014). Given these observed trends, CSR crowdfunding may become increasingly common and interesting for companies. As such, research that investigates the corporate experience with CSR crowdfunding *from a corporate perspective* would be of great value for companies considering the future use of CSR crowdfunding. This is echoed by Spanos (2016) whom notes that “an analysis and examination of the crowdfunding phenomenon from a CSR perspective can have significant implication for changing a company’s culture and business model.”

In order to understand the effects of CSR crowdfunding on corporates and their business case value creation, the following research question will guide this research:

What is the perceived effect of CSR crowdfunding on the business case value creation of companies from the perspective of companies and crowdfunding organisations?

In order to gather data on the perceptions of companies and crowdfunding organisations with experience in CSR crowdfunding, a qualitative, cross-case analysis research design was adopted. This research design produces knowledge by accumulating case information and by comparing and contrasting cases, thereby producing new knowledge. (Khan & VanWynsberghe, 2008). Given the pioneering nature of this research on a marginally studied subject, and the growing, yet small, number of recently observed cases of CSR crowdfunding, this research assumes a qualitative approach. Moreover, the focus on the *perceived effect* of CSR crowdfunding on business case value creation is justified due to the attested difficulty of supporting business case value creation of CSR through quantitative evidence (Kurucz et al. 2008).

Within this qualitative approach, semi-structured interviews will be used to collect data. During the interviews, respondent will be asked to share the positive and negative effects which they perceive CSR crowdfunding to have on the business case value creation. Semi-structured interviews were deemed fitting since they are capable of exposing respondent motivation and rationale in their own terms (versus closed-ended answers generated in questionnaires or surveys). This is crucial for answering the research question as it focuses on *perceived* business case value creation. Seventeen semi-structured interviews were held with: (1) employees of companies experienced in CSR crowdfunding, (2) public crowdfunding platforms experienced in CSR crowdfunding, (3) crowdfunding service providers offering CSR crowdfunding tools and services to companies and (4) crowdfunding experts. Together, these different sources provide a rich body of sources for uncovering the experiences with CSR crowdfunding.

The next section of this research will present the analytical framework. This framework is based on crowdfunding literature and the four modes of business case value creation identified by Kurucz et al. (2008), and will be used to analyse the data originating from the interviews.

2. ANALYTICAL FRAMEWORK

2.1. CROWDFUNDING

In crowdfunding, internet-based platforms mediate the process of raising a predefined amount of money, through voluntary donations that originate from a large number of people, the 'crowd', for a specific cause (Belleflamme, Lambert & Schwienbacher, 2014). The amount of money aimed for can differ several orders of magnitude, and the nature of the different causes is highly diverse. Usually, crowdfunding is not used for CSR but is used to fund projects such as the development of innovative products, community projects, social causes, new business development etc. (Mollick, 2014). In crowdfunding, the open call for financial resources from the crowd is either in the form of a donation, or in exchange for a reward (e.g. equity, products, discounts) to the project donors. Apart from facilitating a financial relationship between the crowd and the initiator, crowdfunding also offers the ability of interaction between the crowd and the crowdfunding initiator in a dialogic fashion (Gerber et al. 2014).

2.1.1. CROWDFUNDING MODELS

According to Mollick (2014), there are four different kinds of crowdfunding that can be delineated along the different goals held by the crowd funder.

1. Donation-based crowdfunding;
2. Reward-based crowdfunding;
3. Equity-based crowdfunding;
4. Debt-based crowdfunding;

The first two crowdfunding models can be grouped under non-financial crowdfunding since they do not offer a financial return on the funding invested by the crowd funder. In donation-based crowdfunding, a philanthropic donation is made to a cause, without reimbursing the investor with a reward. In the second model, investors are rewarded with non-financial incentives, such as vouchers, honourable mentions, products (connected to the backed project).

The second group of crowdfunding models are categorized as financial crowdfunding since they offer a financial return to the contribution of the crowd funder. Equity-based crowdfunding can be likened to buying shares of a company – the investors buys shares of a company and as such enjoys the benefits of future profits. Finally, in debt-based crowdfunding, the funding is structured along that of a loan, with or without interest, depending on the project statement. In comparison to non-financial crowdfunding, these forms of crowdfunding are a more challenging group of crowdfunding models from a legal standpoint. Regulations for these two types of crowdfunding are only now slowly catching up with the interest (Roodink & Kleverlaan, 2016).

So far, only donation-based and reward-based crowdfunding have been observed in combination with CSR programs of companies.

2.1.2. *CROWDFUNDING CRITIQUES & IMPLICATIONS FOR CSR CROWDFUNDING*

Several authors (Paulus & Roberts, 2018; Berliner & Kenworthy, 2017) have argued that crowdfunding acts as a distraction from the social injustices produced by austerity and free market solutions. Moreover, Berliner & Kenworthy (2017) argue that crowdfunding has the potential to increase social inequality. These critiques exemplify how austerity and free market solutions in, for example health care provision, render health care patients raising money for their medical care through crowdfunding campaigns as “precarious subjects” that are “at the mercy of [crowd] donations” (Paulus & Roberts, 2018, p.1). In the attempts of such patients to secure health care funds through personal crowdfunding, “precarity is portrayed as the result of inadequate self-marketing, rather than the inevitable consequences of structural conditions of austerity” (Berliner & Kenworthy, 2018).

As competition amongst crowdfunding campaigns increases, crowdfunding campaigners are obliged to create compelling appeals that convince the crowd to donate to their cause. However, certain kinds of appeals, for certain kinds of crowdfunding projects might be more successful at reaching crowdfunding campaign targets, which may affect the kind of CSR projects a company engage in through CSR crowdfunding. In creating compelling crowdfunding appeals, research has found that several crowdfunding causes and communication strategies are more likely to reach their funding success (Calic & Mosakowski, 2016). For example, Berliner & Kenworthy (2017) note that in the case of crowdfunding campaigns raising money for personal medical needs, crowdfunding campaigns are more successful in case campaigners master medical and media literacies, which favour certain a specific class of people that have these skills. Elsewhere, Althoff et al. (2014) identifies predictors of successful altruistic requests on social media, which CSR crowdfunding is by definition, and finds the factors of ‘urgency’ and ‘status’ to predict donation success. The findings of Althoff et al. (2014) findings would imply that CSR crowdfunding campaigns conveying these two factors would be more successful at eliciting crowd donations than crowdfunding campaigns that fail to communicate the above factors. This would suggest that fundraising through CSR crowdfunding for a hurricane (high urgency) affecting a wealthy community (high status) would be easier than for a rare, long gestating disease (low urgency) affecting a relatively small amount of poor people (lower status). In identifying crowdfunding success predictors, Rodriguez-Ricardo et al. (2018) finds that donors are more inclined to donate when they have a stronger social identification with the crowdfunding topic. This implies that companies using CSR crowdfunding can more easily elicit crowd donations when they propose crowdfunding projects with which its audience identifies.

Since certain crowdfunding causes are more likely to attract the attention of potential crowd funders, companies considering the use of CSR crowdfunding may be more inclined to favour popular crowdfunding causes. As such, CSR projects that do not meet the characteristics

that predict crowdfunding success, may receive less consideration by companies deliberating the use of CSR crowdfunding in their (future) CSR activities. Therefore, the use of CSR crowdfunding may shift the topic of CSR activities to fit with the successful predictors of crowdfunding success. For example, a company may decide to discontinue its support to scientific research investigating rare medical diseases affecting few people worldwide, in favour of supporting timely and sensational disasters, such as hurricanes affecting thousands of people, since the latter topic would be more likely to promise crowdfunding success.

2.2. CSR BUSINESS CASE VALUE CREATION

This research investigates the effect of CSR crowdfunding on the business value creation of firms. In order to understand the effect of CSR crowdfunding, we first need to understand how CSR can affect business value creation. Kurucz et al. (2008) distilled four overarching types of CSR business case value creation (see *Table 1*) from literature and quantitative models explaining possible relationships between CSR and corporate performance and value creation. These types of business value creation provide an explanation for the corporate incentives to pursue CSR activities, and potentially also an explanation for the use of CSR crowdfunding. Moreover, the four types of CSR business case value creation reflect the corporate role and the logic underlying the CSR motivation. The different corporate roles and logic underlying the four types of CSR business case value creation can shed light on the complementarity between crowdfunding, CSR and the business case value creation resulting from their combination (See *Table 1*).

Table 1: Analytical framework: The four different types of business case value creation of CSR (Kurucz et al. 2008)

	Cost and risk reduction	Competitive advantage	Reputation and legitimacy	Synergistic value creation
Key Value Proposition	Trading: Engaging in CSR to reduce costs and risks to the firm	Adapting: A strategic approach to CSR to build relative competitive advantage	Aligning: Exploiting CSR activities to build value through gains in firm reputation and legitimacy	Relating: Integrating stakeholder interests to create value on multiple fronts
Central role of business	Economic Actor	Economic Actor	Political Actor	Social Actor
Level of Theory	Organization	Industry	Political and Cultural System	Societal
Assumed Nature of Interactions	Linear	Complicated	Complex	Self-Organizing
Dominant Logic	Normative Economic	Normative Economic	Normative Political	Cognitive Social

2.2.1. *COST & RISK REDUCTION*

Kurucz et al. (2008) state that CSR activities may lead to the business case value creation of cost and risk reduction. Firms engaging in CSR for the reason of cost and risk reduction assume a normative economic corporate logic. In this logic, a company considers its CSR based on a cost- and risk assessment. The primary view assumed by companies considering CSR for its cost & risk reduction value creation is that stakeholder demands are part of the environment to be managed. Stakeholder demands present potential threats. In this view, CSR is of economic interest as threats can be mitigated by managing social and/or environmental performance at threshold levels. For example, a pharmaceutical producer may initiate long-term plans for construction of advanced waste water treatment facilities in expectation of future stakeholder demands for better public water quality. Because of the long-term perspective assumed, the pharmaceutical producer keeps construction costs lower than building the same facility in a short time frame as a response to acute public demand for better public water quality. As such, a long-term, normative economic corporate logic of CSR may lead to a cost and risk reduction compared to a situation in which a corporate at-present takes minimal environmental responsibility for which it will suffer economically in the long term.

CSR crowdfunding can potentially lead to CSR cost and risk reduction. In light of CSR funding and budgets, a CSR crowdfunding campaign could raise additional funds that, from a corporate perspective, reduce the CSR dependency on internal CSR budgets. In the case of the previous example of the pharmaceutical producer, costs for the construction of advanced waste water treatment facilities may be a little bit too high for the firm to bear through its internal CSR budget. In this case, it may be that CSR crowdfunding can increase the available CSR budget by adding crowd donations. As such, CSR crowdfunding may lead to cost reduction (and potentially increased CSR funding), as well as risk reduction (diversification of CSR funding sources). This viewpoint is further supported Agrawal, Catalini & Golfarb (2014), who performed a preliminary exploration of the underlying economics of crowdfunding for entrepreneurs. From an economic perspective, crowdfunding leads to a general reduction of risk exposure for entrepreneurs. By raising funds in small increments from a large number of sources versus a traditionally limited amount of funding sources, entrepreneurs become less dependent on traditional financial institutes. Furthermore, crowdfunding reduces a number of costs that were traditionally much higher for entrepreneurs, such as search costs (efficient funder-creator matching), transaction costs (no intermediary financial institute) and communication costs (direct and efficient internet-mediated interaction with multiple funders at once) (Agrawal, Catalini & Golfarb, 2014).

At the same time, CSR crowdfunding may also lead to increased cost and risks. Engaging with the public over a subject as contentious as CSR through direct, interactive manner across crowdfunding channels, may also prove a risk in itself. In communicating with the public, corporates attempt to bridge a trust gap that exists because of public scepticism towards corporates (Seele & Locke, 2015). In attempting to bridge this gap, corporates engage in communication with the public, where corporates are continuously striking a balance between

the communication's credibility and its controllability (Illia et al. 2017). When communication occurs in a one-way communication channel, it is seen by the public as a weak form of engagement with little meaning that allows for manipulation of message contents (controllable and of low risk). Instead, when dialogue occurs through non-hierarchical two-way user-generated content, such as word of mouth or independent crowdfunding platforms, it is perceived as credible and meaningful, while being less controllable and of higher risk (Illia et al. 2017).

2.2.2. *REPUTATION & LEGITIMACY*

Impact on reputation and legitimacy is a second way in which CSR can affect business case value creation of companies. Through pursuit of CSR activities, a company can stimulate gains in firm reputation and legitimacy. For example, a company can align stakeholder and firm interests by linking corporate philanthropy and marketing, thereby showcasing responsible corporate behaviour in order to generate reputational gain. The corporate impact of reputation and legitimacy can arise from a normative political logic, in which value is created by aligning stakeholder interests. In this view stakeholder interests are aligned so the organisation is viewed as a responsible entity. If the organisation is no longer seen as responsible, it puts its decision-making and external interactions at risk. Moreover, gains in organisation reputation are thought to have a positive effect on market value and financial performance as well as attracting prospective employers (Weber, 2008).

CSR can also negatively affect the reputation and legitimacy of a firm. Gains in reputation and legitimacy resulting from increased CSR are contingent on the external awareness of CSR activities. Since the external awareness of CSR activities of a firm is not a given amongst all members of society, it follows that CSR commitments should in some cases be communicated to an organisation's external environment if gains in reputation and legitimacy are to be consolidated (Du et al. 2010). In conceptualizing the degree to which CSR communications improve the public perception of a company, Du et al. (2010) list several factors relating that can influence the effectiveness of CSR communications.

According to Du et al. (2010), one factor influencing CSR communication efficiency is the degree of pro-activity in communication efforts and the degree to which this is tailored to the different crowd segments. For example, Dawkins (2004) has identified the 'CSR activist' and 'CSR disbeliever' segments, wherein the former partly base consumption on ethical criteria and the latter are unreceptive to pro-social criteria. According to Polonsky & Jevons (2009), the dilemma of catering communication towards these different segments is based on the following tension: (1) by segmenting CSR communication to cater to different crowd segments, companies run the risk of being accused as inconsistent and hypocritical, thus losing public reputation and legitimacy. Alternatively, (2) a company may choose to communicate the same CSR activities towards all customers, which may increase the risk of alienating crowd segments not oriented towards CSR, which could lead to a loss of reputation amongst these crowd segments. Given that one of the primary activities of crowdfunding platforms is to exhibit and

communicate different crowdfunding campaigns, companies using crowdfunding platforms in their CSR communication may decrease the risk of being accused as inconsistent as a result of segmenting CSR communications.

According to Du et al. (2010) another factor influencing the effectivity of CSR communication is the focal issue, or the main cause, which the CSR activity addresses, and the degree to which this cause receives stakeholder support. Since stakeholders generally process information voluntarily only when it is seen as self-relevant or familiar, and issue support depends on the processing of communicated CSR information, companies need to explain and communicate the importance of the focal issue in order to stimulate support of stakeholders for the focal issue. Stimulating stakeholder support can be done through informing stakeholders, but instead of relying on provision of cause-related information for stakeholder support, corporates can actively engage stakeholders in a way that supersedes informing (Du et al. 2010). For example, companies can ask stakeholders for their feedback/input or enable stakeholders with some degree of decision-making power (e.g. in selecting which non-profit/cause to support), which CSR crowdfunding could possibly facilitate.

CSR activities through crowdfunding may also enhance reputation and legitimacy. Mutch & Atkins (2009) noted that many companies enter into social alliance partnerships with non-profit organisations in order to advance their corporate reputation goals and reduce public scepticism of CSR. These partnerships have an effect on the public perception of corporate legitimacy and reputation and thereby lead to corporate impact. This effect can be conceptualized as transfer of legitimacy and reputation from the CSR partner organisation to the corporate. This transfer potentially improves the corporate reputation and legitimacy. Partnerships between corporates and independent crowdfunding projects or crowdfunding platforms may also lead to a transfer of legitimacy and reputation, thereby creating corporate impact. Moreover, Mutch & Aitken (2009) identify that, in overcoming entrenched cynicism about corporate motives for CSR partnerships, marketing has a significant role to play. To complement this call for marketing in CSR partnerships, crowdfunding may be a fit candidate. According to Zimmer (2018), one of the non-financial added values of crowdfunding is its use as a marketing tool, thereby further lending support to the use of CSR crowdfunding. Additionally, partnerships between corporates and not-for-profits can lead to a transfer of affect and goodwill to corporates. Lichtenstein et al. (2014) found evidence for the transfer of consumer-corporate affect and goodwill from independent non-profits to corporates. Moreover, this transfer of affect had a positive effect on corporate-consumer donations to the corporate-supported non-profit.

Additionally, CSR crowdfunding may also provide specific non-financial added value to the benefit of the public perception of a company. According to Mollick et al. (2016), one of the non-financial added values of crowdfunding is its ability to receive feedback from the market/community and its usage as a marketing tool. These crowdfunding-specific benefits may ultimately benefit the business value creation stemming from CSR crowdfunding, such as enhanced reputation or public perception of a company.

2.2.3. *COMPETITIVE ADVANTAGE*

CSR activities can also impact the competitive advantage of a firm. To continue on the previous example: the same pharmaceutical producer may install advanced waste water treatment facilities as these facilities can recover valuable resources from waste, thereby reducing costs associated with buying of the same resource, which can lead to higher profit margins in comparison to rivaling pharmaceutical producers, while simultaneously benefitting the public. Firms engaging in CSR to gain competitive advantage over rivals may motivate their CSR engagement on the basis of a normative economic corporate logic. In this logic, the corporate considers CSR engagement strategically in order to leverage competitive advantage over its rivals. As such, positive business case value creation occurs as the firm adapts to its external context in a manner in which it surpasses its rivals while also benefitting the public. In comparison to the CSR impact of cost and risk reduction, stakeholder demands are not seen as constraints but rather as opportunities that can be leveraged to corporate benefit (Porter & Kramer, 2006).

CSR may also negatively affect the competitive advantage of a firm. According to Smith (2007), it is generally difficult to find someone who views socially responsible behaviour as negative. However, Smith (2007) states two arguments can be made against social responsibility when considering its effect on the competitive advantage of a company.

The first argument against increased CSR is based on the notion that companies should not allow CSR to divert attention from the main goal of maximizing shareholder value. Friedman (1970) argues that engaging in CSR activities ultimately is self-serving behaviour of managers, whose pursuit of social/environmental goals ultimately damages shareholder value since CSR activities do not directly translate in profit maximization. Some shareholders could argue that putting people before profits constitutes the wrong business strategy. When a firm engages in CSR activities, it allows competitive companies to find new markets and make better use of current resources. Thus, potential shareholders that share this perspective might opt out of investing in a company that significantly engages in CSR spending that does not directly contribute to profit maximization. As a result, some companies may see a decrease in (future) shareholders and thus decreased competitive advantage. However, since CSR crowdfunding adds public funds to existing CSR funds, shareholders may also welcome CSR crowdfunding as a means to reduce firm CSR spending relative to traditional CSR spending. It can thus be argued that increased CSR may have a negative effect on the competitive advantage of a company, while CSR crowdfunding may elicit a different shareholder response to CSR.

The second argument against increased CSR is based on the public notion that companies are not sincere with their CSR efforts, and that profit-seeking motives will ultimately lie beneath the surface of company incentives for CSR. Businesses using CSR in their external communication run the risk of being scrutinized by sceptic individuals that perceive CSR activities to be motivated on profit-maximizing principles. According to Skarmas & Leonidou (2013), consumer scepticism toward corporate social involvement is on the rise. Since consumers receive conflicting information about CSR involvement and often have trouble

distinguishing socially conscious companies from irresponsible companies, consumers tend to question why companies embrace CSR and become sceptical of corporate social involvement. As such, embracing CSR as a means to competitive advantage may in fact result in a decreased competitive advantage due to increased consumer scepticism and deteriorated public perception of the company.

Crowdfunding may also enhance the competitive advantage of a firm. Crowdfunding may boast unique non-financial added values that may leverage competitive advantage over market competitors not adopting CSR crowdfunding. According to Mollick et al. (2016), several non-financial added values of crowdfunding versus traditional forms of finance are: a chance to test marketability and demand, the creation of a community, availability of feedback from the market/community, building momentum in the run-up to a new product/service (Zimmer, 2018) and the use of crowdfunding as a marketing tool. For example: as a means of testing the marketability of a new product, an entrepreneur may start a crowdfunding campaign. When little interest and funds arise from the crowd, the entrepreneur may decide to change his marketing approach or product.

2.2.4. SYNERGISTIC VALUE CREATION

The fourth, and final mode of CSR business case value creation discussed by Kurucz et al. (2008) is synergistic value creation. This mode of business case value creation explains how CSR activities can facilitate value creation for multiple actors by relating and connecting opportunities of diverse stakeholders. Through the pursuit of CSR activities that create connections between stakeholders, unseen opportunities for multi-point value creation can open up and form a *sustainable local enterprise network*. Synergistic value creation can best be illustrated using an example provided by Wheeler et al. (2005). In describing sustainable local enterprise networks, Wheeler et al. (2005) describes four broad sustainability outcomes of sustainable local enterprise networks: (1) profits and reliable returns (2) local economic development and trade (3) enhanced quality of life including human development and ecological enhancement and (4) individual and community economic self-reliance. The following example illustrates these outcomes:

“Balrampur Chini Mills Ltd., headquartered in Calcutta, India, is one of India’s largest sugar producers. Its four mills are located in one of the poorest regions of the country, eastern Uttar Pradesh, and BCML’s business model involves the purchase of sugar cane from over 180,000 small-scale farmers. In each factory, approximately 50 members of BCML’s staff provide technical training to farmers and access to information about enhanced sugar cane varieties and other agricultural inputs. BCML has introduced 70 collection centres that minimize travel time for farmers, and it upholds a strict policy of paying farmers within seven days of delivery. The improved livelihood that Uttar Pradesh sugar cane farmers have experienced has led to an immense amount of goodwill and loyalty toward BCML, which contributes to increasing the quality and reliability of its sugar cane supply. BCML also has developed a

diversified, ecologically driven revenue stream from the production of ethanol, electricity, carbon credits and biofertilizers from the by-products” (Wheeler et al. 2005, p.37)

The CSR impact of synergistic value creation can stem from corporate adoption of a cognitive social logic. In this logic, the corporate seeks ‘win-win-win’ outcomes by connecting multiple stakeholder interests simultaneously. These connections are made by relating common interests in such a way that they open unforeseen opportunities. As such the role of a firm is more akin to that of an integrative social actor, than to that of a self-centred actor that prioritizes self-interest in the form of, for example CSR-induced cost-reduction.

According to a study by Quero et al. (2017) crowdfunding can be considered a service ecosystem - a context in which actors “come together” to create positive synergies to the benefit of all participants. In studying the value co-creation capabilities of crowdfunding platforms for arts and cultural projects, Quero (2017) finds crowdfunding platforms to facilitate seven forms of co-creation: co-ideation, co-valuation of ideas, co-design, co-test, co-launch, co-consumption. Quero (2017) states that such crowdfunding platforms develop latent rules and strategies to bring the proposed projects to fruition. Through crowd-funding platforms, different actors exchange information, knowledge and facilitate innovation activity, connectivity, complementarities, efficiency and exhibit network effects. This notion is also supported by Melander & Segall (2015), who state that one of crowdfunding’s non-financial benefits is its ability to engage with a wide audience that share similar values and characteristics (e.g. entrepreneurial spirit, curiosity and authenticity). These shared values create a social community, where community members feel a connectedness and are more likely to collaborate to potentially positive and unforeseen effects.

3. METHODOLOGY

The aforementioned four modes of CSR business case value creation, can also be used to investigate the effects that CSR crowdfunding may have on business case value creation of companies. This will be investigated by studying different corporate experiences with CSR crowdfunding. To investigate these effects, this study adopts a cross-case analysis research design. This research design produces knowledge by accumulating case information and by comparing and contrasting cases, thereby producing new knowledge. (Khan & VanWynsberghe, 2008). Cross-case analysis designs may be selected when it is not feasible to undertake an experimental design or when there is a need to understand and explain how *factors* within the context influence *a certain outcome*. For the case of this research, a cross-case design was selected because an explanation is sought for the factors (CSR crowdfunding) influencing a certain outcome (business case value creation). Moreover, the focus on the *perceived effect* of CSR crowdfunding on business case value creation is justified due to the attested difficulty of supporting business case value creation of CSR through quantitative evidence (Kurucz et al. 2008). Therefore, this study will investigate the *perceived* effects of CSR crowdfunding on business case value creation according to companies and crowdfunding organisations.

3.1. DATA COLLECTION

The perceived business case value creation effects of crowdfunding CSR can best be studied by conducting semi-structured interviews. In semi-structured interviews, a standard list of questions is established prior to the interview. Instead of following a structured order of questioning, the questions act as a guideline along which the conversation is structured and allows for following of topical trajectories that present themselves.

The formulation of questions will be based on the critical factors identified by the analytical framework, which are the four modes of CSR business case value creation identified by Kurucz et al. (2008): cost & risk reduction, reputation & legitimacy, competitive advantage and synergistic value creation. For example, a question may specifically focus on exploring whether or not a company perceives CSR crowdfunding to have an impact on corporate competitive advantage.

Semi-structured interviews were deemed as a fitting data collection method that is capable of answering all aspects of the research question and conceptual framework. First, the topic of CSR crowdfunding and the corresponding research gap have received little academic attention as of yet and very little is known about the corporate experience with CSR crowdfunding. Therefore, an exploratory research is required in which interviews and open-ended questioning expose respondent motivation and rationale in their own terms (versus closed-ended answers generated in questionnaires or surveys). This is crucial for answering the research question as it focuses on *perceived* business case value creation of CSR

crowdfunding. Moreover, Drever (1995) suggests that using semi structured interviews is a highly effective method in small-sized, pioneering studies, which this study is due to its seventeen interview respondents and pioneering research on CSR crowdfunding.

3.2. PARTICIPANTS

Since the topic of this research is corporate experience with CSR crowdfunding and its effects on business case value creation, it follows that interview participants will have to be active in (1) a company that engages in CSR crowdfunding or is active in (2) crowdfunding platforms/services that cooperate with companies to facilitate CSR crowdfunding. Apart from contacting relevant companies, it is important that a company representative with relevant experience, insights and company positions, participates in this research.

Participants were identified in multiple ways. First, Google was searched systematically in order to identify relevant companies, crowdfunding platforms and crowdfunding service providers. Google search terms used include: “CSR crowdfunding”, “corporate giving”, “employee giving”, “crowdfunding platform CSR”, “not-for-profit crowdfunding” and “corporate fundraising”. Search results up to the 30th Google search result page were assessed with regard to their relevance to this research. Based on the website of the respective company/organisation, respondents were contacted via e-mail and or telephone and asked to participate in an interview. Second, snowball sampling was used in order to further guarantee an increased number of (relevant) respondents (Biernacki & Waldorf, 1981). In snowball sampling interviews, the respondents are solicited to share contacts, companies or organisations that could be of interest to this research so that they may become potential interview respondents. While snowball sampling does provide a greater chance of securing a sample size of, it does create chance of a sampling error and thus makes generalization of findings for larger populations weaker (Browne, 2005). All interviewees were contacted via e-mail and/or telephone and asked to participate in an interview taking around 45 minutes (see Appendix 3 & 4 for respondent outreach emails). Personal and company identity was anonymized and an audio-recording (in aid of transcription) was made.

3.3. DATA ANALYSIS

After transcribing the interviews, data analysis focussed on identifying the perceived effects of CSR crowdfunding on business case value creation. Data was analysed by identifying recurring data patterns that related to the four modes of business case value creation identified by Kurucz et al. (2008). Recurring data patterns were distinguished by use of color-coding, which is an analytical method that can be used to identify trends within qualitative data (Saldaña, 2015). Colour codes serve as a way to label and organize and sort data. Colour codes can be predefined categories described in the analytical framework (*a priori codes*), or emergent, empirical categories (*grounded codes*). The four *a priori codes* used by this research were the four modes of business case value creation. For example, across all interviews, data

relating to business case value creation in the form of competitive advantage was coloured red, and all data related to business case value creation in the form of cost reduction was coloured yellow. Several *grounded codes* emerged while analysing the interview data, and include: the topic of transparency in relation to CSR crowdfunding and the interactivity of crowdfunding. Both the *a priori* and *grounded codes* used in this research were used to colour code interview data, which was then translated into a data analysis table. This table lists, per respondent, both the *a priori* and *grounded codes* and reflected the respondent-perceived positive and/or negative effects of CSR crowdfunding on the four modes of business case value creation. After all interview data was colour-coded and translated into the data analysis table, recurring trends between perceived effects of CSR crowdfunding on business case value creation were analysed by comparing, contrasting and relating the data to respondent categories.

4. RESULTS

4.1. RESPONDENTS

Semi-structured interviews were conducted with seventeen respondents (see *Table 2*). Respondents were based in different countries across several continents (North America, Europe and Asia). The respondents can be divided in four respondent categories, and include: crowdfunding experts (two respondents), crowdfunding platform employees (five respondents), employees of crowdfunding service providers (five respondents) and companies that implement CSR crowdfunding campaigns (five respondents). These latter respondents are not the only observed companies and crowdfunding organisation with experience in CSR crowdfunding. First, 54 crowdfunding organisations with CSR crowdfunding experience (platforms and service providers) were found through Google searches and asked to participate in this research. Second, 31 companies with experience in CSR crowdfunding were found through Google searches and asked to participate in this research.

Apart from companies experienced in CSR crowdfunding and crowdfunding experts, two respondent categories were included in this research that can be distinguished based on the different types of CSR crowdfunding (see 4.2) offered:

Crowdfunding platforms are websites that enable individuals, the crowd, to provide funds in support of crowdfunding projects that are unaffiliated with the platform. These crowdfunding projects are diverse in nature and ‘public-facing’, which means they can be supported or initiated by any kind of party connected to the internet (e.g. companies, individuals, non-profits, communities etc.) Examples of big crowdfunding platforms that display many public-facing crowdfunding campaigns include Kickstarter (48 million monthly visitors) and Indiegogo (14 million monthly visitors) (SimilarWeb, 2019). Apart from hosting many public-facing crowdfunding campaigns and public CSR crowdfunding campaigns of companies, these crowdfunding platforms may also provide tailored digital tools & services to companies so they are enabled to engage in internal CSR crowdfunding (see 4.2).

Crowdfunding service providers provide tailor made crowdfunding tools & services to companies so they, and their employees, are enabled to engage in internal and public CSR (see 4.2). For example: a crowdfunding service provider may build a crowdfunding platform that is only viewable to employees of a certain company, which enables employees to start their own CSR crowdfunding projects or support crowdfunding projects initiated by their colleagues or the company.

Crowdfunding service providers can be distinguished from crowdfunding platforms insofar as that crowdfunding service providers only sell client-specific crowdfunding tools and services to companies and organisations at their request. Crowdfunding service providers, in contrast to crowdfunding platforms, do not host a permanent public crowdfunding platform on which any third-party (e.g. charity, company, individual, community) connected to the internet can view and initiate public crowdfunding campaigns.

Table 2: Interview respondents

Respondent	Type of CSR crowdfunding	Country	Interview date
Crowdfunding Platform A	Public	Malta	06-03-2019
Crowdfunding Platform B	Public & Internal	India	15-02-2019
Crowdfunding Platform C	Public & Internal	India	19-02-2019
Crowdfunding Platform D	Public & Internal	USA	28-03-2019
Crowdfunding Platform E	Public & Internal	Canada	21-02-2019
Crowdfunding Service A	Internal	Switzerland	26-03-2019
Crowdfunding Service B (2)	Internal	The Netherlands	12-03-2019 & 03-05-2019
Crowdfunding Service C	Internal	United Kingdom	08-04-2019
Crowdfunding Service D	Internal	Canada	25-04-2019
Company A	Internal	USA, The Netherlands (branch)	22-03-2019
Company B	Internal	Ireland, The Netherlands (branch)	22-02-2019
Company C	Public	The Netherlands	29-03-2019
Company D	Public	USA	11-04-2019
Company E	Public	USA	16-04-2019
Crowdfunding Expert A	-	Germany	08-04-2019
Crowdfunding Expert B	-	Malta	10-04-2019

4.2. TYPES OF CSR CROWDFUNDING

Two major types of CSR crowdfunding were identified based on the interviews: public CSR crowdfunding and internal CSR crowdfunding.

In public CSR crowdfunding, companies directly engage with individuals in the crowd through crowdfunding campaigns that are publicly accessible. Public CSR crowdfunding can occur in several different ways, for example a company may provide financial support to a non-profit or social initiative that runs a crowdfunding campaign on a crowdfunding platform. Alternatively, a company may double the crowd donations to crowdfunding campaigns of non-profits on crowdfunding platforms (coined 'match-funding'), add corporate products/services as rewards to crowdfunding campaigns of non-profits on crowdfunding platforms, or partner with a crowdfunding platform and provide financial support to all non-profit initiatives featured on the platform that fit certain conditions.

In internal CSR crowdfunding, corporates enable employees to initiate CSR crowdfunding campaigns or join CSR crowdfunding campaigns initiated by fellow colleagues. These CSR crowdfunding campaigns are initiated by employees and directly support non-profit initiatives, non-profit organisations or NGOs. This type of CSR crowdfunding usually occurs in large international companies through use of digital 'employee giving & engagement' tools. Usually, these internal platforms also enable employees to contribute in-kind support to company-selected organisations or employee-selected non-profit initiatives. This in-kind support usually entails employees putting their skilled expertise to use for a restricted amount

of paid working hours for social initiatives or NGOs. The nature of this form of CSR crowdfunding is different than that of public CSR crowdfunding since the crowdfunding campaigns are visible only to people within an organisation.

Some respondents noted more potential for internal CSR *crowdsourcing* than CSR *crowdfunding*. They argue that the support offered by internal CSR crowdsourcing is more unique than internal CSR crowdfunding and that offering specialized services by employees is more valuable than giving money. Moreover, they see internal CSR crowdfunding as a low-level transitional step-up for companies that wish to take on a broader, progressive approach to CSR.

“Anyone can give money. One person more than the other, but that doesn’t matter for employee engagement. Giving time is harder and more unique. [...] If you are unique with your expertise and with your network and you can make a profound impact on the non-profit initiative, then you have way more impact than when a financial expert is painting the walls of the children’s farm.” (Crowdfunding service B)

“I see four phases through which a company transitions: the first is corporate giving [inter-org. CSR crowdfunding], the second is corporate volunteering, the third is corporate purpose & employee engagement, wherein CSR initiatives become less random but aligned with the purpose of the company. And finally phase four is reached when a company includes its customers and supply chain in the CSR activities. Because if you take [CSR] seriously as a company then it’s not something that you want to keep within your own walls but it’s something you do with the surrounding society.” (Crowdfunding service B)

“A corporate is not basically a separate entity. You know it’s not the only thing. So corporate involves its employees also. The idea is that employees should participate in a CSR and that it would be interesting for them to actually do that because if employees run a CSR project then the state sustainability of that project would be longer as compared to when a corporate just spends some funds on a project.” (Crowdfunding platform C)

The CSR business case value creation that results from CSR crowdfunding was found to be different for either type of CSR crowdfunding. Therefore, the data analysis will be structured along the four modes of CSR business case value creation identified by Kurucz et al. (2008) while distinguishing between the respective difference in business case value creation for the two types of CSR crowdfunding.

5. DATA ANALYSIS

5.1. COST & RISK REDUCTION

This research aims to explore the business case value creation that stems from CSR crowdfunding. By determining the different kinds of business case value creation, further light can be shed on the effects that CSR crowdfunding can have on corporates. These insights can possibly provide an explanation to the corporate motivations that underlie the observed increase in companies practicing CSR crowdfunding, and it can provide early lessons about both the opportunities and limitations of this emerging phenomenon. ‘Cost and risk reduction’ is the first type of CSR business case identified by Kurucz et. Al (2008). In this CSR business case, a firm deliberates its CSR activities based on its potential to reduce costs and risks to the firm.

5.1.1. COST & RISK REDUCTION IN PUBLIC CSR CROWDFUNDING

It was found that the reduction of costs and risks of CSR activities were important motivations for companies to engage in CSR crowdfunding. Interestingly, no negative experiences on public CSR crowdfunding were mentioned in relation to cost and risk reduction. In particular, two forms of cost and risk reduction were identified, which motivated companies to do crowdfunding CSR. First, CSR crowdfunding decreased resources spent on organising CSR. Second, CSR crowdfunding reduces risk by connecting their CSR activities to crowdfunding platforms, which are deemed transparent and trustworthy.

All five crowdfunding platform representatives explained that using CSR crowdfunding, is a way of decreasing organisational resources spent by corporate CSR teams, especially in large international organisations. The decreased use of resources by the CSR team is the result of outsourcing part of their organisational efforts (e.g. identifying and communicating with NGOs, setting up partnerships) to independent crowdfunding platforms or crowdfunding services. For example, one platform notes that

“The model that I see is going to happen more often is that the corporate partner wants to support [...] their CSR [with crowdfunding]. And by allowing them to work with multiple charities [through crowdfunding platforms] they can take their hands off the whole thing – The companies may do matching donations [...] to do more good work in the community, but instead of running it on their own website they just they're farming it out [to crowdfunding platforms]” (Crowdfunding platform E)

The decreased organisational costs may be seen as CSR project overhead, which can be decreased by partnering with an organisation, such as a crowdfunding platform or service.

Crowdfunding platform C – *“Let's see this way [...]: the administration cost of running a project with a traditional way is about 10 to 15 percent. The sort of funds or administration costs within the crowdfunding platforms are between 3 to 8 percent.”*

Another factor contributing to risk reduction as a result of CSR crowdfunding is related to the apparent trustworthiness, transparency and neutrality that the public associates with crowdfunding platforms. One major challenge associated with CSR efforts has been public scepticism about the benefits of these projects (Dawkins, 2004; Polonsky & Jevons, 2009). The association of corporate CSR efforts with crowdfunding platforms can be understood as a way to bridge this public scepticism. For example, crowdfunding platform A mentions that companies “gain from the credibility and the transparency of the platform”, and crowdfunding platform B remarks that its corporate partnership with platforms always has to do with the gain in “accountability and transparency, it all comes to that”, and company E mentions crowdfunding was creating a “more trustworthy kind of relationship” with the corporate-supported social initiatives. The above sentiments were confirmed by crowdfunding platforms whose statements reflect the neutrality, trustworthiness and credibility & transparency which the public associates with crowdfunding:

“A company gave away 14 million dollars one year to one of the [NGOs] [...] and they got just ripped apart - [...] the people didn't want them to claim it. Whereas if they just had a 'sponsored by banner' on all of the sharing that went out on crowdfunding, they're getting free earned media as opposed to paid media and then they're telling the same story and they're helping the consumers make the difference about where they spend their money. It feels like they didn't have so much of a hand in manipulating [the CSR communication].” (Crowdfunding platform E)

“If [the crowd] can actually see a lot of causes being supported by others corporates or individuals, that trust building is already built in” (Crowdfunding platform C)

“I think credibility and transparency [are the main corporate values created by CSR crowdfunding]. – Again, that they're doing it sort of [...] above board and not just raising money for themselves.” (Crowdfunding Platform A)

As such, it can be conceptualized that by using public crowdfunding (platforms), companies benefit from the credibility and transparency that is associated with crowdfunding. This effect was also observed by Mutch & Atkins (2009) whom observed as transfer of legitimacy and reputation from CSR partner organisations to corporates. Similar to the statements by interviewees in this research, Mutch & Atkins (2009) note that such partnerships potentially improve the corporate reputation and legitimacy. Literature on crowdfunding repeats these sentiments and characterizes crowdfunding as a transparent, participatory and democratic form of financing (Röthloer & Wenzlaff, 2011; Song & van Boeschoten, 2015).

However, the risk reduction associated with public CSR crowdfunding only materializes under the condition that the organisations involved in the CSR crowdfunding are indeed

transparent and trustworthy. Several interviewees also portrayed this as a potential risk to the reputation of the company practicing CSR crowdfunding (see section 5.2.1).

5.1.2. COST & RISK REDUCTION IN INTERNAL CSR CROWDFUNDING

Similar to public CSR crowdfunding, internal CSR crowdfunding contributes to the CSR business case value creation through cost and risk reduction according to the respondents. The cost reduction associated with internal CSR crowdfunding does not concern cost reduction through the mobilization of external funds or the reduction of CSR project overhead costs, but expressed itself in the reduction of costs in organising internal CSR initiatives by employees. Company resources used for the organisation of numerous employee-involved CSR activities are reduced through the use of a centralized digital crowdfunding platform. These digital, centralized internal-crowdfunding platforms enable employees to choose NGOs or charities for which they want to fundraise through internal crowdfunding campaigns. Larger companies, whom in contrast to smaller companies often have a devoted CSR team, may require significant resources to monitor all the numerous and different CSR activities going on throughout its different international branches, while also having to coordinate and report on the CSR activities and their impacts. In these instances, using a centralized crowdfunding platform under which all CSR crowdfunding activities are grouped, greatly reduces the resources required for the organisation of such activities. Therefore, the effect of cost and risk reduction especially holds for larger, international companies with many employee/internal CSR activities (e.g. employee crowdfunding, volunteering etc.). For example, crowdfunding service A mentions the following on reduction of resources required for employee-involved CSR activities:

“So, if you have just an office of 100 people it's very easy to knock on doors and ask for donations for specific projects. Now if you're working for a company that has three hundred thousand employees in it would be possible for you to either ask people and explain them correctly where their money is going to go and follow up on this and to report on the money that has been given. So yes, in terms of resource used by a company, these [crowdfunding]tools are essential. They want to democratize it to the globality of their company. But if it's small a company I don't think that they save that many resources.” (Crowdfunding service A)

“Saving costs is easy because with the crowdfunding service tool, you can easily operationalize and effectively manage CSR crowdfunding activities. I'm not going to encourage companies to do less [CSR] because of the saved costs associated with organising CSR, but I will help them to organize it in a smart way so they are encouraged to do more.” (Crowdfunding service B)

Since corporates may engage in partnership with third-party organisations to implement their CSR activities, measures have to be taken to limit the risk of being associated with a fraudulent

organisation. To ensure that the partner organisations conform to certain standards (e.g. is it a healthy organisation with stable finances and a reliable work history) a company may invest significant time and resources. According to crowdfunding service providers and crowdfunding platforms, this *due diligence* process can be outsourced to crowdfunding services, which reduces due diligence costs for a company. Interestingly this effect of internal CSR crowdfunding on cost reduction could not be confirmed by the companies involved in this research. The following example illustrates how, according to a crowdfunding service provider, internal CSR crowdfunding can reduce company costs:

“We take away the reasons why you would not get involved. So, we need check the [non-profit] organisation, we do the risk assessment - so that's all handled within our [crowdfunding service]. So, we do the really boring stuff so that [companies] go do more.” (Crowdfunding service C)

5.2. REPUTATION & LEGITIMACY

Exploitation of CSR activities in order to build value through gains in firm reputation and legitimacy is the third mode of CSR business case value identified by Kurucz et al. (2008). In this CSR business case, stakeholder interests are aligned through a business' responsible use of its powers. If the organisation is no longer seen as responsible, it puts its decision-making and external relations at risk. Moreover, these gains in organisation reputation are deemed to have a positive effect on market value (Barnett & Salomon, 2003), financial performance as well as attracting prospective employers (Weber, 2008).

5.2.1. REPUTATION & LEGITIMACY IN PUBLIC CSR CROWDFUNDING

All respondents agree that public crowdfunding can improve public perception and thus increase the reputation of a company. According to interviewees, the reputation of companies using public CSR crowdfunding is stimulated because: (1) crowdfunding platforms enable companies to appeal to new, large and diverse audiences - especially young people that are hard to reach in CSR communications, and (2) crowdfunding platforms engage the crowd more effectively through interactivity. However, potential reputational risks arising from public CSR crowdfunding were also mentioned by some respondents. Since companies can potentially partner with numerous charities and NGOs through public CSR crowdfunding, the risk of being associated with a charity or NGO that may be exposed in a scandal also increases.

Moreover, public CSR crowdfunding offers several opportunities to effectively communicate a company's CSR activities to the public, and thus stimulate its reputation.

First, many respondents note that since crowdfunding platforms usually feature numerous campaigns and non-profit initiatives, corporate partnerships with public crowdfunding platforms allow companies to easily support a wider diversity of CSR initiatives in comparison to other forms of CSR. Because corporates support a wider diversity of CSR initiatives, it is expected that this will increase company perception amongst new audiences. For example, a corporate may provide financial support to all non-profit campaigns that meet certain conditions and are featured on a public crowdfunding platform. This allows corporates to communicate CSR efforts more effectively since a wide diversity of CSR initiatives is more likely to engage a greater share of the diverse values held by the individuals in the crowd. In turn a higher crowd engagement is expected to lead to a stronger socially responsible image of the company. The interviewees note that by opening CSR to the public through CSR crowdfunding, the public and new audiences are easily able to support and 'join' the corporate CSR efforts by virtue of crowdfunding's accessible interface. For example, one company notes that:

"Each of the three projects that we chose were very different. And so, imagine then saying like: 'hey, would you like to donate a dollar to breast cancer research foundation? - My brother is a diabetic. And so they say: 'Do you want to donate to the Juvenile

Diabetes Association?’ I would say: ‘I will donate twenty dollars, not one dollar’. That is really more meaningful and salient.” (Company D)

According to four respondents, crowdfunding is especially well positioned to reach beyond the existing network of corporates and leverage additional CSR funds from crowdfunding communities and/or expose crowdfunding communities to CSR communications. The following two respondents refer to new audiences that are reached through public crowdfunding platforms:

“And maybe they can reach far larger number of people, so instead of just spending on one number in terms of their return on investment [...] now they have larger numbers [...] Right so crowdfunding is specifically able to extend beyond the existing network of companies.” (Crowdfunding Platform C)

“[The company gains] from the network of the platform” (Crowdfunding Platform A)

Public CSR crowdfunding may enable companies to effectively support a large number and diversity of CSR projects and reach new crowds, but a truly diverse mix of supported CSR projects may be suppressed by crowdfunding success predictors. Given the factors that predict altruistic requests on crowdfunding include: status, urgency and social identification (Althoff et al. 2014; Rodriguez-Ricardo, 2018), it can be argued that a company would prefer to support an urgent CSR crowdfunding project affecting a community with which the typical company audience member identifies, over a CSR crowdfunding project with a less pressing need that affects an unknown community. This could bias CSR crowdfunding project support to urgent issues, affecting wealthier communities with which individuals viewing the crowdfunding campaign identify - possibly at the expense of (future) funds granted to (future) CSR projects benefitting equally important causes that do not fit these characteristics.

Second, apart from enabling a greater diversity of CSR initiatives that reaches new audiences, interviewees note that crowdfunding is able to engage individuals in more engaging and interactive ways in comparison to non-crowdfunding CSR. Moreover, several respondents refer to the unique interactive possibilities that crowdfunding offers on the individual level:

“I think in the interactive aspect that people actually get to make change by giving small amounts. You know they're sitting at home you can open your phone and do this. So, it's very convenient, very seamless. You know, make changes just sitting on your toilet seats.” (Crowdfunding platform B)

“We want you to have not just a way to engage but let your voice be heard. And so you get a vote. And you get a vote on one of the three projects [...] it gives customers a sense of agency. [...] What we did was we did copious amounts of research into understanding what matters to our customers and what are their social values. [...] You can engage [the crowd] in unique ways that you can't normally do in traditional CSR. So, it's not just a volume of engagement but it's the uniqueness of it too and the deep emotional

connection that you can create. At the same time, you create ongoing goodwill because every time that they use or see [the reward] that they got for supporting the charity it will remind them. And that creates this extra little hit of dopamine and think "man I'm a good person!" (Company D)

Third, it was mentioned by respondents that crowdfunding is still perceived by the public as an innovative and trendy topic that has more news-value than non-crowdfunding CSR. Moreover, crowdfunding is regarded as a social medium, which is appealing to Millennials and Generation Z, the both of whom are very familiar with social media. This makes CSR initiatives that include crowdfunding more likely to gain media exposure and online following from younger generations.

"When you transfer a big amount of cash you make the news once, but if you treat it with a bit more creativity then you can make the news many more times using the same amount of money. [...] this would be a large motivation for companies in general to opt [for CSR crowdfunding]." (Company C)

"I think that [innovative aspect of crowdfunding] would have been a consideration in their decision [...] because crowdfunding was very new and very cool. And you know, maybe in the kind of millennial groups that they want to target." (Company E)

Crowdfunding Expert B – *"Generation Z was brought up with social media and internet as a given. Doing crowdfunding through social media becomes a dominant tool because it is the preferred channel of gen Z, [...] so it is logical that crowdfunding would be an option to cut through the noise [of other media communications]. [...] CSR will become bigger and more expected, especially amongst larger organisations, so you have to come up with innovative ways to shine through."*

Also, two potentially negative effects of public CSR crowdfunding on company reputation were mentioned. First, it was noted that public CSR crowdfunding may also increase the chance of reputational risk for companies that normally do not sell to individuals or the crowd. In the case of Company C, the company was operating solely in a business-to-business (B2B) market, but through their CSR crowdfunding program they offered their high-end medical products in the business-to-consumer (B2C) market. Because the B2C market operates with different consumer expectations and relations in comparison to the B2B market, the company may run the risk of not fulfilling the customer expectations, which may detriment the reputation of the company.

"So our [...] branch only sells to businesses and now suddenly you find yourself in a relationship with individuals that [invest in crowdfunding]. So the con's [of crowdfunding] mostly present themselves on the business-consumer-side. When something is delayed or something unexpected happens you are way less flexible [...] so it is slippery ice for a business-to-business company to focus on the business-consumer market [through crowdfunding]." (Company C)

Second, corporate reputation can also be jeopardized by partnering, through public CSR crowdfunding, with organisations executing CSR activities of the corporate. In case a company partners with a crowdfunding platform to support multiple NGO campaigns featured on the platform, the company may outsource the responsibility of NGO vetting and due diligence to independent crowdfunding platforms. In this case, it is the responsibility of the crowdfunding platform to ensure that the company cannot become implicated in a scandalous NGO. According to crowdfunding expert A, it is therefore vital that companies engaging in public CSR crowdfunding take measures to ensure the partnered crowdfunding platform is trustworthy:

“I think you have to really ensure that you can trust the platform and that they are really doing good projects and good due diligence processes and so that the risk to fail is not that high.” (Crowdfunding Expert A)

5.2.2. REPUTATION & LEGITIMACY IN INTERNAL CSR CROWDFUNDING

In the case of internal CSR crowdfunding, all respondents agree that communicating CSR crowdfunding efforts to boost a company’s public reputation is a ‘balancing act’. This sentiment is largely similar for the case of public CSR, but the difference lies in the fact that internal CSR crowdfunding is per definition not immediately communicated/visible to the public. Because of this difference, a company practicing internal CSR crowdfunding has the choice to communicate a select/strategic part of its internal CSR crowdfunding activities to the outside world, which can be a ‘balancing act’. All interviewees note that internal CSR crowdfunding has the potential to boost a company’s public reputation. However, the degree to which the potential reputational gains are capitalized on through active corporate communication depends on many company specific factors. These factors include the business reach of a company, or the degree public interacts with, and is aware of a company’s activities – and the degree to which inter-org. CSR crowdfunding activities are aligned with the core business activities. However, all respondents agree that internal CSR crowdfunding increases a company’s reputation and legitimacy amongst its employees since it involves and engages its employees to a greater extent than non-crowdfunding CSR. The increase in company reputation amongst its employees offers several competitive advantages (see 4.3.2).

One respondent states that the degree to which corporate reputation and legitimacy should be stimulated by actively communicating CSR crowdfunding efforts depends on the type of company, their reach and their type of business activities. For example, crowdfunding service C lists that a company’s business reach can inform a company’s decision to communicate about its internal CSR crowdfunding activities:

“Depending on the company and depending on the type of activity you can be seen as more personal [...] So I think it's a balancing act and some companies maybe don't advertise anything at all. But the communities that they support will know that they're

there [doing CSR activities], but the wider community may not know. For others I guess they can be a bit more public about it if they reach a wider audience [with their business]. So yeah it's easier to justify publicizing something.” (Crowdfunding service C)

Several crowdfunding service providers hint to the necessity for a company to choose internal CSR crowdfunding activities strategically so they are a logical fit with the core activities of the company. If this is the case, the public reputational benefit is stronger than in cases in which these crowdfunding activities are not in-line with activity of the company because out-of-line CSR activities induce greater scepticism. This is echoed by Du et al. (2010) whom lists ‘issue support’, or the degree to which the nature of the CSR issue is in-line with the core business area of the corporate, as a factor negatively influencing efficiency of CSR communications. For example, crowdfunding service D remarks that companies do not tend to actively communicate internal CSR crowdfunding activities to the public when these do not fit with the core business of a company.

“[the reputational benefit] really depends on the kind of business and whether or not they have a public CSR mission. If there are three specific targets for three CSR focus areas and CSR crowdfunding provides a lot of data, then you can easily link that data to your impact and your reputation. But if you work for Shell and you help out at the food bank, then what’s your story? Come work at Shell and help the food bank?” (Crowdfunding service B)

However, as seen in section 2.1.2., crowdfunding success can be predicted on the basis of several factors (e.g. urgency, social identification, status), which favour certain kinds of CSR projects from a crowdfunding perspective. Less spectacular and urgent projects like infrastructure projects in developing countries may elicit fewer crowdfunding donations but may be more likely to fit with the core business of a company. This may have consequences for the CSR crowdfunding effects on corporate reputation and legitimacy: according to respondents the corporate reputation is amplified most when internal CSR crowdfunding activities are aligned to the core activities of the company, yet few companies have core business activities based on dramatic, urgent affairs. This tension may result in limited public reputation and legitimacy gains resulting internal CSR crowdfunding, or alternatively a limited application of internal CSR crowdfunding to specific business sectors.

Another benefit of internal CSR crowdfunding was reputational gains among the wider public, despite the fact that these crowdfunding initiatives are only accessible to employees. While internal CSR crowdfunding activities might not always be actively communicated to the general public, one interviewee noted that employee word-of-mouth communication on internal CSR crowdfunding is a highly authentic form of CSR communication that has a strong appeal to the public.

“Companies recognise that CSR has to be more authentic, and it’s an authentic voice when it’s an employee or stakeholders in the company that are speaking independently

on what's happening, and the company is associated with it but not selling the message. That definitely is a much stronger appeal to the public – there is no doubt.”
(Crowdfunding Service D)

Besides the wider public, reputational gains can also be made amongst the employees of the company. CSR crowdfunding is deemed by respondents as a tool that enables engaging and meaningful CSR activities at employee level which strengthens the reputation and legitimacy of the company amongst its employees. This gain in reputation has the benefit of attracting more talented prospective employees (see. 4.3.2).

“Corporates have been doing have been funding NGOs for a long time now through their foundations. And what crowdfunding enables them to do is to pair their employer engagement programs with the funding [...] So I think it links the values of the company to the sense they give to their employees branding with philanthropy actions.”
(Crowdfunding service A)

“So we're inspiring 16000 people to go and do the same thing and to have that embedded in them as well. So I think if we had the organisational [CSR] approach and we just donate money at organisational level and then we were done, it wouldn't be so much of a business value and a priority as well. And these [...] people that get involved with all these programs internally also wouldn't feel that.” (Crowdfunding service A)

Similar to public CSR crowdfunding, internal CSR crowdfunding may also invoke reputational loss to the company. For example, if employees are given too much freedom to pick their CSR crowdfunding projects, or if there is too little company oversight on these projects. A company may run the risk of being associated with non-strategic non-profit initiatives or initiatives that may turn out to be scandalous in the long run. Therefore, internal CSR crowdfunding campaigns may pose a reputational risk to companies if left unmonitored, as attested by crowdfunding platform E:

“So now you get a major corporation where a bunch of employees support Planned Parenthood. And they're in [regions] that have a strong right-wing anti-abortion stance. Now the brand is suffering brand damage because the employees chose a cause that they care about, but is not necessarily good for the company.” (Crowdfunding platform E)

5.3. COMPETITIVE ADVANTAGE

According to Kurucz et al. (2008) CSR activities can also impact the competitive advantage of a firm. By engaging in CSR through CSR projects, a firm can generate business unique opportunities that allow the company to gain an advantage over rivaling companies that do not undertake similar CSR projects. Firms that engage in increased CSR to gain more competitive advantage over rivals motivate their CSR engagement on the basis of a normative economic corporate logic. In this logic, the corporate considers CSR engagement strategically in order to leverage competitive advantage over its rivals. In comparison to the CSR impact of cost and risk reduction, stakeholder demands are not seen as constraints but rather as opportunities that can be leveraged to corporate benefit (Porter & Kramer, 2006). This section will cover instances in which respondents noted that CSR crowdfunding lead to positive or negative effects to the competitive advantage of a company.

5.3.1. COMPETITIVE ADVANTAGE IN PUBLIC CSR CROWDFUNDING

All five public crowdfunding platforms confirmed that the use of public CSR crowdfunding instead of non-crowdfunding CSR offers specific competitive advantages. First, public CSR crowdfunding can improve the public perception of a company, which stimulates sales of socially-conscious buyers. Second, new customers can be attained directly by offering free products/services to people donating to public crowdfunding campaigns of NGOs or charities. Third, companies can use public CSR crowdfunding to 'crowd source' innovations and market test innovations, thereby saving resources associated with innovation processes.

First, respondents noted that public CSR crowdfunding campaigns lead to increased sales of corporate products/services. It is mentioned that increased sales stem public CSR crowdfunding's ability to influence public perception of the company. This public perception is moulded by public CSR crowdfunding campaigns, which reinforce the company's image of being socially conscious. In turn, the reinforced image of a socially conscious corporate is expected to lead to higher sales relative to less socially conscious companies and thus makes it a competitive advantage. The following interviewee quotations depict how public CSR crowdfunding caters to 'new consumer' expectations, that, if met by companies, are rewarded with increased sales with respect to less socially conscious companies:

"The Gen Z and millennial generation tend to be more socially conscious. They want to appear as socially conscious and they want to buy from brands that are more socially conscious so brands see [crowdfunding] as something that they can use to stand apart. So they actively reach out to platform like ours to partner, I mean create such initiatives where it could [...] generate a good press for them on the outside." (Crowdfunding platform B)

“Eventually when you create emotion [through CSR crowdfunding] customers might more likely buy your products because you're supporting these projects so [public CSR crowdfunding] creates visibility and you can get a competitive advantage.” (Crowdfunding expert A)

“New consumers are now demanding that the companies that they buy from have social impact as part of their makeup. So they want to align themselves with companies that are visibly supporting things that they care about in the world. And this is the huge opportunity within [public CSR] crowdfunding.” (Crowdfunding Platform E)

The above benefit is strengthened when a firm aligns its philanthropic activities with its core area of business. The supposition by the interviewees is that when there is a logical fit between the CSR crowdfunding activities and a company's core business, public scepticism regarding the motivation for engaging in CSR decreases and a strong marketing message arises offering competitive advantage. This line of thought is akin to the view of Porter & Kramer (2002) that propose that competitive advantage is rendered when firms strategically elect CSR activities that are supported by core firm competencies. The following quote of crowdfunding platform E illustrates why a logical fit between CSR crowdfunding activities and the core business of a company creates a stronger message:

“As an individual: if I gave one hundred dollars to the food bank [through a public food-retailer-supported crowdfunding campaign] I might get a thousand loyalty points to spend at the food retailer. So [my donation] drives business for the food retailer. They are known to be brand aligned. Not only are they giving you free food, but you're making sure that the people in town who don't have enough money for food are getting food. You know it gets a really good marketing message that goes on.” (Crowdfunding Platform E)

Second, public CSR crowdfunding can directly increase the customer base of companies. For example, a company may provide rewards (e.g. free products or services) to previously reward-less (donation-based) crowdfunding campaigns of NGOs on crowdfunding platforms. When a company adds rewards to donation-based crowdfunding campaigns of non-profits on public crowdfunding platforms, (1) the crowd is incentivized to donate to non-profit initiatives because they now gain a reward for donating, (2) the donations to charities are stimulated and (3) the corporate gains new customers.

“So what they did is: [the company] said they will support [the non-profit initiative]. But instead of giving them a big check what they did is [..]: if a donor contributed [..] 25 dollars or more, they got free membership in the [corporate] program, normally 75 dollars. And they got 20 minutes of drive time in the car. If they gave 50 dollars they got 15 minutes of drive time, if they gave 100 dollars they got 100 minutes of drive time. So they got this incremental benefit out of the thing. So now instead of having a check and going: 'we did a nice thing, but how many customers did we get?' - haven't got a clue

but everybody had a good time'. Now they [turning crowdfunding] on a couple of days and they got 42 new customers.” (Crowdfunding platform E)

Third, Public CSR crowdfunding can also be used to market-test potential products or service innovations. This ‘non-financial added value’ of crowdfunding was noted by Mollick et al. (2016) whom lists that crowdfunding is a way to test marketability and demand for a product or service. The same capability was noted by Company E that used public CSR crowdfunding as a tool for outsourcing and market-testing innovations under the guise of their CSR activities. By outsourcing innovation through CSR crowdfunding, a competitive advantage is gained since companies can save resources it would otherwise have to devote to its own innovation activities. In the case of company E, the company offered financial, in-kind and promotional support to selected a number of independent, innovative and sustainable initiatives on a crowdfunding platform as part of their CSR. By overseeing the different initiatives’ campaigns, Company E could use crowdfunding insights to gauge which of the initiatives was most popular amongst the public. After the crowdfunding campaigns drew to a close, one of the successful innovative initiatives was eventually integrated into the supply chain of Company E, thereby saving Company E innovation costs.

“We were interested in [crowdfunding to] find things that could innovate within Company E’s supply chain. [...] You’re basically making the business case for these innovative products [using CSR crowdfunding] without having to spend massive amounts internally.” (Crowdfunding platform E)

5.3.2. COMPETITIVE ADVANTAGE IN INTERNAL CSR CROWDFUNDING

Since internal CSR crowdfunding does not directly engage the public, and is not directly communicated to the public, the effects of public CSR crowdfunding on competitive advantage do not translate directly to internal CSR crowdfunding. However, crowdfunding service providers mention that internal CSR crowdfunding provides specific competitive advantages over companies that do not engage in this type of CSR crowdfunding. These advantages include a more engaged workforce, which leads to better employee performance and fewer employee turnover. According to the interviewees the second competitive advantage stemming from internal CSR crowdfunding is that companies engaging in this form of CSR become an attractive employer because of the satisfaction that they give to employees and the increased meaning it gives to their jobs and employer. In turn, this makes the company an attractive employer for prospective employees and gives companies a competitive advantage in the corporate “war for talent.” (Crowdfunding service B).

All crowdfunding service provider respondents attested that internal CSR crowdfunding has a positive effect on employee engagement and satisfaction. Moreover, having access to centralized data that informs HR departments on employee CSR engagement provides interesting insights that can be linked to employee happiness, employee retention and

employee productivity. These supposed positive effects on a company's workforce as a result of more engaging CSR crowdfunding programs constitute a competitive advantage to a company whose employees enjoy fewer of the positive effects arising from CSR crowdfunding. The positive effects, especially employee happiness and employee attraction, were confirmed by interview respondents from Companies A, B and D. The following two quotations represent the beneficial effects that these crowdfunding activities have on employee satisfaction and retention:

"Instead of giving €50,000 to one good cause, you can democratize the spending by letting employees start or choose their own initiatives. When a company has set its CSR goals, it challenges its employees to come up with their own initiatives to reach the CSR goal through CSR crowdfunding. That way you shift the €50,000 to projects that lead to real employee engagement and a drive in their purpose." (Crowdfunding service A)

"We did a study of X million employees representing about X companies and we saw that when people were involved in [internal CSR crowdfunding] campaigns, the company had a reduced [employee] turnover." (Crowdfunding service D)

The fact that internal CSR crowdfunding is unrestricted by geographical limits through its digital nature, makes it a very compatible tool for trans-national companies with many employees, as the internal crowdfunding platform is able to unite the hyper local CSR projects under one corporate banner. Since the digital nature of internal CSR crowdfunding overcomes geographical barriers and efficiently communicates CSR activities to many employees, these benefits of internal CSR crowdfunding are less salient for companies with few employees working in one office. The compatibility of internal CSR crowdfunding with large, trans-national companies reflected in the following two quotes provided by Company A:

"So it's a big global reach which is great. And I think that also ties into them initiating their own projects because if we were to supply [projects] I don't know what's [relevant] in Singapore where they do. So it is globally accessible, locally relevant." (Company A)

"I think if you as a company have so many people around the world and you have this mission to make [your business sector] more sustainable and to improve the environment and everything else you can really bring all of your people into that mission and make it a team effort rather than a central approach [...] if your employees are able to contribute, I would hope that it would make them feel empowered as well." (Company A)

Internal CSR crowdfunding may also be used as a tool to stimulate the employer-employee relationship, especially in companies where employees spend limited time (with their colleagues) in the office. According to company B, the social aspect of internal CSR crowdfunding can also be put to use to instil a sense of unity amongst the employees that otherwise would not necessarily feel solidarity with the company and its employees:

“Most people working here [...] aren’t in the office for four to five working days per week. [...] and therefore [internal CSR] crowdfunding is valuable to still make them feel somewhat connected to the company and its colleagues.” (Company B)

Since internal CSR crowdfunding campaigns often visibly feature donation progress, it enables comparison of different campaigns, which can possibly lead to competition amongst campaigns and their initiators. Crowdfunding service C mentions that the social aspect of internal CSR crowdfunding may provide beneficial effects to employee work culture, but it may also prove to work counter-effective in instances where employees turn CSR crowdfunding into a competition:

“Some company cultures react better to competition than others. So in some [company] cultures if there's a target like a fundraising target, the best team may be incentivized to bend the rules to get an advantage and be the best team. So it depends on each company as to how best to manage that.” (Crowdfunding service C)

Internal CSR crowdfunding is also a way of stimulating employee CSR engagement in previously disengaged employees. Since crowdfunding technology makes giving funds so easy, it is able to involve employees whose willingness to give was previously too low to become involved in more time intensive forms of corporate CSR such as volunteering. An example of the latter is given by crowdfunding service A:

“One of our customers first had only volunteering projects, but then when we offered the option of CSR crowdfunding, suddenly all developers joined in, because they considered giving time too much of an effort. But if they only had to give money they were willing to join. Then, these people realised: maybe giving time would also be fun. This way you can slowly but steadily nudge employees to become more active and more engaged. Internal crowdfunding platforms offer that wide diversity to appeal to people.” (Crowdfunding service A)

The second major competitive advantage of internal CSR crowdfunding is that it enables companies to attract more prospective employees, which may in turn, increase the chance of attracting more talented employees. If a company is known for its engaging work culture that includes engaging internal CSR crowdfunding programs, it is envisioned that this employer becomes a more attractive choice for potential future employees through its gained reputation as an attractive employer. This reputation gain, leading to a corresponding competitive advantage of becoming an attractive employer, is different from the reputational gain stemming from public CSR crowdfunding. The difference being that public CSR crowdfunding mainly stimulates a positive *public perception* on grounds of CSR *impacts* and CSR *activities*, whereas internal CSR crowdfunding stimulates positive (*future*) *employee perception* on grounds of *engaging employee-initiated & employee-led internal CSR crowdfunding activities*. Moreover, in job offerings and job interviews, companies utilizing internal CSR crowdfunding can use the crowdfunding activities, but also use the corresponding

impacts as a selling point to convince solicitors. The following quotes illustrate how internal CSR crowdfunding makes the company an attractive employer:

“If you're looking to work in the financial sector after your studies and you hesitate, take, between two banks and one of the two banks is really engaged socially, really promotes programs intended to make a difference regarding environmental challenges and stuff. And so to them that's their competitive advantage that they can attract talents to this type of action.” (Crowdfunding service A)

“[Improved employee performance and satisfaction] is the most important good effect at the moment. The ‘war for talent’ is crucial at the moment, so attracting and retaining good employees is an important issue for companies. [...] so companies have to be able to show what they do to make this a better world [...] We organize CSR crowdfunding in such a way that all efforts become easily visible on one central location. And then if you have attracted the right talent, you want to be able to retain them by enabling them to make impact.” (Crowdfunding service B)

“We have a lot of talented people here that are busy working, but are also actively involved in organising [CSR crowdfunding] projects. Those people sometimes say: having this opportunity is a big reason for remaining with this company. The employee engagement program is highly appreciated.” (Company B)

5.4. SYNERGISTIC VALUE CREATION

Synergistic value can be created through CSR activities by connecting multiple stakeholder interests simultaneously. When a firm adopts a cognitive social logic, the firm relates common interests through its CSR activities, thereby opening up unforeseen opportunities for multi-point value creation. It is the intent of this section to display the interviewee accounts that note effects on multi-point value creation for multiple stakeholders as a result of CSR crowdfunding.

In the foregoing data analysis, it can be read that interviewees have noted that multi-point value creation occurs in both types of CSR crowdfunding, namely because it creates value for (1) CSR project beneficiaries (e.g. project impacts) and for (2) companies (cost reduction, competitive advantage etc.). Therefore, one could say that both types of CSR crowdfunding lead to synergistic value creation based on the foregoing data analysis alone. However, it is the intent of this data section to (1) identify where CSR crowdfunding increases value for CSR project beneficiaries in comparison to non-crowdfunding CSR and to (2) identify instances in which CSR crowdfunding creates value at locations other than the two aforementioned locations, namely the company as an entity and the CSR project beneficiaries.

5.4.1. SYNERGISTIC VALUE CREATION IN PUBLIC CSR CROWDFUNDING

The degree to which public CSR crowdfunding promotes synergistic value creation varies across the respondents. However, all respondents agree that CSR crowdfunding is a way of leveraging extra CSR funds from the crowd, since the crowd's "willingness to give" increases due to the corporate-backing of previously independent donation-based non-profit initiatives. Three positive effects to synergistic value creation were identified: (1) companies can use public CSR crowdfunding to increase the funding for CSR and correspondingly increase CSR impacts, (2) partnered implementing charities/NGOs may experience a general increase in crowd donations for their cause and (3) win-win-win models leading to multi-point value creation may occur.

First, by complementing their CSR funds with that of the crowd, the total funds available for projects are increased. In other words: by using the same CSR budget, the company is able to leverage funds from the crowd to increase CSR project funds.

"A [...] private company approached [our crowdfunding platform] to raise funds for a charitable or a philanthropic cause that they [already] support [...] They wanted to add to what they were contributing by generating more from the crowd." (Crowdfunding platform A)

It could be speculated that when corporates communicate their corporate (financial) support to non-profit initiative, (1) the credibility of the non-profit initiative is increased (Lichtenstein,

2014), and (2) the likeliness that the project attains its crowdfunding target increases. Both factors could be reasons to convince crowd funders to lend their support to the project.

Several respondents refer to capability of crowdfunding to facilitate 'micro-giving' (e.g. no minimum donation threshold). According to crowdfunding platform D, millennials have less disposable income: "I can give you 10 bucks but I can't give you a hundred". For this group, micro-giving thus becomes a more attractive opportunity to donate to good causes since it is not competing with other discretionary spending. Therefore, if crowdfunding can efficiently process micro giving in aggregate, it is likely that using crowdfunding is capable of raising more money from a group because it doesn't exclude those with less disposable income.

"So instead of spending money on a movie or on a song or something like that I might give it to a cause because I get the same kind of feeling of good. So the idea is we go to micro gifts then you have the chance of getting much more of that feeling. And if we can process them efficiently you actually in aggregate can probably raise more money from a group that's going to feel better about supporting." (Crowdfunding platform E)

When funds of partnered implementing organisations such as NGOs or charities are increased, it is assumed that this has a positive effect on the potential CSR project impact. The increased funds made available from the crowd can be expected to have a positive effect on the impact that is generated by the supported non-profit initiatives. As such, Company E, states that the CSR impact was increased relative to the company's own CSR spending.

"If known stakeholders get involved more, you know that impact can be fairly larger and can be scaled up also. So let's say a corporate does an intervention in one city if these crowdfunding efforts can build higher number of funds raised." (Crowdfunding Platform C)

"So I would say that that's one of the areas where we're providing really unique benefit. So when we you take an example of a small charity in the Philippines [...] how would they ever be reaching employees of a U.S. company doing a cause marketing campaign [...] we're making it possible, we're essentially facilitating new donors and new money to those non-profits." (Crowdfunding Platform D)

However, given factors predicting crowdfunding success are known (e.g. status, urgency and social identification), it is important to again note that the possible increase in CSR impacts resulting from public CSR crowdfunding may disproportionately benefit CSR projects that are initiated based on their fit with the factors predicting crowdfunding success (See sections 2.1.2. & 5.2.1.).

Second, apart from increasing CSR project impacts through increased CSR funds made available by the crowd, NGOs and charities implementing the CSR activities may experience a general increase in crowd donations. Company D mentions scaling effects on donations to

charities as a result of them having enjoyed corporate support and exposure through CSR crowdfunding campaigns.

"[The donation] really resonates with them and is really meaningful. They want to continue to give more. And so, we saw a spike in traffic to the non-profits themselves directly from the campaign because by the time we launched the campaign. Players were going there to donate on their own, beyond raising awareness." (Company D)

Third, apart from increasing impact, CSR funding add an increase in general donations to implementing organisations. Public CSR crowdfunding can increase value in three different locations at the same time. The following quote was previously used to illustrate the increased product sales (competitive advantage) stemming from public CSR crowdfunding. However, this quote also illustrates public CSR crowdfunding can increase value creation in three locations at the same time, relative to a non-profit crowdfunding campaign that does not receive corporate CSR support:

"So what they did is: [the company] said they will support [the non-profit initiative]. But instead of giving them a big check what they did is [..]: if a donor contributed [..] 25 dollars or more, they got free membership in the [corporate] program, normally 75 dollars. And they got 20 minutes of drive time in the car. If they gave 50 dollars they got 15 minutes of drive time, if they gave 100 dollars they got 100 minutes of drive time. So they got this incremental benefit out of the thing. So now instead of having a check and going: 'we did a nice thing, but how many customers did we get? - haven't got a clue but everybody had a good time'. Now they [turning crowdfunding] on a couple of days and they got 42 new customers." (Crowdfunding platform E)

In this public CSR crowdfunding model, corporates add their products or services as rewards to donation-based non-profit crowdfunding campaigns (as earlier described). Apart from potentially increasing the customer base of the company, possibly leading to competitive advantage (see 5.3.1), public CSR crowdfunding may also increase donations to the non-profit since there is now a product or service reward attached to previously 'reward-less-donations'. In this public CSR crowdfunding model three 'wins', and therefore multipoint/synergistic value creation can be identified according to the respondent: First, a customer receives a reward for something that was previously not rewarded. Second, the company gains new customers. Third, the non-profit initiatives experience increased donations as a result of newfound exposure offered by the corporate support, as was attested by company D:

"In time you also see network and scaling effects to the nonprofits that you're supporting. If done well you can raise awareness to really some great organisations that are really moving the needle but Flying under the radar." (Company D)

Company C, using a similar model as described by crowdfunding platform E, also noted synergistical value creation effects resulting from public CSR crowdfunding:

“I would call this a win-win-win: the individual gets [health care product A] for the lowest price possible [...] the mission of the charity is furthered [by increasing access to health care product A] [...] and our company reputation increases amongst the public.”
(Company C)

5.4.2. SYNERGISTIC VALUE CREATION IN INTERNAL CSR CROWDFUNDING

All internal CSR crowdfunding respondents agree that implementing CSR crowdfunding has beneficial effects to the corporates, their employees and the impacts to the beneficiaries of the CSR projects. This increase in project impact is attributed to the increased amount of funds that are made available through the employee involvement in internal CSR crowdfunding. These three positive impacts are described by the following quote:

“I hate to use a cliché but this is a win-win-win. [...] a lot of the corporate [CSR] programs have been built around [the charitable side] [...] but haven’t really engaged people and created the donation volume that you would hope [...] If you step back and take a look at the purpose of the company and of those people within the company [...] why don’t we use [internal corporate] crowdfunding to have a win for the company, [...] and if you do it right there is absolutely no doubt that the non-profits make more money.”
(Crowdfunding service D)

Other respondents both illustrate that project impacts are increased relative to non-crowdfunding CSR:

“By enabling [internal CSR crowdfunding] for firms to organize their CSR, the firm saves time and money which will increase project impact and funding to non-profit initiatives.”
(Crowdfunding service B)

“It gives many options to employees that want to do something positive, so you have more impact because employees can pick their own non-profit initiatives. Say your nephew has illness X, then an employee can get involved in a foundation that promotes research into illness X.” (Company B)

Some respondents propose that efficient digital solutions that enable efficient employee engagement and giving, which includes internal CSR crowdfunding, is part of a bigger transition within corporates. This transition sees a ‘top-management-supported’ increase in importance and amount of corporate CSR activities: a workforce that is enabled to engage itself through CSR crowdfunding will have a better HR performance, which can positively affect firm performance in general. In turn, the improved firm performance will convince the top-management – that tends to be more profit focused than CSR focused – to further increase CSR activities. Through this ‘company culture change’ adapting core businesses to become more sustainable is made easier and CSR impacts are scaled up. This is illustrated by the two following respondent quotes:

“Last year the CSR managers were still in the shed next to the big company. They were there but they had very few resources. In the meantime, they’re now in the building but not yet on the top floor, where management resides and is still only looking at financial risks. We believe these tools can get the CSR managers to the top floor.” (Crowdfunding service B)

“You want to be an enabling technology: we take away the reasons why [the company] would not get involved [in CSR]. So we check the non-profit organisations, we do the risk assessment - so that's all handled within our board. So we do the really boring stuff so that [companies] go do more. So we try and get all of those things right so that companies and people will do more.” (Crowdfunding service C)

Several respondents pointed to the increased project impact stemming from a combination of CSR crowdfunding and in-kind support, or *crowdsourcing*:

“So those are employees who's got skills who are hopefully getting paid a good salary, and companies who have resources and a desire to do some more with their money than just give to their shareholders, putting those people in touch as efficiently as possible with charities and organisations that might otherwise spend a lot of their resources just trying to connect with the same people.” (Crowdfunding service C)

“We did a study of X million employees representing about X companies and we saw that when people were involved in [internal CSR crowdfunding] campaigns, the company had a reduced [employee] turnover. But when [employees] were involved in both giving and volunteering, they had a 57% percent lower [employee] turnover rate.” (Crowdfunding service D)

6. DISCUSSION

In the previous section, the data illustrated there is evidence that companies, crowdfunding platforms and crowdfunding service providers engaged in CSR crowdfunding has an effect on the business case value creation of companies. Moreover, this research finds CSR crowdfunding to occur in two general types: public CSR crowdfunding and internal CSR crowdfunding. Continuing on the finding of these two distinctive types of CSR crowdfunding, the following discussion aims to delve into the perceived effects of public CSR crowdfunding and internal CSR crowdfunding on the business case value creation of companies, separately. First, the perceived effect of public CSR crowdfunding on business case value creation will be discussed, after which a discussion of the effects of internal CSR crowdfunding will follow.

6.1. PERCEIVED EFFECT OF PUBLIC CSR CROWDFUNDING ON BUSINESS CASE VALUE CREATION

With respect to public CSR crowdfunding, effects on business case value creation were confirmed for all four modes of business case value creation distinguished by Kurucz et al. (2008). *Table 3* summarizes the supporting evidence that supports the perceived effect of public CSR crowdfunding on business case value creation.

It must be noted that the public CSR crowdfunding effects on business case value creation cannot be universalized across all types of companies and are therefore company specific. For example, some effects on business case value creation only become salient for companies with many employees and many ongoing CSR activities. For instance, a company with one CSR initiatives will not reap many cost reduction benefits from centralizing its single CSR activity on a public crowdfunding platform. Alternatively, if a company is relatively small and unknown, lending its corporate support to the crowdfunding campaigns of social initiatives will likely not drastically incentivize more crowd donations through its familiarity. Yet, it can also be argued that smaller companies stand to benefit more from outsourcing CSR activities to crowdfunding platforms or crowdfunding services as smaller companies generally have less extensive networks with organisations implementing CSR activities, such as NGOs and charities.

Also, some of the public CSR crowdfunding effects to business case value creation are more compatible depending on the type of products/services a company offers or which markets its normally operates in. For example, a company offering specialized, high-end equipment to companies (B2B, business-to-business) will be less likely to gain new customers through public CSR crowdfunding than a company selling low-end user products such as water flasks to individuals (B2C, business-to-consumer). Since companies operating in the B2C market have more potential clients in comparison to companies in the B2B market (Edwards, Gut & Mavondo, 2007), the chance that potential clients for either company are exposed to CSR projects through public CSR crowdfunding are higher in the case of B2C companies.

Table 3: Perceived effect of public CSR crowdfunding on business case value creation. With respect to business case value creation, green cells refer to positive effects and red cells refer to negative effects.

	Cost & Risk Reduction	Reputation & Legitimacy	Competitive Advantage	Synergistic Value Creation
Supporting evidence	Costs to organize CSR initiatives can be reduced through partnership with public crowdfunding platforms.	Appealing to new, large and diverse audiences, and is particularly appealing to younger individuals through compatibility to social media.	Improves public perception of the company. Especially when a firm aligns its core business to the topic of the crowd funded initiative.	Raises extra CSR funds from the crowd, leading to increased CSR project funding and possibly project impact.
	Risk of public scepticism of CSR initiatives can be reduced by partnering with public crowdfunding platforms.	Engages the crowd more effectively through interactive crowdfunding experience.	New customers can be gained directly, for example, by adding free products/services as rewards to donation-based crowdfunding campaigns of NGOs/charities.	Organisations implementing CSR activities such as NGOs or charities experience more exposure, and a boost in credibility through corporate-backing, and thus possibly experience increase in general crowd donations.
		<p>May change relationship and expectations between a company and the crowd to the possible detriment of its reputation.</p> <p>Outsourcing of CSR initiatives to crowdfunding platforms limits a firms' ability to control proper due diligence and NGO vetting, possibly leading to reputational loss in case of scandals.</p>	May be used as a way to 'crowd source' innovations and market test public demand for potential innovations. Thereby saving costs and assuring market demand.	Win-win-win combinations are possible in which: (1) the crowd receives free corporate-sponsored rewards for donating to NGOs/charities, (2) the NGOs/charities receive more donations through addition of corporate-sponsored-rewards that incentivize donations, and (3) the company possibly gains new customers via the individuals that donated and received a free corporate reward.

The appeal of public CSR crowdfunding for companies to boost its public reputation and legitimacy can be explained from the theoretical perspective on CSR communication by Du et al. (2010). According to Du et al. (2010), the degree to which CSR communications can stimulate a positive public perception of the company is in part dependent on the ability of the CSR communication to cater to the diverse values, expectations, stakes contained in the heterogeneous public. In trying to solve this challenge of diversity, Polonsky & Jevons (2009) recognize a company runs into the following CSR communication challenge. According to Polonsky & Jevons (2009), the dilemma of catering CSR communication towards different crowd segments is based on finding the balance between (1) segmenting CSR communication and running the risk of being accused as inconsistent and hypocritical, or (2) choosing to communicate the same CSR activities towards all customers and thereby alienating customers not oriented towards CSR.

From *Table 3* it can be read that public CSR crowdfunding is able to appeal to diverse audiences, possibly leading to gains in public perception of the company and thus its reputation. This can be explained by the ability of CSR crowdfunding to overcome the dilemma of Polonsky & Jevons (2009). According to Polonsky & Jevons (2009), the dilemma of catering CSR communication towards diverse audience segments is based on the tension between (1) segmenting CSR communication according to different audiences and running the risk of being accused as inconsistent and hypocritical, or (2) choosing to communicate the same CSR activities towards all of the crowd and thereby alienating crowd segments not oriented towards CSR. Crowdfunding platforms are known to offer a centralized location on which campaigns for many different initiatives are exhibited, which cater to different crowd segments. Thus, when a company engages in public CSR crowdfunding, the public might be less sceptic of the segmented and diverse CSR efforts offered by companies on crowdfunding platforms, since a crowdfunding platform is known to function in this manner.

Yet, public CSR crowdfunding through crowdfunding platforms may also induce new diversity challenges. For example, in case a company supports many diverse and independent non-profit crowdfunding campaigns through a crowdfunding platform, the company may run the risk of supporting organisations with contradicting aims or activities. Due to the public nature of this kind of CSR crowdfunding, such contradictions may be able to provoke increased public scepticism. While it can be argued that public CSR crowdfunding may be fit to solve the diversity dilemma posited by Polonsky & Jevons (2009), companies paying too little attention to potentially contradictory supported CSR crowdfunding activities may face increased scepticism.

Literature on CSR communication channels and their varying degrees of interactivity also offer explanations for the appeal of public CSR crowdfunding. For example, Lee et al. (2013) have argued that more intensive use of social media as a CSR communication channel reflects a more socially responsible company and is more beneficial to CSR causes. Elsewhere, Seele and Lock (2014) mention that online CSR communications occur in two formats: (1) in instrumental online spaces (e.g. websites) which aim to inform and offer a relatively closed dialogue space, and (2) in deliberate online spaces (e.g. social media accounts, forums) which

actively urges corporations and other individuals/actors to participate. Seele and Lock (2014) argue that deliberate online spaces for CSR communication stimulate legitimacy and meet the demands of participation, transparency and accountability.

According to the respondents, public CSR crowdfunding is very compatible to many of the popular online social media and public CSR crowdfunding fits with the expectations of the Millennials and Generation Z. Respondents also noted that crowdfunding was perceived by the crowd as transparent and trustworthy. Moreover, public CSR crowdfunding enables a reciprocal relation between the crowd and the company as it informs the crowd on CSR initiatives but also invites interaction by facilitating micro-donations. Therefore, the appeal of public CSR crowdfunding can be understood through its compatibility to online social media and by virtue of its interactive relation with the crowd and its transparency.

The appeal that public CSR crowdfunding has to companies (engaging diverse sets of people, market testing innovations etc.) can also be understood from a stakeholder engagement perspective. Given that a high level of stakeholder engagement is required for efficient CSR communication (Morsing & Shultz, 2006), it would follow that the ability of crowdfunding to contribute to CSR communication will in part depend on its ability to engage with stakeholders – or the crowd – on a high level. Brunhüber and Byström (2017) propose the following conceptual framework which situates stakeholder engagement theory central (Friedman & Miles, 2006) and follows by relating non-monetary motivations from the crowd investor perspective and motivations for organisations to engage in stakeholder engagement. This conceptual framework exposes the dichotic tendencies of both parties’ motivations for engagement: as previously mentioned, organisations will, through stakeholder engagement, attempt to strike a balance between control and its perceived legitimacy. In contrast, crowd investors are expected to be more ambitious in their level of involvement (Belleflamme et al, 2014; Ordanini et al, 2011).

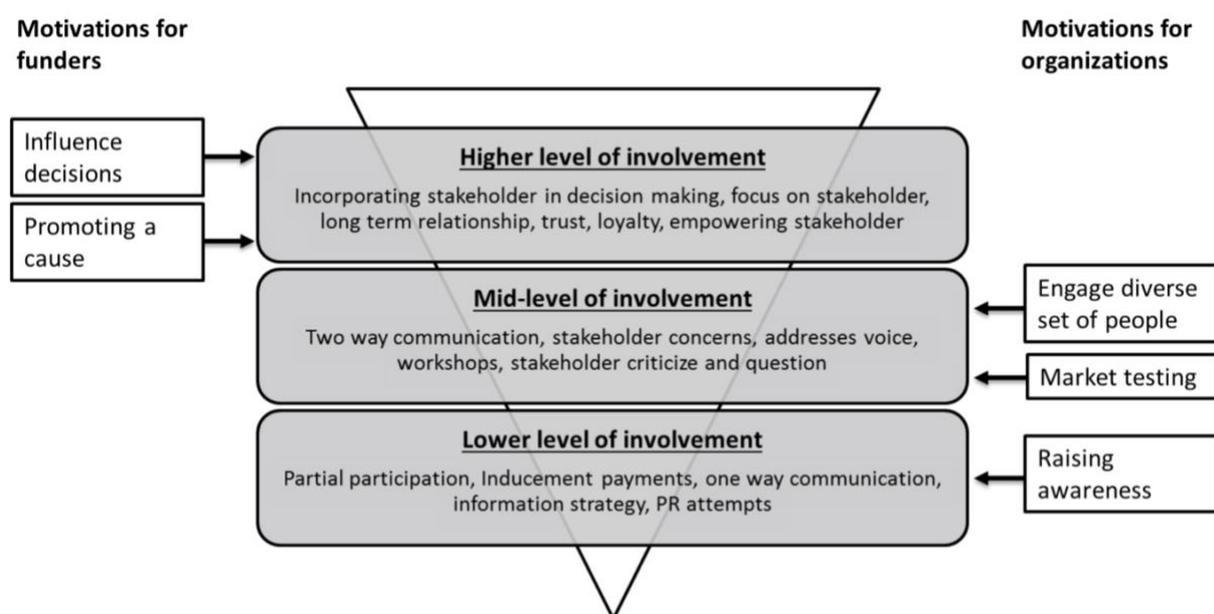


Figure 1: Motivations for funders & organisations to engage in crowdfunding. (Brunhüber & Byström, 2017)

Respondents mention the ability of public CSR crowdfunding to engage diverse sets of people, market testing potential company innovations and raising awareness on CSR initiatives, while also noting that public CSR crowdfunding invites the public to engage with CSR on an individual level. This evidence supports the notion that public CSR crowdfunding is indeed able to strike a balance between funder motivations and organisational motivations to engage with the public.

Finally, Lehner (2013), also provide theoretical evidence that supports an improved public perception of a company as a result of public CSR crowdfunding. According to Lehner (2013), non-monetary motivations for an organisation to engage in crowdfunding provide a strong signal for crowd investors that owners put a significant weight on the cause outcomes instead of monetary profits (Lehner, 2013). However, as the number of crowdfunding platforms and crowdfunding initiatives rises, the 'donation-resources' within the crowd becomes competed for, thus giving rise to a competition that can be distinguished between active and passive crowdfunding (Larralde & Schwienbacher 2010). Active crowdfunding constitutes crowdfunding in which participation is not limited to a simple reward transaction (passive crowdfunding), but to a constant dialogue with the company (e.g. supplying expertise). This active form of crowdfunding provides opportunities for a company to increase its legitimacy through efficient corporate communication and positive discourse (Lehner, 2013).

6.2. PERCEIVED EFFECT OF INTERNAL CSR CROWDFUNDING ON BUSINESS CASE VALUE CREATION

With respect to internal CSR crowdfunding, effects on business case value creation were confirmed for all four modes of business case value creation distinguished by Kurucz et al. (2008). *Table 4* summarizes the supporting evidence that supports the perceived effect of internal CSR crowdfunding on business case value creation.

Similar to the case of perceived business case value creation stemming from public CSR crowdfunding, it must be noted that the effects of internal CSR crowdfunding on business case value creation cannot be universalized across all types of companies and are therefore company-specific. For instance, the cost and risk reduction resulting from internal CSR crowdfunding will be quite limited for a company that centralizes its single CSR initiatives on an internal crowdfunding platform. Alternatively, when a company has only few employees, internal CSR crowdfunding activities will be less applicable to that company and have a relatively small effect on improving the company reputation and legitimacy amongst its few employees. Similarly, effects on synergistic value creation resulting from internal CSR crowdfunding will also be limited for companies with fewer employees, as their total sum of CSR donations will likely be smaller than that of a company with many donating employees.

Table 4: Perceived effect of internal CSR crowdfunding on business case value creation. With respect to business case value creation, green cells refer to positive effects and red cells refer to negative effects.

	Cost & Risk Reduction	Reputation & Legitimacy	Competitive Advantage	Synergistic Value Creation
Supporting evidence	Costs to organize CSR can be reduced, especially in large international companies by using centralized internal CSR crowdfunding platforms.	Involves and engages employees to a greater extent than non-crowdfunding CSR, leading to improved reputation amongst its employees.	Can make the company an attractive employer, which attracts more talented prospective employees.	CSR funding can be increased by adding funds from its employee base (and its respective social network), leading to more CSR project funding, and thus possible increased CSR impact.
	Company resources can be saved by outsourcing due diligence and organisational costs of internal CSR initiatives to crowdfunding service providers.	Gains in company reputation amongst the public through active outward CSR communications or more passive word-of-mouth communication on the subject of internal CSR crowdfunding activities.	Can lead to greater employee engagement (in CSR initiatives), employee satisfaction and employee retention in comparison to non-crowdfunding CSR.	Can have a positive effect on employees (e.g. happiness, retention etc.) and makes project beneficiaries impacts transparent and measurable. These tangible impacts can increase top-management support for more CSR, and thereby more CSR impact.
		Freedom for employees to initiate internal CSR crowdfunding initiatives may jeopardize company reputation by being associated with non-strategic or scandalous non-profit initiatives.		

From *Table 4*, it becomes clear that internal CSR crowdfunding has the potential to improve the reputation and legitimacy of a company amongst its employees. Furthermore, respondents noted that this was perceived to improve employee satisfaction, employee retention and attraction of prospective employees. Literature on the internal legitimacy of companies - or the extent to which employees perceive the company mission and operations as appropriate - suggest that an increase of internal legitimacy may translate into higher employee dedication, satisfaction and cohesion (Ashford & Gibbs, 1990; Zheng, Luo & Maksimov, 2015). In turn, these outcomes strengthen the bond between the company and its employees, which solidifies its image as a desirable employer (Albinger & Freeman, 2000; Turban & Greening, 1997). Given similar claims by respondents in this research were heard, this research assumes that internal CSR crowdfunding may indeed improve employee CSR engagement, employee satisfaction, employee retention and attraction of prospective employees.

This research also finds that internal CSR crowdfunding can generate authentic external, word-of-mouth CSR communication by employees. Findings of academic literature on credible CSR communication imply that internal CSR crowdfunding may indeed constitute a generator of authentic, credible CSR communication. In pursuit of stimulating independent, credible, communication channels, Dawkins (2004) finds employee advocacy to be an avenue of pursuit for corporates aiming to gain high potential external credibility. Since employees generally have a wide diversity of stakeholders within their social network, and employees are perceived as a credible source of information to their peers, employees are excellent candidates for CSR advocacy. This notion is echoed by Du et al. (2010) who note word-of-mouth constitutes a highly credible communication channel for CSR - the power and reach of which has been greatly augmented by virtue of the digital communication media such as: social media sites, blogs, forums. Together these findings suggest that internal CSR crowdfunding may indeed be a way of increasing authentic, employee-led CSR communication, leading to external reputational gains amongst the public, while negative effects to public corporate reputation may occur in case crowdfunding initiatives initiated by employees are left unmonitored and non-strategic partnerships occur.

Interestingly, literature also supports the idea that the beneficial effects of internal CSR crowdfunding on a company can increase top management support for CSR. Weaver et al. (1999) finds that higher top management commitment to CSR - which is facilitated by internal CSR crowdfunding according to some respondents in this research - leads to a higher integration of ethics practices into regular organisational activities. This is corroborated by respondents who claim that internal CSR crowdfunding can act as a catalyst for a firm to shift toward more integrated and sustainable practices.

6.3. CORROBORATING PREVIOUSLY SUGGESTED SYNERGIES BETWEEN CSR AND CROWDFUNDING

To date, the topic of CSR crowdfunding has received very little academic attention. Yet, it is possible to situate the findings of this research within academic literature from the fields of CSR and crowdfunding. The topic of CSR crowdfunding received slight attention when Rijanto (2018) performed a quantitative study on donation-crowdfunding campaigns that have the potential to become CSR activities. However, Spanos (2016) is the only peer-reviewed research paper that investigated the emerging phenomenon of CSR crowdfunding with greater detail. Therefore, the following section will first reflect the findings by Spanos (2016) with the findings of this research. Spanos (2016) explored and discussed complementarities and linkages between crowdfunding and CSR and made a future research recommendation on which this research was based: “Research in future should further explore the evolving relationship between crowdfunding and CSR, by examining how crowdfunding/crowdsourcing success stories can enrich CSR business values and strategies.” (p.12)

In his research, Spanos (2016) identified five potential synergies between crowdfunding and CSR, which will be evaluated by comparing them to the evidence provided by the respondents in this research.

6.3.1. *EXPANDING FUNDING OPTIONS*

First, Spanos (2016) suggests that “crowdfunding can be used as an effective and transparent platform to expand CSR funding options, to make CSR project more participating and to build greater public awareness and understanding of CSR.” (p.4). Rijanto (2018) also notes that “donation-based crowdfunding gives managers the opportunity to implement CSR activities with transparency, crowd support, flexibility, and additional financing for social projects.” (p.86).

This synergy is supported by evidence attained from all three respondent groups in this research. Multiple respondents mentioned the transparent and participative characteristic of crowdfunding. Moreover, all respondents confirmed that CSR crowdfunding increases the available CSR funding through the funds made available by the crowd. It was also noted that companies using CSR crowdfunding “gain from the network of the crowdfunding platforms” (crowdfunding platform A) and that crowdfunding offers an interactive CSR experience at the individual level. Therefore, the first potential synergy identified by Spanos (2016) can be confirmed based on the participants in this research.

6.3.2. *MARKETING, MANAGERIAL DECISION MAKING AND COMMUNICATION*

Second, Spanos (2016) notes that companies can “use crowdfunding campaigns as a marketing tool to show and promote its corporate initiatives and boost its brand.” (p.5). Moreover, Spanos (2016) mentions CSR crowdfunding can “provide a company an opportunity to build trust and commitment in its brand and market presence” Spanos (2016) also mentions that companies can use crowdfunding to “validate product ideas and understand what customers prefer” (p.5). Rijanto (2018) states how CSR crowdfunding “can be a source of innovation and competitive advantage that can benefit the company CSR strategy” (p.86).

Based on the data, this research confirms that the ‘trust factor’ associated with crowdfunding and the ability of crowdfunding to enable individuals to support CSR crowdfunding are factors that are indeed capable of strengthening the public perception and marketing of a company. This research lends support to the latter claim via a case in which public CSR crowdfunding was indeed used to validate potential product ideas and inform managerial decision making (company E). Based on the respondents, it can thus be confirmed that CSR crowdfunding can indeed inform marketing and managerial decision making.

Spanos (2016) also mentions CSR crowdfunding platforms can enable companies with an “active online space where multiple stakeholders discuss on the company’s CSR policies and activities.” (p.5). This finding can only be partly confirmed by this research, since this only held for internal CSR crowdfunding. Some respondents noted that internal CSR crowdfunding enabled employees of companies to discuss, initiate or support CSR activities, but CSR crowdfunding was never mentioned in relation to discussion of CSR policies. This research did not find proof for cases in which public CSR crowdfunding campaigns acted as an online discussion place for the crowd to discuss the CSR policies and activities of the company, but rather found proof for lower level public engagement (e.g. individuals being able to choose which of the diverse, predetermined CSR activities to support) and therefore deviates from Spanos’ (2016) hypothesis.

6.3.3. *STAKEHOLDER ACTIVATION & ENGAGEMENT*

Spanos (2016) suggests that “crowdfunding can engage and activate people, keeping them tied with a project or an idea. A company can ask stakeholders to participate and influence the design and implementation of CSR projects.” (p.5). Spanos (2016) continues to suggest that the “process of co-creation and co-participation increases stakeholder empowerment and engagement and gives companies the opportunity to extend their market reach and CSR impact.” (p.5).

This research finds that public CSR crowdfunding indeed exhibits stronger stakeholder engagement in comparison to non-crowdfunding CSR. Respondents confirmed that public CSR crowdfunding enables a company to present diverse CSR initiatives to the crowd, whom are able to co-participate and engage in the CSR of a firm to the extent that they can decide which CSR initiative they want to lend individual support to.

Moreover, Spanos (2016) notes “CSR campaigns can also use gamification to increase even more engagement with the audience and to promote a project/cause” (p.5). This opportunity was noted in one single instance by Company D, which is a video game development company. This company noted an increase in crowdfunding donations from its customers - ‘gamers’ - after it incentivized its gamers to donate to its CSR crowdfunding campaign by offering an ‘in-game’ advantage to gamers that donated.

As such, this research confirms that the two observed types of CSR crowdfunding lead to varying degrees of stakeholder activation and engagement, thereby bringing nuance to Spanos’ (2016) claims. In the case of public CSR crowdfunding, a lower-level of engagement was generally observed in which the crowd engagement is limited to choosing which predetermined cause to support. This can result in increased CSR funding and market reach as portrayed in a case where product sales were increased through public CSR crowdfunding campaigns that rewarded donors of non-profit crowdfunding campaigns with free products. Internal CSR crowdfunding was offered a relatively deeper engagement, in which employees could choose which CSR activities or non-profit organisations to support through internal CSR crowdfunding. In this case, the deeper employee engagement led to a number of improvements (e.g. employee retention and satisfaction increased) but also pointed to some potential risks (e.g. increased risk for non-strategic CSR activities/partnerships). Since employees are a specific kind of company stakeholder that are specifically engaged in internal CSR crowdfunding, the stakeholder engagement and activation of internal CSR crowdfunding is treated in the following section.

6.3.4. *EMPLOYEE ENGAGEMENT*

Spanos (2016) points to a potential synergy between crowdfunding and employee CSR engagement: “Internally a company can use crowdfunding to increase employee engagement” (p.5). This potential synergy identified Spanos (2016) is strongly confirmed for internal CSR crowdfunding by the respondents in this research. All respondents engaged in internal CSR crowdfunding attested to its beneficial effects of internal CSR crowdfunding to: employee happiness, employee attraction, and an increase in employee participation in CSR. Internal CSR was seen as a way to link the CSR values of a company to employee engagement and “decentralize [CSR] all the way down to your employees and [make employees] involved in the transfer of [...] finance to an NGO” (Crowdfunding service A).

Moreover, this research finds that companies use internal CSR crowdfunding as a way to improve the perception of the company amongst prospective employees. Moreover, internal CSR crowdfunding was reported to offer companies the competitive advantage of being able to attract good employees.

Apart from one case in which public CSR crowdfunding was coupled with in-kind support provided by employees, employee engagement was not noted by respondents as a prominent effect of public CSR crowdfunding.

6.3.5. *TRANSPARENCY*

With regard to the complementarity between crowdfunding and CSR, Spanos (2016) states that the stakeholder demand for transparent CSR activities matches well with crowdfunding platforms. According to Spanos (2016) crowdfunding platforms meet the increased transparency demand and help build a trustworthy company-stakeholder relationship “or more general, a donor-fundraiser relationship” (p.6).

In the case of public-, as well as internal CSR crowdfunding, the transparent characteristic of crowdfunding was reported to be a positive factor promoting its combination with CSR into CSR crowdfunding. In the case of public CSR crowdfunding, respondents noted that the public associates trust with crowdfunding platforms, and is less sceptic of CSR activities since they are displayed alongside unrelated, independent social initiatives. In the case of internal CSR crowdfunding, the transparent characteristic of crowdfunding was deemed a positive factor that enabled efficient organisation of all different CSR activities in one centralized internal crowdfunding platform. As such, this research confirms Spanos’ suggested complementarity between CSR and crowdfunding on the basis of the transparent characteristic of crowdfunding.

6.4. LIMITATIONS

Naturally this qualitative study on the perceived effects of CSR crowdfunding on business case value creation has several limitations. First, the number of respondents in this study limits the generalizability of the findings of this research. This is the case since a total of 54 crowdfunding platforms and crowdfunding service providers with experience in CSR crowdfunding were identified during the respondent outreach (versus 10 crowdfunding organisations included in this research) and 31 companies with experience in CSR crowdfunding were identified (versus 5 companies included in this research). Second, while the companies interviewed had first-hand experience of CSR crowdfunding, and thus are a good source of data, there are certain limitations to these perceptions. Namely, this research investigates the perceived effects of CSR crowdfunding on business value creation, and thus offers no quantitative evidence supporting claims of perceived effects on business case value creation. Third, the companies represented in this research vary in size, type, markets etc. This makes generalization of effects on business case value creation tenuous and subject to company-specific influences. Moreover, effects of CSR crowdfunding on business case value creation were found to most prominent in large, trans-national companies, which makes this research limitation important. Fourth, not all respondents held similar staff positions in their respective organisations (e.g. respondents include CEO, CSR managers, project officers etc.). This means that in some cases respondents were not equipped with the information to provide insights such as: whether or not CSR crowdfunding lead to reduced organisational costs, or provide company motivations for the use CSR crowdfunding. Moreover, a different staff position may also mean that a respondent focuses on different aspects of CSR crowdfunding. For example, the respondent from crowdfunding service provider A notes:

“if [you] talk to the CEO of a company [about CSR crowdfunding] in his mind crowdfunding or any platform enabling to democratize CSR programs is about change management – the CEO wants to change the values of his company, he wants to change how people grow in his company [...] If you talk to HR people, then it’s just about employee branding. If you talk about financial person than it would be about reducing costs. So it really depends on the person.” (Crowdfunding service A)

Fifth, most respondents in this research were employees of crowdfunding platforms and crowdfunding service providers. Since this research investigates the effects of CSR crowdfunding on the business value creation *of companies*, including a greater share of respondents from companies, rather than a greater share of respondents from crowdfunding organisations, is preferred. This is preferred because respondents from crowdfunding organisations have a vested interest in overstating potential positive effects of CSR crowdfunding, which would distort the findings of this research. This means that in the case of this research, insights into effects on *business* value creation provided by *crowdfunding respondents* include one extra level of abstraction and possibly bias, in comparison to insights gained from experienced company representatives.

6.5. FUTURE RESEARCH

This research was based on a research recommendation by Spanos (2016), in which it was advocated that further research on CSR crowdfunding assumes a CSR perspective on CSR crowdfunding to shed further light on the ability of CSR crowdfunding to significantly change the company culture and business model of a company. Using qualitative data, this research has validated some of the hypothesized synergies and identified tensions between the complementarity of CSR and crowdfunding put forth by Spanos (2016). By validating hypothesized complementarities and by confirming positive and negative effects of CSR crowdfunding on business case value creation, this research provides an explanation for the observed increase in CSR crowdfunding by companies. Furthermore, this research was the first to apply the four modes of CSR business case value creation identified by Kurucz et al. (2008) to a specific CSR tool, specifically CSR crowdfunding.

Future research could further explore the effects of CSR crowdfunding on corporates by assuming a more quantitative approach. For example, future research could investigate the effects of internal CSR crowdfunding on HR performance of a company (e.g. employee happiness, retention etc.) by using HR data or by using employee questionnaires investigating the employee perception of internal CSR crowdfunding. This would further explore the potential of internal CSR crowdfunding as a tool to effectively manage both CSR activities and HR of a company. Alternatively, future research could attempt to use quantitative data relating to the financial performance of firms (turnover, sales etc.) to elucidate whether a correlation exists between CFP and the use of CSR crowdfunding. Future research could also focus on the beneficiary-side of non-profit projects associated with CSR crowdfunding since this research finds CSR crowdfunding to potentially increase funding, both for CSR implementation organisations such as NGOs or charities as well as for specific CSR projects. Since the increase in funding is expected to increase CSR impacts according to the respondents, future research could elucidate effects of CSR crowdfunding on associated NGOs/charities, or focus on investigating whether CSR project impacts are increased through CSR crowdfunding, respective to non-crowdfunding CSR. Finally, future research could improve upon the current research by including more respondents, and by restricting respondents to companies that are active in a similar sector, that are of similar size or share other traits. This would improve the generalizability of the results and expose company-specific influences on the effects of CSR crowdfunding on business case value creation.

7. CONCLUSION

In order to determine the *perceived effect of CSR crowdfunding on the business case value creation of companies from the perspective companies and crowdfunding organisations*, this study undertook semi-structured interviews with seventeen respondents, of which two crowdfunding experts and fifteen representatives of companies and crowdfunding platforms/services experienced with CSR crowdfunding. Two dominant types of CSR crowdfunding were identified by this research: internal CSR crowdfunding and public CSR crowdfunding: internal CSR crowdfunding campaigns are only visible to people within a given organisation, whereas public CSR crowdfunding campaigns are visible to anyone connected to the internet. Both types of CSR crowdfunding were perceived by respondents to have particular effects on all four modes of business case value creation identified by Kurucz et al. (2008). While noting company-specific influences such as company size, sector and degree to which employees operate in different locations/countries, these results suggest that both types of CSR crowdfunding can have positive and negative effects on the business case value creation of companies.

Regarding public CSR crowdfunding, there are specific effects on the business case value creation that were identified.

First, public CSR crowdfunding was found to have a positive effect on company cost & risk reduction through two mechanisms: (1) costs to organize CSR initiatives can be reduced through partnership with public crowdfunding platforms/services, and (2) the risk of public scepticism of CSR initiatives can be reduced by partnering with crowdfunding platforms that are perceived by the public as trustworthy and credible.

Second, the reputation and legitimacy of a company can be affected both positively and negatively by public CSR crowdfunding. Positive effects to the reputation and legitimacy of a company stem from the ability of public CSR crowdfunding to (1) appeal to new, diverse, young audiences, in part through its compatibility with social media, and (2) the interactive, engaging crowdfunding experience. Negative effects to the reputation and legitimacy of a company that result from public CSR crowdfunding may stem from the (1) possible change in the relationship and expectations between the crowd and company and (2) the reputational risk that can stem from outsourcing of CSR initiatives to external organisations through crowdfunding platforms and services.

Third, the competitive advantage of a company may be positively affected due to the ability of public CSR crowdfunding to (1) improve public perception of the company, (2) gain new customers by adding free company rewards to donation-based crowdfunding campaigns of NGOs/charities and (3) to market test public demand for product and service innovations.

Fourth, public CSR crowdfunding can increase synergistic value creation, or facilitate value creation for multiple actors at the same by (1) raising extra CSR funds from the crowd that possibly lead to greater CSR project impact for beneficiaries, (2) increasing exposure &

credibility of partner NGOs/charities that experience increase in general crowd donations and (3) facilitating win-win-win combination in which the crowd receives free rewards (win) for donations to NGOs/charities (win) and companies possibly gain new customers by giving away free products (win).

With regard to internal CSR crowdfunding, other specific effects to the business value creation of a company were identified.

First, internal CSR crowdfunding can reduce the cost of organising CSR for a company by (1) using efficient, centralized, internal CSR crowdfunding platforms and (2) by outsourcing due diligence and organisational CSR costs to crowdfunding service providers.

Second, the reputation and legitimacy of a firm may be positively and negatively affected amongst the public and the employees due to internal CSR crowdfunding. Positive effects stem from the ability of internal CSR crowdfunding to (1) involve and engage employees in its CSR activities which benefit the firm reputation amongst its employees and (2) to improve public company reputation through employee word-of-mouth communications concerning internal CSR crowdfunding activities. Internal CSR crowdfunding may negatively affect the public reputation of a company in case employees are given too much freedom in choosing internal CSR crowdfunding initiatives that could turn out to non-strategic/scandalous, which may jeopardize public corporate reputation.

Third, the competitive advantage of a company can be stimulated by the ability of internal CSR crowdfunding to (1) make the company an attractive employer that attracts more (talented) prospective employees and (2) to improve employee engagement in CSR initiatives, which improves employee satisfaction and retention.

Finally, internal CSR crowdfunding can increase synergistic value creation, or facilitate value creation for multiple actors at the same by (1) increasing CSR funding through addition of employee donations, possibly leading to greater impact for CSR project beneficiaries, and (2) by making positive effects of CSR projects easily measurable through internal CSR crowdfunding platforms (e.g. improved employee satisfaction, X amount of many raised by employees, CSR impact increased by X amount), top-management may increase CSR activities that lead to more CSR impacts.

By corroborating the hypothesized synergies between crowdfunding and CSR that were suggested by Spanos (2016) with qualitative evidence, this study adds to the understanding of CSR crowdfunding as a new phenomenon from a business and CSR perspective.

8. ACKNOWLEDGEMENTS

I would like to express my deep gratitude to Dr. Koen Beumer, my research supervisor, for his patient & flexible guidance, enthusiastic encouragement and useful critiques of this research work. My grateful thanks are also extended to MSc. Sid Vollebregt, my internship supervisor at Elemental Water Makers, for giving me the opportunity to intern at Elemental Water Makers whilst writing my research. It has been a great joy to work alongside Sid, MSc. Reinoud Feenstra and Tammo Wildschut and it has been a major inspiration to see how the three of you challenge global water scarcity from your sea-side office in Scheveningen Harbour.

I would also like to extend my thanks to all the interviewee respondents that were willing to devote their time to this research by participating in an interview – I happily look back to the many interesting conversations I have had with you across Skype or in person. It has been very encouraging to learn about the many genuine efforts you are making to stimulate corporate citizenship across the world.

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APPENDIX 1 – INTERVIEW QUESTIONS COMPANIES

Introductory questions

1. Could you provide a short description of the core activities of your company?
2. What is your role in the company?
3. When did you first hear about corporate crowdfunding for a non-profit project?
4. When did you first consider using it and why?
5. In what different ways can CSR be combined with CF according to you?

Corporate perceived effects to business case value creation

1. What was your corporate experience with crowdfunding?
2. What was, in your opinion, the impact of the crowdfunding campaign on your own company?
 - 3a. If any, were there any positive impacts on your company? Did this/these positive impact(s) also extend beyond your own company?
 - 3b. To which crowdfunding campaign characteristics do you attribute these impacts?
 - 4a. If any, were there any negative impacts on your company? Did this/these negative impact(s) also extend beyond your own company?
 - 4b. To which crowdfunding campaign characteristics do you attribute these impacts?
5. What is the difference between corporate impact of conventional CSR activities and crowdfunding for CSR activities?

Closing question: Do you know any companies or crowdfunding organisations, experienced with combining crowdfunding with CSR, that could be of interest to my research?

APPENDIX 2 – INTERVIEW QUESTIONS CROWDFUNDING ORGANISATIONS

Introductory questions

1. Could you provide a short description of the core activities of your company?
2. What is your role in the company?
3. Can you please describe the kind projects that your crowdfunding service supports?
4. When did you first hear about corporate crowdfunding for a social non-profit project?
5. When did a company first reach out to you to set up crowdfunding for a social project/for CSR?
6. Do you notice an increase in not-for-profit/social projects supported by corporates?
7. What are the different ways in which corporates use crowdfunding for CSR?
8. What kind of impact do corporates expect on their own company as a result of crowdfunding not-for-profit projects?

Corporate perceived effects to business case value creation

1. What is, in your opinion, the impact of CSR crowdfunding campaigns on corporates?
 - 2a. If any, what are any positive impacts on companies? Do these positive impact(s) also extend beyond the corporate?
 - 2b. To which crowdfunding campaign characteristics do you attribute these impacts?
 - 3a. If any, are there any negative impacts on corporates as a result of CSR crowdfunding? Do these negative impact(s) also extend beyond the corporate?
 - 3b. To which crowdfunding campaign characteristics do you attribute these impacts?
4. What is the difference between corporate impact of conventional CSR activities and crowdfunding for CSR activities?

Closing question: Do you know any companies or crowdfunding organisations, experienced with combining crowdfunding with CSR, that could be of interest to my research?

APPENDIX 3 – COMPANY OUTREACH E-MAIL

Dear

My name is Dylan Jongbloed and I am finishing my master program at the Utrecht University. For my master thesis I am investigating what crowdfunding can mean for corporate social responsibility. I learned that your company has used crowdfunding to the benefit of social causes and its CSR and I am very curious to learn about your experiences. Would it be possible to arrange an interview?

I will investigate the potential corporate benefits and downsides of using crowdfunding for CSR by corporations (e.g. crowdfunding campaigns for not-for-profit projects). This is a very promising tool but very little is known about it. My aim is to create a broad overview of the potential benefits and downsides of CSR crowdfunding which may benefit future activities of your company. I will therefore interview different companies that have undertaken CSR crowdfunding and crowdfunding platforms. In this context, I am curious to learn about your company's experiences with CSR crowdfunding.

If you would be interested in the results of the above research, I would be able to offer an academic research on the positive and negative corporate impacts of corporate non-profit crowdfunding, provided that you are willing to participate in an interview. All interviews will be anonymized so that the identity of any participating company remains confidential. The interview will preferably take place sometime between the January and the end of April, at a date and time of your convenience. It will take around 30-45 minutes of your time and can take place via Skype/phone or in person.

I am looking forward to your suggestion for a date and time. If you have any question regarding my research or the interview, please feel free to contact by replying to this e-mail.

Thank you in advance.

Kind regards,
Dylan Jongbloed

APPENDIX 4 – CROWDFUNDING ORGANISATION OUTREACH

E-MAIL

Dear

My name is Dylan Jongbloed and I am finishing my master program at the Utrecht University. For my master thesis I am investigating what crowdfunding can mean for corporate social responsibility. I learned that your crowdfunding services assists companies in crowdfunding to benefit social causes and CSR and I am very curious to learn about your experiences. Would it be possible to arrange an interview?

I will investigate the potential corporate benefits and downsides of using crowdfunding for CSR by corporations (e.g. crowdfunding campaigns for a not-for-profit projects). This is a very promising tool but very little is known about it. My aim is to create a broad overview of the potential benefits and downsides of CSR crowdfunding which may benefit future activities of your company. I will therefore interview different companies that have undertaken CSR crowdfunding and crowdfunding platforms. In this context, I am curious to learn about your company's experiences with CSR crowdfunding.

If you would be interested in the results of the above research, I would be able to offer an academic research on the positive and negative corporate impacts of corporate non-profit crowdfunding, provided that you are willing to participate in an interview. All interviews will be anonymized so that the identity of any participating company remains confidential. The interview will preferably take place sometime between the January and the end of April, at a date and time of your convenience. It will take around 30-45 minutes of your time and can take place via Skype/phone or in person.

I am looking forward to your suggestion for a date and time. If you have any question regarding my research or the interview, please feel free to contact by replying to this e-mail.

Thank you in advance.

Kind regards,
Dylan Jongbloed