COMMUNICATING VALUES:
ESSAYS ON TRUST AND LEGITIMACY AS DYNAMIC DRIVERS OF DECISION-MAKING IN CROWDFUNDING

A thesis submitted to Middlesex University in partial fulfilment of the requirements for the degree of Doctor of Philosophy

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ABSTRACT

There is great consensus among scholars and practitioners alike that entrepreneurs and young ventures play an important role in tackling societal issues. Despite this, such ventures with their overarching social or environmental mission face grave difficulties when it comes to accessing external finance. This may be due to their complex value-propositions that bring with a narrative outside the traditional lines of investor/investee communication, and of course their increased liability of newness (Stinchcombe, 1965) because of novel forms of organisations with strong stakeholder participation in their governance. Crowdfunding (CF) can be seen as a fairly young financing option that aims to bridge this financing gap. It does so by focusing investors on the value-propositions of the ventures such that it connects the fund-seeking venture to the community. Because of these peculiarities it is crucial to understand how decision-making and underlying communication processes work as they are more strongly underpinned by collective and individual values. And while research has shed light on the factors that influence decision-making processes, much less attention has been paid to the communication and negotiation of the underlying values of the various actors in these processes. This thesis, in the form of a PhD by Public Works, fills this gap and provides insights into how the communication and negotiation of values between the actors influences decision-making in CF throughout the various stages of a funding campaign. It summarises and outlines five scholarly papers which address CF as an institutional space with interlinked actors and looks at decision-making processes from sociological and socio-cognitive perspectives, applying legitimacy and trust lenses. Given the nascent status of CF theory the research positions itself in an interpretative paradigm and follows an abductive methodology with qualitative methods. Based on the combined insights from the five papers the thesis ultimately provides insights into the processes of embedding and re-embedding of values in CF and by that how these values drive decision-making.

ACKNOWLEDGEMENTS

Introduction

1. INTRODUCTION

Young ventures hold great potential to address grand societal challenges (Hertel et al., 2019; Mair & Marti, 2009; Ramani et al., 2017). A reason for this is the value-resemblance young ventures seek with their potential customers and communities (Meyskens & Bird, 2015; Vismara, 2016) and the resulting stakeholder inclusion. Yet, because of this stark reliance on values, ventures often face difficulties in external capital acquisition (Bruton et al., 2015; Geobey et al., 2012; Lehner & Nicholls, 2014; Marlow & Swail, 2014; Moore et al., 2012).

A now well-established alternative financing option that counteracts such value-based funding issues of young ventures is Crowdfunding (CF). It connects entrepreneurs with globally dispersed, private, and non-institutionalised individuals (the so-called crowd (Lehner, 2013; Polzin et al., 2018)) and by that encourages an investment approach that is based on a subjective evaluation of a CF pitch based on values, rather than on a rational investment strategy (Kuppuswamy & Bayus, 2018; Lehner, 2014). With this CF provides young ventures with access to financing although or perhaps because of their stakeholder inclusion efforts.

Extant CF literature has investigated the factors that matter most in the decision-making process. Studies show for example that demonstrating and leveraging social capital is an important aspect in CF (see Cai et al. (2021) for a recent overview) and that forward-looking rhetoric and structural elements of a story such as shorter duration are conducive for a successful funding (e.g. Frydrych et al., 2014; Korzynski et al., 2021; Manning & Bejarano, 2017; Nielsen & Binder, 2020). Studies also show that signalling emotions and altruism is crucial to appear legitimate (e.g. Nielsen & Binder, 2020; Steigenberger & Wilhelm, 2018; Wuillaume et al., 2019), or that visual modes of communication are more effective than others (e.g. Scheaf et al., 2018; Tafesse, 2021; Thapa, 2020). And while such works have provided important insights into the factors that are important for decision-making in CF, we still have limited insights into the communication processes that determine how values come to matter underneath these factors. In other words, while we understand *what* matters, we do not yet know *how* that what is brought to matter in the larger context of decision making.

One reason for this knowledge gap could be that most studies looking at CF analyse the activities of single actor groups (Agrawal et al., 2011; Dushnitsky & Fitza, 2018). Another one could be that most works focus on static success factors in the form of a-priori proxies that correlate with success (Shneor & Vik, 2020). Because of these reasons research falls short in providing a holistic understanding of how values are dynamically communicated and negotiated over multiple levels and by various actors (McKenny et al., 2017; Snihur et al., 2021; Soublière

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& Lockwood, 2018) and ultimately falls short in explaining social decision-making processes that are based on the continuous embedding and re-embedding of values (Pfarrer et al., 2019; Soublière & Lockwood, 2018). That is problematic insofar as value-based investing and stakeholder engagement is crucial to solve greater societal problems.

The papers collated in this document aim to fill this gap. They aim to dig deeper into how values are communicated by various actors and how they evoke legitimacy and trust. In other words, the thesis investigates *how* certain topics are brought to matter and *when*, by that allowing a reflection on how value driven ventures challenge existing investment paradigms. The guiding question spanning over all papers was *how legitimacy and trust can be communicated to drive decision-making in crowdfunding.*

To answer this question, I decided to follow *three consecutive empirical steps*. I chose these three steps because they allowed me to successively build up insights and based on that develop theory on social decision-making. *First*, I wanted to get a holistic understanding of the CF ecosystem, its actors and how these can influence decision-making and communication processes. Recognising that CF literature has not yet provided a holistic account of the CF ecosystem, the first paper (Lehner & Harrer, 2019) in this thesis addressed this gap and showed that the CF ecosystem can be seen as an institutional space where the activities of different actors converge.

In the *second* step, I then aimed to understand the underlying communication of values in decision-making processes in CF. Acknowledging that a venture's key task is to create legitimacy and trust (Fisher, 2020; Garud et al., 2014; Kim et al., 2016; Taeuscher et al., 2020; Xiao, 2020), I present three papers that investigate dynamic communication strategies in CF and how they are used to evoke legitimacy and trust. Paper two (Harrer, 2019) focuses on legitimacy creation efforts of female entrepreneurs and shows how they build on a feminist agenda in doing so. After that I engaged more specifically with expectation creation efforts and therefore built on trust as a theoretical lens. Paper three (Harrer et al., 2019) therefore investigates how different trust forms (from multiple levels) are brought to matter over the course a CF campaign. And paper four (Harrer, 2021) shows how trust signals are dynamically created in CF. In sum these three papers dig underneath the current static view of signals in CF communication and provide insights into how a continuous (re)-embedding of individual and collective values can induce legitimacy and trust and by that shape decision-making processes in CF.

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In a *third* step, I triangulated findings from a related, value-driven financing context, impact investing. Hence, paper five (Lehner et al., 2019) in this thesis analyses communication strategies of various impact investing actors in order to create legitimacy. Relating it to the findings from the previous papers, the emergent actor types and related legitimacy strategies again show that the interconnectedness of actors and contextual specificities of values impose great problems for effective financing; particularly for those ventures that rely on societal values.

Building on the insights of these three empirical steps, the thesis, as a summary document for a PhD by Public Works reflects on the essential contextual elements to be considered for communication and decision-making processes that span over multiple levels and contexts. While each paper has its own contributions and implications, the thesis more broadly contributes *first* to CF literature by highlighting the necessity to include multiple actors of the CF ecosystem in research endeavours to better understand (Dushnitsky & Fitza, 2018). It further provides a more nuanced account of how values are embedded and re-embedded over multiple levels in communication processes of CF. A *second* contribution of this thesis is to organisation and management literature by providing insights into the social side of economic decision-making and how it depends on multimodal instances. Both issues still largely posit a puzzle in management research (Cristofaro, 2019; Meyer et al., 2018; Pfarrer et al., 2019) and thus leave a large social change potential un-leveraged. Overall, the thesis puts forward a holistic understanding of how values are contextualised in crowdfunding processes. The interdisciplinary nature of the papers is particularly beneficial to this. *Finally*, the thesis also discusses practical implications.

While the guiding question of the thesis was *how legitimacy and trust can be communicated to drive decision-making in crowdfunding*, the three empirical research steps were guided by distinct sub-questions:

Step 1: Who are the different actors in a crowdfunding ecosystem and how are their actions interrelated?

Step 2: Which decision-making factors matter most over different levels of analysis?

> RQ 2.1 How are societal change ideas from a feminist perspective communicated in crowdfunding pitches of female run ventures?
>
> RQ 2.2 How is trust built up through the various stages of a crowdfunding campaign?
>
> RQ 2.3 How is trust signalled in crowdfunding campaigns?

Step 3: How do different actors in impact investing communicate legitimacy?

2. SUMMARY OF THE RESEARCH PROCESS

In what follows I will summarise how I developed the **three main empirical steps** and the papers within these (see figure 1 on the next page for an overview). With this I aim to provide insights into how I approached the gap in the literature and how I developed and adapted my research questions throughout the research process.

Before I defined the three steps, I conducted a literature review. I started from my interest in how values influence investment decisions and started looking for (alternative) investment phenomena in which values were of particularly prominent or important. Looking at both, the sustainable investing and entrepreneurship literature I soon recognised crowdfunding and impact investing as particularly representative phenomena: both put values at the core of their decision-making processes. Having identified the empirical context, I embarked on a literature review relating to values in crowdfunding and impact investing to develop an initial set of research questions. I then structured these questions into three steps, allowing me to focus on the CF ecosystem and communication dynamics in this ecosystem on the one hand, and on the impact investing market and communication dynamics in this market on the other.

While the initial set of questions particularly guided my endeavours in the empirical step 1, step 3, and early on in step 2, I also developed additional sub-questions in step 2 as new observations emerged and I started to explore the explanatory potential of my theoretical lenses at hand. Ultimately, my three steps can be summarised as follows:

1. The **first empirical step** of this thesis was to get a holistic overview of the CF ecosystem and based on that identify who the most influential actors are. By that gaining insights into who is involved in communication processes and who influences how values are communicated for decision-making. The first paper (Lehner & Harrer, 2019) sheds light on how CF platforms are connected to other actors and how they influence the broader ecosystem. Such insights were directional for the development of the following papers in that, as they showed that observing the discourse and communication on and around CF platforms can provide critical insights into the decision-making processes.

2. In the **second empirical step** I sought to understand how the communication and negotiation of values between and around the above identified actors influenced decision-making processes in CF.

Summary of the Research Process

STEP 0: Literature Review
Guiding RQ: how legitimacy and trust can be communicated to drive decision-making in crowdfunding?

STEP 1

STEP 2

STEP 3

Legitimacy Dynamics

RQ 2.1: How are societal change ideas from a feminist perspective communicated in crowdfunding pitches of female run ventures?

Related Publication: *Harrer, T (2019), "The Positive Side of Feminist Theory in Entrepreneurial Finance: Feminist Themes and Tropes in Crowdfunding for Social Change", ACRN Journal of Finance and Risk Perspectives, Vol 8 No 1, pp. 275-291.*

Crowdfunding Ecosystem

RQ 1: Who are the different actors in a crowdfunding ecosystem and how are their actions interrelated?

Related publication: *Lehner, O M, Harrer, T (2019), "Crowdfunding revisited: A neo-institutional Field-Perspective", Venture Capital - An International Journal of Entrepreneurial Finance, Vol 21 No 1, pp. 75-96.*

Trust Dynamics

RQ 2.2: How is trust built up through the various stages of a crowdfunding campaign?

Related Publication: *Harrer, T, Lehner, O M and Weber, C (2019), "Blurred organizational boundaries and the multi-level understanding of trust: a discursive lens on crowdfunding", Scandinavian Journal of Management (in review) & Proceedings of the British Academy of Management Conference, Birmingham, UK.*

Impact Investing Dynamics

RQ 3: How do different actors in impact investing communicate legitimacy?

Related Publication: *Lehner, O M, Harrer, T and Quast, M (2019), "Building institutional legitimacy in impact investing: Strategies and gaps in financial communication and discourse", Journal of Applied Accounting Research, Vol. 20 No. 4, pp. 416-438.*

Trust Dynamics

RQ 2.3: How is trust signaled in crowdfunding campaigns?

Related Publication: *Harrer, T (2021), "Evoking the Leap of Faith online: An Exploration of the inner workings of Trust Signals", Organization Studies (in review) & Proceedings of the Annual Academy of Management Meeting, online.*
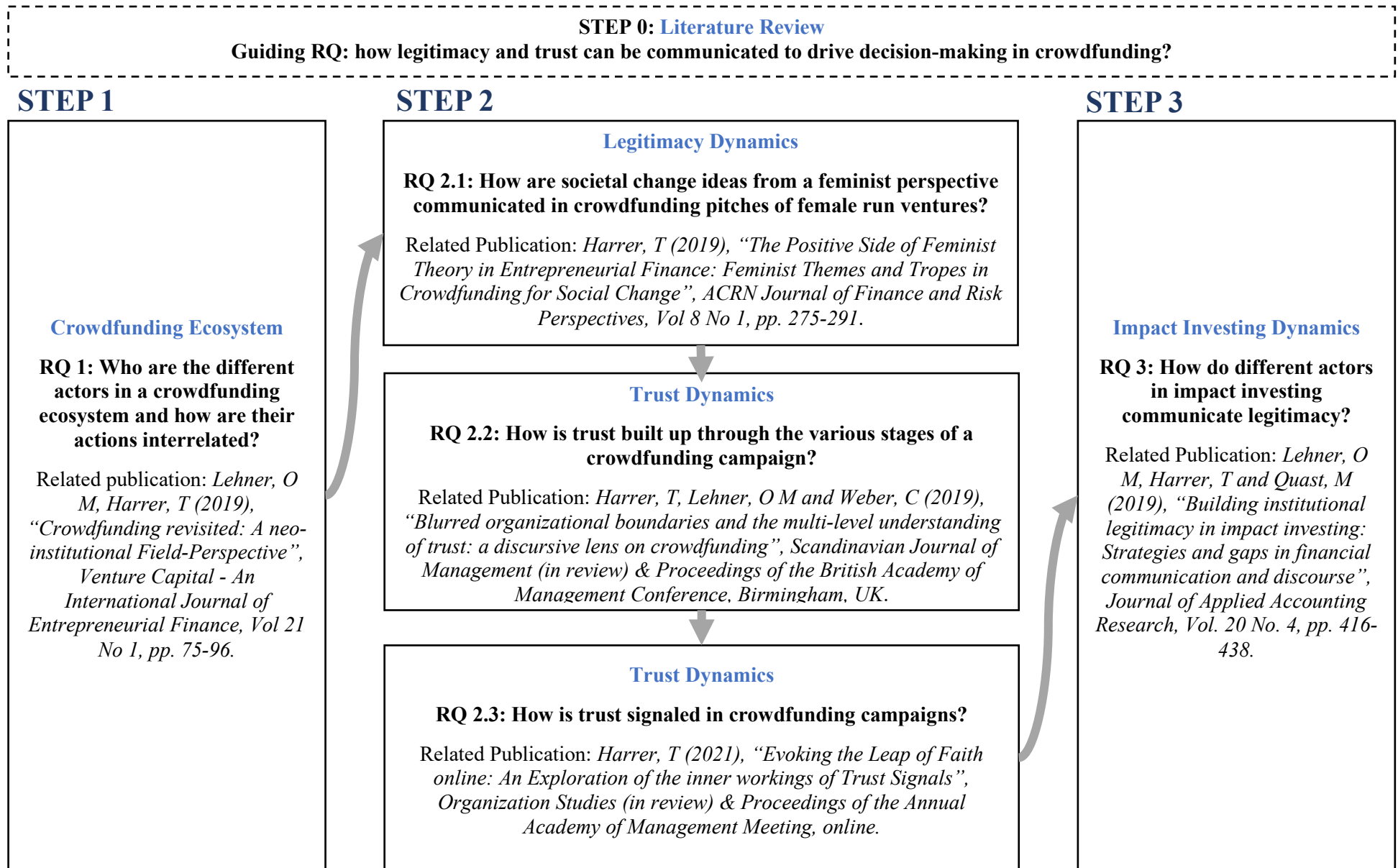
Figure 1: Research Process

Summary of the Research Process

I again started with the observations from the initial literature review and built on the assumption that legitimacy is the best explanator of success in CF (Fisher, 2020; Stinchcombe, 1965); leading me to explore the dynamic constitution of legitimacy in CF in paper 2 (Harrer, 2019). In particular, I analysed how female entrepreneurs follow feminist agendas (i.e. values) in order to enhance their legitimacy. The findings of this paper demonstrated that although legitimacy can be the end-resource that is to be obtained, there are other sub-processes that determine what that is legitimate. My initial hunch was that it was related to the communication and instantiation of values, yet at this point my hunch required further investigation.

First, in the larger entrepreneurship context, I stumbled upon two works that specifically suggest that legitimacy creation is underpinned by various sub-processes, such as identity and expectation building (Garud et al., 2014; Wry et al., 2011). And while research on entrepreneurship has started to acknowledge such sub-processes, few studies have empirically engaged with how expectations are built. CF research is equally silent on these sub-processes (McKenny et al., 2017). That is interesting insofar as CF literature highlights the importance of expectation management of the various investors (Lehner, 2013; Mollick, 2014).

Thus, I adapted my thinking so that I would investigate expectation building dynamics and how these could influence decision-making. One salient lens that focuses explicitly on how expectations are built, is trust (Kramer, 1999; Mayer et al., 1995). Interestingly, and somewhat expectedly after the initial realisation, to date very few studies look at trust building in entrepreneurship and CF literature (Pollack et al., 2017; Welter, 2012). Consequently, I adapted the research questions of the following papers so that they would provide insights into trust dynamics.

Second, reviewing selected pieces from the finance and organisation theory literature I was able to observe that values were critical resources in the construction of legitimacy and trust (e.g. Adams, 2021; Kraatz et al., 2020; Morselli et al., 2012). However, after considering these works carefully I realised that most of them regard values as specific individual principles (related to trust) or as macro-level cultural instantiations that exist a priori (related to legitimacy). As I was interested in how values mattered in investment processes, a narrow definition of values as either a psychological *or* institutional construct seemed limiting insofar as it did not allow me to impartially identify what mattered, but rather it would have led to an a-priori bias as to what mattered for a specific person or in a social domain. Thus, as figure 2 outlines, in this thesis I do not view values as individual

principles (as outlined by Schwartz (1992) and often assumed by trust scholars (Gillespie & Mann, 2004)), or macro level instantiation (as mostly assumed in institutional theory (Kraatz, 2020)), but rather I see them as embedded as cultural resources in the context (Kraatz & Flores, 2015; Schwartz, 1994; Selznick, 1957).
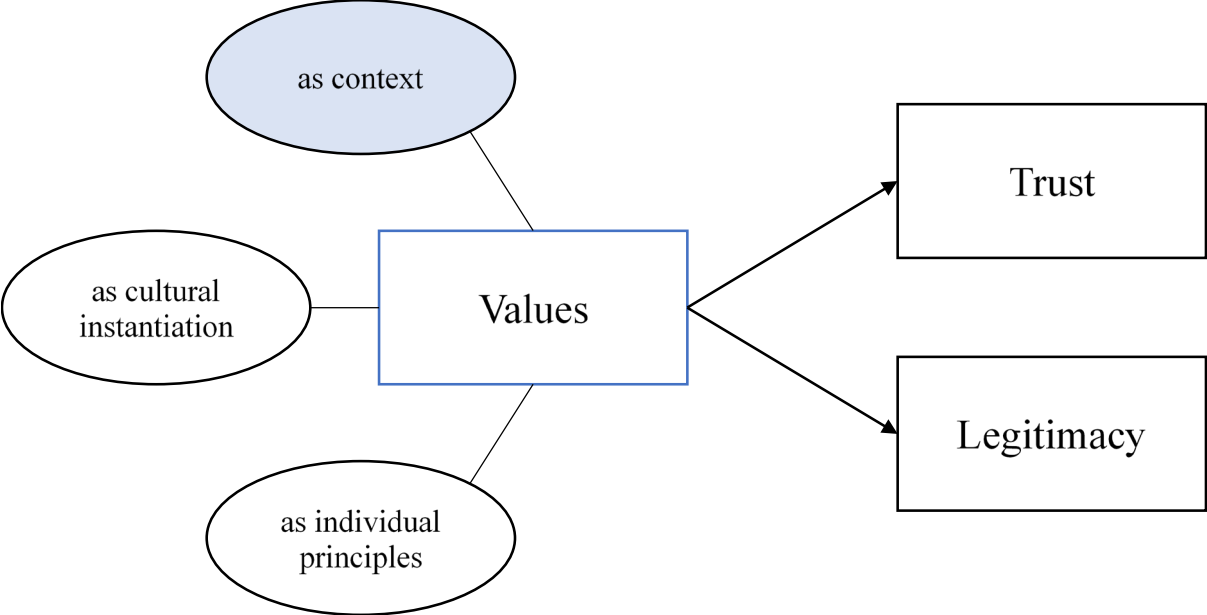
Figure 2: Values, legitimacy and trust

Seeing values as context provided me the theoretical and methodological flexibility to identify values in situ rather than assuming them to be assumptions held a priori – either on the micro or macro level. As legitimacy is a concept rooted in institutional theory (and therefore assumes the macro perspective on values), and trust is a concept rooted in socio-cognitive theory (and therefore primarily assumes the micro perspective on values), taking a values-as-context perspective allowed me to holistically analyse how they relate to legitimacy and trust respectively.

Having clarified a) the explanatory potential or limitations of legitimacy and b) the definition of values, I reformulated my research questions in the second step so they would reflect these clarifications and focus on trust. I started with paper 3 (Harrer et al., 2019) where I aimed to get an overview of how trust is dynamically built throughout the duration of a CF campaign. Specifically, I analyse the general discourse of various actors around a CF campaign and how this discourse matters for trust building. The next paper 4 (Harrer, 2021) focuses specifically on the micro-dynamics of communication of the entrepreneurs in reward-based CF.

Summary of the Research Process

Together these two papers on trust (Harrer, 2021; Harrer et al., 2019) complement paper 2 (Harrer, 2019) on how values are communicated in order to obtain legitimacy, by also providing insights into how the relevance of values changes in order to create positive expectations.

3. Having explored the actors and communication dynamics in CF, in the **third empirical step** I then triangulate findings from the initially identified context of impact investing (Lehner et al., 2019). This context is similar to CF insofar as it connects dispersed investors and social ventures, with the intention of achieving social and financial return (Emerson, 2003). From the beginning on, it was thus my intention to see how the above explored processes looked like in this similar, yet different context.

Summary of the Research Process

Step 1: Overview of the CF ecosystem

*Lehner, O M, Harrer, T (2019), "Crowdfunding revisited: A neo-institutional Field-Perspective", Venture Capital - An International Journal of Entrepreneurial Finance, Vol 21 No 1, pp. 75-96. (**paper 1**)*

Step 2: Dynamic communication & negotiation of values in CF

2.1.   Dynamic aspects of legitimacy

*Harrer, T (2019), "The Positive Side of Feminist Theory in Entrepreneurial Finance: Feminist Themes and Tropes in Crowdfunding for Social Change", ACRN Journal of Finance and Risk Perspectives, Vol 8 No 1, pp. 275-291. (**paper 2**)*

2.2.   Trust as an alternative lens to explore dynamics

*Harrer, T, Lehner, O M and Weber, C (2019), "Blurred organizational boundaries and the multi-level understanding of trust: a discursive lens on crowdfunding", Scandinavian Journal of Management (in review) & Proceedings of the British Academy of Management Conference, Birmingham, UK. (**paper 3**)*

*Harrer, T (2021), "Evoking the Leap of Faith online: An Exploration of the inner workings of Trust Signals", Organization Studies (in review) & Proceedings of the Annual Academy of Management Meeting, online. (**paper 4**)*

Step 3: Triangulation from Impact Investing

*Lehner, O M, Harrer, T and Quast, M (2019), "Building institutional legitimacy in impact investing: Strategies and gaps in financial communication and discourse"[1], Journal of Applied Accounting Research, Vol. 20 No. 4, pp. 416-438. (**paper 5**)*

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[1] Best Program Paper Academy of Management Division PNP 2018 and nominee for the Carolyn B Dexter Award. Emerald Literati Award for Outstanding Paper 2020 in the Journal of Applied Account Research.

3. OVERVIEW OF THE PAPERS

No of Paper	Title	Year	Journal	Authors
1	Crowdfunding revisited: A neo-institutional Field-Perspective	2019	Venture Capital	Lehner Othmar, Harrer Theresa
2	The Positive Side of Feminist Theory in Entrepreneurial Finance: Feminist Themes and Tropes in Crowdfunding for Social Change	2019	Journal of Finance and Risk Perspectives	Harrer Theresa
3	Blurred organizational boundaries and the multi-level understanding of trust: a discursive lens on crowdfunding	2019	Scandinavian Journal of Management (in review), British Academy of Management Proceedings Birmingham (2019)	Harrer Theresa, Lehner Othmar, Weber Christiana
4	Evoking the Leap of Faith online: An Exploration of the inner workings of Trust Signals	2021	Organization Studies (in review), Proceedings of the Annual Academy of Management Meeting 2021	Harrer Theresa
5	Building institutional legitimacy in impact investing: Strategies and gaps in financial communication and discourse[2]	2019	Journal of Applied Accounting Research	Lehner Othmar, Harrer Theresa, Quast Madeleine

Table 1: Bibliography of the papers

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[2] Best Program Paper Academy of Management Division PNP 2018 and nominee for the Carolyn B Dexter Award. Emerald Literati Award for Outstanding Paper 2020 in the Journal of Applied Account Research.

4. THEORETICAL BACKGROUND

Young ventures are an essential part in resolving societal challenges such as inequality and climate change (Dean & McMullen, 2007; Dorado & Ventresca, 2013; Markman et al., 2019). A reason for this is not only their intention to provide new and effective solutions to problems but also to potentially administer change more effectively by building on value-resemblance with their communities (Bacq et al., 2020; Hertel et al., 2019). However, despite such potentials, young ventures struggle to propel the idea forward in the early stages as their access to important resources, such as financing, is often restricted.

In this thesis I argue that this is because decision-making processes that are driven by social values rather than economic ones are still not well understood (Pfarrer et al., 2019). I exemplify this on the example of CF.

4.1. CROWDFUNDING

Crowdfunding (CF) is a financing option that aims to address the financing issue of young, value driven ventures (Bruton et al., 2015; Harrison, 2013; Lehner et al., 2015; Moritz & Block, 2016; Schwienbacher & Larralde, 2010). It does so by focusing investors on the societal value-propositions of the ventures and by connecting the fund-seeking ventures with multiple actors on a global scale. Entrepreneurs who turn to CF seek financing from a large number of globally dispersed people, the so-called crowd (Belleflamme et al., 2014; Lehner et al., 2019; Short et al., 2016). They prepare a pitch in the form of a short video and text around it and this gets posted online on so-called CF platforms (Belleflamme et al., 2015; Löher, 2017). Taking both aspects together, CF connects young ventures with individual people as investors, who make decisions based on subjective judgements rather than a structured investment approach[3].

CF can be executed in four forms, depending on the kinds of rewards offered to the investors (Allison et al., 2015; Cholakova & Clarysse, 2015; Collins & Pierrakis, 2012; Vulkan et al., 2016; Ziegler et al., 2019). The forms and rewards range from simple donations to tangible rewards, to shares or interest payments. While donation-based CF is most similar to philanthropic giving, reward- and equity-based CF offer tangible rewards or shares to the individual investors. For that reason, the last two are also the most popular CF models globally

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[3] It is important to note that although the focus of CF is on value-congruence and subjective factors, the evaluation of financial viability is not excluded. Ventures that are featured on the CF platforms have all undergone a thorough due-diligence process in which the business plan and the product's potential are scrutinised. In addition, all ventures usually present key financial information in a separate file, that is accessible from the project pitch on the platform.

(Cummings et al., 2020). Platforms such as Kickstarter and Indiegogo in the US are prominent representatives of reward-based CF, and Crowdcube and Seedrs in the UK follow an equity-based model.

4.2. COMMUNICATION IN CROWDFUNDING

As mentioned above, the major characteristic of CF is that it combines financial factors with soft, value based factors (Moss et al., 2017) and puts an emphasis on social capital (Butticè et al., 2017; Cai et al., 2021; Colombo et al., 2015). The reason being that CF connects ventures not to a distinct professional investor, but instead to the broader public and many investors. By that ventures not only seek financing per se, but also have the opportunity to build a community and test their product/service (Bruton et al., 2015; Harrison, 2013; Hornuf & Schwienbacher, 2018; Josefy et al., 2017; Mollick & Kuppuswamy, 2014; Moritz & Block, 2016; Paschen, 2017)[4].

Extant CF research has focused on how ventures can best create that connection to the community, whist not falling short on delivering on the commercial/financial aspects. Initially, psychological factors and entrepreneurial traits were considered to be influential in the legitimacy creation processes (Rousseau, 1989). Over time other important factors, such as social capital (see Cai et al., 2021 for a recent overview), entrepreneurial passion and emotions (Cardon et al., 2012; Cardon et al., 2017a; Cardon et al., 2017b; Wuillaume et al., 2019) and group associations (Carbonara, 2020; Greenberg & Mollick, 2017) were identified as also being influential in decision-making.

Most recently, CF research has recognised the imperative role of the pitch video and texts – and therefore the communicative aspect – in CF decision-making processes (Allison et al., 2013; Lounsbury & Glynn, 2001; Moss et al., 2017; Moysidou & Spaeth, 2016; Ormiston & Thompson, 2021; Parhankangas & Renko, 2017; Yang et al., 2020). Alongside this, researchers began to discuss the kinds of values that can be communicated (Snihur et al., 2021). For instance, Allison et al. (2015) suggest that linguistic cues that describe the venture as an opportunity to help others are essential for a positive funding outcome. Parhankangas and Renko (2017) show that those ventures with a social mission see themselves confronted with higher (social impact) expectations and thus have less linguistic freedom in how to frame their

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[4] For this reason, CF is also particularly suitable for sustainable ventures who follow hybrid goals in that as they often pursue a strong social or environmental mission while being a sustainable business (Doherty et al., 2014; Lehner, 2013).

Theoretical Background

impact. Moss et al. (2018) replicate this when they look at prosocial CF. They find that the positioning in a single linguistic category is important and in particular the positioning in the social over the economic. In a similar vein, Ren et al. (2021) show that emotional language in the project description is one important factor that influences funding behaviour. They highlight that in hedonic projects arousal words are positively related to the success of the project. In a recent study, Balachandra et al. (2021) also show that gendered language is important to consider. Women, so the authors show, are more successful when they do not apply linguistic styles that are traditionally attributed to women. The masculine style is more effective overall and thus it is beneficial for women to mimic it.

In a similar vein, Manning and Bejarano (2017) analyse how, across different project types, project histories and potential futures are presented to convince potential investors. They find that long-term entrepreneurial projects that require creative ideas and a bold vision the framing of 'ongoing journeys' is best, whereas for projects that need support for a distinct next step the framing as 'results-in-progress' is best. They also highlight that successful entrepreneurs employ their narratives consistently. More recently, Nielsen and Binder (2020) also demonstrate the importance of so-called value-framing in CF campaigns. They show that altruistically framed campaigns are more likely to be funded over those which refer to egoistic or environmental motives.

Besides the focus on framing and linguistic strategies, scholars have also looked at the kinds of signals that are important in CF. For example, Chan and Parhankangas (2017) suggest that incremental innovations as signals are easier to relate to and suggest higher user-value, both of which makes the presentation of such innovations better suited for CF campaigns. Similarly, Ko and McKelvie (2018) analyse how ventures signal future prospects. The findings reveal that the founders' experience and education are crucial in the initial funding round, whereas in the later rounds, education remains the only important signal. Their findings also reveal that the coexistence of signals potentially changes the meaning of all signals.

Moreover, Allison et al. (2017) find that an entrepreneur's education and experience (so-called issue relevant information) is most important when funders are experienced. Personal dreams and shared identity as more emotional signals are most important for young and inexperienced funders. And last but not least, Xiao (2020) looks at signals over time and how they relate to trust. In a China based equity CF case, the author argues that lead investors initially pay attention to information regarding the entrepreneur's experience, expertise and commitment. Follow-on investors usually rely on these lead investors as signals.

Theoretical Background

Recent works have postulated that both, strategic (linguistic) framing and signals are important, and that the interpretation of signals can be situationally different. For example, Steigenberger and Wilhelm (2018) argue that research overly focuses on substantive signals (those signals that provide relevant information (Connelly et al., 2011)), yet few have looked at their interplay with rhetorical signals (those that also include language-based information). The authors find that rhetorical signals complement substantial signals as such that they attract attention via pathos-based (emotional) language, or by providing more information on the firm's capabilities (instead of just the quality of its activities).

Furthermore, Scheaf et al. (2018) posit signal flexibility as key attribute to keep information asymmetries between investors and entrepreneurs low. They argue that signals are managed alongside other cues (such as visual ones) and reveal that media coverage and video quality in combination with other signals positively relate to CF success, whereas text quality is affecting the project outcomes negatively.

Thus, to summarise the above, extant CF literature shows that communication in CF is imperative. Signals need to be presented carefully and emotional framing is important. However, when reflecting on the above works, it seems that contemporary CF literature mainly considers a single actor group (e.g. Dushnitsky & Fitza, 2018), and relatively static factors to better understand how decisions are made in CF (Cholakova & Clarysse, 2015). For example, while most studies identify the kinds of signals that are important (rhetorical or substantial), they do not investigate how these signals are created and evoked in interplay with the wider context. Even to the extent that some (i.e. Scheaf et al., 2018) have argued that the meaning and relevance of signals can change depending on how they interact with other factors, research is largely silent on the important communication processes underneath.

This indicates a tilt of research toward investigating *what* matters, instead of looking at *how* and *why* what matters. And while the focus on static factors has provided important insights into CF, it is problematic insofar as it ignores the dynamic communication and negotiation of values underneath and around decision-making factors (Pfarrer et al., 2019; Snihur et al., 2021). By this research risks an insufficient understanding of the multiple ways to crowdfund successfully, and most importantly insufficient support for value-driven ventures as values are considered a single category. Thus, this thesis aims to address these problems with five papers and by providing insights into *how* and *why* certain decision-making factors matter in CF.

5. FINDINGS OF RESEARCH PAPERS

This chapter provides insights into the three research steps and how they fill the above gaps in the literature. In doing so, it summarises the five individual papers, as such that it looks at their research design, theoretical framing, key findings and contributions. I start with step 1 and paper 1 (Lehner & Harrer, 2019). I then move on to describing step 2 and papers 2-4 (Harrer, 2019, 2021; Harrer et al., 2019). Finally, I describe step 3 and paper 5 (Lehner et al., 2019).

	Step 1	Step 2			Step 3
Paper	Lehner & Harrer (2019)	Harrer (2019)	Harrer, Lehner & Weber (2020)	Harrer (2021)	Lehner, Harrer & Quast (2019)
Theoretical framing	Institutional Theory	Feminist Theory	Trust	Trust	Legitimacy
Design	Abductive	Abductive	Abductive	Abductive	Abductive
Analysis Type	Thematic Discourse Analysis	Narrative Discourse Analysis	Thematic Discourse Analysis	Multimodal Discourse Analysis	Thematic Discourse Analysis
Data Type	Documents	Videos	Documents	Videos	Documents
Sample	23 projects on 11 crowdfunding platforms	38 videos from 42 reward based crowdfunding campaigns on 3 platforms	1 in-depth single case from Crowdcube	19 videos on Kickstarter	19 impact investing actors
Main Findings	Crowdfunding platforms build centre of crowdfunding ecosystem and engage in isomorphic activities.	Five feminist themes predominantly guide the legitimacy creation of female entrepreneurs and reflect their social change activities	Various discursive foci underpin three trust forms interact over five crowdfunding phases. Temporal and affective/calculative framing are relevant.	Three strategies to evoke three trust dimensions via multi-modal cues and dramaturgical mechanisms	Four archetypical actors in the impact investing ecosystem engage with four discursive foci differently

Table 2: Summary of individual research papers per step

Findings of Research Papers

5.1. STEP 1: OVERVIEW OF THE CROWDFUNDING ECOSYSTEM

In the first step I wanted to get an overview of the CF ecosystem. This is of relevance because extant CF research has focussed on individual actors only (Agrawal et al., 2011; Dushnitsky & Fitza, 2018). Due to this, research has not yet provided holistic insights into how these actors are interconnected and how their actions and communications shape practices and the broader CF ecosystem (McKenny et al., 2017; Moysidou & Spaeth, 2016). Thus, in order to fill this gap and answer research question 1, I thus conducted a study that sheds light on how the various actors in the CF ecosystem are connected.

RQ1: Who are the different actors in a crowdfunding ecosystem and how are their actions interrelated?

Related paper 1: Lehner, O M, Harrer, T (2019), "Crowdfunding revisited: A neo-institutional Field-Perspective", Venture Capital - An International Journal of Entrepreneurial Finance, Vol 21 No 1, pp. 75-96.

Aim & Design

The paper aims to understand how the actors in the CF ecosystem are interconnected. It builds upon the cases of 23 projects on eleven leading CF platforms covering different forms of CF (Kickstarter, Indiegogo, Crowdcube, Assob, 1000x1000, Symbid, Kiva, RocketHub. Fundly, GoFundMe, MicroVentures) that lead to over 300 documents from primary and secondary data. These documents are coded according to Denzin and Lincoln (2005) and provide insights to primary activities within the field. Ultimately, the findings were structured according to Eisenhardt, Graeber & Sonenshein (2016), where they were inductively clustered according to the assumptions of an ecosystem (actors, activities, positions and links).

Findings of Research Papers

Platform	Main Type of CF	Geographic Scope	Number Cases/ Documents
03 Crowdcube	Equity, Debt	UK, US	3 / 35
01 Kickstarter	Reward	US, worldwide	6 / 57
02 Indiegogo	Reward, Equity, Donation	US, worldwide	7 / 63
04 Australian Small Scale Offerings Board	Equity, Debt	AUS, worldwide	2 / 29
05 1000x1000	Reward/Debt	AT	2 / 26
06 Symbid	Equity	US, Europe	1 / 24
07 Kiva	Lending	US, worldwide	0 / 16
08 RocketHub	Equity	US	0 / 9
09 Fundly	Donations	US, worldwide	1 / 7
10 GoFundMe	Lending, Social/ Personal Fundraising	US	0 / 5
11 MicroVentures	Equity, Venture Capital, Business Angels	US, worldwide	1 / 3
General Documents			34
		Total:	*11 platforms, 23 cases and 308 documents*

Table 3: Data statistics for Lehner & Harrer (2019)

Theoretical Framing: Institutional Theory

The paper takes on a neo-institutional field perspective in order to make sense of the activities and the interconnected actors (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 2008). This lens was chosen, because it provides excellent theoretical ground to analyse how actors in a field, such as the CF ecosystem, generate and shape rules and normative standards, as well as how they are affected by them (Greenwood & Meyer, 2008). In addition, among organisation and management theory scholars, a new institutionalism perspective and the study of institutions and institutionalisation processes is one of the central theoretical tenets in their quest to better understand social processes of organising (Jepperson, 1991; Selznick, 1996).

In short, institutional theory is concerned with the study of institutions and the processes of institutionalisation. Institutions are "*a social order or pattern that has attained a certain state or property*", and institutionalisation describes "*the process of such attainment*" (Jepperson, 1991, p. 145). Thus, institutions are created and maintained not just by the visible actions taken, but rather by the instalment of routine patterns that are entrenched in the value system. Over time, these entrenchments denote formal and informal structures and guide how systems work (Meyer & Rowan, 1977). Fields capture the space in which all actors are interconnected and engage in institutionalisation processes (DiMaggio, 1983; Scott, 2008).

Transferring such thoughts to CF, the CF ecosystem denotes the institution as in it represents an organisational field in which investment patterns and actors such as investors and entrepreneurs who seek financing are brought together in a specific order (DiMaggio & Powell, 1983). It also reflects for example how the value of ventures is to be understood and evaluated.

Findings of Research Papers

The institutionalisation processes occur within this field when actors engage in actors to define what the value of ventures is and what the best methods to assess it are. This is crucial because ultimately these values set what is legitimate in the CF ecosystem (Meyer & Rowan, 1977; Suchman, 1995), and by that also define how decision-making and related communication processes look like.

Key Findings

The paper finds that CF platforms take on a central role in the CF ecosystem. This is captured in a model (figure 2) that shows the actors, processes, and flows.
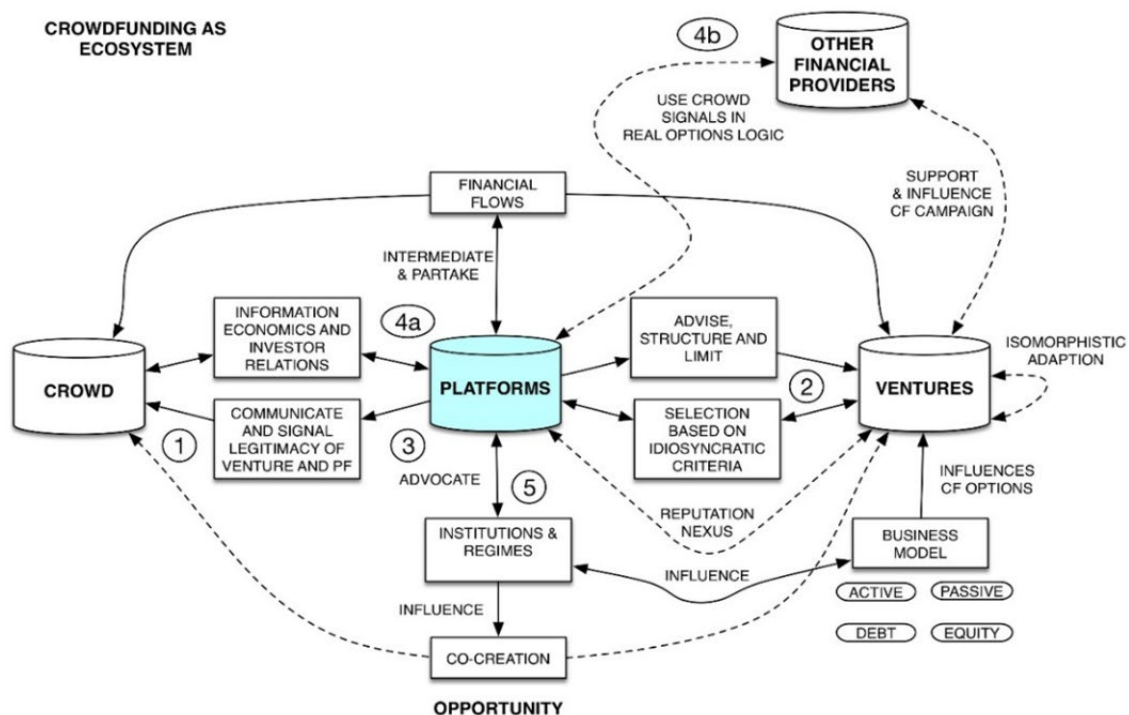
Figure 3: The Crowdfunding Ecosystem

Furthermore, the findings highlight that CF platforms influence the CF ecosystem in five ways:

- they act as *financial broker*, offering suitable tools for presentation and interaction. With this they set compliance standards for selection.
- they act as *accelerator* by supporting venture growth in collaboration with other capital providers.
- they act as *information broker* by leveraging communication channels for investor-relations during and after the funding.
- they focus on *gatekeeping*, when they step in as expert consultants who provide checklists and expert discussion rounds to investors and entrepreneurs.

- they engage in *advocacy* work by for example working with policy makers and working in expert groups to develop innovative regulations that push the legitimacy of CF forward.

Contributions

This paper discusses the actors in the CF ecosystem and their interconnection. It reviews potential touchpoints between the actors and assesses the relative importance of the CF platforms in shaping the CF ecosystem. Based on the above findings the paper develops five propositions (Cornelissen, 2017) that summarise how CF platforms institutionalise the CF ecosystem. These insights, explicated in the figure 2 above, answer the first research question of the thesis and provide the necessary overview of the CF ecosystem to conduct the next research steps of this thesis.

The paper also specifically contributes to CF literature by holistically assessing the role of actors in the ecosystem, instead of focusing on specific ones only (Agrawal et al., 2011; Dushnitsky & Fitza, 2018). It not only highlights which actors are present and relevant in the CF ecosystem, but also shows how platforms enable and control the resource and information flow between ventures and the crowd for co-creation and innovation processes. The platforms influence the configurations of pitches and by that engage in normative isomorphic processes that shape ventures and investors preferences likewise (DiMaggio & Powell, 1983). Based on that the paper positions CF as a complex institutional space where actors on different levels interact and shape the discourse. As a result, we show that information flow from and around platforms is perhaps *the* crucial aspect to analyse when aiming to better understand decision-making factors and related communication processes.

5.2. STEP 2: DYNAMIC COMMUNICATION & NEGOTIATION OF VALUES IN CROWDFUNDING

Taking step 1 and paper 1 (Lehner & Harrer, 2019) as a base, this second step of the thesis now focuses on the decision-making factors and related communication processes in CF. It is particularly concerned with the research question

RQ2: Which decision-making factors matter most over different levels of analysis?

Having recognised that CF platforms take on a crucial role in synthesising and leveraging the information available, the following three papers presented focus on the discourse on and around such platforms. As noted in earlier chapters, contemporary CF literature has mainly focused on static decision-making factors (such as signals). In doing so research has suggested that certain signalling and framing strategies are important tools for entrepreneurs to create legitimacy (Gafni et al., 2019; Nielsen & Binder, 2020; Scheaf et al., 2018; Steigenberger & Wilhelm, 2018; Taeuscher et al., 2020). However, it is less understood how values are communicated dynamically in those strategies (Snihur et al., 2021). The following papers therefore aim to shed light on the dynamic communication of values in and around decision-making processes. They do so from different theoretical perspectives.

Findings of Research Papers

5.2.1. Step 2.1. Dynamic Aspects of Legitimacy

Starting with the widely accepted idea in the entrepreneurship literature that legitimacy is key for a positive financing decision (Fisher, 2020), in the second paper of this thesis (Harrer, 2019) I aim to provide insights into how legitimacy can be created dynamically. I do that by answering the first sub-research question in step 2:

RQ 2.1 How are societal change ideas from a feminist perspective communicated in crowdfunding pitches of female run ventures?

Related paper 2: Harrer, T (2019), "The Positive Side of Feminist Theory in Entrepreneurial Finance: Feminist Themes and Tropes in Crowdfunding for Social Change", ACRN Journal of Finance and Risk Perspectives, Vol 8 No 1, pp. 275-291.

Aim and Design

In this paper I analysed how female entrepreneurs dynamically create legitimacy. I explored how they engage with a feminist agenda in order to overcome the obstacle of being a woman-entrepreneur and by that potentially change fundamental assumptions in entrepreneurship (Ahl & Marlow, 2012; Calas & Smircich, 1999; Calas et al., 2009; Marlow & McAdam, 2013; Marlow & Patton, 2005; Marlow & Swail, 2014). For this, I applied a narrative discourse analysis (Hardy et al., 2004; Hardy & Thomas, 2015; Thornborrow, 2012) on almost 300 documents and 38 campaign videos, which were collected from 42 reward-based CF campaigns on Indiegogo, Kickstarter and Patreon (see table 4 below).

	Platform				Total
	Indiegogo	*Kickstarter*	*Indiegogo Generosity*	*Patreon*	*4*
Number of Cases	20	18	2	2	*42*
Number of Documents	109	126	8	9	*257*
Total Funding Sum Platform	$800,000,000.00	$2,973,461,408.00	n/a	$8,991,874.00[5]	*$3,782,453,282.00*
Total Funding Sum of Cases	$6,467,542.86	$4,662,127.50	$9,743.00	$41,368.42[6]	*$11,180,781.78*

Table 4: Data statistics for Harrer (2019)

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[5] Of payouts on a monthly basis
[6] Of payouts on a monthly basis

Findings of Research Papers

The research design is abductive as it combines theoretical assumptions around narrative tools such as tropes (Venkataraman et al., 2013), and an inductive exploration of how micro elements are used to infuse these narrative tools with meaning (discursive elements). My coding was based on meaningful units (Braun & Clarke, 2006) and included three separate steps:

1) I inductively identified discursive elements,
2) I deductively operationalised tropes
3) I inductively explored overarching themes which I then compared to feminist themes.

Following this three-step process allowed me to unpack how female entrepreneurs use narrative tools (Venkataraman et al., 2013) to depict thematic foci in their campaigns and in doing so adhere to different aspects of a feminist discourse in order to create legitimacy.

Theoretical Framing: Feminist Theory

The paper builds on the tenets of feminist theory. Harding (1987) distinguished between three groups of feminist theory, all of which address female oppression differently (see also Calas et al., 2009; Pettersson et al., 2017):

Liberal	Social, psychoanalytic, radical	Social constructionist, poststructuralist
this stream locates the difference between men and women not in their appearance, but in their ability to think rationally. In fact, it assumes that men and women are equal biologically. Differences, as in for instance the subordination of women, can then only arise from structural sources such as restricted access to education.	this stream understands female and male traits to have developed differently. By focusing on the female, it therefore essentially develops an alternative view to the status-quo rather than questioning it.	this last research stream moves away from looking at the difference between men and women, but rather focuses on how masculinity and femininity are constructed. Gender is reproduced in social interaction and based on cultural norms - for example in upbringing. Clearly then the perception of gender varies in time and space in this view.
Exemplary reference (Fischer et al., 1993)	Exemplary reference (Black, 1989)	Exemplary reference (Butler, 1990)

Table 5: Groups of Feminist Theory

Entrepreneurship research has primarily focused on the prior two groups (Ahl, 2006; Alvarez & Barney, 2010; Calas et al., 2009). That is when speaking about female entrepreneurs, scholars refer to women running businesses and women engaging in discussions about resource acquisitions as in 'in a female body' (Du Rietz & Henrekson, 2000; Godwin et al., 2006; Hamilton, 2013, 2014). Such notions have led to studies focusing on the bodily/behavioural differences between men and women. For instance, Adams and Funk (2012) suggest that female board members are inherently different females (in their traits and dispositions).

Findings of Research Papers

Some scholars have already argued that these studies are inherently limiting and even conducive to the differences between men and women (Ahl, 2006; Marlow & McAdam, 2013; Marlow & Swail, 2014; Neergaard et al., 2011). They state for example that a focus on biological differences (as in sex) does not explain why women are underrepresented in entrepreneurship and apparently are less successful – otherwise research would not grapple with the question of this kind of inequality anymore. (Adams & Funk, 2012). Thus, in order to identify the *real* differences between men and women in entrepreneurship, they suggest that it is essential to advocate studies that build on third group of feminist theory – the social constructionist or post-structuralist – in entrepreneurship research and look at the discourse (as most compellingly laid out by Judith Butler in 1990).

Acknowledging this and assuming that the difference of female ventures is not based on male or female traits but rather on implications of a predominant entrepreneurial discourse to create legitimacy (Ahl, 2006; Du Rietz & Henrekson, 2000; Pfefferman et al., 2021), this paper explores how females engage with the entrepreneurial discourse differently in order to appear legitimate (Butler, 1990).

Key Findings

The paper found that female entrepreneurs use combinations of **1) discursive elements** (e.g. colours, music, metaphors, etc.), **2) tropes** and **3) feminist themes** to create legitimacy. These combinations are created in a process that is captured in figure 3 below.
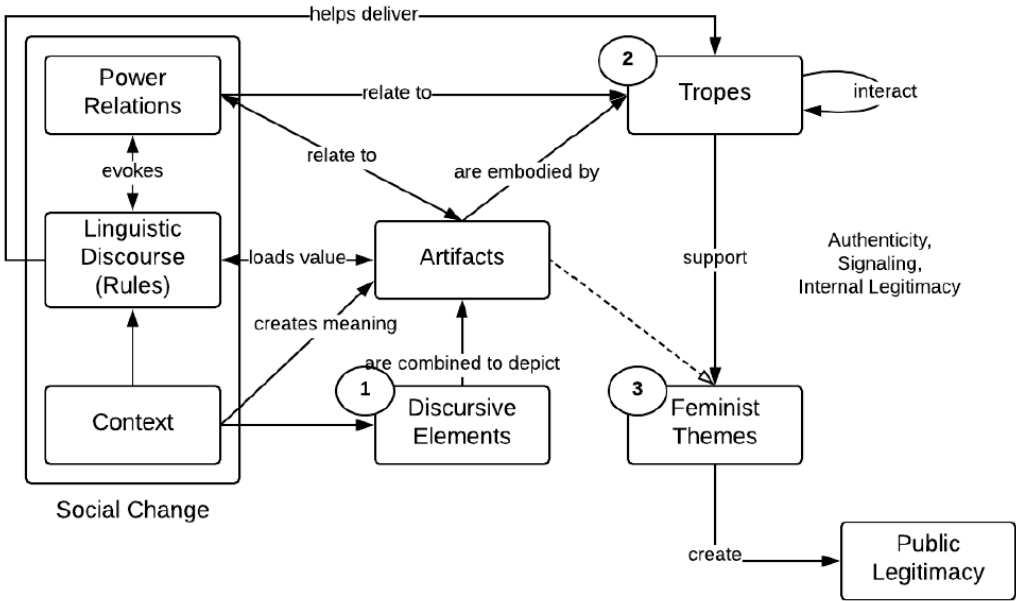

Figure 4: Legitimacy creation of female entrepreneurs

Findings of Research Papers

While the **feminist themes** capture the public picture of the females (top-down), **tropes** depict who the female entrepreneur aims to be (from a bottom-up perspective) (Venkataraman et al., 2013).

Based on the above process the paper showed that female entrepreneurs rely on predominantly five feminist themes to create legitimacy and that these themes are primarily underpinned by five tropes in the entrepreneurial narratives (see table 6 below for an overview on this).

Most Frequent Feminist Themes	Related Subject in Video	Related Object in Video	Relating Feminist Approach	Relating a-priori Feminist Themes	Salient Tropes
I) Women's Empowerment (15)	societal open-mindedness, societal and political restrictions, cultural heritage, new generation, women in male dominated branches, communication styles	poverty, breastfeeding mothers, play production, Morse code sending bracelet, kids' cookbook, bike locker	social & liberal	empowerment, equal opportunities, intact environment	Natural Woman, Innovative Incubator
II) Self Determination and -realisation (11)	societal taboos, modern lifestyle, demanded innovations in a saturated market, cultural heritage, freedom	menstruation, tech necklace, sleeping mask, innovative pillow, clothing	liberal	equal opportunities, intact environment, oppression	Strong Woman, Community
III) Reflective Body and Self-Image (7)	pressure to appear equal, modern lifestyle, showing character, cultural heritage, freedom	bra, menstruation, training, photobook, clothing	social	sexuality, oppression	Natural Woman, Sexually free
IV) Women's and Family Health (6)	modern lifestyle, environment issues, pressure to appear equal, cultural heritage	vegetable blends, organic tea, sleeping mask, training,	social & liberal	family; physical and psychological health; intact environment	Mother, Natural Woman
V) Sharing Economy and Community (5)	societal doing-good, women in men dominated branches, modern lifestyle, capturing moments	group against poverty, dolls, powerbank, camera	social & liberal	equal opportunities, intact environment, empowerment	Innovative Incubator, Community

Table 6: Most common feminist themes

Findings of Research Papers

Contributions

The paper discussed how female entrepreneurs dynamically evoke legitimacy in CF. In doing so, it not only showed that female entrepreneurs rely on feminist themes as such, but they also use specific tropes and employ discursive elements to evoke such themes. Thus, the paper provided insights into the dynamic creation of legitimacy of female entrepreneur and answered the first sub-research question (2.1) of this thesis.

Female entrepreneurs create legitimacy by referring to feminist themes, such as their family's health or their empowerment. And while prior studies have shown that feminist themes differ from classic entrepreneurship decision-making factors and limit females in their efforts to obtain funding (e.g. Ahl, 2006; Pfefferman et al., 2021), this paper showed how females anchor their stories in feminist themes to appear legitimate after all. It revealed that females imply more radical agendas on a micro level (via tropes), while remaining true to a more mundane gendered entrepreneurship (liberal and social) discourse on a macro level. With that they do not necessarily counteract the legitimacy problems associated with female entrepreneurs, but they create a momentum of change from underneath.

Based on this, the paper further argued that because of that reliance on more agile and potentially more radical agendas from within, female entrepreneurs can engage in discursive feminist work (Butler, 1990) via which they could actually challenge classic assumptions in entrepreneurship literature and induce change (Calas & Smircich, 1999; Calas et al., 2007a). The paper demonstrated that females exemplify the change character of ventures especially well, yet due to gender-stereotypisation in entrepreneurship theorising, their actual impact and advocacy is often impeded by traditional societal discourses. I thus suggest that deconstructing our understanding of entrepreneurship more accurately (Calas et al., 2009) can be a fruitful way in order to move forward in our research on social ventures and their narratives. In order to leverage that change momentum for a greater good, research should embrace critical thinking around the performativity of its theories (Calas & Smircich, 1999; Dey, 2007; Steyaert, 2005, 2007).

5.2.2.   Step 2.2. Trust as alternative Lens

The findings of step 2.1. and Harrer (2019) demonstrated that although legitimacy is the end-resource that is to be obtained for positive funding decisions (see e.g. Taeuscher et al., 2020), entrepreneurs engage in sub-processes in order to create resonance with the audiences. And although some studies in the entrepreneurship literature mention identity (Wry et al., 2011) or expectations (Garud et al., 2014) as such sub-processes, I was struck that no study engaged more explicitly with for example expectation generation in CF; particularly because the CF literature suggests that managing and guiding the expectations of the many individual investors is key to appear legitimate (Lehner, 2013; Mollick, 2014). Thus, I re-evaluated my research objectives in the thesis and adapted my theoretical focus to a trust lens.

Trust, as articulated in the seminal work of Mayer et al. (1995), is defined as "*the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party*" (p. 712). With this the authors postulate that the behavioural response of trusting is based on two things: 1) the *intention* of making oneself dependent on someone (willingness) and 2) the *belief* (expectation) that someone does not harm you and is benevolent, competent, and fair (Mayer et al., 1995; McKnight et al., 1998). Mayer et al. (1995) furthermore delineate three main dimensions that render someone or something trustworthy: Ability, Benevolence and Integrity (in short ABI).

Besides such trustworthiness factors, scholars have also highlighted that trust building includes various bases. Table 7 summarises the most important trust bases, which when read from top to bottom can also be conceptualised as processes over time.

Findings of Research Papers

Shapiro, Sheppard & Cheraskin (1992)	Lewicki & Bunker (1995; 1996)	Rousseau, Sitkin, Burt & Camerer (1998)
Deterrence based trust: the potential costs of discontinuing the relationship or the likelihood of retributive action outweigh the short-term advantage of acting in a distrustful way.	*Calculus based trust*: a … calculation … of the outcomes resulting from creating and sustaining a relationship relative to the costs of maintaining or serving it.	*Calculus based trust*: based on the rational choice and characteristic of interactions based on economic exchange. derives not only from the existence of deterrence but because of credible information regarding the intentions or competence of another.
Knowledge based trust: knowing the other so as to be able to predict his or her behaviour	*Knowledge based trust*: knowing the other sufficiently well so that the other's behaviour is predictable	*Relational trust*: derives from repeated interactions over time. Information available to trustor from within the relationship itself forms the basis. Reliability and dependability give rise to positive expectations of the other, emotion enters into the relationship
Identification based trust: fully internalising the other's preferences, making decisions in each other's interest.	*Identification based trust*: identification with the other's desires and intentions, mutual understanding so that one can act for the other.	

Table 7: Trust bases

Another influential work on trust bases is the one of Lynne Zucker (1986). She suggests that trust building is based on three causes: characteristics, institutions, or a process. While the above works on trust bases focus on types of sense-making, Zucker specifically highlights the importance of information sources and with that the importance of external determinants in trust building. According to her, trust is not only dependent on individuals and their affective and cognitive qualities, but it is also directly related to the process (and time) of interaction as well as external safeguards. And indeed, many works show that trust tends to be higher the longer the interaction is (Rotter, 1980; Vanneste, 2016; Vanneste et al., 2014). Others have also pointed at the importance of culture and third parties as (social) institutions, both of which act as important gatekeepers towards trust (Bachmann & Inkpen, 2011; Fukuyama, 1995; Lane & Bachmann, 1997; Wang et al., 2014).

Building on these foundational works of trust, in the following papers I looked at how trust was dynamically communicated in CF. I was curious about the inherent dynamics of trust creation and based on that how expectations were created as part of the dynamic aspects of decision-making processes.

Findings of Research Papers

Trust Themes in the Crowdfunding Discourse

I started with the third paper (Harrer et al., 2019) and explored how information in the discourse around a CF campaign was structured to create trust. I was particularly interested in who or what trust was attributed to in different phases and by that in how aspects on different levels mattered over time. The paper answers the following sub-research question

RQ 2.2 How is trust built up through the various stages of a crowdfunding campaign?

Related paper 3: Harrer, T, Lehner, O M and Weber, C (2019), "Blurred organizational boundaries and the multi-level understanding of trust: a discursive lens on crowdfunding", Scandinavian Journal of Management (in review) & Proceedings of the British Academy of Management Conference, Birmingham, UK.

Aim and Design

This paper explored how unstructured information was presented throughout a CF campaign and by that how trust was built over multiple levels of analysis over time. By looking at discursive foci (Braun & Clarke, 2006) within a single case study of the equity CF campaign of the British Fin-Tech bank Monzo, the paper explored the prevalence of three trust forms (individual, organisational and institutional) over time. It built on the analysis of 132 documents, which were collected online (Kozinets, 2015) and covered the time of the two CF campaigns run by Monzo from 2015-2018.

Trustee	Attributed Character	Addressed Object	Document Types
Entrepreneur(s)	Personal traits	Specific individual (Mayer et al., 1995; McAllister, 1995)	Interviews, some company blog documents
Investor(s)	Credibility, history and background, personal traits	Specific individual (Mayer et al., 1995)	Community, third party (investor) blogs
Company/Organization	Financials, future outlook, business plan, product/service	Organization	Company blog, third party blog, platforms, financial information
Crowdfunding Platform	Support, due diligence, availability and service, other projects/reach	Organization, boundary spanner (Perrone et al., 2003)	Platform blog, third party blogs
Regulators and Crowdfunding System	Online banking, age groups, social impact, future aim	Crowdfunding system, banking system, society at large (Cook, 2001)	Third-party blogs, platform blog, company blog

Table 8: Data types and characteristics

Findings of Research Papers

The coding of the collected data was organised in two broad steps:

- *First*, I analysed the documents according to the five temporal phases throughout a CF campaign (based on Gordon (2014); and keeping in mind that such phases help structure data (Langley et al., 2013; Luhmann, 1979) and the trust forms (individual (Rotter, 1967), organisational (Mayer et al., 1995), institutional (Zucker, 1986)).
- *Second*, I analysed the thematic foci throughout the campaign. I therefore conduct an additional qualitative content analysis (Mayring, 2004) of the data. This analysis further identifies topics that trigger a shift in attention and a general shift in the important theme. Based on this it suggests that these triggers and themes guide the shifts between the trust forms over time. I also analyse how these triggers are used in terms of temporal and affective foci.

Theoretical Framing: Multi-Level Trust

Trust research has suggested that trust can be built towards an individual (Rotter, 1967), an organisation (Mayer et al., 1995), or an institution (Fuglsang & Jagd, 2015; Lane & Bachmann, 1997; Zucker, 1986). Most studies investigate trust building at one of those analytical levels, where they look at for example trust building between two people (Lewicki & Bunker, 1995), or the trust processes between organisations (Bachmann & Lane, 1998; Brattström et al., 2019; Ring & Van de Ven, 1994; Zaheer et al., 1998). What is more, when investigating institutional trust, research has largely focused on trust in an organisational institution instead of broader (and more complex) societal institutions (Bachmann, 2011; Mishra & Mishra, 2013).

At the same time, trust scholars have shown that the importance of trust bases varies over time. Studies show for example, while calculus-based or institutions-based trust can be important in the beginning of trust building, identification-based and familiarity-based trust seem to be more important in latter phases (Lewicki & Bunker, 1995; Lewicki & Bunker, 1996; Rousseau et al., 1998). In the beginning, institutions provide the necessary authoritative base and other external societal safeguards may act as imitators of the known (Bachmann & Inkpen, 2011), and personal and interactional (face-to-face) relationships are key for trust building and maintenance in the long run (Bentzen, 2019; Dirks & Ferrin, 2001; Lane & Bachmann, 1998).

In the context of entrepreneurship, Welter and Smallbone (2006) suggest that the lower institutional trust in a country, the more important it is for entrepreneurs to build and rely on social ties to build a venture and obtain resources. Others too highlight the interplay or supplementary character between institutional and personal trust in entrepreneurial contexts

Findings of Research Papers

(Howorth & Moro, 2006; Neergaard & Ulhøi, 2006). Recently, the study of Xiao (2020) adds that cognitive trust is important in the beginning when entrepreneurs and investors know little about each other, and relational trust is regarded crucial throughout the ongoing campaigns.

Thus, trust building is a process where trust bases and levels of analysis are relevant at different points in time. And while the above works have provided important insights into different aspects of this, they all remain relatively static in their explanatory potential. By that I mean that they mostly refer to bi-directional (and interactional) relationships (Graebner et al., 2020) and ignore the relevance of multiple analytical levels at the same time, and by that miss out on explaining their interplay over time. Moreover, while some of the prior studies suggest that the way of how information is presented affects trust building (Brattström et al., 2019), and that such information might be of different importance over time (Xiao, 2020), they have not investigated how the presentation of information changes and dynamically evolves over multiple levels of analysis in a global discourse (Möllering, 2006; Möllering & Sydow, 2018; Wubs-Mrozewicz, 2020). In other words, none of the above works looks at how different trust levels and bases interact in a discursive process over time.

Findings of Research Papers

Key results of the paper show that the three trust forms (on three levels of analysis) complement each other at different points in time of an equity CF campaign (see figure 4).
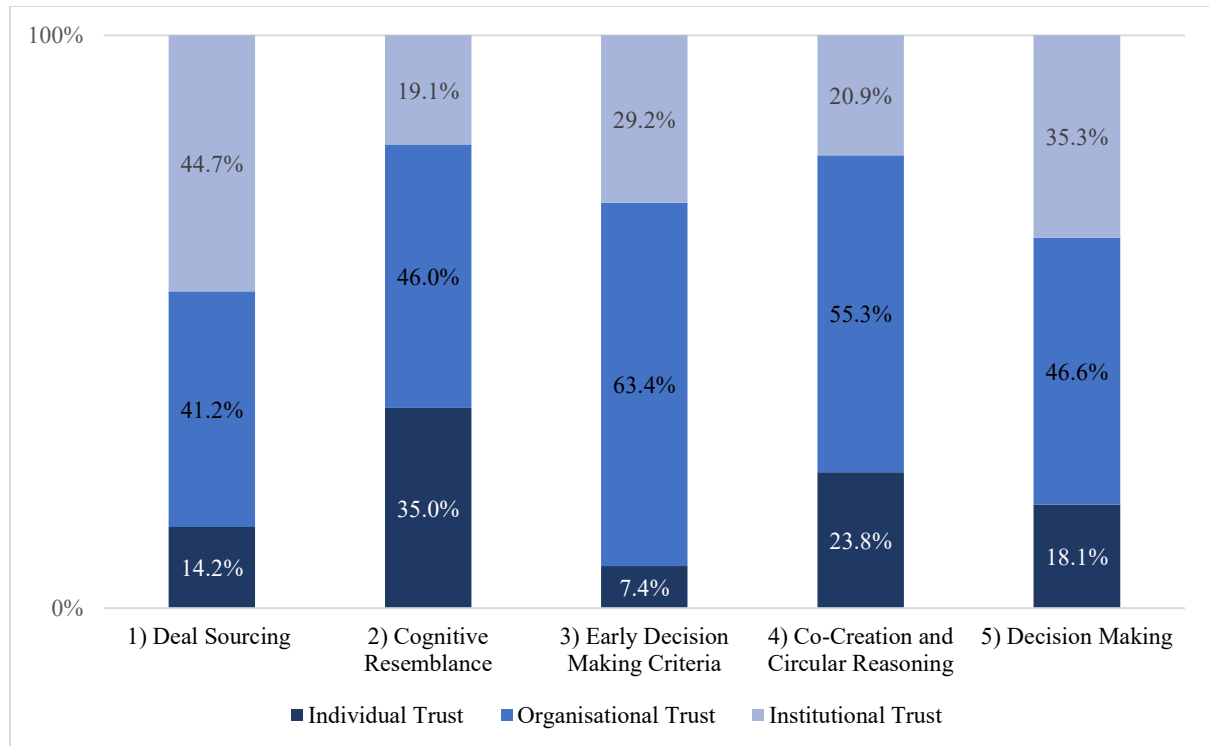
Figure 5: Relative importance of trust forms over time

In particular, the findings reveal that in CF

- ***institutional trust*** is important in the beginning and in the end, suggesting its importance in the leap of faith (Nikolova et al., 2015) and as gatekeeper more generally (Zucker, 1986). The thematic foci in these early and late phases on the one hand revolved around the CF ecosystem and the evaluation of the platform as an apt outlet, all of which were indicated by emotional references (referring to affective trust bases (McAllister, 1995)) in the present tense. On the other hand, the foci revolved around the societal fit of the venture and its impact. The information triggers that underpinned these themes resonated to emotions and were presented in future.

- ***individual trust*** is particularly important in the second phase of a CF campaign, indicating the importance of the ping-pong between getting to know CF as well as the platform, and then seeking resonance of the observed information and values from and with the entrepreneur or other specific individuals from Monzo. The focus in the phases with highest individual trust was particularly on personal encouragement and individual

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inspiration, where emotional triggers were most important, again being primarily presented in the present tense.

- in the middle phases ***organisational trust*** was most important, as the discourse shifted to themes around the competitiveness of Monzo and the financial performance. These themes are primarily presented by referring to specific topics in the present tense and by that they explicate the calculative trust bases (McAllister, 1995). Despite this particular importance in the third phase of the CF campaign, organisational trust has been identified as the most important trust form throughout the campaign, resonating with prior literature (Dietz & Gillespie, 2011; Gillespie, 2017).

The exploration of such discursive foci and the evaluation of how the relevant themes are evoked, led me to develop a process model of (cognitive and affective) **triggers and themes**. This model captures how the above prevalence of trust forms were brought to matter by references to different triggers, thereby providing novel insights into the relevance of different trust bases over time and in the relevant trust forms.

Findings of Research Papers

Contributions

The paper explored *what* mattered *when* throughout an equity CF process. It analysed how three trust forms (individual, organisational, and institutional) oscillated throughout this process, and extracted the discursive reference points for each of these trust forms in the CF phases. By highlighting discursive themes and via that the prevalence of trust forms over time, the paper provides insights into how issues on multiple levels of analysis interact in more globally dispersed and potentially non-interactional communication processes. The triggers further demonstrate how these issues and levels are brought to matter. With this the paper also answers the second sub research question in step 2 of this thesis.

The paper contributes to CF literature by providing insights into trust building in a CF campaign. Few papers, with the recent exception (Xiao, 2020) have investigated this so far. The paper shows how thematic foci are brought to matter throughout different phases of a CF campaign. This also provides important insights into the temporal dynamics of communication in CF (Landström et al., 2019; McKenny et al., 2017).

The paper however mainly contributes to trust literature on multi-level trust. The extant literature explores how trust is created on one level (Graebner et al., 2020; Seidel, 2017). A handful of more recent studies considers two levels of analysis (Bentzen, 2019; Brattström et al., 2019; Grimpe, 2019; McEvily et al., 2017). However, these studies are predominantly in interfirm and interactional settings (for example looking at trust in a co-worker vs a team or the management) and thus there is a lack of knowledge on how information from multiple levels of analysis is incorporated in a communication process where actors do not interact directly (Seidel, 2017). This paper highlights how different trust forms oscillate over time and with that demonstrates the importance of multiple levels of analysis in larger, more complex online settings.

Findings of Research Papers

Signalling of Trust in Crowdfunding Pitches

While paper 3 (Harrer et al., 2019) looked at the information available throughout the CF discourse, the fourth paper (Harrer, 2021) in this thesis considered the micro-foundations of how entrepreneurs communicate and create information to create trust. With this it answered the third sub research question in step 2 of this thesis.

RQ 2.3 How is trust signalled in crowdfunding campaigns?

Related paper 4: Harrer, T (2021), "Evoking the Leap of Faith online: An Exploration of the inner workings of Trust Signals", Organization Studies (in review) & Proceedings of the 81st Annual Academy of Management Meeting, online.

Aim and Design

I looked at how entrepreneurs dynamically evoke trust signals in their video representations of a venture. Specifically, I acknowledged that entrepreneurs primarily rely on videos to send cues and signals and by that convince the crowd (Ormiston & Thompson, 2021; Parhankangas & Renko, 2017). My approach again was abductive, and I collect 19 campaign videos from Kickstarter, the largest reward-based CF platform. I then followed the tenets of a multimodal discourse analysis (Kress, 2010, 2012) and analysed this data in three steps to understand the dynamic aspects of the trust signals. Figure 5 below presents the conceptual model underlying this paper.
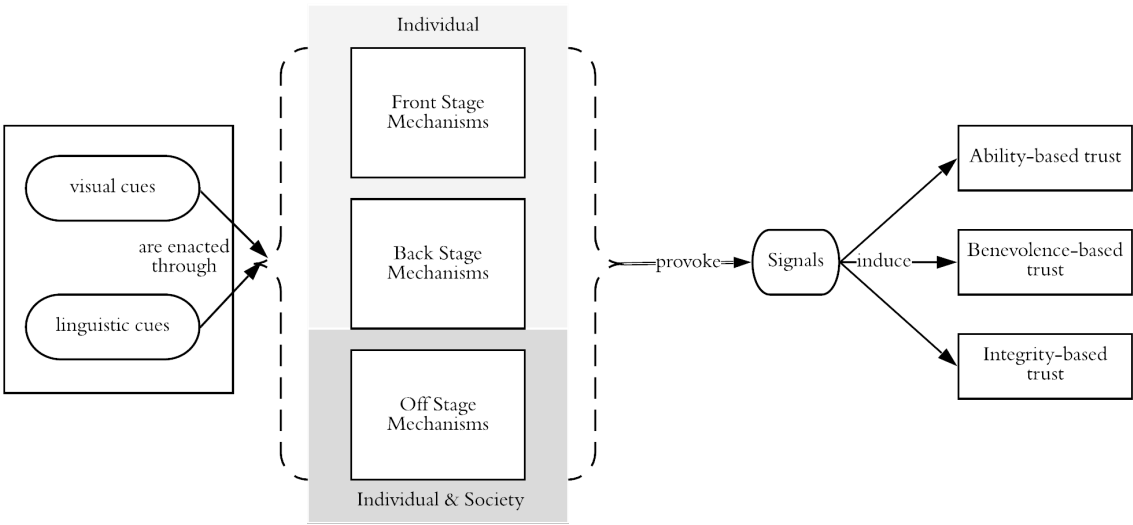

Figure 6:Theoretical model of how trust signals are created

Findings of Research Papers

The three coding steps comprised the following:

1) I inductively extracted **cues** used,
2) deductively explored dramaturgical **mechanisms** (as of Goffman's (1959) performances) used (see table 9 below),

Performance	Description	Operationalization	Construct
Self	The person as an individual is represented. Impressions and values are created by interactive and indicative activities or behavior.	The persona of the entrepreneur is central. Parts of her role in society can be discussed, as well as how this resonates to values. This often involves personal background information.	Front Stage, Off Stage, Back Stage
Realisation	Confirmatory facts that would remain hidden if not stressed. Must be mobilized by activity and will be expressed during performance.	Repetition of important product features or aspects of the venture's impact.	Front Stage, Off Stage
Mystification	Communication and contact constitute perception. Restrictions over contact can thus create awe or mystification.	Supportive pictures are used deliberately to invoke a state of imagination or future projection.	Off Stage
Idealisation	Abstract claims around routines that are presented during a performance of other routines. Performance is "socialized" to fit into expectations.	The venture and the role of the entrepreneur are being connected and explained. This often involves the entire entrepreneurial process.	Front Stage
Front	The part which defines the situation. Supported by expressive equipment of standard kind.	Entrepreneurs dramaturgically express their self or their achievements. This can also involve other materials whilst being performing.	Front Stage
Dramatisation	A somewhat idealized depiction of indifferent but essential information. It initiates an additional resemblance towards facts.	Essential features of the venture and product are overemphasized, and perhaps "over-explained". For example, the financial sustainability is crucial yet only via ironic overemphasis will potential funders pay attention to it in the videos.	Front Stage

Table 9: Operationalisation of Goffman's (1959) performances

3) inductively (yet theoretically informed) extracted trust **signals**.

Based on this three-step coding I ultimately analysed bundles of visual or linguistic cues that were combined with dramaturgical mechanisms to create trust signals. This granted me insights into the dynamic nature of trust signal creation in CF.

Findings of Research Papers

Theoretical Framing: Trust Antecedents

Extant literature suggests that antecedents are important to build a trust, because if chosen and referred to correctly, they reduce uncertainty and can be inducive to evoke trustful behaviour and even the so-called leap of faith (Möllering, 2001). Moreover, because antecedents can generally be understood as certain signals, processes or conditions that foster trust building (Fulmer & Gelfand, 2012), a lens prioritising trust antecedents seems relevant to better understand how signals in CF are construed.

As such, scholars have suggested a plethora of antecedents in a variety of situations that are important for trust building (for overviews see Baer & Colquitt, 2018; Fulmer & Gelfand, 2012). Focusing specifically on situations with no interaction history and restricted access to information (as an online context such as CF can be), organisation theory scholars highlight a few particular antecedents (Breuer et al., 2020; McKnight et al., 1998; Meyerson et al., 1996). Besides individual characteristics (see the seminal work of Mayer et al., 1995), they point at the importance of for instance signals such as tattoos (Timming & Perrett, 2016), work-place settings (Baer et al., 2018), or specific texts and messages (Boyd, 2003; Sonenshein et al., 2011). In a similar vein, information systems scholars discuss the kinds of trust antecedents that are relevant in online contexts – and they suggest similar signals as important trust antecedents (Gefen et al., 2008; Hoffman et al., 1999; Pan & Chiou, 2011; Ridings et al., 2002).

An abundance of the CF literature acknowledges the importance of signals (see also chapter 1 of this thesis). Steigenberger and Wilhelm (2018) highlight that the interplay of substantive (i.e. high quality attributes) and rhetorical signals is crucial in obtaining financing. Centorrino et al. (2015) suggest that perceived authentic expression of emotions and moods benefits a positive funding outcome. In addition, Gafni et al. (2019) point at the importance of the person of the entrepreneur. Trust increases towards a project when the entrepreneur is mentioned or shown more often, because symbolic actions around the entrepreneur as a professional are positively related to resources acquisition (Zott & Huy, 2016). Xiao (2020) further highlights specific signals throughout a CF process.

However, there is a lack of understanding of how these trust signals are dynamically created and combined with other antecedents (such as verbal or visual cues) in CF, leaving a knowledge gap around how (re-)negotiation and -assembly of cues matters for trust creation in CF and larger online contexts. Thus, this paper disentangles how entrepreneurs create meaning and by that evoke trust signals.

Findings of Research Papers

In the paper I found that the following **trust signals** are of most importance:

Skills (A) (14%), Authenticity (I) (13%), and Responsibility (I) (12%), whereas Sociability (I) (1%), The focus of female founders is on Authenticity and Emotions, whereas male founders predominantly use the signals Skill and Seriousness.

Entrepreneurs use **six visual and verbal cues**:

Actions (AC) (20%), Body Language (BL) (12%), Linguistic Style (LS) (8%), Requisites (R) (16%), Stage Set (SS) (18%) and Verbalisation (V) (26%)

alongside the six dramaturgical mechanisms (outlined in table 9) to induce such trust signals.

Looking at the bundles of cues and dramaturgical mechanisms, the paper further identifies **three strategies**, relating to ability, benevolence and integrity dimensions of trust, that are used by entrepreneurs (also see figure 6 on the next page):

- the *Ironically Conscious* strategy (relating to the ability dimension): On the one hand, visual cues (R and AC) are used in combination with the Dramatisation and Idealisation mechanism to describe (or materialise) general yet important features of the product or company. On the other hand, visual cues (BL) are presented in the Front and Idealisation mechanisms.
- the *Looking Ahead* strategy (referring to the benevolence dimension): verbal (V) and visual cues (BL, SS) are primarily combined with the Dramatisation and Idealisation mechanisms to demonstrate the entrepreneurs' mission and involvement. Entrepreneurs also frequently use the mechanism Mystification to further develop situational normalcy (Luhmann, 1979; Misztal, 2001).
- the *Realist Bonding* strategy (relating to the integrity dimension): combines the benefits of both front-stage representations and off-stage thought experiments. Visual cues (AC, BL and SS) are combined with the Dramatisation and Front Mask mechanisms to demonstrate create a unified understanding of the product and the intention behind it. The Self and Realisation mechanisms are mostly combined with the verbal cue (V and LS) and visual cues (AC) to convey emotions and values that back up the prior intentions. Integrity is evoked by creating intimate back-stage moments, and at the same time by demonstrating a present self that does not deviate from the identity projected in the backstage.
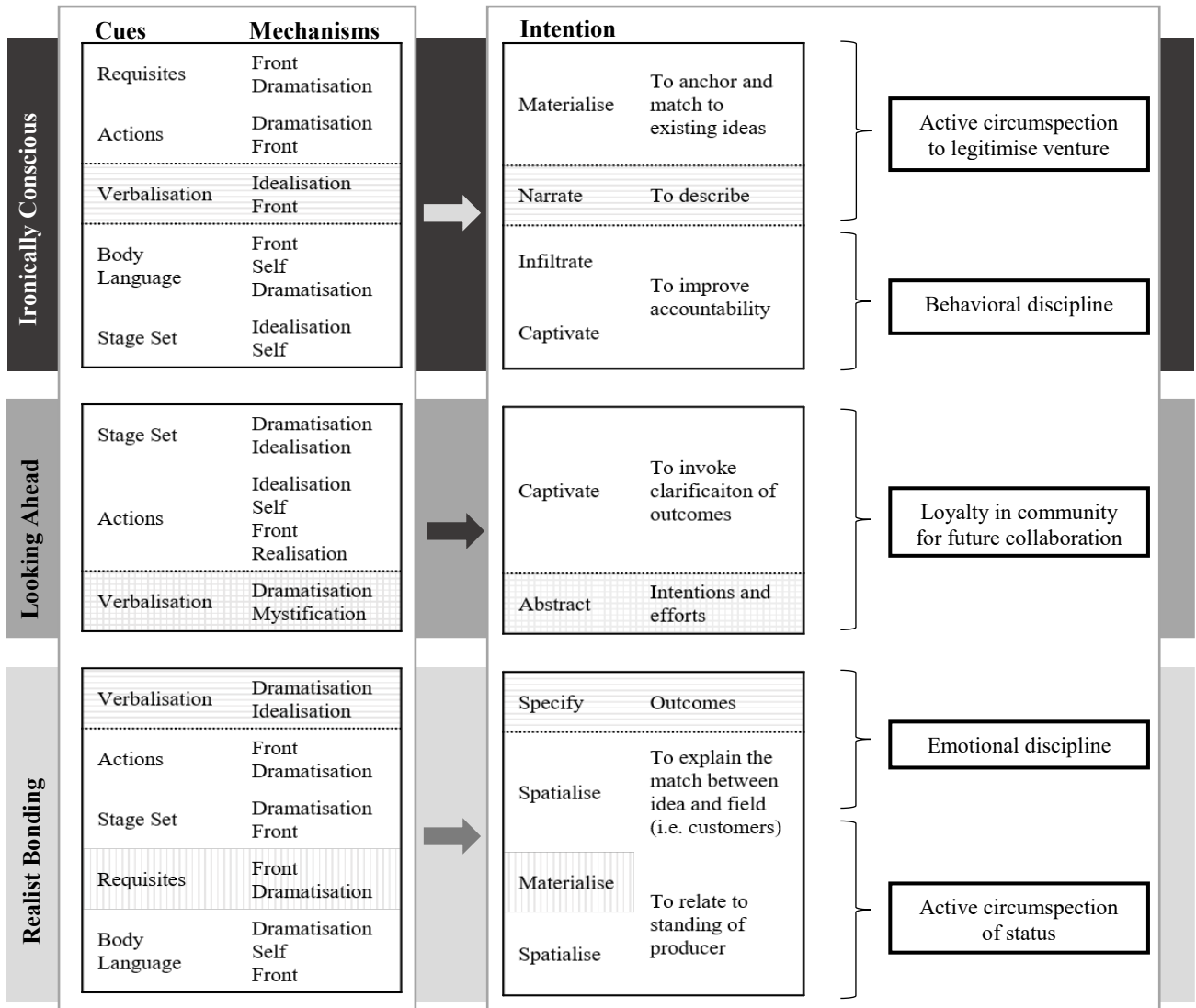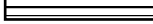
Findings of Research Papers

Figure 7: Dramaturgical strategies for trust creation

Findings of Research Papers

Contributions

The paper investigated how trust signals are evoked in CF campaigns. It showed that entrepreneurs rely on three dramaturgical strategies to dynamically evoke trust signals. With such insights the paper answers the third sub research question of research step two in this thesis. It suggests that trust in CF is signalled via three strategies all of which feature different visual and verbal foci (cues) and dramaturgical mechanisms to show intentions (Goffman, 1959). Understanding how entrepreneurs leverage this manifold potential in order to embed their venture in a value-discourse therefore is essential if we want to better understand how information is used and relevant in decision-making processes.

The paper fills the gap in the CF literature that suggests that a more nuanced understanding of signal and meaning creation is necessary (Snihur et al., 2021). Prior literature has investigated the kinds of signals (e.g. Steigenberger & Wilhelm, 2018) and the framing strategies (Nielsen & Binder, 2020) that matter most. However, as argued in the prior sections of this thesis (see chapter 1), these signals are mostly captured as static proxies and research has largely ignored the dynamic negotiation and appropriation of values underneath.

Besides the contribution to CF literature, the paper also contributes to trust literature. As outlined in the theory section of this paper, trust research has predominantly focused on the kinds of antecedents that promote trust in an offline context (Baer & Colquitt, 2018; Fulmer & Gelfand, 2012). However, it has not yet investigated how the meaning of these antecedents is created, particularly in a dispersed and online context such as CF. This is relevant because, as the paper shows, in an online context trust signals, reflecting the totality of meaning (Bullingham & Vasconcelos, 2013) and the kinds of information that is being communicated, can be evoked in multiple different ways. This is particularly relevant as interactions are moved online and virtual cues are taking centre stage in interactions (Holmes et al., 2020). The insights of this paper can also be relevant to understand how online communities are connected (Etter et al., 2019; Fisher, 2019).

5.3. STEP 3: TRIANGULATING FINDINGS FROM IMPACT INVESTING

The fifth and last paper (Lehner et al., 2019) in this thesis provides evidence from impact investing and with that triangulates findings from a similar value-driven context. As mentioned in the beginning of this thesis, young ventures possess great potential in resolving grand societal challenges (Ferraro et al., 2015), are however restricted in their abilities due to limited access to financing, particularly when they are so-called hybrids with a strong societal or environmental mission (Doherty et al., 2014). Thus, looking at how actors in the impact investing ecosystem create legitimacy adds to the other papers by showing which topics matter when ventures primarily pursue a social mission.

RQ 3: How do different actors in impact investing communicate legitimacy?

Related paper 5: Lehner, O M, Harrer, T and Quast, M (2019), "Building institutional legitimacy in impact investing: Strategies and gaps in financial communication and discourse", Journal of Applied Accounting Research, Vol. 20 No. 4, pp. 416-438.

Aim and Design

This paper returns to the dynamic aspects of decision-making (as outlined in paper 2) and looked at how legitimacy is created by different actors in impact investing. Based on theoretically defined code sets a thematic discourse analysis (Braun & Clarke, 2006; Fairclough, 1992) was conducted on 282 documents collected from selected impact investing actors. The resulting meaningful units were categorised into rhetorical strategies for legitimacy building. These strategies determined the actors' main discursive foci and, in turn, were affected by the overall organisational activities, governance and mission. We identified eight legitimacy creating strategies of relevant archetypes of impact investing actors in their financial and non-financial communication. Ultimately, we highlighted that different value systems (i.e. social and financial logics) pose challenges to develop an efficient impact investing market.

Findings of Research Papers

Theoretical Framing: Legitimacy

The paper builds on legitimacy theory. In an institutional field, such as impact investing (or CF as paper 1 has shown) legitimacy creation is crucial for organisations (Meyer & Rowan, 1977; Suchman, 1995; Suddaby et al., 2017). Synthesising different perspectives on legitimacy, in his seminal work Suchman (1995) provides the definition of "*legitimacy as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*" (p. 574).

Despite having provided a relatively clear definition of what legitimacy means, research is less precise on what it is and related to this, how one can obtain legitimacy. To bring some clarity on this, Suddaby et al. (2017, p. 452) provide an excellent classification of three kinds of legitimacy (table 10), each tied to different ways of how it can be obtained.

Property	Process	Perception
Legitimacy is the outcome of a degree of "fit" or congruence largely between the material manifestations of legitimacy in an organization and the normative expectations of the external environment.	Legitimacy is the product of how congruence is achieved by prioritising agency or the purposive role of actors in the process of social construction.	Legitimacy is created via two fundamental mechanisms: individual and collective cognition.

Table 10: Three perspectives on legitimacy

Although these three perspectives are different in their analytical focus, they show that legitimacy spans over various levels, from the individual to the organisation to the collective. It refers to both, and individual evaluator's belief (propriety) and the collective, institutionalised perception of fit (validity) (Bitektine & Haack, 2015; Haack et al., 2021; Tost, 2011).

In entrepreneurship research, legitimacy is primarily regarded as a resource that is owned by an actor and exists as such a resource in a more or less binary relationship – namely the organisation and its external environment (Taeuscher et al., 2020; Überbacher, 2014). It is created and owned by an organisation when organisational aspects such as structure and products match the external normative expectations. The focus of this legitimacy as an entrepreneurial resource is organisational survival, as in if it survives it owns the resource (Zimmerman & Zeitz, 2002).

This paper diverges from this perspective and focuses on the legitimacy as a judgement perspective. In particular, it focuses on the discursive meaning that entrepreneurs and investors create by using the various artefacts and actions in their stories and online representations (Harmon et al., 2015; Vaara et al., 2016).

Findings of Research Papers

Key Findings

The findings of this paper reveal four archetypical actors based on the organisations' main services, activities and mission statements. These actors engage in different discursive efforts and by that potentially exacerbate the issues present in the impact investing market. Figure 7 below captures these archetypical actors and their main discursive foci.
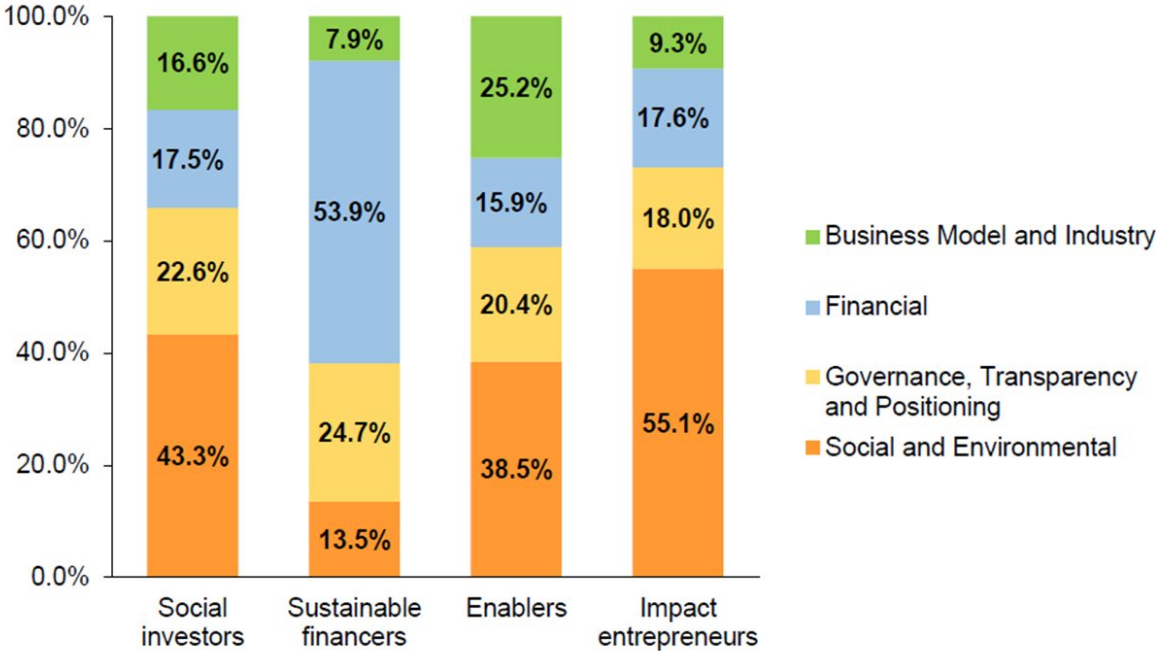
Figure 8: Discursive foci of four impact investing archetypical actors

- **Sustainable financers**, such as BNP Paribas or Sonen Capital, predominantly focus on talking finance in their communication. For example, by emphasising the financial returns, portfolio optimisation and the so-called ESG-integration approach, these actors adhere to the financial logic. That is, by focusing the creation of the so-called blended value (Emerson, 2003) within a traditional financing portfolio, impact investing is presented as a new business opportunity as opposed to a solution to grave societal problems.

- **Social investors** such as Bridges Ventures and the Bill & Melinda Gates Foundation, and impact entrepreneurs such as the Babington Group or the Indian School Finance Company, seem to largely communicate on similar topics. Both of these actors emphasise their social and environmental impact efforts and neutrally add financial foci via the explanation of the business model.

Findings of Research Papers

- **Impact entrepreneurs** mostly do not provide standardised financial information. The reason why 'business model and industry' is a stronger focus of social investors is that they commonly thematise their role as outcome-oriented investors looking to transform the industry on a larger scale. They too work towards achieving blended value (Emerson, 2003), yet refer to the financial aspect as secondary.

- **Enablers** or intermediaries, such as Toniic, focus on the communication of the social and environmental impact, yet also highlight their efforts in developing the impact investing market and bridging supply and demand – thereby focusing on the communication of for example networks, future challenges and knowledge transfer. Their activities focus on conducting research and pioneering the implementation of new financing instruments such as the Social Impact Bond. Thus, advocating transparency in the market as well as measuring and working for what actually matters.

Based on these four actors we propose 8 legitimacy strategies, which are corroborated into three main groups:

Group	Strategies promoting legitimacy
1	Strategies emphasising the success of an entity (…)
2	Strategies constructing identities and actors (…)
3	Strategies creating resonance with normative beliefs of evaluators
	Strategies emphasising the moral value of the local entity
	Strategies addressing emotions

Table 11: Three main legitimacy strategy groups

Findings of Research Papers

Contributions

The paper investigated discursive strategies of impact investing actors. In the course of investigating these it also provided an early categorisation of actors into four archetypes, depending on their overall missions and goals. The findings revealed four main discursive foci that are combined differently by these archetypical actors. With such findings the paper answers the last research question 5 in this thesis.

The paper contributes to the impact investing literature by demonstrating why communication in the market is still difficult and due to that is the main driver for dysfunctionalities (Agrawal & Hockerts, 2019; Ormiston et al., 2015). It highlights that different value systems (i.e. social and financial logics) pose challenges to develop an efficient impact investing market. The normative discursive perspective as exemplified in the legitimacy perspective is a good fit to develop this market (Harmon et al., 2015; Vaara et al., 2016).

It also contributes to adjacent literatures on social entrepreneurship and institutional logics. While there are ample insights from adjacent literatures into how social and commercial issues are managed and communicated intra-organisationally (Battilana & Dorado, 2010; Ebrahim et al., 2014; Reay & Hinings, 2009), there are few works who look at the management of these issues inter-organisationally (i.e. on an ecosystem or market level) (for a recent exception see Agrawal & Hockerts, 2019). This paper adds to the inter-organisational debate and shows that a broader, discursive perspective is critical to understand the dynamics in the impact investing market and to understand how the actors are interconnected on various levels.

6. REFLECTIONS ON RESEARCH STEPS

After having outlined the individual contributions of each paper, in this chapter I will briefly reflect on how the papers, taken together, contribute to the literature. This reflection is structured twofold. First, I will argue how the status of the CF literature (i.e. the CF theory) affected my paradigmatic choices and by that guided my analyses. Second, considering the paradigmatic assumptions, I will discuss how the five papers answer the overarching research question of this thesis and by that contribute to the literature.

6.1. PARADIGMATIC REFLECTIONS

As mentioned above, the status of the CF literature guided my choice of paradigm for this thesis (Edmondson & McManus, 2007). In the next section I will therefore briefly elaborate on the status of the CF literature and how it led me to position the thesis in the interpretivist paradigm as of Burrell and Morgan (1979) and to develop five explorative studies that operationalise different forms of discourse analyses (Bryman, 2012; Gee & Handford, 2012).

6.1.1. The Status of the Crowdfunding Literature

In order to ask the right research questions and choose the apt methods to explore a gap in a literature, one is held to initially assess the status of this very literature (Alvesson & Sandberg, 2011; Edmondson & McManus, 2007; Gehman et al., 2018). Put differently, one needs to assess how far research has progressed in developing the theory before one can contribute to it.

In doing so, one should consider whether the phenomenon is new, whether it challenges existing assumptions in the literature, and how far research has progressed in exploring and explaining the peculiarities of the phenomenon. Once the status of the literature is established, one can progress to assess whether the methods employed are appropriate and yield the necessary insights to develop the literature. For example, if the phenomenon is inherently new and the status of the literature (i.e. the theory development) is nascent, studies need to engage in scoping and then explorative works (Edmondson & McManus, 2007; Sandberg & Alvesson, 2021). The methods for such works can be of both quantitative and of qualitative nature. If a literature (and theory) is more mature, studies should engage in testing the assumptions gained from explorative works earlier on (Edmondson & McManus, 2007). The appropriate methods are mainly quantitative ones.

Reflections on Research Steps

CF is still a relatively young phenomenon which emerged around the year 2012 (Landström et al., 2019; McKenny et al., 2017). It is thus unsurprising that initially research has spent a significant amount of time and effort to scope the market and identify some key aspects and processes within (Belleflamme et al., 2014; Lehner & Harrer, 2019; Mollick, 2014; Moritz & Block, 2016; Shneor & Vik, 2020). As the market and the phenomenon evolved, more recently, scholars have been starting to call for greater attention to the theory of CF (Dushnitsky & Fitza, 2018; Landström et al., 2019), indicating that initial scoping and categorising exercises have yielded significant insights and scholars have started to develop a theory around the field (Edmondson & McManus, 2007; Sandberg & Alvesson, 2021).

This move from market scoping to early theory development suggest that CF literature is still nascent, thus might require more explorative studies that shed light on for example mechanisms and conditions around certain processes (Edmondson & McManus, 2007). Evaluating the extant CF literature and looking for this theory-method fit, I however noticed a tilt of CF research towards quantitative methods, despite leading scholars have repeatedly called for more fine-grained inquiries into dynamics and motivations in the market (Dushnitsky & Fitza, 2018; Josefy et al., 2017; Landström et al., 2019; McKenny et al., 2017). For example, while research has made substantial progress in extracting aspects and contents of a story that are relevant and their contents, there are limited insights into how these factors came to matter. Frydrych et al. (2014) or Taeuscher et al. (2020) explore the factors that facilitate legitimacy and optimal distinctiveness in CF. And although these works undoubtedly provide important insights into the factors that mattered for legitimacy building in CF, they focus on quantitative proxies and do not account for the dynamic constitution of these factors in ongoing communication and negotiation.

This constitutes a significant shortfall because a focus on static factors in the form of proxies potentially neglects important communication dynamics that reflect the embedding and re-embedding of values in CF decision-making processes. Even to the extent that research has included "social" proxies of for example social capital (Cai et al., 2021; Shneor & Vik, 2020), the dynamic communication and negotiation of values is largely unexplored. I therefore concluded that in the CF literature a theory/method mismatch occurs at the intersection of research's quest to push CF theory forward and the yet missing insights into what actually matters and how (Edmondson & McManus, 2007). The goal of this thesis was to address this mismatch.

6.1.2. The Interpretivist Paradigm and its Assumptions

Hence, to (partly) reinstall the theory method fit and provide insights into the dynamics of meaning creation in CF, I chose to adopt an interpretivist paradigm (Burrell & Morgan, 1979; Edmondson & McManus, 2007). On the one hand this decision was made because an interpretivist paradigm helps to disentangle the dynamics underneath the predominant proxies used in CF literature by looking at the ongoing communication and negotiation of values. It assumes that shared understandings of realities arise via patterns in for example language and signs (Morgan, 1980).

On the other hand, I chose to follow particularly Burrell & Morgan's (1979) interpretivist paradigm because it allowed to explore the subjective constitution of reality (Hassard & Wolfram Cox, 2013) whilst also providing the necessary critical distance from a researcher's perspective (Alvesson & Karreman, 2000). This is important in investigating meaning creation processes because it does not presume a flat or dichotomous ontology but acknowledges the effects and influences of different theories over different theoretical levels, which in turn allows to build more nuanced CF theory (Cornelissen, 2017; Sandberg & Alvesson, 2021; Weick, 1995b).

Having said that, the next lines will briefly elaborate on this explanatory value of Burrell & Morgan's (ibid) paradigm.

As such a paradigm describes fundamental assumptions and beliefs about the nature of reality (ontology) and knowledge generation (epistemology) (Lewis & Grimes, 1999; Saunders et al., 2009). It not only determines *what* particular phenomena or objects are, but also *how* these objects and phenomena can be best interpreted and understood. In short, a paradigm thus serves as thinking framework for researchers by determining what is in the focus of interest and how this is best scrutinised (Wahyuni, 2012). For this reason, every research project needs to set out both the problem (i.e. *what* is it that I want to understand) and the way to best investigate this problem (*how* will I best generate knowledge around it).

At the ends of the paradigm continuum, there are the *positivist* paradigm on the one hand and the *interpretivist* paradigm on the other (Saunders et al., 2009). The prior assumes that phenomena can be objectively true, and can be observed via statistical scrutiny of large-scale data and specific variables (Bokulich, 2006). The latter builds on the assumption that phenomena are socially constructed via the sense-making and -giving processes within (Weick,

Reflections on Research Steps

1995a). It strongly relies on qualitative methods to explore the peculiarities of these processes in different contexts and situations (Wahyuni, 2012).

Burrell & Morgan (1979) add a small yet important nuance to this dichotomy of *positivist* and *interpretivist* nature of science. Instead of simply differentiating between objective and subjective truth on the x-axis, they add the idea of sociological assumptions in the form of radical change intentions vs. intentions of consensus on the y-axis. With this, they acknowledge macro objectivity and micro subjectivity in understanding reality, yet enhance this rather strict micro-macro-divide by more actively acknowledging the role of the researcher in conducting studies (i.e. by being for example observer or participant) (Alvesson & Karreman, 2000; Morgan, 1980). This more nuanced framework thus equips the researcher with the necessary critical distance to engage in multi-level and reflective theorising (Harmon et al., 2019; Hassard & Wolfram Cox, 2013; Morgan, 1980).

This helped me for example in paper two (Harrer, 2019) where I adopt a feminist theory perspective on CF dynamics. Although I situated myself fin the interpretivist paradigm, I was able to analyse how micro level processes led to more macro level outcomes on the one hand. On the other hand, I was able to acknowledge the radical change elements of the feminist theory but reflect on potential stabilising elements in the process. Both points together helped me to reflect on the findings in the light of the broader entrepreneurship discourse.

To summarise, the interpretivist paradigm as of Burrell & Morgan (ibid) seemed to provide the apt grounds to explore the meaning creation processes in CF and to re-install theory-method fit, because it not only focuses on micro level processes or macro level behaviour, but also addresses potential social constraints in a larger discourse.

6.1.3. Discourse Analysis as an apt Method

As mentioned above, the assumptions from the chosen paradigm directly translate into the choice of methods. That is, the paradigm pre-defines, to a certain extent, how knowledge should be generated about a certain phenomenon (Lewis & Grimes, 1999; Morgan, 1980). In line with the interpretivist paradigm, the papers in this thesis thus build on the logics of discourse analysis (DA). I chose this analysis because it allows to obtain insights into dynamic meaning creation over multiple levels of analysis (Alvesson & Karreman, 2000; Chia, 2000; Fairclough, 1992; Hardy & Thomas, 2015; Phillips et al., 2004). Transferring this to the context of CF, the interpretivist paradigm combined with DA is well suited to explore how entrepreneurs and related actors communicate subjective values to create trust and legitimacy.

The following sections briefly describe what DA means and how I operationalised different forms of DA in the papers of thesis.

Discourse and Types of Discourse

As such, *discourse* describes a set of texts (as in sentences and utterances) that construes meaningful social objects (Chia, 2000; Grant & Hardy, 2004; Hardy et al., 2004; Parker, 1992). DA is the study of how such texts construe reality (Cederström & Spicer, 2013; Gee & Handford, 2012).

While there are many types of DA, each with their own advantages and disadvantages (Alvesson & Karreman, 2000; Gee & Handford, 2012), the papers in this thesis follow three types of DA (Gee & Handford, 2012) - *thematic*, *narrative* and *multimodal*. Table 11 provides an overview of the papers and how they employ the different types of DA.

Reflections on Research Steps

	Lehner & Harrer (2019)	Harrer (2019)	Harrer, Lehner & Weber (2020)	Harrer (2021)	Lehner, Harrer & Quast (2019)
Discourse Type	**Thematic**	**Narrative**	**Thematic**	**Multimodal**	**Thematic**
Theoretical Base of Discourse Type	Psychology	Genre studies	Psychology	Social semiotics	Psychology
Reference	(Braun & Clarke, 2006)	(Czarniawska, 1997; Labov, 1972; Thornborrow, 2012)	Braun & Clarke (2006)	(Kress, 2010, 2012; Leeuwen & Jewitt, 2012)	Braun & Clarke (2006)
Focus	Patterns/Foci in language as meaningful units	Structure of discourse as in events or actions	Patterns/Foci in language as meaningful units	(multimodal) signs and their affordances (intentions)	Patterns/Foci in language as meaningful units
Sampling	Selective Sampling	Selective Sampling	Case Study	Selective Sampling	Selective Sampling
Operationalisation	Inductive elements	Inductive elements & narrative tools	Inductive foci & Trust forms and phases	Inductive cues & Goffman's (1959) performances	Inductive foci & legitimacy as process
Additional Analyses	Document analysis		Content analysis		

Table 12: Type of Discourse Analysis per paper

I chose these three types because they align best with the paradigmatic assumptions of Burrell & Morgan's (1979) interpretivist paradigm. The three DAs not only allow to look at dynamic aspects of communication in terms of analysing what is done with for example language, but they also allow to account for the differences between such aspects of communication and meaning on a more general level (Alvesson & Karreman, 2000). In other words, these three types of DA allow me to see language as a medium of interaction instead of positioning it as a set of rules of production (Alvesson & Karreman, 2000; Luhmann, 1979). With this the thesis departs from the original notions of the Foucauldian discourse and follows more mundane assumptions.

For example, in paper 2 (Harrer, 2019), I acknowledge dominant discourses and their inherent elements. The dominant discourse reflects what is most seen (for example when we talk about gender in a masculine or feminine discourse), while the micro processes and elements determine what the dominant parts mean (Alvesson & Karreman, 2000). In the paper I highlight that in their narratives female entrepreneurs use the micro discursive elements to change the dominant entrepreneurship discourse and by that induce social change.

Similarly, in paper 3 (Harrer et al., 2019), while I acknowledge that all actors in the CF ecosystem and discourse are interconnected, I regard trust building as taking place over multiple levels and as different across these levels (Fulmer, 2018; Schilke & Cook, 2013). In the paper I

therefore suggest that trust-based decision-making in CF is a complex multi-level process that requires careful attention to triggers at different points in time. In paper 4 (Harrer, 2021) I focus on the micro-processes of how entrepreneurs construct signals which evoke trust. I thereby again not only acknowledge the overall trust discourse (by comparing the created signals to a-priori trust signals (Mayer et al., 1995), but also link them to the dynamic micro processes in the form of bundles of cues and mechanisms (Kress, 2012).

Relevance of Types of Discourse

To further substantiate these choices of types of discourse in my papers, it requires a little more than noting that I follow Burrell and Morgan (1979) and by that do not build on a Foucauldian DA (Alvesson & Karreman, 2000). While this is the essence of my argument, I will now provide a slightly more substantiated reasoning as to why the more mundane DAs of the papers in this thesis align with Burrell & Morgan's (ibid) interpretative approach and are better suited to analyse the communicative aspects in CF than other forms of DA.

When Burrell & Morgan (1979) introduced their four-paradigm model (to recall from above, they explicitly added the y-axis to the hitherto dichotomous conception of paradigms on the x-axis), social sciences more broadly and organisation and management research in particular were in the midst of a significant philosophical shift (Hassard & Wolfram Cox, 2013). Scholars started to question the idea of natural orders (Tucker, 1998) and began to move towards an understanding of socially constructed (real) objects that were held together by social conventions and power rather than a particular natural order (DiMaggio & Powell, 1983; Foucault, 1982; Lawrence & Phillips, 2019).

This movement developed further throughout the 1970s, where social sciences saw the so-called post-modern turn (Calas & Smircich, 1999). From there on the strict subjective/objective dichotomy slowly but gradually made way for a more dynamic and discursively reflexive world (Barley & Tolbert, 1997; Green Jr & Li, 2011; Sveningsson & Alvesson, 2003). In this world all objects were understood as entangled in a politically laden discourse and therefore discourse was the essence of being (Tsoukas & Chia, 2002, 2011).

Burrell & Morgan (1979) also acknowledge such postmodern assumptions in their conception of paradigms (mostly in the radical humanist paradigm). However, the difference between Burrell & Morgan's and postmodern approaches is that the latter took the idea of discourse more literal in that as they believed that external stimuli and behavioural accounts in a macro-micro sense were so heavily intertwined that they could only be understood in the form of

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temporal configurational possibilities. In other words, they believed that being was reflexively fluctuating through the discourse and occasionally came to represent some configuration of reality, the observation of which was then in turn again influencing the reality (Hassard & Wolfram Cox, 2013; Linstead, 2004). Everything was in flux and intertwined (most rigorously corroborated in the works of Karen Barad (2003, 2007)). Discourse was reality.

In order to analyse this fluctuating being, post-modern scholars primarily built on the ideas of Foucault and adopted a critical DA "*that does not simply describe existing realities but seeks to explain them*" (Fairclough, 2012, p. 9). In other words, instead of simply explaining how the world is constituted, they also provided critiques as to how it has come to be in the way as it is. The focus of this DA is whether an object in its material and symbolic form is "good or bad", "just or unjust", or "supportive or unsupportive" (Fairclough, 1989). Agency is always a relationship and not a property on any level of analysis (Barad, 2007).

While such thoughts have certainly helped to explore new forms of organisation theories (Suddaby et al., 2011) and have helped the researcher to be relatively reflexive about his/her own role in generating knowledge (de Rond et al., 2019; Harding et al., 2021; Hardy et al., 2001), their flat ontological nature comes with limitations. Buchanan and Bryman (2009, p. 4) for instance claim that the focus on discourse only produces a 'paradigm soup'. Fraser (2002) and Ahmed (2008) claim that the reasoning guiding these undertakings remains widely unclear, thus imposing a detriment of basic sociological explanation; or as Hassard and Wolfram Cox (2013) put it: postmodern accounts reflect an abandonment of basic metatheoretical principles.

Hence, following Alvesson and Karreman (2000); Alvesson and Kärreman (2000) and Burrell & Morgan (1979), it is imperative for researchers to be aware of the different societal levels on which discourses operate. These levels are interconnected via an ongoing reproduction of interactions on a micro and meso level but do also stabilise it on a macro level. The a-priori abandonment of such levels in the favour of discourse as reality – as it is suggested by postmodern scholars who mainly follow Foucauldian assumptions – therefore potentially overlooks important macro-micro dynamics in the ongoing communication of values and its effects on decision-making. In the context of this thesis, an adoption of a Foucauldian DA would thus not sufficiently account for roles of actors on various levels of analysis and by that risk a tilted account of the micro level dynamics in CF decision-making (Edmondson & McManus, 2007).

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Building on this, and returning to the paradigmatic positioning of this thesis, I came to conclude that in order to reinstall theory-method fit in CF literature, an interpretivist paradigm as of Burrell & Morgan (1979) accompanied by more mundane forms of DA – in particular the thematic, narrative and multimodal – provides valuable insights. I wanted to gain insights into how values are embedded and re-embedded over multiple levels of analysis and throughout multiple actors. Therefore, I did not rely on a critical, or Foucauldian DA in which everything is simply in flux (Langley et al., 2013) – as large parts of the postmodern turn suggest (Calas & Smircich, 1999). Instead, I followed the mentioned more mundane assumptions and types of DA in which I acknowledge levels of analysis despite their interconnectedness (Alvesson & Karreman, 2000; Braun & Clarke, 2006; Kress, 2012).

6.2. REFLECTIONS ON FINDINGS

Building on the above paradigmatic reflections I will now discuss the contributions of this thesis to the literature. The purpose is not to replicate the individual contributions of the papers (these are discussed in chapter 5 of the thesis) but instead to reflect on the gathered insights with regard to the guiding research question posed in the beginning of this thesis.

The thesis set out to explore the dynamic and social constitution of decision-making factors in CF by looking at how values are communicated and negotiated in order to create legitimacy and trust. It did so in three empirical steps, which collated five individual papers. Together these papers answer the overarching research question of this thesis

> *How are values communicated in crowdfunding decision-making processes to evoke legitimacy and trust*?

6.2.1. Theoretical Contributions and Implications

Reflecting on the insights provided by the papers, the thesis presents three main theoretical contributions.

First, the thesis contributes to CF literature by highlighting that CF is an institutionalised field in which values are communicated and negotiated in an ecosystem of multiple, widely dispersed, yet interconnected actors, some of which take on a particularly important role in determining which values matter most (Lehner & Harrer, 2019; Lehner et al., 2019). While previous literature mainly relied on single actor studies (Dushnitsky & Fitza, 2018), or on studies looking at personal investor-investee relationships (Xiao, 2020), this thesis highlights the importance to look at the interconnectedness of many and manifold actor-types.

For example, Lehner & Harrer (2019) show that by shaping the way how ventures structure their pitches online, CF platforms take on a powerful role that might on the one hand lower fraud (Cumming et al., 2020). It might however at the same time impose additional struggles for entrepreneurs in attracting funders and creating value alignment with unprofessional investors (Rey-Martí et al., 2019). The interconnectedness of diverse actors in the CF ecosystem, so Lehner & Harrer (2019) conclude, then positions the platforms as powerful actors who also induce a potential struggle of the misalignment between intentions and actions and barriers to societal change. Similar insights are provided by Lehner et al (2019) in the impact investing market.

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Another contribution to the CF literature is the insight into how signals are dynamically created and embedded. Prior literature has highlighted that for example substantial signals are complemented by rhetorical signals (Steigenberger & Wilhelm, 2018), or that showing the face (as an entrepreneur) is conducive to CF success (Gafni et al., 2019). Others argue that that visual elements such as videos are crucial elements in a CF campaign (Parhankangas & Renko, 2017). Some (i.e. Scheaf et al., 2018) even argue that all of these signals are interrelated. This thesis adds to this literature by providing more fine-grained accounts for how the signals are created and by that offering dynamic explanatory avenues for how certain visual, verbal and other aspects interrelate (see Harrer, 2019; Harrer et al, 2019; Harrer, 2021 and Ormiston & Thompson, 2021).

Building on this, the **second** contribution of this thesis is a better understanding of the role of values in creating legitimacy and trust in entrepreneurial financing processes. Prior literature shows that the social side of decision-making processes is insufficiently understood (Pfarrer et al., 2019) and that value framing is essential for entrepreneurial legitimisation yet theoretically underdeveloped such that it is unclear how values are assembled underneath the frames (Lounsbury et al., 2019; Nielsen & Binder, 2020; Snihur et al., 2021). This thesis demonstrates that although standard activities around financing new ventures are institutionalised (and thus similar) (Frydrych et al., 2014; Lehner & Harrer, 2019; Parhankangas & Renko, 2017), the relevance of certain values and topics can vary, and it changes based on how and when these are presented (Soublière & Lockwood, 2018). Thus, this thesis contributes to the above discussions by providing nuanced insights into legitimisation and trust processes, by that highlighting the dynamic embedding and re-embedding of values over different levels of analysis.

Given the multi-disciplinary nature of the papers, with such insights the thesis puts forward a holistic account of how values are contextualised in CF in order to create trust and legitimacy. It recognises that values are normative ideals and co-dependent with other material and cultural elements (Kraatz, 2020; Selznick, 2008). Based on this recognition the thesis puts forward epistemological arguments grounded in the humanist sciences (e.g. genre studies, or cultural semiotics) to better understand this co-dependence. Trust and legitimacy in crowdfunding are thereof based on values, which are constructs that emerge in the dynamic fashion in a discourse.

The second paper (Harrer, 2019) for example shows how females create resonance with the audience, and consistency within their campaign (Snihur et al., 2021), despite their female

identities which, according to the entrepreneurship and finance discourse, are not (yet) those of legitimate entrepreneurs. The analysis of tropes and themes helps to

In a similar vein, the third paper (Harrer et al., 2019) shows which kinds of individual, organisational and institutional topics are relevant in different phases of a CF campaign to create resonance in the form of trust. The study shows how similar, yet distinctive topics emerge and re-emerge in an iterative and complementary fashion and are enriched with different meaning depending on the phase they emerge in. With this the study contributes to the literature by showing how the content of a message (i.e. the topic displayed and the ways how this topic is addressed via references to future/past and cognitive/affective trust bases) is used differently throughout a CF campaign to evoke different forms of trust.

The above insights are further complemented in my fourth paper of this thesis (Harrer, 2021), where I show that not only the linguistic aspects of framing matter in trust creation, but also the choice of the communication mode (i.e. visual and verbal cues) and the utilisation of these modes (Goffman, 1959; Meyer et al., 2018). I highlight this in the three trust evoking strategies by discussing the modes in combination with the dramaturgical mechanisms. The paper thus contributes to the literature on the one hand by outlining the different value embedding strategies via bundles of cues and mechanisms. On the other hand, by reflecting on the dramaturgical and semiotic potential of these mechanisms and cues, it demonstrates how the strategies can prime the audience for the potential execution of practices. In this vein, Harrer (2021) also positions Goffman (1959) as a useful methodological tool to account for these emphases or affordances.

The thesis further adds to this literature on values in entrepreneurship by highlighting the explanatory potential of the trust lens. As mentioned, CF literature (and entrepreneurship literature more broadly) mainly focusses on legitimacy as a property that can be obtained as a resource (Lounsbury & Glynn, 2001; Pollack et al., 2017; Taeuscher et al., 2020). Wry et al. (2011) and Garud et al. (2014) are one of the few to highlight that besides a process perspective it is crucial to acknowledge distinctive sub-processes on the way to legitimacy of entrepreneurs. The papers Harrer et al. (2019) and Harrer (2021) add to this literature by showing that a trust lens, grounded in socio-cognitive theory (Bandura, 2002), can provide valuable insights into the subprocess of expectation creation (Garud et al., 2014).

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Third and lastly, the thesis also contributes to entrepreneurship literature on social change by demonstrating that this change can indeed be facilitated via modern financing phenomena such as CF and by illuminating how young ventures take action on pressing issues (Testa et al., 2019). The papers in this thesis outline how practices in institutionalised fields are (re-) organised in the discourse and via that potentially positioned as key drivers for change (Harrer, 2019; Lehner & Harrer, 2019). For example, Lehner & Harrer (2019) initially show that CF platforms are central actors in shaping actions in the CF ecosystem and are critical in shaping the wider finance ecosystem. Harrer (2019) adds that the communication on these CF platforms – on a macro, structural level – often hinders change as it follows discourses that for example regard female entrepreneurs as biologically disadvantaged (Ahl, 2006; Marlow & McAdam, 2013; Pfefferman et al., 2021). However, as Harrer (2019) further posits, the activities of female entrepreneurs to create legitimacy in such a discourse can, if theoretically and practically acknowledged, be used and re-assembled into change activities in a post-structuralist feminist agenda (Butler, 1990); by that potentially inducing a repositioning of entrepreneurship as societal change activity from within (Calas & Smircich, 1999; Calas et al., 2007a, 2009). Building on these insights the thesis adds to the growing body of literature that investigates the macro-level effects of entrepreneurial (sustainability) activities (Ben Youssef et al., 2018; Calas et al., 2009; Cardinale, 2019; Harmon et al., 2015; Karaulova et al., 2017).

6.2.2. Practical Contributions and Implications

Besides the theoretical contributions outlined above, the thesis also highlights some important aspects for practitioners.

On the one hand it demonstrates that it is essential for policymakers to design and promote financing opportunities that address a global, value-driven system to catalyse social change (Harrer, 2019). In doing so, they should not just create support systems for the most visible (and on the short-term viable) projects (see the effects of institutional isomorphism in Lehner & Harrer, 2019), but in fact they should promote minority types of businesses sustainably by relying on their community experiences and feeding these back into the wider investment community. That is, these projects can not only provide viable products but most importantly, they highlight how to successfully engage with the community and by that can spur sustainable behavioural change, if recognised (Harrer, 2019).

Despite the importance of the support of single actor groups, the thesis also shows that it is imperative to holistically develop the ecosystem of CF and provide equal incentives and chances for everyone. Only by developing a functioning financing ecosystem that systematically accounts for all relevant societal and cultural aspects, CF can support true change. In this vein, policy makers should also work closely with investors to incorporate value-based aspects in decision-making and to develop the effectiveness of their investments (Lehner et al., 2019; Owen et al., 2020). It could for example be useful to induce the development of a trust-based financing approach (Klein & Shtudiner, 2016) that incorporates some of the most important aspects highlighted in the papers Harrer et al (2019) and Harrer (2021).

On the other hand, the thesis provides practical guidance for entrepreneurs. It shows how to best evoke legitimacy and trust in CF and related, value-based, financing options. For example, in Harrer et al (2019) I outline how trust can be created when certain factors are considered in a specific order. Similarly, in Harrer (2021) I provide three strategies to address trust via the online presentation. These insights can be used by practitioners to design their campaigns.

6.2.3. Critical Reflections and Limitations

The thesis does of course not come without limitations. To begin with the most pertinent one, and as briefly touched upon in the paradigmatic reflections, the interpretative paradigm is based on subjective sense-making processes from the researcher (Saunders et al., 2009). Research has highlighted the potential problems of such subjective evaluation of data (Eisenhardt et al., 2016; Ravasi & Canato, 2013) as well as the possibility of researchers overlooking the effects of their involvement (Donaldson et al., 2013).

In this thesis I acknowledge these limitations and use theoretical as well as practical aspects to counteract potential problems. From a theoretical standpoint the chosen paradigm (as of Burrell & Morgan, 1979) advocates for a recognition of the researchers positioning. As outlined in the prior sections of this reflective chapter, I chose Burrell & Morgan's interpretivist paradigm because it not only allows me to reflect on my role as researcher as such, but also provides a more active pathway to account for assumptions in the theory chosen.

From a practical viewpoint, I aimed to counteract potential critiques of the interpretative paradigm by relying on coherent and transparent coding of the data. With the increasing acceptance of the qualitative method in mainstream management journals, scholars have reiterated that coding is key (Bansal & Corley, 2011; Gioia et al., 2013; Graebner et al., 2012; Langley & Abdallah, 2015; Pratt et al., 2020). If done well, it not only enhances a better understanding of what is going on, but also increases rigour and ultimately helps to build theory (Alvesson & Sandberg, 2013; Donaldson et al., 2013).

Moreover, researchers conducting a DA sometimes tend to neglect basic social structure (Hassard & Wolfram Cox, 2013; Luhmann, 1987, 1995). In the prior sections on DA I have outlined why a Foucauldian DA is oftentimes limiting in its explanatory power (Alvesson & Karreman, 2000). In this thesis I recognise these limitations and therefore choose in line with Burrell & Morgan (1979) three more mundane types of a DA (Braun & Clarke, 2006; Kress, 2012; Thornborrow, 2012). By that building the groundwork for a robust (social) analysis that differentiates between the micro processes of communications and a more general meaning discourse.

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Another limitation of the thesis is the relatively small and sometimes one-sided sample size of the studies. Literature argues that small, rather in-depth sample sizes might be limited in their generalisability as they are usually tied to specific contexts and situations (Maguire & Phillips, 2008). Other voices however also suggest that such specific cases paired with careful analysis of the data are best suited to generate new insights about dynamics and other cultural and social forces at play (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Gehman et al., 2018). Thus, aiming to counteract the theory-method mismatch in the CF literature by looking at meaning creation processes, the small sample size in this thesis is in fact conducive. It supports more nuanced insights that are necessary to facilitate a better understanding of the specificities of CF (Dushnitsky & Fitza, 2018; Landström et al., 2019).

6.2.4. Future Research

The findings and implications also suggest future research directions. I will therefore now discuss such possible directions first from theoretical standpoint, and second, from a methodological standpoint.

To begin with, future research might further explore the peculiarities of value-based decision making by more critically evaluating its theories at hand. Specifically, I suggest revisiting the taken-for-granted and most commonly applied theoretical perspectives, such as legitimacy. One could for example shift from a legitimacy-as-propriety to legitimacy-as-process or -as-judgement perspective (Lehner et al., 2019; Suddaby et al., 2017). Following the prior option future research could further explore the normative aspects of the CF discourse and based on that develop CF theory that contributes to social change intentions by explaining how individual and collective value propositions work together. As far as paper two of the thesis (Harrer, 2019) provides early evidence of the normative effects of theoretical assumptions, it seems imperative to evaluate and deconstruct differences between actors more carefully, and incorporate individual assumptions into future theorising.

Following a legitimacy-as-judgement perspective, future research could also explore how certain representations can invoke specific judgments (Tost, 2011) and different aspects of legitimacy (Haack et al., 2021). Such inquiries require diligent separation of what individual and collective level beliefs and perceptions are, and which factors relate to each of them. Paper three of this thesis (Harrer et al, 2019) as well as paper four (Harrer, 2021) provide some remedy for such complexity and can thus be used as a basis for further inquiries investigating changes in perceptions and how they are brought together for a mutual consensus (Haack et al., 2021). Investigating the link between all actors and account for the cultural multiplicity that entrepreneurs grapple with, is crucial for this. Similar considerations seem important when evaluating normative aspects of theorising. Only by evaluating how the communicated aspects (Harrer, 2019) are perceived, the full potential of crowdfunding and the normative aspects of contemporary theorising can be revealed.

In a similar vein, research could not only build on more dynamic understandings for legitimacy but further embrace alternative theoretical lenses that specifically deal with the complex underpinnings of legitimacy. Prior research has shown that legitimacy is underpinned by sub-processes that relate to identity (Wry et al., 2011) and expectation creation (Garud et al., 2014). The extant literature has however not yet acknowledged or explored these areas much. Taking my studies as a starting point for more dynamic inquiries into decision-making processes, I

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suggest to further explore trust dynamics (Pollack et al., 2017) and related framing dynamics (Snihur et al., 2021) in the entrepreneurial decision-making processes, as these literatures have much to contribute on the social-cognitive aspects of social decision-making (Pfarrer et al., 2019).

Similarly, insights into the role of values in driving investment decisions could be further enhanced from a performativity perspective. Performativity theory, building on the ideas of Butler (1990), Latour (1987) as well as later Callon (2007, 2010) helps explain the connection between words and actions (Beunza & Ferraro, 2019; Garud et al., 2018). In paper four (Harrer, 2021) I demonstrate that social semiotics and sign studies can be particularly useful to better understand so-called affordances (Meyer et al., 2018) and their potential influence on perceptions of trust signals. Building on these insights it might thus be worth exploring how actions, signs and words interact in an ongoing process.

Building on that idea of dynamic and holistic studies, future studies should focus on the interactive dynamics between information senders and recipients. Research in entrepreneurship as well as CF has to-date primarily focused on rather static and one-sided signals (Lehner & Harrer, 2019; Steigenberger & Wilhelm, 2018) and only a few, recent studies have highlighted the need to conduct more two-sided studies looking not only at how messages are sent off but also how they are received and sent back (Harrer, 2021; Lehner et al., 2019; Steigenberger, 2017). Building specifically on paper four (Harrer, 2021) future studies could thus for example explore how the sent (bundles of) signals in CF are received and perceived, and how these perceptions in turn influence the creation and depiction of signals (Garud et al., 2018; Goffman, 1959). Such insights would enhance our understanding of the so-called affordances or instantiations certain symbolic and material representations represent when they are presented together.

Taking this a step further and looking at for example whether certain activities and symbolic devices constrain, foster or shape certain reactions and signals, a nuanced and culturally aware performativity approach would potentially also allow us to better understand how certain signalling strategies work without over-emphasising the somewhat problematic effects of an institutional isomorphism approach (Beunza & Ferraro, 2019; Lehner & Harrer, 2019).

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These latter theoretical thoughts directly translate into some methodological considerations. As mentioned, most studies in entrepreneurship and particularly CF focus on static and one-sided perspectives. While the papers in this thesis (particularly Harrer, 2019; Harrer et al., 2019; and Harrer, 2021) shed some light on the dynamic elements of communication in CF, they do not yet provide insights into the two-sided nature of decision-making processes. Thus, in line with the future theoretical research avenues on trust and performativity, I further suggest engaging in experiments (Hertwig & Ortmann, 2001). From a trust perspective this would also allow more nuanced insights into the cognitive thresholds invoked by the activities and symbolic instantiations (Grimpe, 2019; Mizrachi et al., 2007; Pratt et al., 2018; Six et al., 2010; Tsankova et al., 2012). From a performativity perspective this would allow to disentangle what factors are hindering and facilitating for venture funding and at the same time how these factors potentially contribute to sustainable societal change.

6.3. CONCLUSION

The thesis aimed to explore the guiding research question of *how legitimacy and trust can be communicated to drive decision-making in crowdfunding*. It subsequently provided answers to this question by collating five papers, each with a different contextual and theoretical focus. It postulated that CF research and broader entrepreneurship research often remains at a static level of theorising, therefore ignoring important communication dynamics that are driven by a continuous (re-)appropriation of values.

The five papers collectively showed that communication in CF must be regarded as an interconnected process, where multiple individual and collective values are combined in many different ways to demonstrate trust and legitimacy. The thesis therefore advocates for a more process-based and judgement-based theorising in CF, which not only looks at *what* matters, but also *how what* matters in a certain context and situation. In other words, it calls for a more contextual specific and normative theorising in the CF and the larger entrepreneurship literature. It argues that such theorising is particularly important to position financing options such as CF as important tools for sustainable societal change.

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Appendices

OVERVIEW OF PAPERS

Paper 1: Lehner, O M, Harrer, T (2019), *"Crowdfunding revisited: A neo-institutional Field-Perspective",* Venture Capital - An International Journal of Entrepreneurial Finance, Vol 21 No 1, pp. 75-96

Paper 2: Harrer, T (2019), *"The Positive Side of Feminist Theory in Entrepreneurial Finance: Feminist Themes and Tropes in Crowdfunding for Social Change*", ACRN Journal of Finance and Risk Perspectives, Vol 8 No 1, pp. 275-291.

Paper 3*:* Harrer, T, Lehner, O M and Weber, C (2019*), "Blurred organizational boundaries and the multi-level understanding of trust: a discursive lens on crowdfunding",* Scandinavian Journal of Management (in review) & Proceedings of the British Academy of Management Conference, Birmingham, UK.

Paper 4: Harrer, T (2021), *"Evoking the Leap of Faith online: An Exploration of the inner workings of Trust Signals",* Organization Studies (in review) & Proceedings of the Annual Academy of Management Meeting, online*.*

Paper 5*:* Lehner, O M, Harrer, T and Quast, M (2019), *"Building institutional legitimacy in impact investing: Strategies and gaps in financial communication and discourse"[7],* Journal of Applied Accounting Research, Vol. 20 No. 4, pp. 416-438.

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[7] Best Program Paper Academy of Management Division PNP 2018 and nominee for the Carolyn B Dexter Award. Emerald Literati Award for Outstanding Paper 2020 in the Journal of Applied Account Research.

Appendices

Crowdfunding Revisited: a neo-institutional field perspective

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Abstract

Crowdfunding, which relies on the aggregated financial power of the many non-institutionalised individuals, who pledge small amounts is seen in the literature as a particularly well-suited form of entrepreneurial finance. A reason for this may be that the investment decisions are more based on the value propositions of a venture than on purely financial factors. Yet, the communication and translation of the value propositions of a venture into various cultural and regulatory contexts requires specialised services and joint efforts. These services are enabled by so-called Crowdfunding Platforms (CFPs) which provide the necessary tools and services. However, they also influence and potentially limit the field through their actions. Applying an institutional field-perspective in order to gain more holistic insights on the interplay between structure and agents, we revise the originally proposed model developed in our 2013 article in Venture Capital based on an extensive update of the literature and provide new insights from additional empirical cases to triangulate the recent scholarly contributions. We finally enhance theory on crowdfunding on an institutional field-level with a better conceptualization of the interconnectedness between actors and their activities, as well as their positions and links within the structure and crowdfunding platforms as powerful central actors.

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1. Introduction

Crowdfunding (CF) describes a set of innovative financing options which opens novel investment opportunities for corporate and private investors and provides alternative sources of finance for businesses. The heterogeneous "crowd" funds either projects or whole ventures through the aggregation of small investments from a large number of individual investors (Belleflamme, Lambert, and Schwienbacher 2014; Bruton et al. 2015; Mollick 2014). The types of capital that the crowd supplies range from donations, via a simple pre-financing of products, to loans, to full scale equity investments, each type differing in implied regimes, risks and rewards. Compared to traditional instruments and actions on regulated capital markets, crowdfunding is limited in size and less regulated.

The decision-making processes and motivations of the Crowd itself are still largely unknown (Belleflamme, Lambert, and Schwienbacher 2014; Cholakova and Clarysse 2015; Josefy et al. 2016; Stemler 2013). Members of the crowd are typically globally dispersed and use online communication platforms and social media to exchange ideas and inform themselves to build collective knowledge – the so called "wisdom of the crowd" (Lehner 2014). Such collective knowledge can be bundled and fostered by crowdfunding platforms (CFP) which serve as brokers between the capital seeking ventures and the crowd, but also increasingly to institutional investors and markets (Lehner, Grabmann, and Ennsgraber 2015; Mollick 2014). These platforms typically offer a range of services, from financial brokerage to marketing and consultancy for scaling and structured financing. They typically generate their revenue streams by taking a percentage of the transaction volume (Colombo, Franzoni, and Rossi-Lamastra 2015; Lin and Shih 2016; Löher 2016). So far, empirical evidence on CF is mostly either provided via reductionist approaches, often linking a dependent variable – typically some form of proxy for success – to a small subset of attributes of a CF campaign (Cholakova and Clarysse 2015; Colombo, Franzoni, and Rossi-Lamastra 2015), or via case studies that often focus on single actors, looking for example at the inner workings of ventures and their interplay with the crowd (Lehner, Grabmann, and Ennsgraber 2015). Recently, based on an editorial and call by Short et al. (2017), McKenny et al. (2017) structure the research field of crowdfunding and provide avenues to move forward by providing insights into the role and value of various theories in CF research, potential future research questions, and the most influential research articles in the field.

Few articles look at crowdfunding from a more holistic perspective by including all actors and activities, positions and links. Exceptions include early studies by Lin and Shih (2016) and

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Lehner (2013) in the realm of crowdfunding for social ventures. Yet because the communication and translation of the value propositions of a CF venture into the various cultural and regulatory contexts that the crowd is embedded in needs specialised services and joint efforts such a holistic perspective may be very much needed to fully understand the processes in crowdfunding. Such services are provided by so-called Crowdfunding Platforms (CFPs) by offering tools for an active collaboration of many actors in the field, including business angels and venture capital providers.

Following a neo-institutional perspective, the role of the CF platforms in contributing to the overall structure in terms of standards, norms and traditions, but also acting as centralized, powerful actors who potentially influence the whole system via their various service offerings and by controlling the resource flows, has remained largely unaddressed so far. Early insights are provided by Maier (2016), who looks at the necessity for platforms to initiate a double switching behaviour in borrowers and investors and by Haas, Blohm, and Leimeister (2014) who provide a typology of platforms. Belleflamme, Omrani, and Peitz (2015) explore the economic forces at play that influence the design of these platforms from an organisational level. Acknowledging these ideas, this article sets out to first, provide an extensive update on the insights from the recent literature since our 2013 article (Lehner 2013), and second, to empirically triangulate the findings from a field-perspective on crowdfunding embedded in neo-institutional theory (Dacin, Goodstein, and Scott 2002; Scott 2008).

2. State of the art in CF research

2.1. Typologies of CF

Crowdfunding (CF) typologies can be divided into four main blocks: donation-, reward-, lending- and equity-based CF. Whereas donation-based CF just offers non-tangible rewards such as reputation, the so-called reward-based CF delivers products or services that have been created through the successful pre-financing of the first stages leading to a market ready product. Lending based CF offers either the repayment of the principal with interest or sometimes a combination with a finished product. Equity based CF finally distinguishes between general and accredited investors (Stemler, 2013), allowing various approaches from simple profit-sharing to equity and hybrid, bond-like shares.

Within this spectrum, reward-based crowdfunding seems to be the most complex in terms of understanding and might require novel research approaches, borrowing from both, socio-cognitive theory as well as from more functionalist institutional approaches to truly understand

the interplay between the crowd and the ventures. Other crowdfunding types can perhaps be more easily compared to either traditional, albeit less regulated venture investments or to philanthropy in the case of donation-based CF. Thus, well-established and more robust research lenses may offer appropriate avenues to explain their inner workings and examine their high potential as source for entrepreneurial finance.

Suggesting a Bricolage lens on equity-based crowdfunding for example, on entrepreneurs within innovative, consumer-focused, early stage ventures, Brown, Mawson, Rowe, and Mason (2018) see that these entrepreneurs are attracted by the ability to obtain finance quickly without giving up too much autonomy and intangible benefits as it would be the case with VC funds. Other inquires, such as from Walthoff-Borm, Schwienbacher, and Vanacker (2018) show that firms listed on equity CF platforms are often less profitable, display higher debt-levels and have rather more intangible assets than non-listed ventures. Latest research on new forms of CF, offering equity-like rewards such as abstract and tradeable "tokens" via so called Initial Coin Offerings (ICOs) examines how this allows funders to create some form of a secondary market (Adhami, Giudici, & Martinazzi, 2018), which helps with the later financial evaluation of the venture compared to the rather illiquid original types of equity based crowdfunding. The developments of this form however are still very much in flux and neither the technology – often using highly secure, distributed, internet-based ledgers (Blockchains) - nor the regulation concerning the created capital markets and applicable laws can be seen as anywhere near a stable process model (Adhami et al., 2018).

While the above approaches address a single typology with little regard to others, Paschen (2016) provides an overview of crowdfunding-typologies, identifies a potential nexus of these with the value-creation strategies and business models of ventures in different stages and, consequently, derives recommendations for the optimum type for each stage. It is thus necessary for the venture to align its business model with the chosen funding strategy and crowdfunding type (Paschen, 2016). An optimal fit in this alignment appears to be vital for ventures to ultimately deliver the value proposition and scale accordingly.

Crowdfunding Platforms (CFPs) also differentiate in their business models per crowdfunding types and introduce variations such as thresholds and maximum limit concepts to address different viability concerns from investors. As a consequence, they often attract very different ventures. Looking at the motivational factors for investors, Cholakova and Clarysse (2015) for example, provide insight into the influence of financial and non-financial motivational factors on the decision-making of investors. Their findings indicate that in reward-based crowdfunding

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projects investors are more intrinsically motivated, while in equity-based crowdfunding a project's extrinsic factors such as available financial data matter more. Moreover, Belleflamme et al. (2014) find that investors tend to opt for reward-based crowdfunding structures if the required investment amount is relatively small compared to the market size. In contrast, they prefer profit-sharing if the investment amount is bigger. Hence, the choice of type and platform seems to be of high importance for ventures and investors alike and it might be the first landmark decision to crowdfunding success.

2.2. Success factors, social capital, geographical fit and cultural distance

When looking at the dynamics of success and failure of CF, the role of personal networks to sub-sequentially tap the crowd can be seen as focal (Mollick, 2014). Decomposing the somewhat generic, yet excessively applied term "crowd", numerous authors thus look at the role of social capital and community processes in CF campaigns. Lehner (2014) finds evidence that CF success ultimately depends on how the interaction between different crowd tiers transforms entrepreneurial social capital (SC) into economic capital (EC) by applying a Bordieuan lens. In this transformation, he examines how these interactions and transformations are strongly moderated by the progressively built cultural and symbolic capital.

Colombo et al. (2015) corroborates the above findings and ascertains that the internal SC of the whole crowdfunding community is indeed affecting its success using a large-scale quantitative setting. They support early findings of Lehner (2014), and state that actions that take place in the early-stages such as enlisting a critical number of backers and the resulting early capital flow serve as accelerators for the previously mentioned transformation process.

Besides the power of social capital, new inquiries also look at the increasing importance of positive psychological capital (Anglin et al., 2018a; Anglin, Wolfe, Short, McKenny, & Pidduck, 2018b) and find that entrepreneurs conveying positive psychological capital, such as hope, optimism, resilience and confidence display a better funding perspective. What is more, they conclude that human capital seems to moderate this this relationship while social capital does not.

In addition, bringing in context-specificity, various scholars also come up with context and country-specific insights on SC. As one example Zheng, Li, Wu, and Xu (2014) compare China and the US by looking at three dimensions of SC and find differences in the importance of these dimensions between China and the US, further opening research perspectives on cultural differences in the targeted crowdfunding community.

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Following this thought, the quality of signals channelled and transformed through SC and the perceived risk appears highly context-specific and therefore cultural and geographical locality must be taken into consideration when it comes to developing a successful CF strategy. Yet very little guiding literature exists on how to identify and handle these specific effects.

Distance, as outlined before, can also be overcome by using signals to communicate intentionally to various networks and activate social capital. Local and distant founders exhibit different motivations based on the transformation of context and culture specific values (Agrawal, Catalini, & Goldfarb, 2015) and CFPs often help overcome this cultural and geographical distance. Especially the community context remains largely unaddressed so far and Josefy et al. (2016) thus call for a further integration of community and cultural constructs into models of venture funding. Ryu and Kim (2016) find that from the perspective of signalling theory specific start-up cluster areas in which the ventures can be located, are acting as catalysts for crowdfunded ventures to get additional funding. Clusters can be understood to cover geographical and physical locations in which ventures are embedded and provide a natural entrepreneurial system. However, when it comes to the global dimension of crowdfunding, such cluster-based systems are too narrow and crowdfunding platforms act as structural hole spanners and gatekeepers (Burt, 2004) in transporting and transforming the ideas and value propositions to other contexts.

Providing additional evidence of the high importance of crowdfunding platforms, Jääskeläinen and Maula (2014) point out that crowdfunding platforms can address issues of cultural distance and potential biases by transforming signals and information into a community-relevant cultural context, thus creating the impression of a virtual locality that in return fosters the crucial transformation of social into economic capital (see Lehner 2014).

Developing this line of enquiry, authors such as Moss, Neubaum, and Meyskens (2015) adapt and apply signalling theory to suggest that the quality and quantity of the displayed information about the characteristics and behavioural intentions of the venture have a significant effect on the perceived risk. More recently, and starting from a different angle, Kromidha and Robson (2016) find that a higher personal identification of entrepreneurs with their ventures in social media representations acts as a strong signal towards the crowd. Allison et al. (2015) also draw upon cognitive evaluation theory to provide insights into how linguistic cues (meaning involuntary signals) affect crowd motivations and thus how the business-model of a venture is accepted and funded.

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Corroborating these findings, Cardon, Mitteness, and Sudek (2016) find in their work that enthusiasm, preparedness and commitment of entrepreneurs are important motivational cues on which early-stage-investors decide whether or not to invest. This is consistent with insights from Brinckmann and Kim (2015), who find that highly selfefficacious and persevering entrepreneurs tend to strive for outside financing and prepare accordingly.

A longitudinal perspective on the dynamics of project support over time has been applied by Kuppuswamy and Bayus (2017) who examine the factors moderating the effects of goal proximity. They find that the predicted positive effect of goal proximity in a threshold CF model is accentuated by small target goals and limited early support. Their findings help understand timing effects on the crowd's motivation. Another interesting line of enquiry by Rassenfosse and Fischer (2016); Roma, Messeni Petruzzelli, and Perrone (2017) present evidence from a sample of technology projects launched on Kickstarter (a reward based platform) demonstrate that pledging a higher amount of money in crowdfunding can ignite professional investors' interest and thus help secure subsequent funding. However, this positive evidence is effective only when complemented by the presence of patents or a large network of social ties. Butticè, Colombo, and Wright (2017) look at how serial entrepreneurial crowdfunding acts as a strong signal to enhance trust and thus ultimately increases the chances of success. Skirnevskiy, Bendig, and Brettel (2017) find additional evidence how the track record of an entrepreneur can develop internal social capital and how this can be converted into external resources. Such signals also matter in subsequent stages when firms seek to raise venture capital (VC) and bank funding.

However, it is important to recognise that the signals that are relevant in the first crowdfunding rounds may not match the investment criteria of traditional VC funds or business angels (Lukkarinen et al. 2016). Despite this, Drover, Wood, and Zacharakis (2017) see that the heterogeneous characteristics of angels and the crowd can produce "highly influential certification effects" on the screening decisions of venture capitalists. Courtney, Dutta, and Li (2017) also address the relevance of external endorsements and find that third-party endorsements typically validate and completement start-up originated signals, while some start-up originated signals may even offset each other's effects. Zvilichovsky, Inbar, and Barzilay (2013) use the platform Kickstarter to look at how project owners increase the success of their campaigns through backing and contributing to the projects of others. True to the co-creation, sharing-economy "Zeitgeist", they find that such out-of-project actions can be a rewarding strategy due to direct and indirect reciprocity in reception and actual funding.

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Summing up success factors, Lagazio and Querci (2018) highlight the multi-sided nature of CF campaign successes. They outline that altruism, fixed- and small-sized projects and large entrepreneurial teams are indicators of a successful funding. Alongside these characteristics, a strong focus on the tiers of social capital and carefully crafted linguistic components throughout the communication is crucial to transform social capital into economic capital. Adding to this, Xu, Zheng, Xu, and Wang (2016) use the QCA method to identify paths to sponsor satisfaction from an asymmetrical perspective in CF and see that timeliness, product quality and novelty, sponsor participation through interaction and entrepreneurial activeness in these processes can be seen as antecedents for a positive outcome.

2.3. Information and perception

Venture specific human capital, social capital, intellectual capital and perceived uncertainty can be seen as critical dimensions in order to predict CF success (Ahlers, Cumming, Günther, & Schweizer, 2015). Identifying an important phenomenon specific to CF, Vismara (2016) for example looks at how "information cascades", signifying the link of external public profiles of investors to the information available on the platforms, work in reducing uncertainty and perceived risk. This fits well with earlier explanations by Reuber and Fischer (2011), who discuss the importance of online technological capabilities and online reputation in internet enabled markets in general and see that these work as moderators in the pursuit of opportunities. Unfortunately, little has been written so far about the link between the quality and quantity of such information and the success in reducing information asymmetries.

From a country-specific context Bi, Liu, and Usman (2017) apply an elaboration likelihood model to examine signals of quality and electronic word of mouth, including word and video counts from a Chinese CF platform. They identify a difference in the information adequacy (central or peripheral route information) between science and technology and entertainment and art projects. Davis et al. (2017) identify the correlation between perceived product creativity and passion of the entrepreneurs in the funders' eyes and stress the importance of research into affective events theory and especially expectation alignment between funders and founders. Cardon, Mitteness, and Sudek (2016) had previously found that the relationship between enthusiasm in pitches and evaluations of funding potential vary depending on the type of commitment considered. While the necessity of alignment has been identified in both modern crowdfunding and traditional investment pitches, there are subtle differences between them. By looking at the linguistic style in crowdfunding pitches, Parhankangas and Renko (2017) provide an explanation for such differences, finding that social entrepreneurs who want to tap the crowd

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for funding need to additionally compensate for their incomplete social categorisation in their CF pitches. Consequently, based on their higher inherent liability of newness in the eyes of the crowd they need to rely more extensively on linguistic style to attract funding (Parhankangas and Renko 2017). These insights are also highly relevant to structured finance including traditional BA and VCs in later funding rounds for CF-financed ventures, with the CF pitches requiring to be individually adapted for rhetoric, signalling and content for each target audience.

Allison et al. (2015) and Allison et al. (2017) have provided further insights on persuasion in crowdfunding pitches and on the role of internal and external cues in entrepreneurial narratives from a microlending perspective. They see that projects that have altruistic values involving helping others creates greater investment motivation compared with those that are perceived simply as potential successful business opportunities. In addition, they find that external cues such as group identity are amongst the strongest influencing factors of crowdfunding success. This aligns with Calic and Mosakowski (2016) who find that a venture's sustainability orientation, for example in social entrepreneurship, will enhance its fundraising capability.

It therefore seems appropriate to apply more interpretive lenses on crowdfunding, in order to understand its full potential. Following this line of enquiry, Frydrych et al. (2014) explore how legitimacy is created through these specifically targeted discursive elements in reward-based crowdfunding. Especially a strong underlying discourse of sustainability in combination with the previously mentioned project creativity and third party endorsements seems to be a key for CF campaign success as these ventures are deemed particularly valuable for society (Calic and Mosakowski 2016). From an external characteristics perspective, Fisher et al. (2017) look at the challenge of audience diversity in creating venture legitimacy and find that framing helps to manage the legitimacy judgements across various audiences with their often-differing institutional logics.

Taking a gender-dynamics perspective on audience diversity Johnson, Stevenson, and Letwin (2018) look at the potential implicit biases and the stereotype content model when it comes to women in crowdfunded start-ups. As a potential solution in donationbased crowdfunding Greenberg and Mollick (2016) suggest that an "activist choice homophily" of female founders and investors may be a potential reason why females are often more successful in crowdfunding than men.

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2.4. Interaction, collaboration and innovation

Interaction between the funders and the crowd generates trust and improves social capital. However, little is known how collaboration informs and influences opportunity recognition/formation and exploitation and thus ultimately innovation and value propositions (Mary George et al. 2014). Valančienė and Jegelevičiūtė (2014) specifically look at the role of stakeholders and how they influence the processes in which value is created. They see the dual identities of customers and suppliers as users and backers working together in the final formation and exploitation of opportunities. Their article further discusses the diminishing role of financial institutions and their influence on value creation and the important yet evolving role of crowdfunding platforms as boundary spanners between users, backers and entrepreneurs.

The so-called extra-role behaviour, which describes the deeply binding psychological effort of acquiring resources controlled by stakeholders, helps entrepreneurs to successfully enrol stakeholders. Burns et al. (2016) identify this process of stakeholder enrolment as being a critical factor for forming and exploiting opportunities as such factors not only influence the potential investor's decision but also have an effect on the underlying idea and resulting innovation.

However, there may be a trade-off between the benefits of collaborative discovery and the implied costs because of diversification. For example, Parhankangas and Ehrlich (2014) look at how entrepreneurs convince business angels (BA). They find that BAs prefer only moderate levels of promotion of innovation and criticism of competitors, and display high levels of opinion conformity. In an update of this work Chan and Parhankangas (2017) examine innovation more closely, finding that a greater incremental innovativeness generates a greater user value in the eyes of the crowd, whereas campaigns that feature a more radical innovativeness are riskier to develop and harder to understand by the crowd and ultimately result in a less successful outcome of such campaigns. Anderson, Potocnik, and Zhou (2014) study the link between innovation and creativity in organizations and see them as integral parts of essentially the same process. This again is a highly relevant finding for crowdfunding as the diversity of backers and stakeholders greatly increases the creative potential.

2.5. A neo-institutional field-perspective: CF-platforms between structure and agency

We follow Scott (2008) when he calls for attention to focus on higher levels of analysis in institutional theory in what he calls "field-level approaches" that examine both, structure and

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agency. As Scott puts it: "Fields can serve a variety of functions in institutional analysis – as the locus of independent variables shaping organizational forms, as intermediate systems, mediating between organizations and wider societal forces, and as themselves dependent variables, systems whose features are to be explained" (p.435). Such organizational forms as intermediate systems, which mediate between organizations and wider societal forces perfectly describes crowdfunding platforms.

Scott further explains that "field-level arguments serve to remind analysts that

- organizations operate in systems composed of both similar and diverse forms
- organizations operate in systems of organizations involved in both competitive and cooperative relations
- the "environment" within which organizations operate is itself organized – exhibiting a distinctive cultural and social structure
- the relational structure of fields provides diverse locations for individual organizations
- organizations are affected not only by local but by distant actors and forces
- organizations are involved in both horizontal (cooperative–competitive) and vertical (power and authority) connections
- organizations are affected not only by the exchange relations in which they participate but by the existence of systems similar (exhibiting structural equivalence) to their own"

A focal actor such as CFPs therefore seems to increase system value through direct and indirect network externalities (Choudary, Van Alstyne, and Parker 2016). Such externalities are of high relevance in CF in view of the necessity for the necessity of structural hole spanners in global CF as discussed earlier. CFPs in this role can thus be seen as such focal actors. Lin et al. (2016) adapt this thought and offer a research framework of CFP usage, exploring the interplay between ad-hoc project teams and the larger crowd to examine how CFP administration can contribute to opening up new opportunities for start-ups. Other early approaches can be found in Wang, Lim, and Van Toorn (2016), who adapt a persuasive systems thinking to come up with a CFP design model, and by Maier (2016), who looks at the necessity for platforms to initiate a double switching behaviour amongst borrowers and investors. Haas, Blohm, and Leimeister (2014) provide a typology based on Hedonism, Altruism and For-Profit, and finally Belleflamme, Omrani, and Peitz (2015) explore the economic forces at play that influence the design of these platforms from an organisational level. However, despite such fruitful approaches into the individual habitus of CFPs and how thesemight influence existing institutions, the systemic dynamics and the shaping characteristics of such platforms for the

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larger field remains largely unaddressed despite the various calls by scholars (Lehner and Harrer 2017; McKenny et al. 2017; Short et al. 2017) and hence a further theory development in the field of crowdfunding is both timely and apt.

Thus, based on the updated literature reviewed in this paper and because of the high field-dynamics of crowdfunding we conducted an empirical inquiry to triangulate the propositions from literature with additional empirical evidence which we combine in an updated model of Crowdfunding from an institutional field- perspective.

3. A field update on crowdfunding: CF-platforms as focal actors

The objectives of this research endeavour are to identify the specific activities provided by CFPs and to critically assess the role of CFPs as focal actors in forming, enabling and restricting crowdfunding from a neo-institutionalist standpoint. Based on the findings of 23 purposefully sampled cases of various types, sizes and industries from eleven different CFPs, with a total funded sum of 77,210,781 USD, a range of: 43,724,820 and average of: 3,356,990, we finally build early theory on CF as an entrepreneurial ecosystem based upon five inductively developed propositions from a neo-institutional perspective.

The purposeful selection of the cases was based upon the criteria of being either exemplary as identified in the literature, or exceptional (Uy, Foo, & Aguinis, 2009) - with these characteristics being identified from a media reception analysis in the Forbes magazine over the years 2014-2017. The cases and platforms were examined in-depth through the collection of primary and secondary documents, interviews with founders and platform managers and ethnographic observations, leading to over 300 individual documents. The sampling was deemed pseudo-complete after a theoretical saturation criterion of "no new codes after 2 additional cases" was reached. A full list of the cases and documents can be downloaded via the QR code in Figure 1. Table 1 provides an overview of the sample.

This inductive approach holds well with Watson (2013), who demands that entrepreneurship research needs to achieve a better balance between studying entrepreneurial activities and setting these activities in their wider context through ethnographic research with concepts from sociology and from pragmatist thinking. Watson further argues that field research should be innovative in combining in-depth studies of several enterprises and their founders with the analysis of broader aspects of 'entrepreneurship in society', by a process of 'everyday ethnographic' observation, reading, conversation and ongoing analysis.

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Figure 1 - QR Code to the document list and case descriptions.

Origin Country:	Types:	Industry:	Summary:
US: 16	Reward: 9	Hi-Tech: 8	11 platforms
UK: 3	Equity: 8	Hygiene: 1	23 cases
AUS: 2	Donation: 3	Tourism: 3	308 docs
OTHERS: 2	InDemand: 1	Social: 2	1901 codes
	Lending: 2	Software: 4	3 coders
TOTAL:23		Consumer.: 4	5 propositions
		Personal: 1	

Table 1 – Sampling Overview

Selected excerpts of the data were first transformed into standardized meaningful units, discarding rhetorical artefacts and then subsequently coded based upon the proven techniques as set out by Denzin and Lincoln (2005). The transformation into meaningful units and the actual coding took place in a multi-coder (3 persons), recursive and iterative process (all documents at least 3 times each with additional codes from others) using the software Atlas.TI, with a continuously developed coding manual and regular discussions between the coders, for example by comparing and contrasting differing findings of the same material. All disputes (84 out of 1901) were settled using a majority system.

True to the inductive nature of the research no a-priori codes were applied, yet the previously discussed ecosystem framework of actors, activities, positions and links was used to give structure to the findings later on, following suggestions by Eisenhardt, Graebner, and Sonenshein (2016).

The codes were then summarized into five propositions based on the conflux of the findings with the existing literature. In this we follow Cornelissen (2017) suggestions on common styles of theorizing and aim to "explain the fuzzy nature of many subjects by logically and causally combining different constructs into a coherent and explanatory set of types" (p. 3). These propositions were then combined to build early theory on CF as entrepreneurial ecosystem that we further illustrated in a model displaying actors, positions, links and activities.

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4. Findings and inductive themes

Examining structure and agency from a field level in crowdfunding, with a focus on CFPs as focal actors, the following five propositions were developed. The 7-digit numbers in brackets point to the exemplary documents, and the full list of cases and documents can be found on using the QR link in figure 1. After the individual discussion of the propositions, a summary will be illustrated in figure 2, depicting the CF system with numbers as links to the propositions.

Proposition 1: CFPs are positioned as trusted platforms and centralized catalogues, providing signals and localized value-translation in order to communicate the legitimacy of the CF-ventures to the Crowd.

Looking at the cues and signals that are created throughout a crowdfunding campaign we find that crowdfunding campaigns are used to test market acceptance and estimate demand beforehand [0101000, 0213000, 0221000, 0518000]. The most prominent signals we identified were: funding milestones, early adoption and pledges, media and news reception, public feedback related to both the ideas and the people involved, dedicated investment requests from venture capitalists (VCs) inquiring on the progress [0204000], and cross venture backing from other campaigns [0222303, 0222304]. Besides the signals, we found the following cues: the radiance and attire of the entrepreneurial team, the innovativeness of the ideas and the willingness to respond to questions.

In some cases, the signal and marketing perspectives even dominated the crowdfunding motivation of the ventures. As an example, the Nuyu Sleep System [022000] uses the platform Indiegogo to gain customer feedback from early adopters - individuals highly inclined to test new products and services.

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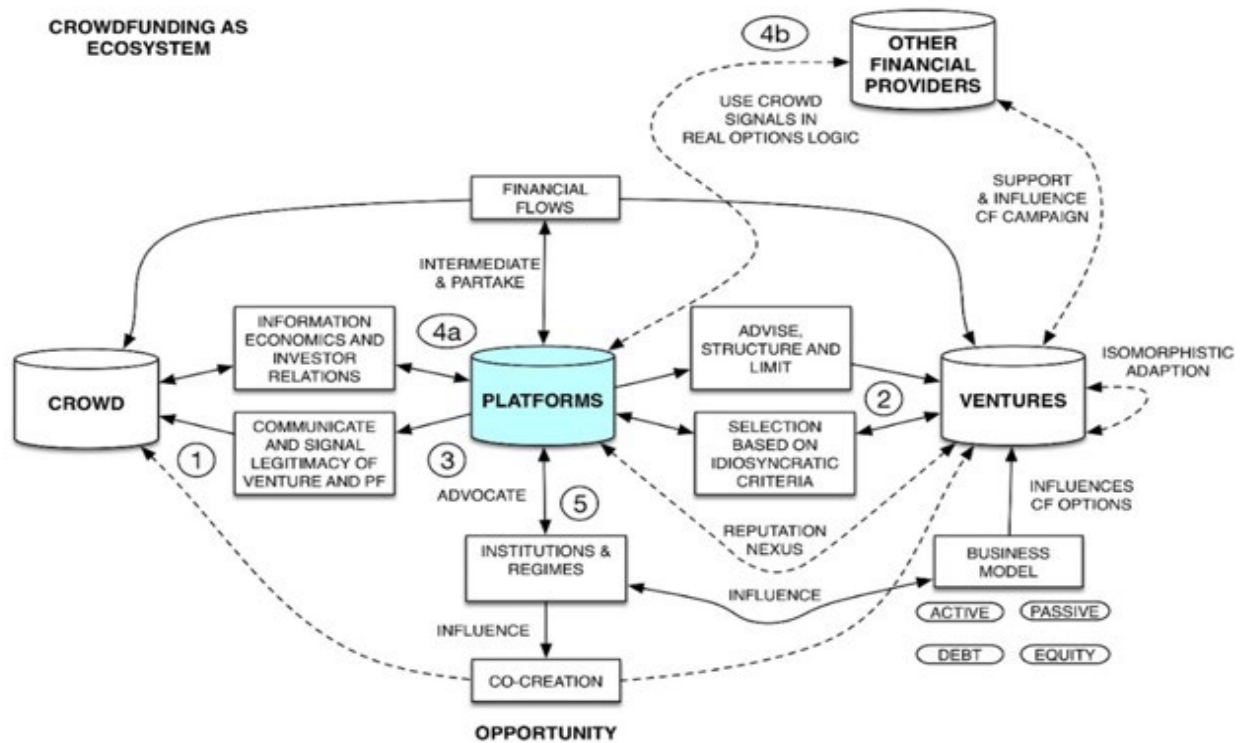
Figure 2. The CF system, expanded from Lehner (2013), based on an extensive update of current CF literature and new field-based evidence. Numbers refer to propositions

Because of the collaborative spirit of investors in crowdfunding, said feedback and the interaction with the crowd may well lead to adaptions of the product or business model [0101000] and as such may contribute to a successful market entry. For example, Pebble adapted their watches based on numerous inputs from the crowd and was highly successful in three CF campaigns (total volume of approximately $44 million [0101241, 001242, 0101243, 0101247] and ultimately positively exited [0101248]. Through signals, including the willingness to adapt, trust is created and ultimately the legitimacy of the ventures is improved. Another example being "MyShowCase" [0310000] who are not primarily seeking funds but rather wanting to build a solid community of customers and partners for their online-run beauty product platform.

From the perspective of (corporate) venture capitalists, CFPs can be seen as a central hub providing a catalogue of innovative ideas and a virtual marketplace for private and corporate investors [0200000] in which the successful funding by the crowd would act as a strong signal to institutional investors and corporations looking to enhance their real options strategies.

Platforms also need to signal their reputation and values to enhance legitimacy. One strategy is to embrace ventures with a strong societal relevance and high chance of success in their

portfolios. Some, such as Indiegogo even go so far to create a separate space for social causes. One salient example of a donation-based CF would be the Pencils of Promise [0215000] based on Indiegogo's Generosity.

Proposition 2: Strong CPFs as focal actors use their power to enable, but also to influence the configuration of CF-Ventures in their role as gatekeepers, leading to standardization and pre-mature isomorphism

Crowdfunding platforms supply brochures and checklists and provide consulting and expert services [0100022] to aspiring ventures, for example, how to structure their campaigns and create a compelling business story [0100023] or how to better align their business models [0300188]. In some cases, these consulting services also contribute to the income of the platforms but more often they are offered for free as part of the marketing activities. Comparing guides from high profile platforms such as Kickstarter [0100000], Indiegogo [0200000] and Crowdcube [0300000], they all seem to cover the same topics with only nuances of difference.

The resulting uniformity of the campaigns based on the ubiquity of the platforms' idiosyncratic rules and guidelines [0100191, 0200203, 0300190] certainly helps investors to better compare CF campaigns and thus reduce the transaction costs involved. However, besides the obvious beneficial effects of these activities there are also unforeseen consequences that may be explained through a neo-institutional lens - as the strong influence of the platforms and willingness of the ventures to adapt may well create an unintentional reflexive isomorphic convergence of the ventures, which does not lead to a higher legitimacy but only results in a lesser variability and unfair discrimination of non-conformant campaigns. A reason for this may be that ventures see others follow these sets of guidelines and rules and blindly pursue the same configuration, not because of their success but because of convenience and external pressure by the platforms. This again illustrates the unequal hierarchical power positions of fund-seeking ventures and the CFPs as focal actors in the crowdfunding system.

Besides the role as enabler through the provision of advisory services, CFPs also act as gatekeepers in the selection of ventures, based on an often-discretionary set of rules [0700284, 0700285, 0200206]. In theory, this is meant to increase the quality of the visible campaigns, but because these rules and the due-diligence in their execution are often not overly transparent and seem to be rather ad-hoc, platforms again contribute to an isomorphic system and create somewhat unsubstantiated entry-barriers.

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Proposition 3: CFPs as central platforms bring together, enable and control the resource-flow between ventures and the crowd as actors for Co-Creation and Open-Innovation processes, by making use of rapidly evolving technological infrastructure.

Platforms provide the technological base for a two-way communication infrastructure, allowing direct participation of the investors and stakeholders. CFPs can be seen to offer a co-creation space [0100286, 0214092, 0700284, 0800266, 0222000] so that investors and stakeholders can actively contribute to the dynamic formation of the business model [0100286, 0800253, 0222000] and participate in relevant decision-making processes [0101300, 0101301, 0106297, 0309302]. Taking in the advice from the crowd, entrepreneurs can adapt to changes in the perceived demand or even follow new opportunities [0700284]. For example, Kickstarter provides a connection tool to other CF experienced entrepreneurs [0100022, 0700307]. Ventures then can directly contact established and renowned experts to ask their opinion on various potential situations. In addition, direct contact to VC and other corporate investors is provided via specific tools and platforms [0204000].

Through the continuous interaction between the investors, ventures and the platform co-creation is enabled. The question of demands on technological savviness of the crowd using tools for co-creation however has not been addressed so far and may explain the low market share of CF investors from developing countries [9900308].

Proposition 4a: Ventures reach out to other funding sources from actors such as venture capitalists, business angels or even other platforms via CFPs to initiate so called Cascaded-Funding Strategies for scaling.

Proposition 4b: In these Cascaded-Funding-Strategies CFPs act as information brokers and repositories for the necessary large-scale and professional Investor Relations that would otherwise overly burden smaller ventures.

The often-short history of the fund-seeking ventures poses a substantial risk bearing significant transaction costs. Platforms address and mitigate this risk by linking to additional sources of information [0204006, 0204007, 0310056].Ventures however not only use platforms for their very early-stage funding but also use CF more and more to expand their market and scale-up their businesses. For this, ventures often seek a mix of various funding instruments, including debt, equity and reward-based crowdfunding [0517000, 0518148]. In this, one especially important perspective seems to be the chronology and success of the various options, amongst the pitch performance [0116104, 0221218, 0309051, 0516128] and the funding history

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[0309054, 0412086, 0420178, 0420176]. Early ventures typically start with some form of reward-based CF [010100, 0308000, 0411000] and continue later, after the successful market entry, to seek additional capital in form of debt and equity, either again via a platform or from VCs and banks.

Besides a tailored investment story [0116112, 0200181, 0200183, 0700283, 0800266], one especially relevant strategy for ventures seems to be to create some form of intellectual capital, for example patents to be used as a collateral in the latter stages of the funding process [0102000, 0107000, 0412000, 0619000]. Such stepwise developments need very different communication strategies for each milestone and can thus be seen examined as a "funding cascade". Platforms have to adapt their services in order to attract a variety of investor groups and stay relevant for the ventures' additional funding round intentions. One problem field that we identified, however, is that the presentation of the ventures on dedicated equity CF platforms needs to be very different to other forms, as cash-flow projections and terminology around profit-sharing are more predominant.

An example would be the partnering of the platform Indiegogo with Microventures.com, offering access to a venture capital network, a business-angel community and an equity-crowdfunding platform at the same time. A young distillery in the United States named "Republic Restoratives" [0204000] makes uses the said partnership to further increase their production capacity and market share. Via the equity crowdfunding platform Crowdcube the "Hop Stuff Brewery" [0308000] runs its second campaign to open more bars across the city of London and finance their new packaging which fits the strategy of large-scale exporting. IntaCept Ltd. [0412000] is already running their fourth funding round at the Australian equity-based platform ASSOB in order to further develop their services and products.

Concomitantly with the role of a counselling partner for funding cascades, CFPs can thus also be understood as information brokers between investors of all sorts and the ventures with the ultimate goal of reducing information asymmetries and leading to a successful funding [0100027, 0100028, 0200181, 0200182, 0221217]. What has been found while analysing the provided information is that reporting elements, amongst those concerning risk and Corporate Social Responsibility (CSR) information are often only implicitly referred to, compared to the established standards in traditionally funded ventures.

Proposition 5: Public policy and institutionalized regimes exert and influence CFPs and are in-term influenced by their strong agenda building activities and advocacy.

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Platforms are not only subjected to regulations themselves [0800252, 9900287, 9900288, 9900291] but also inform and in some cases, influence legislation to improve and enhance the current regulatory status of crowdfunding [0500220, 9900294, 9900295]. In many cases, platforms work together on this to increase their bargaining power and outreach to the relevant authorities. In Europe for example, the European Crowdfunding Network (ECN), a network of many influential platforms and individuals advocate for a common European framework on crowdfunding and inform local governments [0500143]. At the same time, it is inherently important for governmental bodies and policy makers to be provided with experts from different perspectives in the new and often poorly understood field of crowdfunding. For example, when former US-president Barack Obama signed the JOBS Act in 2012, many CFPs were part of the development process [9900291] providing their expertise to the Senate and Congress. Alongside business angels, VCs and other experts, the platforms Indiegogo [0200000], Kiva [0700000] and RocketHub [0800000] among many others were involved in the development-process of the JOBS Act. As European examples, Symbid [0600000], a Dutch CFP supports the local legislation in coordinating relevant crowdfunding development-processes and in Austria the platform 1000x1000 [0500000] has played a crucial role in the new act on crowdfunding and crowd investing [0518148]. CFPs thus can be seen as catalysts to initiate negotiations and policy making concerning societal demands as well as the needs of the crowd and the ventures [0500143].

From a more critical perspective, the previously addressed phenomenon of reflexive isomorphism makes it easier for CFPs to regulate and tailor the market to their own business interests, thus potentially overpowering the perspectives of market rivals in the field. What is more, some platforms may need to compromise their own strategy to comply with demands from other powerful players because they rely on corporations, institutions and service co-operations in their business model, as seen in Kiva [0700274, 0700275, 0700276] partnering with the HP or MasterCard foundations or Ernst&Young as critical stakeholders.

Summarising the five propositions and discussion of the findings, Figure 2 provides a scheme that illustrates the actors, positions, links and related activities in Crowdfunding, based on a prior version developed by Lehner (2013). The numbers in this schema correspond to the numbering of the propositions as previously outlined. The decision of a venture to seek funding from the Crowd therefore results in numerous inputs from other actors in the system. Platforms function as brokers and in many cases as catalysts to induce and align the necessary processes in actors and the overall system.

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Discussing and expanding early theory on CFP from Haas, Blohm, and Leimeister (2014), who identify three archetypes of CFPs based on their aggregated value propositions of hedonism (addressing the investors' sense of interest, desire or joy),altruism (attracting investors with an interest in the greater good) and for-profit (satisfying monetary needs) that purely address the financial role of the platforms, we propose five additional categories based on the propositions developed above: trusted communication partners, gatekeepers, resource catalysts, investor relations professionals, and finally lobbyists. A major platform such as Kickstarter or Indiegogo obviously takes on many of these roles, whereas small, niche players may just embrace one or two to create a strong profile.

5. Conclusion

Viewing CF not as a simple financing process but from a systems perspective (Ruutu, Casey, and Kotovirta 2017) highlights the systemic interplay that arises from the interaction between individual actors and the surrounding structure (institutions), and hence provides a holistic, societal perspective on entrepreneurial finance. With this perspective, we engage with and contribute to research from various disciplines, amongst them entrepreneurship (Busenitz et al. 2014; Nambisan 2016; Zahra and Wright 2011; Zahra, Wright, and Abdelgawad 2014), entrepreneurial finance (Bruton et al. 2015; Fraser, Bhaumik, and Wright 2015; Wright et al. 2016), innovation (Freel and Robson 2016; Kratzer, Meissner, and Roud 2017),opportunity formation (Foss and Saebi 2016; Lehner, Grabmann, and Ennsgraber 2015; Partanen, Chetty, and Rajala 2014; Song et al. 2017), and also sociology and information technology (Haas, Blohm, and Leimeister 2014; Paradkar, Knight, and Hansen 2015). For ventures seeking funding from the crowd, our research supports the view that the decision of a venture to list on a specific CFP has far-reaching consequences on their business model and governance (Brown et al. 2018; McKenny et al. 2017; Short et al. 2017). In order to create a successful campaign, they not only need to align their business models with their choice of platform and type of CF, but also need to be aware of signalling effects that arise (Reuber and Fischer 2009) and understand how their investor-relations need to be configured to appropriately reach the crowd and convey their societal relevance and thereby create legitimacy. Moreover, the reputation and technology nexus (Löher 2017) between the venture and the platform that arises demands a careful selection process for both, as the entrepreneurial opportunity and the individual founders' personalities need to match the value offerings and strategic positioning of the platform as well as the other project offerings. This brings with it interesting perspectives from

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coopetition (Bengtsson and Johansson 2014) and (cultural) appropriation (Freel and Robson 2016).

Instead of simply tapping the crowd, ventures need to create customized communication and activation strategies (Freel and Robson 2016; Love and Roper 2015) through the platforms acting as catalysts to fully realize the value propositions implied in crowdfunding. In addition to funding, these include the invitation to co-create opportunities, for advocacy in hostile environments (Kuratko et al. 2017) and open communication channels for public relations. Moreover, recent developments such as ICOs bring the promise of creating a secondary market that will further improve the financing environment (Adhami, Giudici, and Martinazzi 2018). In their research agenda, Arena et al. (2018) ask whether the provision of non-financial services from investors enhance the survival of a social venture. Such services from CFPs certainly do so, as our study has shown, through the boost in networking and awareness levels. Furthermore, as Ben Youssef, Boubaker, and Omri (2017) point out, the relationship between entrepreneurship and sustainable development turns strongly positive in the presence of high levels of innovation and institutional quality. Both factors are well enhanced through crowdfunding platforms.

Nambisan (2016) draws attention to the intersection of digital technologies and entrepreneurship in his work, which illustrates another important aspect to consider in crowdfunded ventures. Research on CF may therefore also provide additional insights into the digital sphere of entrepreneurship and into the power struggles between the various actors involved.

Finally, addressing the role of CFPs as social-catalysts for change, it seems safe to claim based on our findings that particularly for ventures, crowdfunding can be understood as a new, alternative form with the potential for disruption of the current status-quo – not only because of its differing mechanisms, but because of its inherent value propositions, which are based on societal values (Brandstetter and Lehner 2015; Lehner 2013). These are embedded in, and driven by, an overall societal change process based on empowerment and equality towards a more sustainable and inclusive society.

What is clear is that a systemic lens perspective offers considerable potential for research into crowdfunding. However, any attempt to better understand the processes from this perspective needs to be inter-disciplinary and include societal as well as individual motivations. Research also needs to that take into consideration both structure and agents, but with a renewed,

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particular focus on their interplay as this may be the very fabric that socio-economic phenomena build upon. We also suggest the need for future scholarly discussion on contextuality and the constructed nature of crowdfunding and how current, sometimes narrow, epistemological assumptions can fail to provide answers in entrepreneurial finance. This reverberates well with McKenny et al. (2017) who suggest topics for future research and ask "How do cultural traditions influence perceptions of the legitimacy of crowdfunding" (p.11).

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The Positive Side of Feminist Theory in Entrepreneurial Finance: Feminist Themes and Tropes in Crowdfunding for Social Change

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Abstract

Following literature that already reframes entrepreneurship as a social change activity, I consider the societal change potential of entrepreneurial narratives in crowdfunding pitches of predominantly female-run ventures. I understand the community-driven phenomenon crowdfunding therefore as a vehicle to transcend and change the predominantly masculine entrepreneurial discourse of innovation and business success. Following an idiographic methodology, I analyse the discourse in crowdfunding video-representations of female-run ventures and explore structure, linguistic usage, visual artefacts and the implied intentions towards social change from a feminist perspective. From the sampling set of 42 crowdfunding campaigns, I use the resulting discursive elements and tropes to identify feminist themes that drive the success of these campaigns through connecting with immanent societal values. With this I contribute to the social change perspective in entrepreneurship research by addressing epistemological issues within prevailing paradigms.

Introduction

The sustainability discourse in the field of entrepreneurship is often associated with hybrid organisational forms (Battilana and Lee, 2014; Lehner and Weber, 2016) and looked at from an environmental (Meek et al., 2010) or internal social innovation perspective (Gerber and Hui, 2013; Youssef et al.; Munoz and Cohen, 2017) only. When it comes to analysing, for example performance such endeavours often seem to follow a functionalist paradigm that does not fully capture the social discourse underlying funding processes. Thus, existing research on entrepreneurship may limit potential constructivist inquiries towards the much needed conceptualisation of the social movement-entrepreneurship nexus from a social change

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perspective (Nielsen and Reisch, 2016). Despite this limitation, it has become clear that research on entrepreneurship needs to include sustainability and social criteria from a constructivist point of view in order to depict the socio-economic context in its discourse (Haugh, 2005; Haugh and Talwar, 2016; Lehner, 2012). This is especially true if ventures with a social mission seek funding from the crowd (Brown et al., 2018; Landström et al., 2019; Lehner, 2013).

Subsequently, there is an evident need for new research perspectives to include social change as an underlying current that comprises elements of both, radical innovation and financial performance. In doing so, due to its critical epistemological positioning (Calas et al., 2007; Calas et al., 2009; Adkins, 2004; Stanley, 2013) feminist theory seems to provide an encouraging avenue to better understand socially constructed phenomena. More importantly, it provides the potential to incorporate the radical change character in the understanding of entrepreneurial motivation (Dey, 2007; Dey and Steyaert, 2012).

Looking at predominant entrepreneurship theory from a feminist perspective, scholars such as Marlow and Swail (2014); Marlow and McAdam (2013); Ahl and Marlow (2012); and Marlow and Patton (2005) have demonstrated that, so far, feminist critique often falls into the "gender-only"-trap. The concept of gender is reduced to sex and ultimately research is devoted only to a situational analysis from a narrow perspective. It therefore furthers a certain discourse in which masculinity is seen as the ultimate norm that entails all power issues within this narrow perspective. Existing critique thus often fails to adequately address overarching and dynamic power issues in a socially constructed system and hence does not incorporate real (social) change perspectives – instead, in its current epistemological state it cements gender inequalities by constant repetition of findings based on a false precondition.

In order to meet both social and entrepreneurial underpinnings, I borrow from Calas and Smircich (1999); Calas et al. (2009) and apply feminist theory as an apt lens for looking at the change potential of crowdfunding campaigns. From the many important faces of feminist theory (Pettersson et al., 2017), two mainstream approaches - liberal and social feminism - can be recognised. First, critique stemming from a feminist perspective offers avenues into a more fine-grained understanding of the growing change intention of entrepreneurs, for example in social entrepreneurship. Furthermore, in order to facilitate a more holistic concept of gender in entrepreneurship literature, Marxist or even stronger radical approaches are seen as proponents that can potentially enhance prevailing epistemological assumptions helping to overcome shortfalls (Calas et al., 2007; Calas et al., 2009).

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A phenomenon in entrepreneurship that is especially exposed to the often-contradictory investment and opportunity logics in entrepreneurship is crowdfunding (Lehner and Nicholls, 2014). For example Lehner (2013) highlights that research avenues in crowdfunding for social ventures must cover both, rational financial logic, but also need to include socially constructed motivations and intentions. Still, crowdfunding is often linked to the promised innovation and the respective market potential in the fund-seeking ventures and thus is evaluated by functionalist, reductionist metrics rather than by looking at the proposed theory of societal change. (Parhankangas and Renko, 2017; Mollick, 2014; Belleflamme et al., 2014)

In the light of this, I use research on crowdfunding from a feminist theory perspective as an innovative avenue to enhance the understanding of entrepreneurial intentions, and ultimately strengthen the argument for a better inclusion of discursively created social change aspects in entrepreneurship. With respect to the many feminist approaches, this paper sticks to the mainstream liberal and social approaches as I aim to connect to existing entrepreneurship literature on social change intentions in entrepreneurial narratives. In particular, by looking at female run crowdfunding ventures, I want to find out whether the prevalent positivist epistemological thinking can fully comprehend the "whatness" of crowdfunding as a socio-economic phenomenon and how a feminist perspective can enhance both, theory and practice of crowdfunding by including discursive social change aspects.

Thus, the following research questions have been established to guide my field work:

RQ1: From a feminist perspective, what are the rhetorical strategies employed by female entrepreneurs in their narratives in crowdfunding campaign videos?

RQ2: Which themes based on socially constructed values are the most common in crowdfunding campaigns initiated by female entrepreneurs and how do these connect to existing feminist theory?

The paper proceeds as follows. In the first section, I revisit contemporary literature on prevailing entrepreneurial assumptions and highlight the importance of acknowledging both functionalist and constructivist research avenues. To further elaborate on this in the changing rationale of entrepreneurship towards a social change perspective, I revisit the concept of entrepreneurial narratives, which act as a sort of transmitter of values and hence entrepreneurial intentions. Ultimately, these narratives provide the theoretical base for the empirical examination.

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In the second part, I conduct a discourse analysis (Foucault, 1982) built upon the aforementioned socio-constructivist approaches. I select representative reward based crowdfunding campaigns, primarily from the platforms Indiegogo.com and Kickstarter.com, analyse their pitch videos and extract information including content, discourse and visual artifacts to ascertain how feminist themes are used in the crowdfunding discourse to drive social change through entrepreneurship. Some of the findings include female empowerment, self-determination and -realization, reflective body and self-image, women's and family health, the sharing economy and community orientation. The research model on entrepreneurial (crowd)funding pitches, which includes the triad of: discursive elements as tropes, artifacts as tangible symbolic expressions, and finally feminist themes as entrepreneurial intentions, provides an early indication of how a pragmatist epistemology can look like, which respects traditional functionalist perspectives but acknowledges the constructivist and critical view on entrepreneurial intentions.

Social change perspectives in entrepreneurship literature

Entrepreneurship as a field of research has often been looked at from a functionalist perspective and hence been determined as driven by mechanisms such as opportunity recognition (Busenitz et al., 2003). Consequently, entrepreneurship can be explained as "the nexus of opportunities, enterprising individuals and teams, and mode of organizing" (p. 297). This prevalent focus on economics or finance logics centres the role of entrepreneurs and their potential for exploration and exploitation of innovative ideas. The overall focus is hence set on entrepreneurial behaviours but leaves out necessary indications on how the underlying discourse of the organisation influences its performance internally as well as externally.

Research scholars often aim to explain what makes ventures more successful from an internal side, but still do not deliver clarity to entrepreneurial success from a grounded, yet more collective societal perspective. Continuing the perspective of a successful venture, not only is the internal recognition of opportunities crucial but also the creation of external entrepreneurial legitimacy (Tost, 2011; Suchman, 1995). The latter concept can only be understood by taking into account the contextual value systems and thus aims to understand the prior-stated grounded societal constitutions of success. Such contextual value systems strongly rely on societal values and hence ask for a broader perspective rather than a purely functionalist one. Thus, acknowledging the lack of clarity in conceptualisations of socio-economic phenomena such as crowdfunding, it seems apt to scrutinize the social counterpart in entrepreneurship theory.

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Contributing to the critique on mostly functionalist notions in entrepreneurship, Steyaert (2007); Haugh (2005) already state that taking into account broader contextual dynamics in the prevalent economic logics may depict a fundamental change in contemporary thinking. Such notions contribute to a critique stemming from a social change perspective and may address the earlier findings of Shane and Venkataraman (2000) that the field of entrepreneurship is still trapped in a dilution of the explanation of many phenomena within. Offering a more critical perspective on prevalent assumptions in entrepreneurship, Calas et al. (2009) also take issue with the singularity of the perspectives on entrepreneurship. In their work they come up with the definition of entrepreneurship as "a social change activity with a variety of possible outcomes" (553) and find it difficult to bring research forward because of the difficult ontological status of the combination of social change and entrepreneurship. These works already highlight that entrepreneurship research can only move forward by fully advancing current (often somewhat static) phenomena-driven research into a theory-driven agenda.

Traditional approaches towards the examination of the position of women in entrepreneurship often only stem from a realist rationale (Burrell and Morgan, 1979) and thus seem to ignore more constructivist factors which deal with the question why and how such intentions of value-creation are shaped. Calas et al. (2009) distinguish between three perspectives on entrepreneurship. First, they state that entrepreneurship as positioned in a functionalist paradigm mostly describes the nexus of opportunities, growth and value creation. Second, they see liberal, psychoanalytic and radical feminist perspectives as a critical avenue towards entrepreneurship as a social change activity that may benefit women. Such approaches especially highlight the different values of women, based on which they argue for potential opportunities in an entrepreneurial context. Last and third, the authors state that a socialist, poststructuralist and transnational feminist perspective offers a critical yet explanatory avenue towards a gendered social change view regarding entrepreneurship. Building on the above perspectives on entrepreneurship it becomes obvious that the often-remarked position of gender in feminist theories leaves room for interpretation. It further highlights that feminist theory might offer promising insights into the constitutional elements of an entrepreneurial discourse.

Feminist theory as apt critical perspective

Taking on the idea of a critique on entrepreneurship research based in feminist theory, Radford (2013) adds that men are more likely to receive funding than their female counterparts. Earlier, Marlow and Patton (2005) already see a disadvantage of women in accessing business funding. Combining this critique with prior-mentioned functionalist approaches in entrepreneurship, a

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performance and success measurement mostly taking into account financial metrics makes it valid to assume that men also outperform women (Marlow and McAdam, 2013). Such an idea however leaves one asking whether this really marks the difference between male and female entrepreneurs (Jennings and Brush, 2013) and their juxtaposed evaluation (Neergaard et al., 2011; Ahl, 2006). What has become obvious is that women intend to create and signal different values than men, which ultimately shapes the overall value of their ventures. This makes the position of women even more difficult in a male run world and, at the same time, the fact that there is a strong relationship between women and social change movements is pertinent for further research (Thon, 2017).

This becomes clear when Marlow and Swail (2014); Marlow and McAdam (2013); and Ahl and Marlow (2012) point out that critique in traditional and often functionalist entrepreneurship was originally designed to explain gender-differences within entrepreneurship research. Highlighting the socio-economic context in which conceptual assumptions and thus women's subordinations are justified, the aim of critique thus drifted towards offering insights into behavioural differences between men and women, ultimately attempting to explain the often-prevalent underperformance of female entrepreneurs. However, reflexive assumptions concerning the hierarchical positioning of women in the concept of gender also limit the underlying discourse. These assumptions even predefine a certain discourse in which masculinity is seen as an ultimate norm and entails all power issues within this narrow perspective, therefore limiting the potential of poststructuralist feminist approaches as proposed in Calas et al. (2009). Based on this, it seems necessary to focus on an underlying societal discourse within entrepreneurship literature in order to explain a venture's success.

Acknowledging the potential of feminist theory as a critical perspective towards entrepreneurship as social change process and tracing assumed (gender-) differences back to social values, I am able to position the thoughts within a feminist agenda. This is not only because gender notions reflect inherent differences between men and women, but also because from a more radical perspective, feminist theory aims to induce social change by addressing relevant societal issues and thus offers critical avenues for explaining the prior mentioned issues via the conceptualization of phenomena such as social finance. Thus, following Pettersson et al. (2017); Calas et al. (2007), the main streams of feminism that are essential in entrepreneurship research are described in Table 1. This table also incorporates their main implications for society and their theoretical backgrounds.

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Feminist Approach	Implication	Relevant References
liberal	The difference between men and women arises due to the different access to essential resources.	(Calas et al., 2007b) (Cowling & Taylor, 2001) (Calas & Smircich, 1996) (Fischer et al., 1993) (Friedan, 1963)
socialist	The difference is innate due to power relations in a capitalist economic system. Gender topics are often related to entrepreneurship.	(Carter & Williams, 2003) (Calas & Smircich, 1996) (Fischer et al., 1993) (Cliff, 1998) (Black, 1989)
poststructuralist	The difference between men and women is represented by the used language. Texts and languages are used as politics of representation and connect to social reality.	(Calas et al., 2007b) (Calas & Smircich, 1999) (Alcoff, 1988) (Fraser & Nicholson, 1988)
postcolonial	The western feminist approaches investigate the function of "the nation". Thereby they often gender and racialize others as well.	(Calas et al., 2007b) (Collins, 2002) (Kaplan & Grewal, 1999) (Mohanram, 1998)
radical	Alternative and often separatist arrangements are proposed in order to raise consciousness.	(Calas et al., 2007b) (Greer & Greene, 2003) (Tong, 1998) (Ferree & Martin, 1995) (Brown, 1992)
psychoanalytic	The difference between men and women arises due to prevalent patriarchal family and education systems. These cause unequal development of men and women.	(Calas et al., 2007b) (Tong, 1998) (Noddings, 1984) (Gilligan, 1982) (Mitchell, 2000)

Table 13: Feminist Approaches in Entrepreneurship adapted according to Pettersson et al. (2017)

Besides providing the necessary critical distance, poststructuralist feminist approaches have the potential to soften conceptual boundaries in current research and enhance paradigmatic assumptions (Ahl and Marlow, 2012). For example, by borrowing from liberal feminism in a poststructuralist agenda, existing inequalities can be traced back not only to gender but to a broader system of power imbalances. Thus, critique stemming from a feminist perspective can be used to fully explain the dynamics of the underlying discourse in a social system and promote change of prevalent norms, which is also necessary for taking into account the social extents of entrepreneurship. The deconstruction of concepts such as gender in an overarching social system can potentially dismantle this narrow and ineffective critique.

Such adaptions can even be fostered by feminist theory as a radical element (Hall, 1980; Morgan, 1980). For this purpose, McRobbie (2009); Agger (2006) highlight in particular the task of illuminating socio-cultural issues. For example, Adkins (2004) earlier sees that social theories have often neglected feminist theory because of its critique on a broader context, which is not limited to the concept of gender. Based on this, Adkins (ibid) describes a socio-cultural context as promising for adopting feminism in social theory. She borrows from humanities and social science disciplines to critically analyse contemporary (societal) issues using so-called constructivist structuralism (Fowler, 2000). This may further indicate that social theory can

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offer a critical, albeit markedly different deployment of feminist theory in terms of epistemological positioning (Butler and Elliot, 1993; Fraser, 1997).

Entrepreneurial narrations

Noting that external legitimacy and thus venture success is often closely related to a communicated story and history, I see that (entrepreneurial) narratives offer relevant avenues for explaining the intended discourse in a story (Herzenstein et al., 2011). These narratives are strongly dependent on linguistic tools. For example, Labov (1972) already defines narrative as "one method of recapitulating past experience by matching a verbal sequence of clauses to the sequence of events which (it is inferred) actually occurred" (pp. 359-360). Considering an entrepreneur's story, it seems legitimate to assume that each entrepreneur uses a certain set of narratives and by that refers to past events with the linguistic tools used. Hence, by using entrepreneurial narratives in their story, they reference back to a certain culture of the people used to express their stories.

However, in entrepreneurship literature, Venkataraman et al. (2013) already see that narratives are descriptions of human nature and thus shape our cultural representations. More importantly, these narratives construct and explain a social reality to its underlying processes because they are accepted cultural representations. By doing so, they are capable of influencing a venture's growth strategy and ultimately its performance compared to the market. Thus, in order to increase external legitimization and hence attract investors by creating widely accepted meanings, entrepreneurs are held to create strong entrepreneurial narratives. Putting these meanings into a certain context, they can be depicted as certain themes. Lewis and Carley (2017) for example already find that such themes both co-occur and overlap with the individual narratives in an entrepreneurial context. However, this notion of similarity alone does not explain the important external legitimization of a venture; Lewis (2014) points out that the discourse is created by narratives and themes, which are the crucial aspects of a story and thus a venture's success.

In social discourse narratives are perceived differently by each recipient of a story. While transmitters (entrepreneurs) use narratives to shape their cultural representation by linguistic toolkits, recipients inevitably make meaning of this by plotting narratives in the shape of artefacts. These artefacts can thus be understood as a physical representation of narratives (Venkataraman et al., 2013). To further create a more legitimized value for such artefacts, based on Venkataraman et al. (ibid) I introduce the concept of tropes. These tropes are described as

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the value-transporting element in the overall legitimization process of a venture and can induce a transformation into themes by linking them to a certain (social or cultural) context.

Linking these above thoughts of narratives and themes to poststructuralist feminism (Calas et al., 2009), I see the connection in the usage and analysis of linguistic tools. The concept of entrepreneurial narratives and the critique stemming from a feminist perspective manifest their potential to disperse prevalent structures in a discourse while also explaining its descriptive potential. So far, this potential has not yet been fully exploited, because contemporary research scholars in entrepreneurship mostly remain in a functionalist paradigm and have simultaneously failed to make adequate use of the interdisciplinary concept of entrepreneurial narrations for an opening towards a theory of social change. Shiller (2017) takes on this issue and recently called for a further inclusion of narratives (and thus socially constructed themes) in research fields such as finance and entrepreneurship. Based on this, I note that entrepreneurial narratives depict social values and can thus be seen as a crucial in the overall value-creation of ventures.

How it all fits together: entrepreneurial (crowd)funding narrations and feminist theory

Seeing crowdfunding as especially exposed to complex socio-economic discourses because of its dualistic (socio-economic) avenues, feminist approaches can help to explain a necessary shift from a pure functionalist towards a more critical, yet constructive research agenda. Due to their critical epistemological positioning, feminist approaches dig underneath prevalent conceptualizations – for instance gender in entrepreneurship literature – and foster an understanding of the discourse within. This ultimately imposes the need for new, yet multidisciplinary research avenues.

Crowdfunding is characterised by its inherent value proposition of a co-creation of opportunities for the many internal and external actors (Landström et al., 2019; Lehner and Harrer, 2019; Brown et al., 2018). Polzin et al. (2018) for example highlight the many different perceptions between the internal and external actors, indicating the importance of perceived narratives. Yet, such differences can lead to a more powerful process of innovation and hence a better external legitimisation, because the transfer of economic capital is moderated by how actors interact with each other in a social discourse (Lehner, 2013; Lehner, 2014). Hence, based on such transformation processes legitimisation strategies may need to adapt accordingly but are inherently difficult to grasp without the understanding of the underlying discourse (Lehner et al., 2019; Lassen, 2016; Parhankangas and Renko, 2017). In addition, the collective knowledge of the crowd, which is often termed the "wisdom of the crowd" (Lehner, 2014;

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Brown et al., 2018), is initially dispersed and later bundled through the interplay of many actors and activities (Lehner and Harrer, 2019). These inquiries already show that many tiers of social capital may influence and create the important discourse within a funding process via crowdfunding.

Furthermore, an entrepreneur's inherent characteristics, such as gender, social class, geographic origin and scope, education and linguistics represent influential signals and can be factors determining the overall success of a crowdfunding campaign (Shane and Khurana, 2001). This corroborates the findings of Lehner (2014) and Colombo et al. (2015), who demonstrate that democratic participation between the different tiers of social capital determines whether a crowdfunding campaign will be successful. I could thus postulate that entrepreneurs will inevitably create a strong narrative in order to successfully promote an innovation-induced change. These characteristics make it especially relevant to understand the multi-step discourse in the entrepreneurial and social value creation which makes crowdfunded ventures successful.

Sampling and methodology

In order to identify relevant themes and analyse the social discourse (Hardy and Thomas, 2015) in crowdfunding campaigns I conduct a discourse analysis (Foucault, 1982). This process enables an analysis of the set power issues in themes (Denzin and Lincoln, 2011), which I find are especially relevant in feminist theory. Based on this, I present the findings in the model of "Artefacts in the Triad of Elements, Tropes and Feminist Themes" (see Figure 1) and thereby aim to visualise internal and external value creation in crowdfunding pitches.
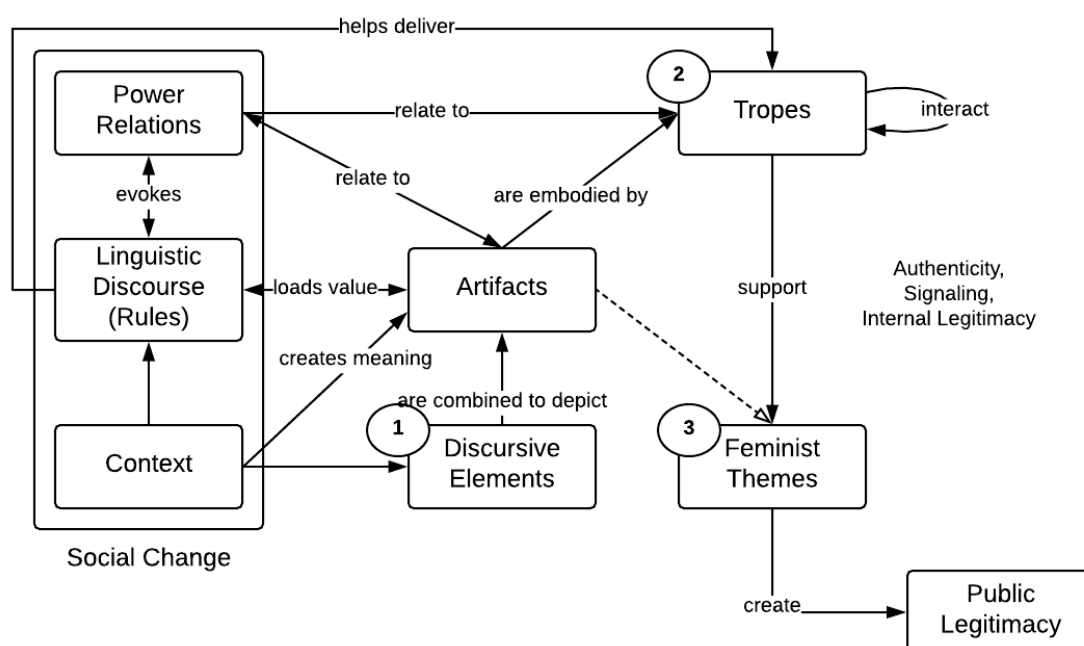

Figure 9: Artefacts in the Triad of Elements, Tropes and Feminist Themes (developed by the authors)

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First, I establish selection criteria for the selection of crowdfunding campaigns. These include for instance general social or environmental relevance of the project (e.g. supporting people in reaching their fitness goals or producing sustainable dolls for disadvantaged communities) or female issues (e.g. tackling the period pain stigma or awareness for breastfeeding). Some unsuccessful campaigns are selected in order to come up with the themes for successful crowdfunding inquiries. Campaigns are primarily collected from the crowdfunding platforms Indiegogo.com and Kickstarter.com. By following the thoughts that (radically) innovative ideas are often induced by societal values and hence are socially constructed, my campaigns primarily cover ideas with an innovation-induced change character. In addition, in line with the primarily addressed issues of female entrepreneurs being exposed to difficulties in performing on par with their male counterparts due to a different subjective set of values, I choose campaigns which have been initiated by women and thus have a strong connection with social change issues.

In the second step, a close analysis of the selected crowdfunding campaigns is conducted. True to my idiographic methodology, the campaign videos are analysed first in terms of their overall (societal) impact score, second the feminist score and third the constitution of the entrepreneurial teams (see Appendix B). In addition, I assess the respective pitch-video according to the intended discourse, depicted artefacts by their rhetorical strategies and also the overall content of the story. Particularly, in order to describe artefacts of each video, I analyse rhetorical means as discursive elements which indicate and intend a certain outcome in the form of artefacts (Venkataraman et al., 2013). Based on these artefacts certain tropes are produced, which actively support the external legitimisation process of a campaign in order to attract investors. Corroborating these steps, for each campaign video I come up with numerous discursive elements, which provide the basis for three feminist tropes (see Table 2).

Exemplary Evaluation Case She Started It Documentary Phase [0110]					
Fem. Score	Impact Score	Team Constitution*	Discursive Elements (combine for Artifacts)*	Tropes (3)*	
4	3-4	1	Anaphor	Innovative Incubator	
			Community Sense	Strong Woman	
			Clumsy Music	Tech Woman	
		*(1=f, 2=m, 3=mixed)	*from video evaluation	*from video evaluation	

Table 14:: Exemplary Evaluation as of Tropes

the third step, in a recursive and iterative process I analyse the context of each pitch-video and by doing so I am able to inductively arrive at distinct themes. Following feminist literature, I see relevant feminist themes such as the position and perception of women in professional, administrative and domestic spheres (Coppock et al., 2014; Harding, 2004). Themes such as

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equal opportunities, oppression, family, sexuality are thus explored in the leverage of institutional power issues, albeit often with the focus on pre-defined and repeated gender differences. In addition to this, Haugh and Talwar (2016) see the theme of empowerment as strongly linked to social change and thereby highlight the relevance of social and liberal feminist approaches for societal change issues. Acknowledging these a-priori identified feminist themes, I further add relevant themes which I extract from the selected crowdfunding campaigns (see table 3). Furthermore, acknowledging tropes as visualization of entrepreneurial narrations (which already signal strong internal legitimacy), I oppose them to a collective societal discourse and corroborate tropes as themes. This ultimately allows for an assessment of the explanatory potential of feminist theory with a socially constructed discourse in crowdfunding campaigns.

Exemplary Evaluation She Started It Documentary Phase [0110]		
	Tropes (3)*	Feminist Themes (2)**
	Entrepreneurship	Women's Empowerment
	Strong Woman	Deconstruction of Gender
	Tech Woman	
	*from video evaluation	**from video evaluation & literature

Table 15: Exemplary Evaluation as of Feminist Themes

Following this methodology, I select 42 campaigns on (primarily) reward based crowdfunding platforms such as Kickstarter.com [0300000], Indiegogo.com [0100000], Indiegogo-Generosity.com [0200000] and Patreon.com [0400000]. In total, 50 discursive elements, 30 tropes and 26 themes are identified. A detailed list can be found in Appendix C. The crowdfunding platforms are selected because they provide sufficient crowdfunding campaigns in order to be able to draw reasonable conclusions. Table 4 provides relevant statistics on the selected cases. A detailed list of these can be found in Appendix A.

	Platform				Total
	Indiegogo	Kickstarter	Indiegogo Generosity	Patreon	4
Number of Cases	20	18	2	2	42
Number of Documents	109	126	8	9	257
Total Funding Sum Platform	$800,000,000.00	$2,973,461,408.00	n/a	$8,991,874.008	$3,782,453,282.00
Total Funding Sum of Cases	$6,467,542.86	$4,662,127.50	$9,743.00	$41,368.429	$11,180,781.78

Table 16: Statistics of Selected Cases

With a total of 18 projects on Kickstarter (total investment sum $2,973,461,408), 20 on Indiegogo (total investment sum $800,000,000), two on Indiegogo-Generosity and three

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[8] Of payouts on a monthly basis
[9] Of payouts on a monthly basis

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representative cases on Patreon (total monthly pay-outs $8,991,874), the research results in 257 documents and 38 campaign videos. The projects have an overall funding value of approximately $11,180,800. Cases which do not primarily offer a video on the crowdfunding platform are analysed using various collected documents with the aim of identifying their discursive elements and hence the stream of their respective feminist theme and external legitimacy.

Empirical findings

In the a-posteriori data collection and knowledge creation I conceptualise the inquiries as shown in figure 1. In the following sections, I describe the most obvious and frequently used tropes and themes. The number in brackets shows how often each is used in the selected cases. Furthermore, I note that discursive elements are at the very bottom of the creation of a social discourse and thus these are not restricted to a certain number.

Tropes

Seeing tropes and rhetorical artefacts as empirical building blocks as described in the methodology, the following section refers to the five most frequent tropes. Discursive elements as a base of entrepreneurial narratives and artefacts are used as indicators for the overall depiction of these tropes. Although they only allow for a vague generalisation as a story is perceived differently by every recipient and are thus more relevant for internal legitimacy, these indicators can also be seen as indicators with regards to external legitimacy. Table 5 describes the five most frequent tropes and is related to the above-mentioned activity system approach. This approach allows me to show the exemplary cases, which are indicated by the number in square brackets.

Most Frequent Tropes	Innovative Incubator (12)	Sense of Community (11)	Strong Woman (11)	Natural Woman (8)	Uncommitted Sexuality (7)
Related Subject in Video	governmental restriction, rationality, different cultures, demanded innovations in a saturated market, new generation, heritage, societal economy	doing-good, NGOs, aboriginal culture, nature	societal doing-good, modern lifestyle, activeness, theatre/film culture, heroes, showing character	stressful motherhood, innocent women, alternative food - superfood, doing-good	openness/ talking about taboos, distance relationship, cultural heritage, showing character

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Related Object in Video	environment, a movement, desktop hive for insects, art, bike locker, technological devices, cookbook, documentary	(kids') cookbook, baby carriers, ice cream shop, clothing, touches, music album, art	social work, menstrual pain, clothing, documentaries, training, comics, play production, tech necklace	dried veggie blend, music video, bra, book, touches, desktop hive for insects	menstruation, art, photo book, documentary, touches, comics
Salient Examples	[0101; 0104; 0110; 0111; 0214; 0120; 0328; 0330; 0331; 0336; 0337; 0441]	[0115; 0117; 0118; 0323; 0328; 0331; 0333; 0335; 0336; 0339; 0340; 0441]	[0108; 0109; 0110; 0112; 0122; 0214; 0323; 0329; 0333; 0334; 0442]	[0102; 0104; 0107; 0119; 0120; 0326; 0327; 0339]	[0108; 0122; 0326; 0327; 0334; 0339; 0441]

Table 17: Identified Tropes

Feminist themes

Having identified the tropes based on discursive elements and connected them with the social context and power relations, it is possible to establish more generalised themes. Following the same structure as above, table 6 displays the five most frequently used themes in the identified campaigns and highlights their connection with the relevant characteristics of an activity system. The numbers in square brackets again represent the exemplary cases:

Most Frequent Feminist Themes	Related Subject in Video	Related Object in Video	Relating Feminist Approach	Relating a-priori Feminist Themes	Salient Examples
I) Women's Empowerment (15)	societal open-mindedness, societal and political restrictions, cultural heritage, new generation, women in male dominated branches, communication styles	poverty, breastfeeding mothers, play production, Morse code sending bracelet, kids' cookbook, bike locker	social & liberal	empowerment, equal opportunities, intact environment	[0101; 0103; 0106; 0109, 0110; 0112; 0213; 0214; 0214; 0117; 0119; 0122; 0324; 0328; 0329; 0330; 0331]
II) Self Determination and -realisation (11)	societal taboos, modern lifestyle, demanded innovations in a saturated market, cultural heritage, freedom	menstruation, tech necklace, sleeping mask, innovative pillow, clothing	liberal	equal opportunities, intact environment, oppression	[0108; 0109; 0112; 0116; 0117; 0118; 0121; 0326; 0330; 0333; 0337; 0338; 0339]
III) Reflective Body and Self-Image (7)	pressure to appear equal, modern lifestyle, showing character, cultural heritage, freedom	bra, menstruation, training, photobook, clothing	social	sexuality, oppression	[0106; 0107; 0108; 0109; 0323; 0327; 0333]

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Most Frequent Feminist Themes	Related Subject in Video	Related Object in Video	Relating Feminist Approach	Relating a-priori Feminist Themes	Salient Examples
IV) Women's and Family Health (6)	modern lifestyle, environment issues, pressure to appear equal, cultural heritage	vegetable blends, organic tea, sleeping mask, training,	social & liberal	family; physical and psychological health; intact environment	[0101; 0102; 0104; 0116; 0323; 0338]
V) Sharing Economy and Community (5)	societal doing-good, women in men dominated branches, modern lifestyle, capturing moments	group against poverty, dolls, powerbank, camera	social & liberal	equal opportunities, intact environment, empowerment	[0103; 0104; 0111; 0325; 0329]

Table 18: Identified Feminist Themes

As table 6 provides an overview of the most frequent feminist themes, in the following paragraphs I elaborate on how these are derived and communicated.

I. Women's Empowerment (15)

In many women-initiated campaigns the feminist theme *empowerment* is aligned with women gaining higher social status. By referring to this, entrepreneurs aim to shed light on and address prevalent social issues, such as women fighting poverty [0103], women being unsuccessful in mostly male-dominated industries such as technology [0118, 0329], as well as gendered perspectives on activities such as sending Morse code messages [0324] and engineering [0120, 0330]. By presuming that women receive equal access to branch specific education, many of the prevailing assumptions are examined. Furthermore, they address contemporary social issues such as refugee employment [0115] and the often-diluted body image of women due to social specifications [0109]. The feminist theme is often linked to tropes such as *natural woman* [0102, 0119, 0327] and *innovative incubator* [0115, 0118, 0441, 0323] and hence the intentions of inducing societal change by addressing legal as well as sex-related power issues. By exploring these issues, campaigns strongly address the social status of women. Furthermore, the feminist theme empowerment provides a robust embodiment of discursive elements such as metaphors, symbols, emotional elements and the depiction of a certain (natural) living style. These campaigns are mostly depicting self-conscious women and by that primarily address social feminism. In addition, they aim to change the contemporary social status of women and empower them to aim to be on a par with their male counterparts. Thus, issues relating to liberal feminism are also at the forefront.

II. Self-Determination and -Realisation (11)

By addressing the feminist theme self-determination and -realisation in a crowdfunding campaign video, an (often female) entrepreneur aims to reposition herself within a certain entrepreneurial setting. Such settings often demand a strong and inner balanced woman in order

to fulfil a certain task. Therefore, campaigns taking up such thoughts refer to topics such as reducing the menstrual pain experienced by women [0108] in which potential short-lasting weaknesses can be overcome. Additionally, they refer to being able to successfully train for a certain body image by adopting training schedule flexibly and ultimately retrieving control and own will [0109]. Furthermore, such campaigns also refer to security issues, and thus offer a solution for women to protect themselves easily [0121] while simultaneously fostering a self-reliant and independent habitus. Fundamentally, these depictions follow tropes such as strong woman [0109, 0112, 0333, 0442] or community [0120, 0331, 0110, 0336, 0214]. These ties show that the feminist theme self-determination is built upon values that foster a great sense of self-appreciation and self-confidence – demanded and supported by a strong community and supporters. Following this idea, female entrepreneurs can flexibly schedule their work-days independently of what others do. In such campaigns these topics are mostly highlighted by relying on discursive elements such as warm colors, metaphors and the depiction of a certain living style. Generally, and borrowing from general principles of the *empowerment* theme, the usage of the theme *self-determination* leads and symbolises advocational guidelines in the context of liberal feminism. Campaigns depicting these avenues do not aim to radically change prevalent socially constructed frameworks, but rather support better communication of its values and norms. Eventually, by using this style entrepreneurs intend to propose future changes in corporate structures, from which a typical picture of successful entrepreneurs might stem.

III. Reflective Body- and Self-Image (7)

Continuing the thought of community and social groups, women are often rationalised by the shape and appearance of their bodies. However, in general perceptions the feminist theme *body- and self-image* often solely depicts societal values which are transported via and created by cultural differences. Instead, body image as such can often be combined with the feminist theme *self-determination* because women tend to underestimate and pejoratively evaluate themselves when they are not fulfilling certain societal norms. Therefore, campaigns undertaking the theme *body- and self-image* cover topics such as creating a calendar with woman showing their natural body [0327] or enhancing the value of women by demonstrating strength via their clothing [0106, 0107, 0333]. In order to reflect such a theme in a campaign, the trope *sexuality* [0122, 0108, 0334, 0441] as well as *natural woman* [0102, 0119, 0327] have been used. Referring to and criticizing the contemporary body image of women in society, campaigns strongly address restrictions imposed by power issues and self-imposed values. In doing so the theme "body image" embraces a softer concept of gender through the use of discursive elements such as bright colors, cleanliness, anaphors and also the depiction of a certain living style. Thus, the

stream of a social feminist value proposition is applied in these campaigns. By doing so, entrepreneurs mostly act as radical facilitators as they aim to reduce social pressure on women. In campaigns covering this theme, entrepreneurs propose a natural depiction of women's bodies and thus a critical social judgement towards the skills brought by women.

IV. Women's and Family Health (6)

Taking into account the thoughts of the prior feminist theme *body- and self-image*, entrepreneurs who address the feminist theme *women's and family health* in their campaigns often aim to target socially like-minded people. Thinking of multiple families, and especially multiple mothers as a community, a child's health is an always a pressing undertaking. Related issues in such campaigns thus often offer healthy supplements for children or provide organic and environmentally friendly nutrients in drinks and food [0102, 0104], or alternatively provide supports for a healthy positioning of the body and thus contribute to a society's overall health [0116]. At its conceptual base this feminist theme comprises the trope of *motherhood* and *family life*, however tropes such as *community* [0120, 0331, 0110, 0336, 0214] as well as *natural woman* [0102, 0119, 0327] are also used. In doing so these campaigns aim to address the prevalent challenges women and especially mothers are facing in a fast-moving and at the same time versatile environment of social change. In being strongly socially rooted, power-imposed straits seem more bearable and, in this context, societal inclusion can be seen as a backstop – which ultimately facilitates the external legitimacy of a campaign. To achieve this legitimacy, entrepreneurs following this feminist theme often use discursive elements such as everyday people, anaphors and emotional elements for the depiction of this feminist theme. On the one hand, campaigns following this theme intend to foster an easy, yet rational understanding of what constitutes doing-good for a healthy living style. They do address social issues such as overconsumption, overprotectiveness or the rising number of physically damaged people, but they do not actively seek confrontation with prevalent norms; rather a suggestion of what else can be done is offered. Thus, these campaigns mostly follow a social feminist stream. On the other hand, these campaigns also follow a liberal feminist stream, which addresses the topic of underrepresentation of women in many positions and the reduction of their skills and goals to their overall appearance. In general, in campaigns depicting the feminist theme "health" their social and environmental value is addressed most frequently.

V. Sharing Economy and Community (5)

The last feminist theme *sharing economy and community* differs from the others as it not only addresses women themselves, but also the way they act and interact in a certain social system.

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Therefore, campaigns referring to this theme are strongly related to others, such as *empowerment, poverty or diversity*. The focus of the theme however remains on the overall economic, environmental and social doing-good [0103, 0104, 0111, 0325]. Such findings are supported by tropes such as *innovate incubators* [0115, 0118, 0441], or *community* [0120, 0331, 0110, 0336, 0214] at the conceptual base. As referred to in prior themes, economic, societal as well as personal challenges seem to be less of a burden when shared in a community. An example of practical relevance can be a social venture, which is initially funded and supported by crowdfunding and thus a certain community fosters social inclusion. These ventures and projects aim to support a certain societal group and at the same time help building a sustainable business model. This ultimately leads to greater wealth and less social exclusion due to factors such as restricted access to resources. The feminist theme *sharing economy* is mostly supported and induced by discursive elements such as rhetorical questions, emotional elements and testimonials during videos. Following this, I see that campaigns entailing such a theme mostly promote an interconnected global community. As mentioned previously, the feminist trope *entrepreneurship* can be a relevant predecessor to this theme. This is because entrepreneurs often enter collaborations not only to promote their own success, but also to enable a partner to positively participate – and thus create an entrepreneurial win-win situation. The value propositions depicted by such campaigns usually follow a social stream only. The problems solicited by the venture and following its partners are often related to power, poverty and environmental impact, provoked by certain social norms and habits. Based on these findings, I might argue that this feminist theme mostly refers to a social feminist stream; however, by incorporating a multi-national character which further sets new social standards, it also makes strong reference to a liberal feminist stream.

Discussion and epistemological implications

In order to understand the discourse via entrepreneurial narrations, I follow Venkataraman et al. (2013) in their explanation of artefacts and narrations. Individual narratives within the crowd in particular can thus be seen as being positioned in replicative and formative parts of a social change discourse (Foucault, 1982). Following these assumptions, crowdfunding as a socio-constructivist phenomenon brought to life by the fruitful interplay between the entrepreneurial and societal discourses often acts as the catalyst for social change. At the same time, this dynamic interplay provides an excellent opportunity to gain insights into the necessary distinction between (static) discursive assumptions relating to for example gender and the

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discursive co-creation of feminist themes within a feminist agenda – an agenda that is often at the root of social change processes.

Following these thoughts, the first research question asks what the rhetorical strategies female entrepreneurs in their narratives in crowdfunding campaign videos are and how they are employed. In the empirical analysis, I find that rhetorical strategies used by women often include a strong emotional language, with the use of metaphors, anaphors, climaxes, and testimonials throughout. Doing so often evokes a strong community sense and directly addresses the emotional base more explicitly than the rational base of the crowd as an audience. This aligns well with a more constructivist understanding of entrepreneurial success factors and related measurements in entrepreneurship literature because these rhetorical strategies strongly address the societal part in the co-creation process of crowdfunding. In the literature I see this also when Parhankangas and Renko (2017) indicate that success is not only affected by linguistic styles but also by the total combination of adequate styles. Their argument is that for newly emerging ventures an adequate linguistic corpus is even more significant than for established companies, indicating that the lack of company history (Stinchcombe, 1965) of start-ups is covered up by an even stronger depiction of entrepreneurial history. As a potential explanatory answer, this difference in rhetorical strategies might also explain the outcome of a PricewaterhouseCoopers (PwC) study, conducted in collaboration with The Crowdfunding Center (2017), scrutinising 450,000 CF campaigns. This study demonstrates early evidence that contrary to many traditional entrepreneurship studies female entrepreneurs often create more successful crowdfunding campaigns than men. Corroboration from literature can also be found in Marlow and Patton (2005), who provide evidence that women perform differently due to a different inherent value-set as men and later in Marlow and McAdam (2013), who state that female entrepreneurs are especially exposed to the static gender-assumptions in entrepreneurship literature whereas their inherent value-set would be strongly rooted in societal issues.

From a feminist perspective, which sees social change as the basis of its agenda, the findings on rhetorical strategies promote a more radical rationale on the understanding of entrepreneurship as social change process. The second research question thus asks what the most common themes in female initiated crowdfunding campaigns are and how these themes can be connected to feminist theory. I find that the a-posteriori themes, as depicted in the crowdfunding videos are indeed well aligned with the a-priori feminist themes from the literature. Examples for this would be a strong focus on female empowerment in a male society,

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or on overcoming a distorted body image induced by overpowering elements of a social system. The research highlights that female entrepreneurs often combine their entrepreneurial fund-seeking activities with advocacy on societal issues - and hence influence the greater societal discourse and drive a feminist social change agenda.

Given the successful application of feminist theory as a critical lens on crowdfunding campaigns and hence on parts of the contemporary entrepreneurship literature, the third research question asks whether the existing epistemological thinking in this field can fully comprehend the "whatness" of crowdfunding. The model (see figure 1) therefore acts as an early epistemological guide for analysing and assessing discursive intentions of entrepreneurs in an environment characterised by social change. With the early application of this model in thiy study guided by feminist literature, I am able to demonstrate its aptness in combining tangible artefacts within a positivist approach with a socially constructed context and an advocacy (radical change) agenda (Sweetman et al., 2010). Furthermore, in the contribution to entrepreneurship research I show that feminist theory indeed offers plenty of explanatory potential for crowdfunding, for instance by providing a novel lens on how entrepreneurial intents may lead to a successful outcome of a campaign.

In the findings I also support the thoughts of Steyaert (2005) and Venkataraman et al. (2013), who argue that entrepreneurial narratives take up and influence the prevalent social discourse and hence the analysis of these micro narrations allows values to be depicted on a societal level. Acknowledging this, I see that social change intentions can be transported accordingly by using feminist themes in crowdfunding campaigns. Even further, I have been able to point out that static gender-presumptions in contemporary entrepreneurship literature limit an adequate inclusion of societal issues and hence, the discourse within an often-radical social (entrepreneurial) change agenda needs to be explored by the ample toolbox of humanist rhetorical analyses. By doing so, I was able to explore the inherent change processes in institutionalised funding strategies.

In terms of implications, I *first* suggest that crowdfunding success can only be fully understood by exposing (social) entrepreneurship research to more timely research paradigms, embracing a socially constructed ontology of the context while acknowledging eminent structural elements and a potential change agenda as the core of the entrepreneurial intentions. Consequently, a more pragmatic epistemological framework as proposed in this study seems apt. Feminist theory can act as the transcending element between traditional positivist and constructivist notions. *Second*, and relying on the various entrepreneurial intentions depicted in mostly female

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initiated crowdfunding videos, I see research on discourse as a fruitful niche and more importantly as a timely way to explore the antecedents of entrepreneurial behaviour (Fauchart and Gruber, 2011). Based on my study and methodological approach, it seems safe to say that further exploration of the true implications of such discourse on the entrepreneurial behaviour and ultimately on the (adapted) performance will provide fruitful future research avenues. As I deliberately and specifically do not look at male-led crowdfunding campaigns a subsequent comparative study of females and males in discursively facilitating social change seems promising for analysing emergent tropes and themes.

Third, from a practitioner's perspective it becomes evident that success in crowdfunding campaigns can be determined by the match between the values proposed in the individual entrepreneurial narrations and the societal values as embedded in the predominant discourse of the target audiences. The nexus between the entrepreneur, the venture and the crowd can be found in the connecting social change motives and needs to be carefully evoked through the means of rhetorical devices and artefacts.

Conclusion

This paper has set out to examine the themes and rhetoric elements of female run crowdfunding campaigns. Following an idiographic methodology, I have analysed discourse in representations of such campaigns by examining the structure, linguistic usage, visual artefacts and the implied legitimisation strategies for social change. The characteristics identified comprise specific storytelling tools such as displaying every-day-life situations, the featuring of authentic individuals and professionals, and addressing the emotional base via colours, music and language. By doing so, they almost always evoke a doing-good objective and focus more on sustainability and equality with the intention of initiating social change. Due to the emergence of crowdfunding, there has already been a major shift towards more democratic and fair funding of entrepreneurship with co-creation and a distinct shift away from the highly competitive individual-opportunity nexus, towards a more collaborative and sharing economy.

This research has also demonstrated that current paradigmatic frameworks in traditionally functionalist entrepreneurship research might not fully cover the embedded social change perspectives. Therefore, the approach, which studies contextualised discourse while at the same time using pragmatic assumptions in interpreting these perspectives as more generalisable, meaningful factors, may provide a novel way forward. What has become clear is that crowdfunding can indeed be seen as a tool for bringing about a social change perspective into

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more traditional finance understandings (Lehner & Harrer, 2019). Not only because of the obvious social aspect of the crowd with its democratic approach to choosing but also because of its embeddedness and interrelatedness to societal values of everyday people and the huge potential for instigating social change.

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Appendix A – A Detailed List and Overview of the Selected Cases and Statistics

Number	Name	Funding Sum USD	Funding Goal USD	Category on Platform	Type of CF	Context
0101	Healthy Habit Challenge	$ -	$ 1,378.81	Health & Fitness	Reward	Slovakia / Europe
0301	*also Kickstarter*	*$ 46.67*	*$ 1,378.81*	*Events*	*Reward*	
0102	EasyPeasie Veggie Blends	$ 72.,00	$ 38,500.00	Food & Beverages	Reward	America
0103	Women Participation in Fighting Poverty	$ -	$ 2.000.00	Food & Beverages	Reward	Uganda / global
0104	Good Earth: World's First Organic Tea Club	$ 40.00	$ 50,000.00	Health & Fitness	Reward	Canada / global
0105	New Nail Art Jewelry	$ -	$ 1,500.00	Fashion & Clothing	Reward	America
0106	Kojo - Activewear	$ 672.00	$ 27,500.00	Fashion & Clothing	Reward	Slovakia / mothers
0107	Evolution Bra	$1,607,107.00	$ 43,000.00	In Demand	Reward	America / global
0307	*also Kickstarter*	*$1,105,177.00*	*$ 30,000.00*		*Reward*	
0108	Livia - The Offswitch for Menstrual Pain	$1,694,104.00	$ 126,000.00	In Demand	In Demand	global
0109	BodyBoss 2.0	$ 972,534.00	$ 26,000.00	Health & Fitness	Reward	America
0110	She Started it Documentary Phase 2	$ 32,715.00	$ 32,000.00	In Demand	In Demand	San Francisco / America
0111	Cuddle and Kind	$ 446,081.00	$ 31,000.00	In Demand	In Demand	Canada / global
0112	Dipper Audio Necklace	$ 54,900.00	$ 50,000.00	In Demand	In Demand	America / global
0213	Daniel & Sherei Are Adopting	$ 8,346.00	$ 28,429.00	Celebration Fundraising	Donation	America
0214	Women's Plays	$ 672.00	$ 8,000.00	Community Fundraising	Donation	America
0115	Help Refugees with Baby Carriers	$ 177,456.00	$ 11,000.00	In Demand	In Demand	global
0116	Illumy	$ 46,975.00	$ 31,000.00	Health & Fitness	Reward	America / global
0117	AllBe1	$ 181,110.00	$ 66,500.00	Telephone & Accessory	Reward	global
0118	Flexound HUMU	$ 29,410.00	$ 35,000.00	Audio	Reward	Finland / global
0119	Mette Damiri's Debut Album	$ 668.19	$ 5,833.41	Audio	Reward	Rome / Italy
0120	LIVIN Hive for Insects	$ 145,459.00	$ 00,000.00	Regional Ventures	Reward	global
0121	SkyBell	$ 606,814.00	$100,000.00	In Demand	In Demand	America
0122	Hullabaloo	$ 470,726.00	$ 80,000.00	Film	Reward	Los Angeles
0323	Apocalypse Survival Training	$ 19,023.10	$ 12,494.65	Apps	Reward	London
0324	JewelBots	$ 166,945.00	$ 30,000.00	Wearables	Reward	New York / global
0325	Foxshot	$ 58,886.00	$,500.00	Gadgets	Reward	global
0326	Daydream	$ 5,268.00	$,000.00	Music / Country & Folk	Reward	Denver / global

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Number	Name	Funding Sum USD	Funding Goal USD	Category on Platform	Type of CF	Context
0327	Average Girl	$ 2,585.27	$ 5,628.31	Art Book	Reward	global
0328	Eat Offbeat	$ 39,327.00	$ 50,000.00	Cook Book	Reward	New York / America
0329	DoubleUp	$ 5,268.76	$ 52,470.25	Gadgets	Reward	Australia / global
0330	Tex-Lock	$ 266,582.59	$ 53,031.00	Product design	Reward	Europe / global / many bikes
0331	The Lemonade Stand Cookbook	$ 9,828.00	$ 10,000.00	Kid's Book	Reward	America
0332	Magpie Goose	$ 51,448.58	$ 14,991.50	Clothing	Reward	Australia / social cause / global
0333	Lorica Clothing	$ 52,318.00	$ 10,000.00	Clothing	Reward	America / global
0334	Lydia Lunch Documentary	$ 9,535.00	$ 50,000.00	Film/Documentary	Reward	America / global
0335	Doubleclicks' Album	$ 65,689.00	$ 35,000.00	Music	Reward	America / global
0336	SugarHill Creamery	$ 11,654.00	$ 12,000.00	Restaurants	Reward	NY / Harlem
0337	Kancy	$ 10,358.34	$ 22,513.23	Gadgets	Reward	America
0338	Purple Pillow	$2,640,852.00	$ 25,000.00	Technology	Reward	global
0339	Hey - Touching Bracelet	$ 137,551.81	$ 32,577.50	Wearables	Reward	global
0340	Space Captain Issue 4	$ 3,783.38	$ 624.73	Comics	Reward	global
0441	Amanda Palmer	$ 38.461,26	$ -	Art	Reward	America
0442	Monica Byrne	$ 2.907,16	$ -	Art	Reward	America
42 Crowdfunding Cases						
Total Sum		**$ 11,180,781.78**	**$ 1,450,851.19**			
Total Investment Sum Platforms			**$ 3,782,453,282.00**			

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Appendix B – Collected Scores per Project

Number	Name	Feminist Score	Impact Score	Team (1=f, 2=m, 3=mix)
0101	Healthy Habit Challenge	3	2	3
0301	*also Kickstarter*			
0102	EasyPeasie Veggie Blends	3	3	1
0103	Women Participation in Fighting Poverty	4	5	1
0104	Good Earth: World's First Organic Tea Club	2	4	3
0105	New Nail Art Jewelry	5	0	1
0106	Kojo - Activewear	3	2-3	1
0107	Evolution Bra	3	2	1
0307	*also Kickstarter*			
0108	Livia - The Offswitch for Menstrual Pain	3	1	3
0109	BodyBoss 2.0	2	0	2
0110	She Started it Documentary Phase 2	4	3-4	1
0111	Cuddle and Kind	2	4	3
0112	Dipper Audio Necklace	2-3	1	1
0213	Daniel & Sherei Are Adopting	2	2-3	3
0214	Women's Plays	5	3	1
0115	Help Refugees with Baby Carriers	4	5	1
0116	Illumy	2	2	2
0117	AllBe1	2	2	2
0118	Flexound HUMU	3	2	3
0119	Mette Damiri's Debut Album	4	1	1
0120	LIVIN Hive for Insects	4	1	1
0121	SkyBell	2	0	2
0122	Hullabaloo	3	1	2
0323	Apocalypse Survival Training	5	1	1
0324	JewelBots	3	3	1
0325	Foxshot	2	1	1
0326	Daydream	3	1	1
0327	Average Girl	5	4	1
0328	Eat Offbeat	3	5	3
0329	DoubleUp	2	1	1
0330	Tex-Lock	2	1	1
0331	The Lemonade Stand Cookbook	4	4	1
0332	Magpie Goose	5	4	1
0333	Lorica Clothing	4	0	1
0334	Lydia Lunch Documentary	4	1	1
0335	Doubleclicks' Album	4	1	1
0336	SugarHill Creamery	3	2	3
0337	Kancy	1	1	2
0338	Purple Pillow	2	3	2
0339	Hey - Touching Bracelet	2	2	2
0340	Space Captain Issue 4	1	1	2
0441	Amanda Palmer	4	2	1
0442	Monica Byrne	4	1	1

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Appendix C – A Detailed List of Discursive Elements, Tropes and Feminist Themes

1) Discursive Elements	2) Tropes	3) Feminist Themes
Action	Alternative Clothing	Anti-Violence
Anaphors	Babies/ Nursing	Body Image
Augmented Reality	Bee Queen	Climate
Best-Of Scenes	Coincidences / Luck	Critique
Bird Perspective	Community	Democracy
Bright	Comparison	Diversity
Citations in the Beginning/End	Critique on Beauty Stereotypes	Empowerment
Cleanliness	Cultural heritage	Equality
Cleanliness	Discrimination	Freedom/Independency
Climax	Dominant men	Gender
Clothes comfortable	Family life	Health
Colourful	Healthy Environment	Humanity
Colours	Innovative Incubator	Illusion
Community sense	Love Story	Inclusion
Dark	Motherhood	Justice
Depiction of Countryside	Natural Woman	LGBT
Depiction of Living Style	Objectification (bare skin etc.)	Marxist
Emotional elements	Resistance	Migration
Every day people	Role Change (vs. Tradition/ Stereotype)	Nudity
Formal	Security	Nutrition
Frog perspective	Sexuality (self-determined)	Patriarchal Structures
Humor	Sisterhood	Poverty
Informal	Strong Woman	Self Determination
Internationality	Submission/Dominance	Sharing Economy
Irony	Tech Women	Sustainability
Language (informal/formal)	Third World Social Problems	Transformation
Legitimacy	Weak Men	
Lifestyle product	Well-being	
Male/Female Narrator	Wise Woman	
Metaphors		
Music (dramatic, silent etc.)		
Number of Pan Shots		
Parody		
Personification		
Pictures		
Postmodern Aspects (intertextuality, fragmented voice, repetition)		
Presentation Support (ppt, visualization, etc.)		
Professional stepping in		
Rhetorical Questions		

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Rhymes		
Satire	149	
Sharing		
Smiling		
Sound Background and Foreground		
Statements		
Surrealism		
Symbols/Brands		
Testimonial		

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Blurred organizational boundaries and the multi-level understanding of trust: A discursive lens on crowdfunding

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Abstract

What matters when in trust building processes in contexts with blurred organizational boundaries? Looking at the relevance of unstructured information, we explore how discursive foci dynamically and recursively span over three trust forms in the context of equity crowdfunding (CF). Following a case-study approach on the British Fin-Tech bank Monzo, we look at how the discursive foci change between trust forms over time based on triggers and transformative themes. The themes explicate what matters when for actors in CF. We add to theory by showing how a linguistic turn can help us better understand the dynamic nature of trust building in multi-level contexts and further examine the role of institutional trust in specific phases. We also derive managerial implications from this.

Keywords: trust, multi-level inquiry, dynamic lens, discourse, crowdfunding, single case study

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Introduction

Trust develops over time and thereby spans over multiple levels (Fulmer & Dirks, 2018; Fulmer & Gelfand, 2012). Research has shown, for example, that trust can build up either towards an individual (individual trust) or an organization (organizational trust) or towards (societal) institutions more broadly (institutional trust) (Kramer & Tyler, 1996; Lewicki et al., 2006; Luhmann, 1979). It has further suggested that trust development is a process where multiple actors interact (Jiang & Probst, 2015; Nikolova et al., 2015). To date, most studies identify trust evoking activities and cues in dyadic settings where trust is developed, for example, between employees or between organizations (Bachmann, 2016; Lewicki et al., 2006; Zaheer & Harris, 2006; Zaheer et al., 1998; Zhong et al., 2017). Few studies have, however, investigated how trust develops when the involved actors are scattered beyond the classic organizational boundaries and are not as distinct as in dyadic settings (Clases et al., 2003; Graebner et al., 2020; Jiang & Probst, 2015; Seidel, 2017).

The purpose of this study thus was to better understand trust building in settings of blurred organizational boundaries. It considers crowdfunding as an example of such blurred structural and temporal organizational boundaries. In it, a large variety of external customers take on the role of innovators for a company (Alexy et al., 2017; Gegenhuber & Naderer, 2019), and many globally dispersed individuals make funding decisions (Lehner & Harrer, 2019; Mollick, 2014). Funding decisions in crowdfunding are therefore less a matter of structured information exchange (as in a dyadic setting) and are made on the basis of large amounts of unstructured information in a wider discourse. Actors build on different types of information at different points in time, and in doing so, they rely on various information sources that are widely dispersed and located outside of the classic organizational boundaries (Murray et al., 2020). Thus, considering trust to be an important factor for decision-making in crowdfunding (Hersel & Connelly, 2018), it seems that trust building processes are inherently multi-level endeavors that are embedded into the larger crowdfunding discourse.

In this study, we aimed to explore this multi-level and unstructured nature of trust building when the classic organizational boundaries are blurred. Recognizing the above issues, we analyzed how different types of information from widely dispersed actors shape the discourse and by that influence the relevance of trust forms (individual, organizational, and institutional) over time. We did so by taking on a process view (Langley et al., 2013; Möllering, 2006a, 2013). This allowed us to focus on trust as the outcome of an ongoing evaluation of the trustworthiness factors of trustees that can be situated at personal, organizational, or

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institutional levels on the one hand (Fulmer & Gelfand, 2012; Lumineau & Schilke, 2018; Zucker, 1986), and to disentangle the types of information that different actors provide at specific points in time on the other hand.

Trust research has acknowledged such processual (Clases et al., 2003; Fulmer & Dirks, 2018; Möllering, 2013) and discursive directions (Bourne, 2013; Karhapää & Savolainen, 2018; Maguire et al., 2016; Nooteboom, 2002; Outila et al., 2020). However, despite significant progress in developing a processual understanding of trust that regards the available information as a crucial factor of trust building (see for example Brattström et al., 2019), the existing research seems trapped in a rather strict macro–micro divide (Bachmann, 2011; Bachmann, 2018; Graebner et al., 2020; Lumineau & Schilke, 2018) that grants superiority to individual level inquiries (e.g., inter-organizational) and thus often disregards the symbolic and discursive core of trust building (Karhapää & Savolainen, 2018; Kroeger, 2012). Hence, this study more specifically dealt with the question of what actually matters when and aimed to disentangle the trust dynamics by looking at the discursive interplay of trust forms (individual, organizational, and institutional) over time.

With this, we contribute to trust literature by introducing transformational triggers and discursive themes as analytical tools to understand the attentional shifts in a trust creation process. We also derived implications regarding the relevance of the temporal context as well as the role of institutional trust and discussed who or what is addressed how in different phases. The paper proceeds as follows. First, we outline the contemporary approaches for a multi-level understanding of trust and highlight the salience of trust as a process. Second, we explore the above questions in a longitudinal case study on the equity-based crowdfunding campaigns of the fin-tech Monzo.

Theoretical Motivations

Towards a Multi-level Understanding of Trust

Trust operates at different levels (Fulmer & Gelfand, 2012; Rousseau et al., 1998; Schilke & Cook, 2013). So has trust, for example, been explored on the individual (Rotter, 1980), organizational (Kramer, 1999; Kramer & Lewicki, 2010), or the institutional level (Zucker, 1986). On the interpersonal level, Rotter (1967) defines trust as "a generalized expectancy held by an individual that the word, promise, oral or written statement of another individual or group can be relied on" (p. 651). The development of the generalized attitude as an important driver of who we trust is based on communication with different people.

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On an (inter-)organizational level, the same perceptions apply, with the only difference being that the primary object of trust is the organization (Mayer et al., 1995; Sydow, 1998; Zaheer et al., 1998, p. 143). Taking this one step further, Lane and Bachmann (1996), Sydow (1998), and Delbufalo (2015) present trust development as embedded in an organizational network that includes competitors, financial institutions, and other trade associations. In this network, the so-called institutional trust then maintains connectability for interactions via mechanisms such as legal regulations, reputation, certification, and community norms (Luhmann, 1979; Zucker, 1986).

Reflecting on the above, one would assume that these levels of analysis (individual, organizational, and institutional) are all interconnected and shall be analyzed simultaneously (Rousseau et al., 1998). Yet, apart from a few exceptions, such as the work by Maurer et al. (2013), research has primarily focused on either macro (institutional) or micro (individual or (inter)-organizational) factors in isolation (Bentzen, 2019; Currall & Inkpen, 2002; Fulmer & Dirks, 2018; Gulati & Nickerson, 2008; McAllister, 1995). However, "either focus is problematic when studying trust […], because both types fail to reflect the fact that organizations are inherently multi-level entities" (Lumineau & Schilke, 2018, p. 3). Even more so, studies focusing on a single level of analysis do not necessarily account for cultural components that are displayed in trust and thus negate the emerging interpretative nature of trust (Grimpe, 2019; Kroeger, 2012; Wright & Ehnert, 2010).

The separation of the levels of analysis diminishes the explanatory potential of trust as processes as discursive dynamics remain hidden behind a structuralist imperative (Fulmer, 2018; Lounsbury et al., 2019). Thus, the focus of this paper is on a processual development of trust that spans over different levels of analysis. It looks at the inner workings of trust (Sydow, 2000) by elaborating on the various discursive foci that underpin trust development at different points of time.

Process Perspective on Trust

Looking at trust development as an ongoing process is not new (Nooteboom, 2002). As one of the early voices, Zucker (1986), for example, argued that trust production is guided by three modes (or causes): characteristics-based trust, institutions-based trust, or process-based trust. We can therefore ascribe trust to specific people and develop trust on the basis of the safeguarding character of particular external sources or of a sequence of events that are universally similar.

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Later, focusing on the stages of development, Shapiro et al. (1992) suggested a basic minimal trust level as deterrence-based trust, which is underscored by negative consequences to fraudulent behavior. Lewicki and Bunker (1996) added that trust is also a basic rational decision for the promise that someone would hold his/her word. Hence, they introduced three stages of trust development from calculus-based trust, over knowledge-based trust, to identification-based trust. One starts a rational evaluation of opportunities and the aim to gain control over a situation, moves into obtaining more information about the object of trust (such as about someone's motives, intentions, and tendencies), and ultimately results in social proximity and familiarity with the situation (Luhmann, 1979).

More recently, Schilke and Cook (2013) proposed that trust building progresses through four relationship phases, all of which are enclosed by important processes that facilitate a leap into the next phase. Around such phases and processes, the clues of the trustworthiness of a potential partner descend from three sources, namely prior inter-organizational interactions, public information, and institutional categories. While Schilke and Cook (2013) looked at the nature of trust development, i.e., at what kind of trust relationships exist (as an outcome) at an individual or organizational level, the question of how trust forms and dynamically interacts in a development process over time at multiple levels remains unanswered (Zaheer & Harris, 2006). For example, the model of Schilke and Cook (ibid) explains what kind of activity matters when, but it does not empirically capture what (discursive) topic actually matters when. Hence, their model, as most multi-level conceptualizations of trust to date, neglects the importance of the discourse that underpins the dynamic and active production of trust (Child & Möllering, 2003; Giddens, 1990; Swärd, 2016).

Möllering (2013) recognized such discursive roots of trust and introduced five process views on trust, all of which highlight different mechanisms. Accordingly, he distinguished between trusting as 1) continuing over time, 2) processing of information, 3) learning from historical imprints in communities and families, 4) becoming a self-identity of the trustor, and 5) constituting as practice in a process of social constitution. While all of these five process views relate to the importance of time and the different sources of information, only the last regards trust as an ongoing reproduction of its constitutional features (Mizrachi et al., 2007), thus recreating the paths that enable a generalized expectation (Rotter, 1967). Despite its relevance, Möllering's (ibid) work is of conceptual nature and thus does not provide insights into how such a discursive processual production of trust might actually look like in practice.

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One exceptional study that does provide early empirical insights into such a processual nature of trust is the recent paper by Brattström et al. (2019). The authors analyzed the different trust perceptions towards partner firms and highlighted that attentional perspectives and referent categorizations are important mechanisms in inter-organizational relationships. Their process model illuminates that depending on the different activity domains, trustees (i.e., firms) are perceived differently while their attention lies on different themes. Hence, suggesting that identifying what topics matter when is crucial to explain trust perceptions and collaborative performance.

Corroborating the above, we thus postulate that by fostering a process understanding of trust development with a strong focus on the discursive nature of trust allows insights into how expectations are formed in an ongoing interaction of various actors in a social system (Langley et al., 2013; Möllering, 2001, 2006a, 2013; Ring & Van de Ven, 1994; Sydow, 1998; Wright & Ehnert, 2006). That is, discursive foci unveil the inter-relatedness of various forms of trust at different points in time (Korsgaard et al., 2018) and fully bring to light the interpretative side of trust by not granting superiority to either the micro or the macro levels of analysis. This is particularly important in settings where organizational boundaries are blurred and multiple sources of information are of relevance. Thus, the aim of this study was to disentangle the relative importance of discursive topics throughout the trust building process of crowdfunding. More precisely, we analyzed the continuing (re-) assessment of trustworthiness cues in the discourse over time.

Research Context

We did so by looking at an equity-crowdfunding pitch history of the Fin-Tech Monzo. Crowdfunding is an apt context because the successful funding depends on the interplay and knowledge exchange between multiple organizations and individuals, as well as on the alignment with societal rules, norms, and values (Ding et al., 2015; Lehner, 2013; Lehner & Harrer, 2019). Moreover, while the trustee is a distinct organization, the interacting parties on the way towards the trust in this organization vary substantially, as information sources change from online to offline, from individual to organizational, or from organizational to institutional and societal. Thus, crowdfunding as a context where multiple actors shape the discourse that guides trust creation in various phases may well provide further insights into the processual nature of trust (Corritore et al., 2003; Xiao, 2020).

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Methodology and Case Description

We explored the prevalence of the types of information related to different trust forms in an equity crowdfunding campaign by looking at the dynamics of the discursive foci beneath. Discourse and the exploration of themes allow researchers to understand and interpret the perceived meanings in particular contexts and moments (Braun & Clarke, 2006; Wright & Ehnert, 2010). Furthermore, to look at the differences over time, we took a longitudinal single case study approach (Dyer & Wilkins, 1991; Edmondson & McManus, 2007; Stake, 1995). When we analyzed two crowdfunding rounds of the same venture in 2016 and 2018, we looked at embedded cases (Scholz & Tietje, 2002). Extant research on seed financing and crowdfunding suggests that a campaign passes through various (temporal) phases (Fried & Hisrich, 1994; Hagedorn & Pinkwart, 2016; Löher, 2017; Mason, 2006; Paul et al., 2007; Vismara, 2018). Among the many works, Gordon (2014) noted that while providing a common (analytical) ground, these phases permit variations in the degree and the intensity of interaction throughout the phases. Sociologists have also noted that phases help to structure data over time and thus serve as a complexity-reducing element (Luhmann, 1979). Hence, while relying on an explorative approach to identify discursive foci, we took temporal phases and trust forms as the starting point. Ultimately, we built the theory by delineating propositions (Cornelissen, 2017).

Case

We chose the case of monzo.com (hereafter referred to as Monzo) as one of the leading Fin-Techs and one of the most successful equity-crowdfunding campaigns on the British crowdfunding platform crowdcube.com. In the first crowdfunding round in 2016, Monzo was successfully funded in 96 seconds. In total 1,898 investors spent an average of £527 for 3.33% equity share each, which pushed the valuation of Monzo to £30 million (details on the funding rounds can be found in Table 1). In their second round in 2017/2018, 6,300 investors participated (Crowdcube).

<center>INSERT TABLE 1 HERE</center>

One reason for our selection of the case was that equity crowdfunding is regarded as one of the most successful forms of crowdfunding (Brown et al., 2018). Furthermore, the case of Monzo is intriguing because of the complex interplay between the institutional factors of the crowdfunding ecosystem, the stark presence of Monzo as an organization, and the individuals related to Monzo. The most important reason for us to choose this case was the strong media presence and the high willingness of Monzo to engage with the public (either via their blog or

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in the form of interviews), which allowed us to trace back a considerable number of Monzo's interactions with both customers and investors. In addition, Monzo administered both crowdfunding rounds without any marketing budget.

Data Collection

We collected data from 2015 until 2018 to capture the full company history of Monzo. Our qualitative data collection was conducted mostly retrospectively from various online sources such as crowdcube.com, Monzo.com, Forbes.com, The Guardian, Finance Yahoo, ProactiveInvestors UK, The Bank of England, and Business Insider, as well as six interviews with Monzo executives, the Monzo team, and third-party platforms that were video recorded (Denzin & Lincoln, 2005). Such data collection is particularly suitable for studying trust in Monzo as the documents allow for a clear allocation of actors to the respective levels of analysis and thus help to avoid mismatches between the level of theory and the level of operationalization (Currall & Inkpen, 2002). Moreover, as we collected data from multiple sources at different points in time, we observed the different discursive foci throughout the process, including the related different objects of trust. Table 2 depicts how the various data sources reflect the multiple actors and trustees.

INSERT TABLE 2 HERE

Whereas data collected from Monzo blogs were used for identifying and triangulating trust towards Monzo and Monzo individuals directly (depending on the presence of the persona of the authors in the blog entries), and the data collected from the third-party blogs were mostly used for looking at trust relationships in the crowdfunding system (references to the rules and the norms as well as the crowdfunding platform). In addition, interviews were used to identify the elements of trust in certain people such as the Monzo CEO and the organization itself (again depending on the presence of the persona).

As the 132 collected documents, photos, videos, and interviews included blogs, press releases, and financial statements, we avoided a retrospective bias (Huber & Power, 1985; Miller et al., 1997). Each document was screened for which recipient as of Table 2 above it addressed. This was then linked to the respective trust form (individual, organizational, or institutional). Blog entries from Monzo for instance often referred to organizational and individual trust characteristics, whereas the third-party blogs referred to both organizational and institutional characteristics. Interviews had a strong reference to both individual and organizational trust

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characteristics (Kroeger, 2012). The collected documents related to the three forms of trust as follows:

INSERT TABLE 3 HERE

Data Analysis

We analyzed the data based on a grounded theory approach (Strauss & Corbin, 1994) and undertook the conceptualization via meaningful units (Braun & Clarke, 2006; Cornelissen, 2017). The streams of coding were triangulated by merging the three analyses conducted by separate coders in two iterative rounds. As mentioned above, the two crowdfunding rounds offered grounds to detect trust-building patterns. We coded each document with Pitch I (52 documents) and Pitch II (80 documents) and thus could look at the differences and the similarities between them.

The backbone of our study was built on two sets of coding: the crowdfunding phases and the trust forms. First, in operationalizing the crowdfunding phases, we built on Gordon (2014). He introduced five phases: (1) opportunity identification, 2) co-creation of social innovation, 3) decision-making criteria, 4) implementation of social innovation, and 5) disengagement and suggested that all seed investments follow a similar process. For the purpose of our study, we disregarded phase 5 as we only looked at trust-building processes before the investment. We started by structuring the documents according to their date of publication. We then looked at the content of the documents to differentiate among the phases more clearly. In the initial scoping, we started to allocate thematic foci to the remaining phases as of Gordon (ibid). We then realized, while overall suggesting a good fit (75% of the content did match the description of the (primarily first few) phases (Cicchetti, 1994)), our identified foci differed slightly from Gordon's (ibid) conceptualization, particularly in the last two phases. For example, the second phase did not specifically rely on the co-creation of opportunities (rather this was what we saw emerging in phase 4) but referred to the information collection about individual actors and their values. As a result, we termed the second crowdfunding phase "cognitive resemblance". Based on this logic and simultaneously going back and forth between our data and the research on crowdfunding phases as well as Gordon (2014), we inductively developed and adapted our operationalizations of phases (Kendall, 1999; Strauss & Corbin, 1994). Both coders separately came up with the initial suggestions on how to amend the phases. Their suggestions were then discussed and merged through another coding round (O'Connor & Joffe, 2020). In the end, we named the five crowdfunding phases and ascribed the following characteristics to each phase.

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INSERT TABLE 4 HERE

As we had not only coded the documents according to their time stamp but also included their content in our coding, we could capture the discursive foci in the phases. This allowed us to observe the momentary foci or trust perceptions (Möllering, 2001) and how these changed throughout the process (Möllering, 2013). For example, the statement: "I don't think so. A few things: 1) trust in big banks is overstated. Trust in big tech brands is more than the banks 'cause everyone is using smartphones. 2) The idea that big banks can catch up. The phrase "you're gonna skate where the pack is going. … I'm much more afraid that we've not yet built what is truly compelling to customers. I'm worrying much more about the customers not being satisfied rather than about the big banks catching us." was first allocated to crowdfunding phase 2 'cognitive resemblance' because it provided reflections on the intentions and emotions (indicated by 'I don't think so', 'I worry […]; that's true for […]').

As the second step in our coding, we allocated meaningful units of each document to individual, organizational, and institutional trust forms. Again, we analyzed the content of the documents and coded for the discursive foci. By using a priori definitions of trust and the bases of trustworthiness (e.g., Mayer et al., 1995; McAllister, 1995; Rotter, 1980), we allocated the statements to three forms of trust, depending on which actor was primarily the object of discussion, or in other words, whom the trust was primarily built towards (see Table 5 with the exemplary statement from above).

INSERT TABLE 5 HERE

We replicated this reasoning for all the 123 documents. In the end, we extracted 648 codes for the crowdfunding phases (details in Table 4 above) and 382 codes for the trust forms (details in Table 5 above).

Finally, after having coded our data twice – according to the phases and the trust forms – and seeing that the different discursive foci emerged in the phases and the trust forms, we wondered what actually drove the dynamics between these phases and trust forms. Thus, after once again going through the coded data, we realized that aside from the thematic focus overall, each phase was accompanied by different topics. This led us to additionally conduct a qualitative content analysis (Mayring, 2004). As the literature suggests, we used this analysis to scrutinize the discursive foci in each phase and trust form, and based on the results, analyzed the shifts in attention. Again, using meaningful units as the reference point, we first derived predominant topics as we looked at the shifts of attention in a chronological order. This was done for example

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by looking at the described activities (i.e., behavioral outcomes) or expressed thoughts (i.e., intentions and emotional reactions) (Garcia-Lorenzo, 2020; Grimpe, 2019). We will hereinafter call these topics transformative triggers, as they underpinned the broader discursive shifts between the phases. An overview of the identified topics can be found in the online Appendices A, B, and C.

Second, following the grounded theory approach, we then aggregated the triggers into discursive themes, which represented the overall discourse and thus indicated what is important at which point in time of trust development.

Empirical Findings

We observed strong trust dynamics throughout the crowdfunding phases. The prevalence of trust forms in each crowdfunding phase are depicted in Figure 1.

INSERT FIGURE 1 HERE

Unsurprisingly, our findings support prior research that all three forms of trust are important in all the five crowdfunding phases (Dietz et al., 2010; N Gillespie, 2017), albeit to varying degrees. In addition, trust forms take on similar roles in the two crowdfunding pitches (Table 6 below), which points at a potential pattern in the trust-building processes in crowdfunding.

INSERT TABLE 6 HERE

Our findings further suggest that organizational trust is the most important form of trust. This explains the vast scrutiny of organizational trust in the contemporary scholarly discourse on trust (De Jong & Dirks, 2012; Mayer et al., 1995; Schoorman et al., 2007) and that trust convergence over time originates in the objectification of organizations (Schilke & Cook, 2013). Despite its overall prevailing importance, the prevalence of organizational trust shows a varying degree of prevalence in different stages. In particular, while institutional trust serves as an important proxy in the beginning and the end (Bachmann & Inkpen, 2011; Zucker, 1986), it remains of relevance throughout all of the phases. It even gains some significant momentum in the third phase, where in fact, organizational trust is the most prominent; we will elaborate on this interesting fact in the later sections.

While the above insights already demonstrate the highly dynamic nature of trust forms over time, the next sections address our question of how the trust forms interrelate and change over time. As described earlier, we were wondering what really drives the shifts in trust forms. Based on our coding and the subsequent content analysis, we were able to identify shifts in attention.

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More precisely, we could capture how different triggers and themes dynamically worked together and thus influenced the prevalence of trust forms in the different crowdfunding phases (Garcia-Lorenzo, 2020). This showed us what was important and when and suggested that there were situational factors that initiate a potential interplay of trust forms (Brattström et al., 2019).

Dynamic Trust Building via Transformative Triggers and Discursive Themes

Before we explain the dynamics between the crowdfunding phases in detail, we will first provide a short summary of the triggers and the themes. Our analysis revealed that the five crowdfunding phases are underpinned by transformative triggers and discursive themes. These triggers and themes dynamically interact as shown in our model (Figure 2) below. For detailed information on the triggers, themes, and their frequency, please refer to the online Appendices A (individual trust), B (organizational trust), and C (institutional trust).

INSERT FIGURE 2 HERE

The model captures how specific triggers indicate different bases of trustworthiness, and how certain aggregations of such triggers lead, in turn, to specific themes that underpin the trust forms. The model therefore provides a guide to analyze what type of information is important to build trust, who (i.e., which trust object) this information speaks to (Kroeger, 2012), and how these two together form a coherent discursive focus that clearly indicates a form of trust. First, transformative triggers indicate a change in attention, which relates to the assessment of the affective and calculative bases of trustworthiness. As the literature on discourse suggests, these trustworthiness bases are mainly manifested in stories around distinct verbal expressions or the described actions in the documents (Hardy & Thomas, 2015; Sörgärde, 2020). For example, if in a Monzo blog, the company describes that it is planning to introduce stricter controls based on the obtained evidence, then this a) neutrally describes an action and b) relates to rational pieces of information that indicate calculative triggers. If the activities are embedded in emotional references, then we would attribute an affective trigger.

Second, different triggers can be subsumed into discursive themes. These themes capture an aggregated meaning of the initially mentioned expressions and actions by focusing on the key aspects that are addressed in them. Hence, the themes also indicate the shifts in the overall discourse, which supports the third step, namely trust formation as it creates expectational contingencies (Mayer et al., 1995). These expectational contingencies create a shift in the attentive focus (not the attention, which is captured at the individual narrative level) (Garcia-Lorenzo, 2020), from which the prevalence of trust forms is derived.

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In the following three sections, we will now briefly summarize the essence of triggers and themes and describe how they shape the shifts in the attentive foci. These sections act as a summary discussion of the comprehensive empirical evidence presented thereafter.

Transformative Triggers

As the first mechanism in the inter-phase dynamics, we introduce transformative triggers. The shifts of attention are preceded by behavioral acts in the form of emotional expressions and observed actions. In our context of crowdfunding, trigger elements are signals of trustworthiness and depict what is important regarding a clearly defined individual or organizational actor – the object of trust. On the one hand, by relying on affective information and by referring to what individual persons have done in the past or will do in the future (Korsgaard et al., 2018), triggers resemble the benevolence and integrity dimensions of trust (Mayer et al., 1995) and acknowledge primarily empathetic trustworthiness cues (Noteboom, 2002; Tomlinson et al., 2020). With statements such as "I want to …", "here's to …", "we've had … amazing successes", and "… I was there when history was made", the respective individuals express an affectional response to something that Monzo has already done or that should be done in the future. Captions use past events to create a clear reference point for future expectations and thus reduce uncertainty (Bachmann et al., 2015; Luhmann, 1979; Rousseau et al., 1998; Swärd, 2016). The affective element is indicated by words such as "amazing" and "want to," or it is highlighted with a reference to a personal fit between Monzo and the respective individual (e.g., in "I was there when history was made"). This personal fit is known to establish an emotional connection, which is further regarded as an important mechanism to evoke a leap of faith (Nikolova et al., 2015). Further to the affective element, the statements leading to these triggers address a clearly defined individual and organizational trust object (usually Monzo or an investor or entrepreneur), which promotes identity building based on self-related or other-directed motives (Pratt et al., 2018).

On the other hand, the calculative information triggers reflect cues related to the competitive character of Monzo and its contribution to society as compared to those of the other Fin-Techs. The triggers therefore primarily relate to the ability dimensions of trust and to the integrity dimension, as in they indicate professionalism (Mayer et al., 1995). Both of these factors are considered essential in evoking the leap of faith (Nikolova et al., 2015). The triggers include references in the presence tense, as with statements featuring "Monzo is …," "Monzo has …," or "Monzo does …". With this, they mostly refer to the material and conditional aspects of trustworthiness, both of which are essential restrictions for Monzo as they provide evidence to

make a calculative decision. Either Monzo cannot administer challenges because of a shortage of inputs and the missing means to execute actions, or it cannot attend to the impact that a Fin-Tech is expected to make in the existing community. Both aspects have been found to be facilitative aspects in the creation of trust (Hardy & Thomas, 2015; Noteboom, 2002).

Discursive Themes

While transformative triggers present a distinct narrative, various bundles of discursive themes indicate the oscillation of meaning in the overall crowdfunding discourse around Monzo. For example, while triggers of institutional trust relate to topics such as Monzo's banking license, Monzo's valuation, or the direct competition, the overall discursive focus can be captured under the theme "regulations and the crowdfunding/start-up ecosystem". All the triggers are distinctive; however, they all relate to the necessary steps to successfully run and grow a start-up. The then-suggested theme captures such necessities.

Themes are important, because the continuing assessment of trustworthiness via triggers can only be completed if expectations are reciprocated in the discourse. As indicated in the example above, the expressions and actions that are mapped separately in the triggers only capture the narrative focus of the story presented (Cornelissen & Clarke, 2010), but by corroborating them into thematic bundles that engender notions of trust, the ongoing reassessment of trustworthiness cues in the next phase can be ensured. That is particularly relevant as trust is not a stable asset once gained but is instead subject to constant reassessment (Kanagaretnam et al., 2010; Serva et al., 2005; Swärd, 2016; Vanneste, 2016). Hence, following this logic, themes reflect the overall bases of expectations with respect to which cues of trustworthiness are relevant (Lumineau & Schilke, 2018), and are analogous in how they relate to different trust forms at different points in time (Brattström et al., 2019; Fulmer & Dirks, 2018; Möllering, 2006b).

Discursive Foci in Crowdfunding Phases

While trust research has long assumed that trust is the result of a dyadic relationship and, therefore, factors influencing its development can and should be determined on the basis of mutual expectations (Graebner et al., 2020), more recent inquires have shown that these expectations might be based on multiple sources (Brattström et al., 2019; McEvily et al., 2017). Hence, grounding the development of discursive foci on the emergence of triggers and themes allows to acknowledge this heterogeneity in the trust sources. Both the above-described triggers and themes are important in the trust-building process, as they capture the complex interplay

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between multiple distinct individual-level narratives and collective-level meanings in trust development (Grimpe, 2019; Swärd, 2016; Vanneste, 2016). The respective bundles of discursive themes (building on transformative triggers) determine the overall discursive focus based on which the heterogeneous and discursive nature of trust forms is shown.

Organized by the crowdfunding phase, the bundles of themes determine what focus of attention matters at what point in time. Moreover, by looking at the oscillation between the themes, as in the shifts in attention from one piece of information to the other, the reciprocal and discursive nature of trust comes to light. To get an overview over the shifts in attention, we chronologically structure and map the discursive themes in figures. While we extract such figures for all the inter-phase dynamics (see Appendix D), the figure below presents the dynamics from phase 3 to phase 4.

INSERT FIGURE 3 HERE

In the following text, we will elaborate on the distinct dynamics between the five crowdfunding phases. First, in the earlier phases of a crowdfunding campaign, individual trust gains significantly (from 14% in phase 1 to 35% in phase 2). The theme individual inspiration and personal encouragement guides the attentional shift from the institutional to the individual factors from phase 1 to phase 2. Positive affect (Lewis & Weigert, 1985; McAllister, 1995), i.e., a positive expectation of a person's behavior that a trustee observes in the emotional expressions of individuals, becomes apparent in statements such as "I want to use technology and design to change vulnerable people's lives for the better" [Interview 4], or "I love this idea and have already invited a few people …" [Third-Party Blog], or "I have never had any problems using Monzo" [Third-Party Blog; note: Pitch 2]. Answering to the question of who inspires him, a customer answers "senior members of the team at Monzo who've shared their own experiences with mental health have helped bring the subject out into the open" [Third-Party Blog]. The fact that such statements are mainly present in documents from third-party issuers and often discuss issues related to topics such as Monzo's societal impact but then primarily refer to specific individuals, marks the shift from institutional to individual trust forms from phase 1 to phase 2.

Organizational trust does not gain significantly; nevertheless, it remains important (from 41% to 46%). The main shift that we observe is that documents that feature evidence for an individual's experience in entrepreneurship in phase 1, strongly relate to documents featuring themes such as Future Outlook and Growth and Transparency & Control by Community in

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phase 2. The discursive focus thereby shifts from entrepreneurs knowing what to do towards Monzo's openness about and willingness to change after a data breach caused outside of Monzo. Statements such as "… the people who don't trust us [yet] will still cite the outages" [Monzo Blog] and "We were notified at 4.55pm this afternoon that Typeform, a company we've used to collect survey results in the past, has suffered a data breach … We've published a full breakdown at the bottom of this post" [Monzo Blog] show this. In addition to such errors that have already occurred, the theme includes topics such as Monzo's awareness of the potential pitfalls of being in the Fin-Tech business in general. Statements such as "one of the key components of Monzo's mission is complete transparency into the advances (and stumbles) of this new digital-only financial institution." [Monzo Blog] underline this. Even though the abovementioned issues reveal some of Monzo's weaknesses and mistakes, which could impede trust towards it, the public handling of these issues provides interested individuals with the ability to track progress and hold the company accountable for the errors in the first place. This in return provides stability in terms of what is to be expected and signals transparency and control (Mayer et al., 1995; Nikolova et al., 2015). Hence, the expectation of Monzo acting in a certain way drives the already high relevance of organizational trust in the earlier crowdfunding phases (Breuer et al., 2020; Mayer et al., 1995). Irrespective of whether the expectation is per se not overly positive.

Furthermore, themes such as Investor Demand & Interest manifest the relationship between organizational and institutional trust between phase 1 and phase 2 (which moves from a level of 45% in the beginning to 19% in the next phase – mainly because the discourse shifts from institutional to individual trust in the first place). Building on the early information that is available about Monzo's capabilities in phase 1, this bundle of themes now reflects on why investors see Monzo as an attractive investment. Statements such as "I am almost certain that at least 90% of people invested in Monzo are not being rewarded for the risk they are taking by being an investor. But a) the value of their investments has increased b) should Monzo's valuation continue to increase, they'll be rewarded more. We don't know whether the valuation will increase of course, taking that risk is how investing/crowdfunding works." [Investor Forum] or "… deals involving institutional investors, like VCs and banks, raising money alongside the crowd have increased four-fold on the Crowdcube platform in the last two years." [Third-Party Blog; note: pitch two] capture such discussions. Overall, the above statements have a strong focus on affective bases because of the use of words such as "I am certain" "we don't know…", or "… will increase of course." This indicates that in phase 2, institutional trust as in information being provided by third parties, is important to increase the awareness on

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crowdfunding ecosystem topics that were important in phase 1 (Bachmann & Inkpen, 2011; Breuer et al., 2020).

Second, organizational trust significantly gains importance in phase 3 (63%). This can be attributed to two reasons. On the one hand, building on the relevance of investors' thoughts in phase 2, phase 3 now focuses on themes such as Competition and Outperformance. These relate to issues such as financial performance, a sound business plan, and correct forecasting of the gain importance [Monzo Blog; Third-Party Blog]. On the other hand, the discursive focus shifts from the individual trust form to organization trust via the theme transparency and control by community. Similar to the above themes around organizational trust, Monzo shares information openly and signals transparency; however, this time there is a stronger connection of the effect of this transparency on its stakeholders (instead of how it was experienced). Statements such as "Early on, we decided that openness and transparency was the only way to ensure that Mondo was solving real problems." [Monzo Blog] or "when communicating with customers Monzo always looks to give as much detail as possible, which often means throwing a supplier under the bus" [Monzo Blog] support this. In doing so, the focus on organizational trust in phase 3 is on rational factors and good reasons (Lewis & Weigert, 1985; McAllister, 1995). By indicating further reflexivity alongside crucial anchors for an organization, i.e., transparency, this discursive focus further shapes a knowledge base (Kroeger, 2012; Lewicki & Bunker, 1996). Potential negative (financial) numbers seem to be a part of this game, as they add to the impression that all the information available has been disclosed accordingly and a realistic outlook has been provided (Breuer et al., 2020).

Institutional trust also gains in relative importance in phase 3 (from 19% to 29%). In the discourse, this is manifested by themes relating to Regulations and the Crowdfunding Ecosystem (2). The focus shifts from transparency and Monzo's future outlook to the general compliance and alignment of Monzo with the industry standards or its bank status, which is shown for example by the statements "Prudential Regulation Authority and Financial Conduct Authority publish review of barriers to entry for new banks" [Third-Party Blog] or "We've submitted thousands of pages of documentation in support of our banking application, and we hope to have our full UK banking license later this year." That is, by providing a "calculative bridge" between the prior organizational characteristics and now the regulations (Bachmann & Inkpen, 2011), the knowledge base can be enhanced (Lewicki & Bunker, 1996).

Third, from phase 3 to phase 4, we observe an incline in the prevalence of themes related to individual trust (23.8%), primarily at the cost of organizational trust. The bundle of themes

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relating to Individual Inspiration, Feedback, & Personal Encouragement drives the discursive focus to phase 4, refocusing the individual trust bases. Statements such as "Well done Tom … what an achievement. Here's to many more …" [Investor Forum] or "Yes, I've done every round so far and I'm not looking to dispose of shares just yet I'm fortunate to have been in every round. The financial return is awesome so far, but I think there is so much more non-financial things to be proud of…the biggest things I've taken is the transparency and being focused on the customer so many companies say few do it it's influenced me in my job" [Investor Forum] create an affective tie by indicating how Monzo has impacted their own lives. This tie is replicated by statements such as "I'd like to personally apologise to everyone who has tried to get access to the investment today. I know it's been a frustrating and confusing experience so far." [Monzo Blog], this time referring to experiences from within Monzo and particularly to an apology related to technical (competence) issues, via which affective trust building should be bolstered (Fuoli et al., 2017; Nicole Gillespie et al., 2014). Here, the shift in attention is based on the affective recognition of the success of a boundary-spanning individual, either from within or around Monzo (Kroeger, 2012). Given that the shift occurs from the organizational to the individual trust forms, the introduction of a boundary-spanning individual now sustains a pathway to further identification, because the existing (organizational) evidence is backed up by additional evidence (Grimpe, 2019; Pratt et al., 2018). The fact that this additional evidence relates to an individual provides certainty (Luhmann, 1979).

Regarding the importance of organizational trust (from 63% in phase 3 to 55% in phase 4), the discourse shifts from the crowdfunding ecosystem in phase 3 to topics such as Future Outlook and Growth and Quality Improvements, Competition, and Outperformance. Thus, it connects institutional trust (phase 3) and organizational trust (phase 4). The statement "… see [Monzo's] early growth and traction, as well as its commitment to a strong mission, commercial success and social purpose" [Third Party Blog] manifests this and shows how committed Monzo is to reach its goals alongside these rules. Other statements show the continuous growth path of Monzo – for example, "We're increasing the numbers of current accounts every month", "The engineering team is focused on building connections to the main payment networks that we'll support; MasterCard, Bacs (for Direct Debit and Standing Orders) and Faster Payments", "upgraded accounts run on payment processors that we've built ourselves, which means we're able to provide a more reliable service," or "So essentially we'll be continuing to grow our business, in every section from COps to Product to Marketing and everything else. This will attract more customers, give us the required runway to keep growing and operating, and allow us to start looking into things like market expansion" [all from Monzo Blog]. The topics also

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cover how Monzo deals with data breaches or the overall improvement of processes around their product and campaigns, "After existing preview customers and investors, we'll invite the rest of our customers in stages, starting with those who tried to join our crowdfunding earlier this year but weren't successful, with the aim that every person should receive an invite […]." [Monzo Blog]. With such statements, Monzo primarily refers to what is in the present and sometimes extrapolates this present into the future, thus helping to reduce the complexity (Luhmann, 1979).

The themes that underpin the discourse around institutional trust (21%) in phase 4 mainly revolve around Fin-Tech Community Development, Investor Demand & Interest. It is now important how the organization is performing as compared to the UK Fin-Tech competitors such as Revolut —as seen for example in statements such as "We continue to see more and more later-stage businesses like Monzo, Revolut and Urban Massage use equity crowdfunding alongside venture capital rounds', or 'Monzo embraced developers extremely early on in its existence, holding four very popular hackathons and conducting a few early partnership pilots, but has since mostly stalled on the roll out of marketplace banking and other partnership integrations, sometimes to the frustration of the wider U.K. fintech ecosystem and developers" [Third Party Blog] or "The UK government has encouraged competition in recognition that innovation must be driven by more agile Fintech companies …." [Investor Forum]. Furthermore, quotes such as "One of the best examples of a very successful crowdfunding campaign is Mondo's!" [Third-Party Blog] or by "People don't choose between things, they choose between descriptions of things" [Third-Party Blog] highlight the importance of the crowdfunding community and discussions around whether Monzo engaged with this community properly. That is, the social network consisting of both Fin-Tech- and crowdfunding-savvy people provides third-party references that might potentially help to bridge the identity gaps that exist between new investors and the other communities (Pratt et al., 2018; Putnam, 1993). As codes relating to the above themes are strongly connected to the earlier themes around transparency and how this helps build the community, the emergence of the theme Fin-Tech Community and Investor Demand indicates the interplay between organizational (phase 3) and institutional trust (phase 4).

Fourth, the interplay between trust forms between the last two phases reduces starkly. This might be attributed to the fact that almost all the relevant information has already been obtained and individuals are only seeking to cross-check the impression that they have gained since. While looking for evidence on whether this is the case, we find two main dynamics. On the one

hand, the discursive themes that drive the shift from individual (18%) to organizational trust (47%) thus resemble around the Business Model/Plan, where investors reconnect the encouragements that individual employees and executives of Monzo shared earlier with the organizational output in general. This observation is supported by statements such as "It really shows how team goals and company goals work in relation to each other" [Monzo Blog Comments] or "If they wanted to be nice, why don't they just offer us all 10% interest on our balance because they're intelligent & have a sustainable business model" [Comments on Monzo Blog]. The focus here is, again, on affective bases. Phrases such as "it really shows…", "if they wanted to be nice…", or "they're intelligent …" are presented in the present, thus indicating that the double-check relies on connecting the prior obtained information to the present.

On the other hand, the discursive focus shifts back to Regulations & Crowdfunding Ecosystem and Fin-Tech Community Development and thus indicates the interplay between the organizational trust in phase 4 and the institutional trust in phase 5 (35%). The focus now is on issues of financial literacy in the UK and on the sector of online banks and the relevance of Fin-Techs for society. Such a focus once again provides a double-check on the organizational fit into the broader societal context (Child & Möllering, 2003; Fukuyama, 1995). On the basis of statements such as "Monzo is Passion Capital's single largest investment and we're delighted to be supporting Tom and the team as they tackle a market that's an order of magnitude larger than that of most other companies" [Third-Party Blog], "What we do know is that the combination of open banking data and the power of technology has the potential to transform people's financial lives" [Third-Party Blog; note: first funding round], or "The UK government has encouraged competition in recognition that innovation must be driven by more agile Fintech companies" [Investor Forum], both calculative and affective triggers are used (McAllister, 1995) to showcase how and why Monzo contributed to a more inclusive society economic development (particularly in the UK). This focus on both types of triggers (Grimpe, 2019) and the connection to institutional bases of trust (Fuglsang & Jagd, 2015; Zucker, 1986) characterizes the last phase before investment.

Further issues that are addressed under this theme are related to the crowdfunding ecosystem and whether it is sufficiently reliable. This became evident particularly in statements related to the crowdfunding platform Crowdcube. The statements "Crowdfunding is a highly regulated activity … we [Monzo] published an investment prospectus, reviewed and approved by the UK Listing Authority (UKLA), which contains all the details customers might want in order to make an investment decision.' [Monzo Blog], and 'crowdfunding platforms continue to

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dominate the investor ranking, with Seedrs and Crowdcube taking the first and second place on the podium. The two crowdfunding platforms are responsible for 86% of all crowdfunding activity and for 21% of all equity investments in the UK" [Third-Party Blog] or "Crowdfunding allows ordinary investors the chance to buy shares in unlisted companies via online platforms. The UK's largest single crowdfunding to date stands at £19m, raised by brewer and pub chain BrewDog in 2016." [Third-Party Blog] exemplify this.

Contributions and Conclusion

In this paper, we explored what matters when throughout a crowdfunding process. Various scholars have pointed at trust as a process in which constitutional features are continuously reproduced (Grimpe, 2019; Lewicki & Bunker, 1996; Mizrachi et al., 2007; Möllering, 2013; Schilke & Cook, 2013). Similarly, literature on process theory suggests that every substance is dependent on the constant restructuring and revaluation of events and experiences (Langley et al., 2013; Morgeson et al., 2015). Furthermore, while there is a growing number of empirical inquiries into trust as a process, these investigations mostly focus on the mechanisms via which only information is processed. Thus, we argued in this paper that they fall short of recognizing the discursive constitution of mechanisms. For example, while Brattström et al. (2019), Korsgaard et al. (2018), and Ring and Van de Ven (1994) show that the shifts in attention and categorization are important mechanisms in trust development and are related to the exposure of activities, they do not explain which activities are discursively presented in what way and how this presentation relates to trust. This however is of theoretical relevance, because trust is not only a matter of (dyadic) actions but also the socially constructed result of a continuous re-evaluation of the information available on and around these actions (Graebner et al., 2020; McEvily et al., 2017).

Our study adds to the trust as a process literature by introducing two types of transformative triggers as elements that capture how activities and other expressions are framed. In particular, the triggers reflect what type of information is presented (affective or calculative), whom (as in which object of trust) this information relates to, and what it implies for trust development. Figure 2 shows the two types of triggers (affective and calculative) and how they dynamically and discursively evoke different trust forms. On the one hand, affective triggers in the first phases of the crowdfunding process refer to activities of individual investors and members and capture the activities and feelings of individuals. Typical words used to describe such activities or feelings are, for instance, "I love…", "I want to …", "… I was there when history was made", and "I have helped…." Similarly, affective triggers are important in the latter phases

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(particularly, phases 4 and 5), where they are expressed in phrases such as "I'm fortunate…", "I'd like to…", "well done…", or "we're delighted…." In both the cases, the respective individuals or teams express an affectional response to something that Monzo has already done or that should be done in the future. This creates a personal fit towards both the individual and, indirectly, Monzo, on the basis of which an emotional connection towards the latter can be established. This emotional connection is also what is found to be crucial to stabilize the integrity notions of trust (towards Monzo) (Mayer et al., 1995; Nooteboom, 2002; Tomlinson et al., 2020). The focus on individuals is also in line with prior research that suggests that individuals and shared experiences are important objects of trust (McKnight et al., 1998; Whitener et al., 1998), particularly in a spatially distant online context (Clases et al., 2003; Etter et al., 2019; Xiao, 2020).

On the other hand, triggers reflect cues related to the competitive character of Monzo and its contribution to society. They therefore relate to the ability dimensions of trust (as they indicate that Monzo can operate successfully) and to the integrity dimension as in they refer to the identity of Fin-Techs and crowdfunding (Mayer et al., 1995). The triggers are particularly relevant in phase 3 of the crowdfunding process and in organizational trust forms, where they are usually expressed in phrases related to "we decided…" and "…we give" and financial information in the form of financial statements featuring "Monzo is …", "Monzo has …", or "Monzo does …". With these phrases, they refer to information that fosters calculative responses and thus open up the chances for cost/benefit analyses (McKnight; Lewicki & Bunker 1996). Calculative aspects reappear again in the last phase (five) of the crowdfunding process, by referring to the institutional investors of Monzo via, for example, "Passion Capital is…," where they are used to invoke credibility that helps to connect to the information obtained in the previous phases. Such collation might induce a relatively rational pro/contra consideration of what is known and what it means (Hardy & Thomas, 2015; Noteboom, 2002). Building on the above, our first pair of propositions summarizes the role of triggers in the discursive creation of trust.

Proposition 1a: An affective presentation of information presented by individuals is crucial either in the early phases to ensure personal fit or in the later phases to ensure a value match.

Proposition 1b: A calculative presentation of information is crucial in the middle phases to demonstrate the competence of the venture and entrepreneurial teams.

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Another stream of the trust literature highlights the importance of temporality in the process-theorizing of trust. Scholars such as Swärd (2016) and Korsgaard et al. (2018) argue that trust research predominantly assumes that both the shadow of the past and the future are important elements in trust creation, as they allow us to reflect on the past experiences and help to build expectations for a common future (Poppo et al., 2008). However, such assumptions might be difficult to replicate empirically in settings where the actors involved in the relationships are geographically dispersed and have little interaction history, or do not know whether the relationship might exist at all (Alexy et al., 2017; Lehner & Harrer, 2019; Swärd, 2016).

This study adds to this line of theorizing, as we observe that in the context of crowdfunding, the reliance on the past interaction history and a common future interaction is indeed not as straightforward. Our analysis reveals two main aspects of the importance of temporality in trust development. On the one hand, we confirm that the shadow of the future and the shadow of the past are important reference points in the beginning of the crowdfunding campaigns, with the former being essential in the first few phases (the information presented often features the phrases "I want to…", "I was there when history was made", and "I have helped…") (Korsgaard et al., 2018; Swärd, 2016). On the other hand, we suggest that, as the discourse revolves primarily around organizational and individual trust from phase 3 onwards, information is mostly presented in the present tense in statements such as "I know…", "the return is…", "they're intelligent", "we're delighted", "Monzo is…" and "Monzo has…". Substantial information therefore is best presented in the present as it helps to reduce further ambiguity. Thus, our study shows that a focus on the temporal aspects in the presentation of information adds another dynamic layer to trust theorizing. In other words, it not only matters when affective or calculative triggers are presented but also in which temporal context they are presented. In the beginning references to the future are important, which then gradually move to the past and the present. The last few phases solely rely on the information presented in the present. Our second bundle of proposition thus captures this additional time layer in the process theorizing of trust.

Proposition 2a: In the early phases, affective information in the form of narrative references to the future and past occurrences reduces uncertainty.

Proposition 2b: In the later phases, both affective and calculative information in the present tense helps to demonstrate viability and reduce ambiguity.

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Trust literature further argues that when information on the past and future relationships is scarce, institutional safeguards such as third-party references are crucial to reduce uncertainty (e.g., Bachmann & Inkpen, 2011; Zucker, 1986) and, over time, actions become important sources of information (Mayer et al., 1995; Swärd, 2016). Having analyzed a crowdfunding campaign of a newly founded venture, this study confirms that topics related to third parties as drivers of institutional trust are, indeed, important at the beginning of the crowdfunding campaign (see phases 1 and 2). Such information on institutional safeguards becomes, again, relevant in the later phases of the crowdfunding campaign.

Our contribution is, however, at a deeper theoretical level. Further to the sole importance of institutional safeguards, our analysis reveals that the safeguards can in fact be seen as discursive themes, which are the outcomes of the combination of various topics presented. In other words, institutional safeguards might also be the product of the presented activities and emotions, which indirectly refer to the organization in question as it is picked up in the discussion. The activities and emotions are captured in triggers and based on their overall thematic focus, are then collated into discursive themes. These themes, we argue, are what presents the institutional safeguards that the existing trust literature extensively discusses. For instance, at the beginning of our crowdfunding campaign, institutional trust is underpinned by triggers relating to affective information, in which the individual investors' future expectations of Monzo as a crowdfunding campaign are described in statements such as "I want to", "I am certain that it will …", "we don't know yet but …", or "… will increase of course". The theme that is addressed is the crowdfunding ecosystem and relates to institutional trust. Even though the discursive focus is distinct, the triggers suggest that this theme is brought to life by creating affective bridges into the future and thus reduces uncertainty (Luhmann, 1979). Similarly, in the last phases of the crowdfunding campaign, the institutional safeguards are indicated by themes such as the Fin-Tech community, which we found to be underpinned by both the affective and the calculative triggers that are presented in the present tense via statements such as "we're delighted …" and "the power of technology is….". The presentation of both the affective and the calculative types of information inter-relatedly is found to be particularly conducive for the development of a synthesized trustworthiness (Grimpe, 2019), which we postulate is important in the last phases of the crowdfunding campaign where a more generalized belief of trust is necessary to see a behavioral reaction (Mayer et al., 1995). We, thus, venture our third proposition.

Proposition 3: Institutional trust is the strongest when references to the future and the past are made by using affective triggers.

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Our study offers one of the few initial empirical inquiries into the discursive constitution of trust when organizational boundaries are blurred and information is unstructured. We show how the presentation of different types of information may change the trajectory of trust sustainably. That is, we suggest that transformative triggers locate the thematic shift in the affective and calculative pieces of information, and the related discursive themes suggest the overall attentive focus. As a result, we suggest that it is not just institutional trust that has various objects and references of trust, but all forms of trust inherently carry multiple points of reference in the discourse, depending on the time of observation.

To conclude, we suggest that discourse is a promising avenue to be further explored by trust researchers. Our findings suggest that when organizational boundaries are blurred, particularly in a context where direct contact is limited, trust building is driven by discursive interactions (i.e., referencing in triggers) rather than practical actual ones. Hence, a discursive focus on trust building allows us to bridge the current divide by the level of analysis and further allows us to understand the performative nature of the information given (Fulmer & Dirks, 2018; Graebner et al., 2020). This is of relevance to all those who aim to understand how trust is built in more inclusive settings where organizational boundaries are blurred.

Managerial Contribution

The above sections outline what trust forms are most prevalent in different phases of a crowdfunding campaign, thereby providing practical guidance for all ventures seeking to turn to crowdfunding. Our analysis suggests that individual trust is related to the achievements and inspirational actions taken by the founder of the venture, and these individual trust themes, in turn, most commonly precede the organizational trust-related themes. More precisely, from phase 2 to phase 3, we track a discursive shift from subjective ability factors towards an open and full disclosure of the relevant company data (Zsótér & Bauer, 2019). Then, the discourse shifts once again towards individual experiences; i.e., the early feedback on the product and the thoroughness of the business plan is discussed. This focus on value resemblance is taken further until the last phases of the crowdfunding campaign where it is related to the broader crowdfunding system and the impact that the business is making.

Limitations and Future Research

True to the inductive nature of this early inquiry into the interplay of trust forms, we did not aim for any generalization but for inductively acquired indications, ideas, and inspirations to further the field. The qualitative single case study approach aimed to bring a rich understanding

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of the specific case and acknowledges the subjective structuration of evidence (Berger & Luckmann, 1967; Eisenhardt & Graebner, 2007). An interesting future research area thus could be to conduct a cross-case study, which includes other industries and countries. Acknowledging the different forms of crowdfunding, it would be interesting to see inquiries in other forms than equity crowdfunding as well.

Moreover, although we broadly analyzed verbs and thus linguistic cues, the aim of our study was not to specifically look at what linguistic cues and structures build which form of trust. Such a more detailed investigation of trust might be an important inquiry to embark on the micro-foundations of trust that potentially lead to the reproduction of trust in systems (Möllering, 2006b), particularly in an online context, where information is obtained via different forms of cues (Holmes et al., 2020). With the increasing relevance of technology and media and their corresponding impact on how people come together and exchange information (Fulmer & Dirks, 2018), as well as the redefined organizational boundaries (Bachmann, 2001; Hsu & Chang, 2014; Lane & Bachmann, 1996), we see this as a particularly big space for future research.

We also demonstrated the (still lasting) necessity of a dynamic inquiry into trust building (Lumineau & Schilke, 2018; Möllering, 2001; Schilke & Cook, 2013), as it helps to better understand the previously unsolvable static assumptions such as substitution versus complementarity. We further highlighted the importance of considering all forms of trust at the same time in research when it comes to complex, socio-economic phenomena such as crowdfunding (Bachmann, 2001; Lane & Bachmann, 1996), as the trust building inevitably transcends the levels of individual, organization, and society.

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Date	Funding Sum	Capital Type	Funder
Jul-15	£ 2,000,000	Seed	Passion Capital, Blue Wire Capital
Feb-16	£ 5,000,000	Series A	Passion Capital
Mar-16	£ 1,000,000	Equity CF	Crowdcube
Oct-16	£ 4,800,000	Series B	Passion Capital
Feb-17	£ 19,500,000	Series C	Thrive Capital, Passion Capital, Orange Digital Ventures (Telecom)
Mar-17	£ 2,400,000	Equity CF	Crowdcube
Jul-17	£ 25,200,000	Series B	Orange Digital Ventures
Nov-17	£ 71,000,000	Series D	Goodwater Capital, Stripe, Passion Capital
Aug-18	£ 150,000,000	Interim	Accel Partners
Oct-18	£ 85,000,000	Series E	Accel Partners, Passion Capital, General Catalyst Partners, Thrive Capital, Orange Digital Ventures, Goodwater Capital
Total	£ 365,900,000	Valuation Oct 18: £ 1 billion	(Dec 19: £ 2 billion)

Table 19: Funding Rounds of Monzo until October 2018 (Craft.co, 2018)

Trustee	Attributed Character	Addressed Object	Document Types
Entrepreneur(s)	Personal traits	Specific individual (Mayer et al., 1995; McAllister, 1995)	Interviews, some company blog documents
Investor(s)	Credibility, history and background, personal traits	Specific individual (Mayer et al., 1995)	Community, third party (investor) blogs
Company/Organization	Financials, future outlook, business plan, product/service	Organization	Company blog, third party blog, platforms, financial information
Crowdfunding Platform	Support, due diligence, availability and service, other projects/reach	Organization, boundary spanner (Perrone et al., 2003)	Platform blog, third party blogs
Regulators and Crowdfunding System	Online banking, age groups, social impact, future aim	Crowdfunding system, banking system, society at large (Cook, 2001)	Third party blogs, platform blog, company blog

Table 20: Related documents to trustee (objective of trust)

Form of Document/Form of Trust	Individual Trust	Organizational Trust	Institutional Trust
Annual Reports	14%	47%	39%
Crowdcube Platform Posts	12 %	40%	48%
Investor Forums	11%	63%	26%
Monzo Blog	22%	62%	16%
Monzo Community Forum	25%	43%	32%
Third Party Blog	10%	51%	39%
Videos and Interviews	36%	41%	23%

Table 21: Documents per form of trust (relative of 100%)

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Phase	Thematic Foci	Files	References
1) Deal Sourcing	institutional arrangements, people, crowd, potentially connect to other individuals	62	126
2) Cognitive Resemblance	social capital, legitimate to individual investors, how are features perceived, emotions, intentions, characteristics of a person, past experiences, Ability-, Benevolence- & Integrity-dimensions of trustworthiness (Mayer et al., 1995)	78	192
3) Early Decision-Making Criteria	gathering rationale data e.g. financial data, due diligence, SWOT analysis, risk awareness, A-dimension of trust (Mayer et al., 1995)	40	98
4) Co-Creation and Circular Reasoning	social return generation, knowledge & skill transfer, discussions including community, A- & B-dimension of trust (Mayer et al., 1995), prepare transfer from individual to institutional level	59	128
5) Decision Making	soft & rationale factors & institutional legal factors, combine with human resources etc., contractual bits of platform, legal verification (also of individual)	56	104

Table 22: Coding book excerpt of the definition of the crowdfunding phases and related trustworthiness cues

Form of Trust	Trust Source	Addressed Object	Exemplary meaningful unit	Files	Refer-ences
Individual Trust	individual traits(Rotter, 1980), Ability and Benevolence and Integrity dimensions of trust (Mayer et al., 1995), cognitive & affective dimensions (McAllister, 1995), experiences, knowledge, competencies, goodwill, emotions, intentions, individual distrust	Individual founder(s), other important individuals in the field of crowdfunding	He says '*trust in big banks is overstated. Trust in big tech brands is more than the banks 'cause everyone is using smartphones.*'	44	77
Organizational Trust	Benevolence and Integrity dimensions of trust (Mayer et al., 1995), interorganizational trust (McEvily et al., 2003; Möllering & Sydow, 2018) organizational distrust, reputation, situational imperfect information (Kang et al., 2016), recommendations from other companies on platform (Lane & Bachmann, 1996)	organization and similar organizational groups, crowdfunding platform directly as organization	'*the idea that big banks can catch up. The phrase 'you're gonna skate where the pack is going'. [...] about the big banks catching us.*'	91	190
Institutional Trust	Reference to social change (Bachmann & Inkpen, 2011), social networks (Lewis & Weigert, 1985), third parties, financial industry, the crowdfunding system, system trust, certification	Collective society, crowdfunding system, government, business infrastructure	'*I'm much more afraid that we've not yet built what is truly compelling to customers. I'm worrying much more about the customers not being satisfied rather than about the big banks catching us.*'	67	115

Table 23: Coding book excerpt of the definition of the forms of trust

	Individual Trust	*Organizational Trust*	*Institutional Trust*
CF Pitch 1	12.35%	49.84%	37.81%
CF Pitch 2	20.69%	53.16%	26.15%

Table 24: Distribution of forms of trust in both pitches (relative of 100%)
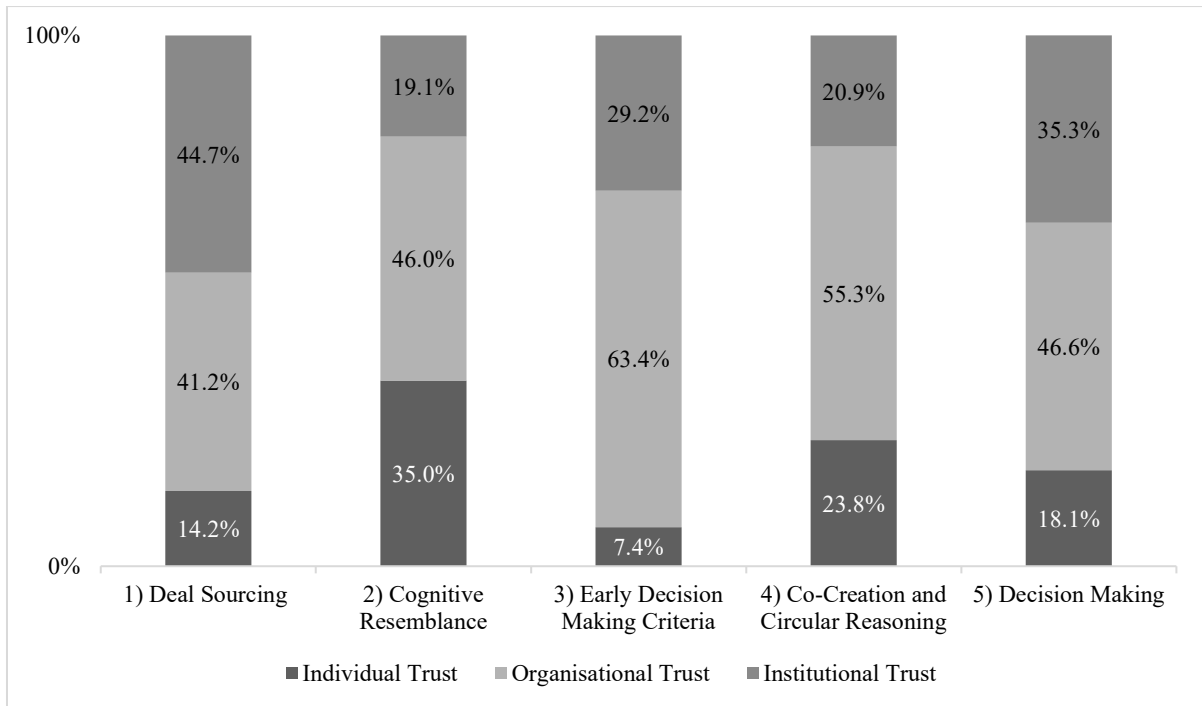
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Figure 10: Distributions of discursive foci in trust forms throughout the different phases of crowdfunding (relative of 100%) (source: authors)
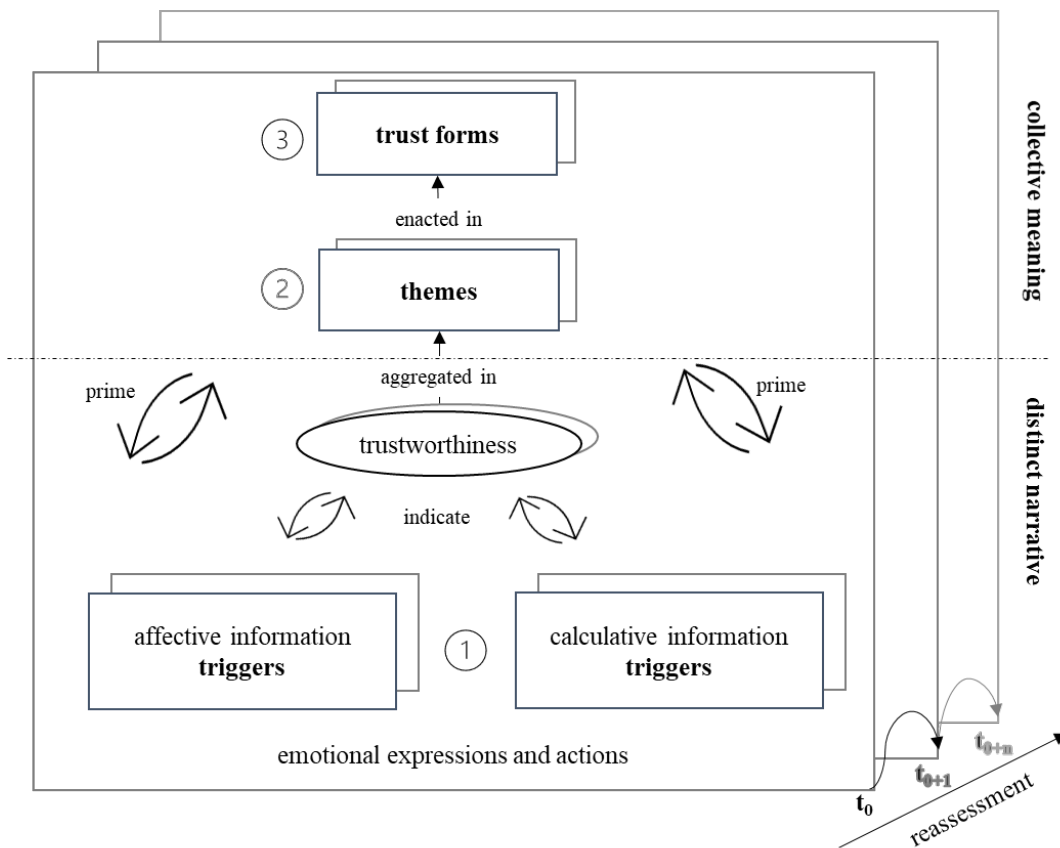

Figure 11: Dynamic Trust building via Triggers and Themes (developed by the authors)
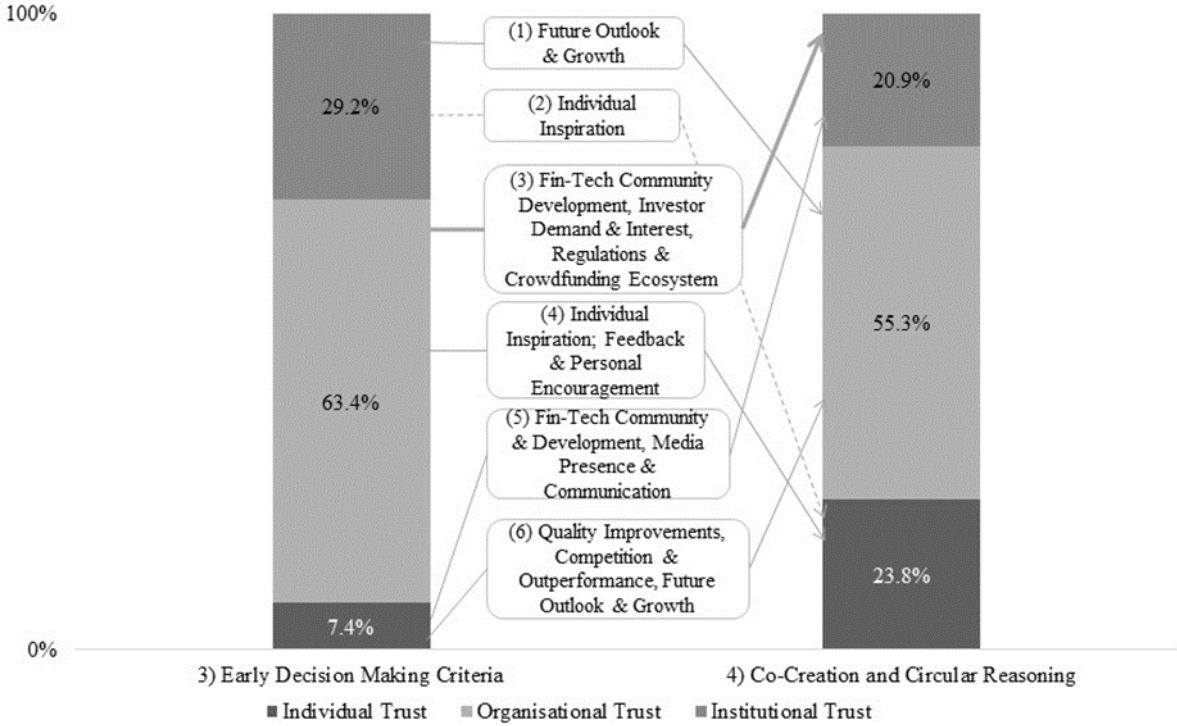
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Figure 12: Bundles of Discursive Themes from Phase 3 to 4 (trust forms are presented relative of 100%)

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Evoking the Leap of Faith online: An Exploration of the inner workings of Trust Signals

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ABSTRACT

Research has so far largely overlooked trust building processes in online contexts. Specifically, while previous research has shed light on relevant signals as antecedents, little attention has been paid to how such signals are actively induced in one-way communication – that is when no prior interaction is given, and reactions cannot be observed immediately. This paper addresses this gap by adopting Goffman's logic in Presentation of Self (1959). I explore how cues and dramaturgical mechanisms are used to evoke signals which relate to three dimensions of trust: ability, benevolence, or integrity. I analyze 19 campaign videos on the largest reward-based crowdfunding platform – Kickstarter – and extract bundles of visual and verbal cues that are enacted via dramaturgical mechanisms. This leads me to three dramaturgical strategies that foster online trust, in particular the leap of faith. The study contributes to trust literature by offering early evidence into how the leap of faith is created online and by providing insights into the creation of trust signals. It also contributes to crowdfunding literature by a more nuanced understanding of signaling.

Keywords: trust, online trust, leap of faith, crowdfunding, performativity, Goffman

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INTRODUCTION

Trust is considered an important facilitator of relationships. Extant literature suggests that trust is the behavioral result from an evaluation of affective and cognitive antecedents that relate to an individual's or organization's characteristics, the means of communication and social embeddedness (for an overview see Baer & Colquitt, 2018; and Fulmer & Gelfand, 2012). Antecedents are particularly important in the early phases of a relationship - when information is still incomplete – because if chosen and referred to correctly, they reduce uncertainty and can be inducive to the so-called leap of faith (Möllering, 2001). Hence, trust research has extensively engaged with processes that relate to trust in general and the leap of faith in particular (Bentzen, 2019; Brattström, Faems, & Mähring, 2019; Grimpe, 2019; McEvily & Zaheer, 2004; Nikolova, Möllering, & Reihlen, 2015; Pratt, Lepisto, & Dane, 2018; Schilke, Wiedenfels, Brettel, & Zucker, 2017; Six, Nooteboom, & Hoogendoorn, 2010; Sydow, 2006). However, there is a knowledge gap on how these processes work in online settings.

Online trust differs from face-to-face trust in that as partners can be globally dispersed and reactions to cues are often only observable with a time lag, both of which imply higher uncertainty (Beldad, De Jong, & Steehouder, 2010). Subsequently information systems scholars have started to look at the kinds of trust antecedents that are relevant in online contexts (Gefen, Benbasat, & Pavlou, 2008; Hoffman, Novak, & Peralta, 1999; Pan & Chiou, 2011; Ridings, Gefen, & Arinze, 2002). In addition, organization theory scholars have identified crucial factors for situations of restricted information access or no interaction history (Breuer, Hüffmeier, Hibben, & Hertel, 2020; McKnight, Cummings, & Chervany, 1998; Meyerson, Weick, & Kramer, 1996). Besides individual characteristics (see the seminal work of Mayer, Davis, & Schoorman, 1995) they suggest for instance tattoos (Timming & Perrett, 2016), work-place settings (Baer et al., 2018), or specific texts and messages (Boyd, 2003; Sonenshein, Herzenstein, & Dholakia, 2011) as important trust inducing signals.

Interestingly, despite the agreement of online and offline trust research that signals are important antecedents – in particular for the leap of faith – it seems that trust research has so far widely ignored how such signals are created. That is surprising insofar as the signals do not only confer substantial information but foremost are employed to portray contextually specific and situationally relevant meanings via which uncertainty can be reduced (Bauman & Bachmann, 2017; Castelfranchi & Tan, 2001). Hence, when reactions to presented information are not always immediately observable, for example due to the globally dispersed actors in online contexts (Fisher, 2019; Lehner & Harrer, 2019), it is the implicit meaning in the initially

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chosen signals that largely determines whether one engages in a relationship now and in the future (Goffman, 1959; Manning, 2008).

The purpose of this study thus is to shed light on how meaning is created online in order to reduce uncertainty and to evoke the leap of faith. By building on the logics of Goffman's (1959) Presentation of Self in Everyday Life I explore the combinations of cues and mechanisms that are used to evoke trust signals. I do so in the online context of crowdfunding because actors are widely dispersed and often share no interaction history (Bi, Liu, & Usman, 2017; Lehner & Harrer, 2019; Mollick, 2014) and the idea is usually presented in a short video where visual and non-visual cues are crucial to attract investors (Herzenstein, Sonenshein, & Dholakia, 2011; Parhankangas & Renko, 2017; Rawls, 2002; Scheaf et al., 2018). I specifically ask which dramaturgical performances are employed and how these performances relate to trust inducing signals.

The paper proceeds as follows. First, I review current knowledge about trust antecedents in both offline and online contexts. Second, I analyze the pitches of 19 reward-based crowdfunding campaigns according to cues, dramaturgical mechanisms, and trust signals. With this I finally contribute to trust literature by presenting three main dramaturgical strategies how the leap of faith is created in one-way online communications and which signals are most relevant in online one-way communication. I also add to crowdfunding literature by providing more nuanced suggestions on how to design pitches.

THEORETICAL MOTIVATIONS

Offline Trust

Despite the definitional ambiguity of trust (Misztal, 1996), multiple scholars point at trust as the positive expectation regarding one's behavior, which involves an element of risk-exposure to the self (Giddens, 1990; Kroeger, 2019; Lewicki & Bunker, 1996; Lewicki, McAllister, & Bies, 1998; Lewis & Weigert, 1985; Rousseau, Sitkin, Burt, & Camerer, 1998). The seminal work of Mayer et al. (1995) summarizes trust under "the willingness of a party to be vulnerable to action of another party based on expectations" (p. 712). Alongside this definition of trust, Mayer et al. (ibid) suggest that Ability, Benevolence and Integrity (ABI) are three key dimensions that signal trustworthiness of the trustee and create positive expectations that lead to trustful behavior.

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As such, expectations develop and are aligned based on certain antecedents (for recent overviews see Baer & Colquitt, 2018; Fulmer & Gelfand, 2012). These can be for example the characteristics of the trustee (such as ABI) (Mayer et al., 1995) and the trustor (such as trust propensity) (Colquitt, Scott, & LePine, 2007), but also social networks (Ferrin, Dirks, & Shah, 2006; Granovetter, 1985), institutions (Lane & Bachmann, 1997; Zucker, 1986) and cultural or contextual specificities (Ferrin & Gillespie, 2010; Wright & Ehnert, 2006, 2010). While antecedents, their combinations and their effects are manifold depending on who the interacting parties are (Fulmer & Gelfand, 2012), all can be subsumed under either cognitive or affective trust bases.

Antecedents that relate to cognitive bases of trust (such as ability and competence) are mostly manifested in observable behavior and relate to signals around concrete knowledge and good reasons (Colquitt et al., 2007; Dirks & Ferrin, 2001). In comparison, antecedents relating to affective trust bases reflect incomplete and implicit knowledge, and are manifested in reciprocated values and feelings demonstrated via acts of benevolence (such as being helpful or supportive) and integrity (such as holding a promise, or being inclusive, fair and ethically correct) (Fulmer & Gelfand, 2012). Both, cognitive and affective trust bases are essential in evoking trustful behavior.

However, these trust bases alone do not fully explain the so-called leap-of faith – that is the initial deliberate risk-taking in the absence of complete information and good reasons in a new relationship (Bradford, Sargeant, Murphy, & Jackson, 2017; Möllering, 2001, 2006). While "possessing" cognitive and affective antecedents is the fundamental base, other factors such as situational normalcy and familiarity with the situation are essential in the creation of the leap of faith as well (Baer & Colquitt, 2018). For example, in their study of parental and professional communication about MMR vaccination Brownlie and Howson (2005) show that the leap of faith is generated through good reason, relationality and suspension. More recently, Nikolova et al. (2015) state that the leap of faith is created around three social practices. First, signaling ability and integrity to provide good reasons and develop further interaction. Second, demonstrating benevolence to align expectations and third, genuinely displaying emotions and establishing a connection to assess and demonstrate personal fit (Gardner, Fischer, & Hunt, 2009).

Similarly, Grimpe (2019) and Pratt et al. (2018) regard the leap of faith as an active process to reduce uncertainty. In their study of firefighters, the latter identify first supporting dynamics, which resemble around identity elements that entail moral codes and help accept uncertainty by

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giving them a label or some other form (p. 18). Second, they identify sustaining dynamics, which manifest the stickiness of the prior labels over time. New information is systematically ignored, and existing tasks and occupational conditions strengthen the predominant labels – not least because they sustain and further personalized knowledge.

Slightly more critical, Gawley (2007) even positions trust and the leap of faith as a tactical performance. Building on Henslin's (1968) cab driver study and looking at an University Administration, he suggests four development tactics: 1) being visible, which particularly relates to the display of confidence; 2) expressing sincerity and personalization, which implies a particular awareness to contextual sensitivities; 3) showing the face, where negotiating and maintenance of an actor's positive social value takes place (Goffman, 1967); and 4) establishing routine activity, which implies displayed normality (Misztal, 2001).

The above studies focus on processes and activities that are important for a leap of faith when information is incomplete. Other works also show the importance of language when experience is missing (Sonenshein et al., 2011), evaluated the dissonant effects of media and signals (Timming & Perrett, 2016; Tsankova et al., 2012), discussed the effects of work settings on newcomers (Baer et al., 2018), or investigated facial expressions as cues (Oosterhof & Todorov, 2009; Stirrat & Perrett, 2010). Hence, extant literature suggests that trust is a behavioral consequence of the evaluation of cognitive, affective, and situationally and contextually relevant trustworthiness signals. It further indicates that certain signals, such as facial expressions, are particularly conducive in influencing such evaluations.

While the above works certainly provide significant insights into the creation of trust, and in particular the leap of faith, most of the studies are situated in a face-to-face setting where the audience comprises a narrow and known group of people and focuses on situations where the response to signals is immediately visible. In this paper I postulate, that this tilt in trust research is particularly problematic in online settings, because in such settings the effects of signals can often only be observed with a time lag (Beldad et al., 2010). Hence, instead of engaging in interactions, the leap of faith appears to be evoked via a stage-like performance in which cues are presented in a one-way fashion to induce specific (positive) reactions (Boyd, 2003; Goffman, 1959; Tsankova et al., 2012). Clearly certain antecedents (i.e. signals) matter, yet it is still unclear how they are evoked in online performances.

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Online Trust

A growing body of research is looking at online contexts and online trust in particular (Bruneel, Spithoven, & Clarysse, 2017; Urban, Amyx, & Lorenzon, 2009). In online contexts more people can be reached and an increased responsiveness via online media is possible (Etter, Ravasi, & Colleoni, 2019; Fisher, 2019; Leonardi & Treem, 2020; Nambisan, Lyytinen, Majchrzak, & Song, 2017). Such increased interactions can enhance perceived trustworthiness – despite interactions with strangers (Ridings et al., 2002). However, research also shows that online contexts increase uncertainty due to the almost explosive multiplication of available information, and the sheer endless complexity to evaluate all of it for its trustworthiness (Beldad et al., 2010; Hart & Saunders, 1997; Luhmann, 1979). Hence, online trust can broadly be defined as an "[…] expectation in an online situation of risk" (Beldad et al., 2010: 860).

Despite its peculiarities, conceptual foundations of online trust are similar to those of trust in face-to-face settings (Bhattacherjee, 2002; Gefen et al., 2008). Building on the original notion of ABI trustworthiness dimensions (Mayer et al., 1995), Gefen and Heart (2006) evaluate consumer trust in an e-commerce setting and show that integrity affects intentions to engage in a purchase, and ability relates to inquiries about product. In addition, benevolence is found to have stronger effects on price premiums (Pavlou & Dimoka, 2006). That is, because benevolence-based trust suggests higher perceived control for the buyer (and lower perceived risk). Indeed, when trust is built on benevolence, buyers are more likely to accept vulnerability to potential product misinterpretations (Jiang & Benbasat, 2004, 2007).

Antecedents of online trust are also similar to those of face-to-face trust. Sociology suggests that situational normalcy is essential in reducing complexity (Beldad et al., 2010; Luhmann, 1979). Other research fields such as information systems or marketing highlight feedbacks and stories (Banerjee, Bhattacharyya, & Bose, 2017; Pavlou & Dimoka, 2006), graphical elements (Kim & Moon, 1998), transparent and correct provision of information (Bart, Shankar, Sultan, & Urban, 2018; Vos et al., 2014), perceived control (Jiang & Benbasat, 2004), perceived task complexity (Grabner-Kraeuter, 2002), and perceived familiarity with the vendor or the website (Gefen, 2000) as critical elements to induce various bases of trust.

Similar to face-to-face trust, antecedents of online trust mainly resemble around cognitive and affective trust bases. Affective factors are highlighted as particularly important in a virtual environment as they help to depict "human warmth and sociability" (Bauman & Bachmann, 2017: 73; Hassanein & Head, 2007: 690). Creating such affective normalcy is critical in online

contexts as it allows emotional engagement (Melo, Marsella, & Gratch, 2016). Literature also agrees on the active role of participants in disseminating the right cues (Stewart & Pavlou, 2002). In this vein, Gefen and Straub (2004) and Stewart (2003) suggest that social presence (e.g. showing photos of people if these are not already present) increases trust. However, the sole presence of photos does not secure trust. Rather it is meaning that such photos intend to evoke that matters (Riegelsberger, Sasse, & McCarthy, 2003).

Reflecting on the above, it appears that online trust operates similarly to offline trust. However, research on online trust is mainly conducted in an e-commerce setting, where the presented antecedents are primarily delegated towards the appearance of website interfaces and product characteristics (Beldad et al., 2010). This tilt in research is restricting, because online contexts are increasingly often structured as communities instead of a dyadic seller/buyer relationship (Fisher, 2019). What is more, just as we have seen in the earlier section on offline trust, while research explains what signals constitute relevant trust antecedents in new relationships online, it does not yet cover aspects of meaning creation in and around such signals.

These are significant deficits in trust research, in particular regarding the leap of faith, as online contexts increasingly challenge dyadic relationships where reactions are immediately observable, thus projecting increased importance onto the meaning the signals present (Etter et al., 2019; Fisher, 2019). It is thus the purpose of this paper disentangle how the leap of faith is created in an online context that is not e-commerce. I do so by exploring the inner workings of trust-evoking signals by looking at the (somewhat dramaturgical) presentation of cues (Goffman, 1959; Iedema, 2016; Meyer, Jancsary, Höllerer, & Boxenbaum, 2018). For this I propose the following conceptual model:

INSERT FIGURE 1 ABOUT HERE

CROWDFUNDING AS RESEARCH CONTEXT

Crowdfunding denotes a funding approach for ventures, where many non-institutional individuals provide small amounts of funding (Lehner & Harrer, 2019). Entrepreneurs pitch their ideas online on so-called crowdfunding platforms to the wider public with the aim of raising funding (Belleflamme, Lambert, & Schwienbacher, 2014; Mollick, 2014; Murray, Kotha, & Fisher, 2020). Crowdfunding can be either executed via a marginal equity investment, in form of a loan, by donating, or by investing money for a tangible reward (Allison, Davis, Short, & Webb, 2015; McKenny, Allison, Ketchen, Short, & Ireland, 2017). Reward-based

crowdfunding in particular grants the presentation of ideas and values transferred in videos and texts center-stage because financial rewards for investors are absent (Nielsen & Binder, 2020; Wuillaume, Jacquemin, & Janssen, 2019). Thus, given its reliance on the support of widely dispersed actors and its peculiar nature, reward-based crowdfunding is a particularly apt context to address the above gap in trust research.

An abundance of the crowdfunding literature acknowledges the importance of signals. Steigenberger and Wilhelm (2018) highlight that the interplay of substantive (i.e. high quality attributes) and rhetorical signals is crucial in obtaining financing. Centorrino, Djemai, Hopfensitz, Milinski, and Seabright (2015) suggest that perceived authentic expression of emotions and moods benefits a positive funding outcome. In addition, Gafni, Marom, and Sade (2019) point at the importance of the person of the entrepreneur. Trust increases towards a project when the entrepreneur is mentioned or shown more often, because symbolic actions around the entrepreneur as a professional are positively related to resources acquisition (Zott & Huy, 2016).

Moreover, crowdfunding scholars have increasingly acknowledged the relevance of communication modes and presentation of information (Shneor & Vik, 2020; Wuillaume et al., 2019; Yang, Li, Calic, & Shevchenko, 2020). For example Thapa (2020) suggests that a mix of texts and videos is most effective in obtaining funding. Scheaf et al. (2018) find that video quality has a positive effect on crowdfunding performance by shaping the impressions that potential investors receive. Similar statements underscore the relevance of the pitch video. Parhankangas and Renko (2017) note that "these videos are […] where early-stage entrepreneurs are increasingly involved in the theatrical pitching of their projects to various audiences. […] How they deliver the message matters" (p. 215). Hence, while the above studies highlight the importance of signals in crowdfunding, particularly in the video, they do not suggest how these are created by the entrepreneur. For a notable exception see the study of Radoynovska and King (2019) who suggest through enhancing likeability authenticity perceptions are reinforced and hence funding outcomes are positively affected.

In this paper I aim to explore how the information shared is infused with meaning. I look at the mechanisms via which entrepreneurs present various cues and by that create signals. I then relate them to signals associated to trust dimensions and by that associate meaning creation via cues and mechanisms to trust bases of (Mayer et al., 1995). By that I aim to provide insights into the black box of how meaning is created in order to evoke the leap of faith.

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METHODOLOGY

Knowledge into how meaning is created online is limited, hence the research design of this paper follows an interpretative paradigm (Burrell & Morgan, 1979; Edmondson & McManus, 2007) accompanied by explorative methods (Gehman et al., 2018; Graebner, Martin, & Roundy, 2012; Merriam, 2002). Moreover, the inductive nature of trust based on communication also calls for explorative, yet structured approaches (Lyon, Möllering, & Saunders, 2015). The relevance of signals builds upon values and social interaction, which strongly relies on communication of individual cues (Eisenhardt, Graebner, & Sonenshein, 2016). Such communication is also what constitutes trust (Fulmer & Gelfand, 2012; Luhmann, 1979). Thus, a study that looks at the constant ping-pong between individual and collective meaning is able to explore both what constitutes signals (Berger & Luckmann, 1967) and what determines trust.

Data Collection

My analysis focuses on the pitch videos of 19 reward-based crowdfunding campaigns. The number of cases emerged as a mix between selecting best-in-class and representative campaigns and an iterative process between the sample and coding (Denzin & Lincoln, 2005). The data I build on is of secondary nature, that is I retrieve videos from the largest reward-based crowdfunding platform Kickstarter in 2019 (Kozinets, 2015; Mollick, 2014).

I only collect campaigns that are successfully funded, regardless of their funding goal. That is because, if successful, enough investors have been convinced to back the project and money is actually transferred, thus implying a behavioral responsibility from both sides (Szerszynski, 1999). The videos also needed to represent the first pitch of the respective entrepreneur (no former interaction history on the platform Kickstarter or any other) in order to engage with forms of the leap of faith (Bradford et al., 2017; Pratt et al., 2018). Research also suggests that individual identities are created via the presentation of the self (e.g. Bullingham & Vasconcelos, 2013) which is in constant interchange with other background factors or activities. Hence, the campaign videos needed to feature at least one entrepreneur as a central actor and depict various activities around the venture. Each of these initially selected projects were ascribed an individually specific reference number.

The sample includes various sectors; the initial intention being to compare specificities (Tillmar, 2015). However, I noticed that the sector did not have a significant impact on the presentation of self (frequencies are showing similar patterns throughout all sectors). That

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might be because it is the venture classifications (e.g. social enterprises vs. commercial) that can be more influential (e.g. Parhankangas & Renko, 2017). Kickstarter is not a platform for social enterprises hence this study does not cover aspects of venture classifications. Other selection criteria were for example the length of videos, which needed to be at least 60 seconds (so that an actual performance was observable).

The above criteria lead me to a representative sample of 22 campaigns. After a first full coding round I re-assessed the selected campaign videos for potential errors. I eliminated three campaigns that were structured in the form of interviews only and did not present any movement or interactions (Goffman, 1959). In order to validate the exclusion of the campaigns as irregularities in my data only, I once again went back to Kickstarter and evaluated the relative relevance of such campaigns. Hence, my final sample includes 19 campaign videos, from which I retrieve 150 datapoints (i.e. observations). The average investment of the backers was € 155 and the average funding goal was € 49.627. The campaigns cover western countries (80% USA and 20% Europe). A detailed list of the selected cases and relevant statistics can be found in online Appendix A.

Data Analysis

In order to understand how entrepreneurs intend to evoke the leap of faith via their video representations, I build three sets of codes. I 1) inductively extract cues used, 2) deductively explore dramaturgical mechanisms used, and 3) inductively (yet theoretically informed) extract trust signals. In doing so I follow the logic of Goffman's Presentation of Self (1959). As outlined above, multiple scholars have argued that online communication leads to more interaction (e.g. Etter et al., 2019). This interactive potential is also what makes online contexts suitable for an analysis in Goffman's sense (Miller, 1995). Indeed, prior works have also transferred Goffman's work to scrutinize online or video representations (Bullingham & Vasconcelos, 2013; Goffman, 1959; Jones, 2006; Laughey, 2007; Rawls, 2002).

Goffman compellingly describes how so-called performances, which are bundles of various expressions (i.e. cues) such as gestures, postures, or verbalizations, are used to provide the audience with a credible picture of a self (Denzin, 2002; Drew & Wootton, 1988; Freidson, 2019). By performing for the audience, actors engage with meaning creation – for instance with what it means to trust an individual or an organization (Freidson, 2019; Manning, 2008).

As part of the first set of my codes I thus inductively identify cues which entrepreneurs use in their videos. I follow Braun and Clarke (2006) and build structures based on meaningful

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units (i.e. video sequences). Whenever I was able to see a distinct expression (for example mimics, body language or activities as such) I would capture the essence of it in a code and complement these codes with a brief description. For example, an activity was initially coded as "walking" or "eating", and it was briefly noted what exactly the actors did. In a second round of coding I then started to aggregate the extracted micro-level codes into more aggregate first-order labels (Graebner et al., 2012; Mayring, 2004). For instance, when initially observed codes were "walking" or "eating", these would be labelled as Action. After having completed this aggregation for all 19 cases, I engaged in a discussion with the second coder, where we identified some overlaps between the first-order codes. For example, sometimes Stage Sets were coded as Requisites. By discussing how things were used and what role they played in the situation (passive/minor for stage set, active/primary for requisites), codes were adapted accordingly (O'Connor & Joffe, 2020). This discussions and another final round of coding by myself led to six verbal and visual cues that underpin performances (Goffman, 1959; Meyer et al., 2018): Actions (AC) (20%), Body Language (BL) (12%), Linguistic Style (LS) (8%), Requisites (R) (16%), Stage Set (SS) (18%) and Verbalization (V) (26%).

While expressions (cues) are important for Goffman, he also distinguishes between the public front-(stage) and the private back-(stage) engagement with the information (Goffman, 1959; Tseëlon, 1992). Most performances happen in the front-stage region, where the actor deliberately puts cues – e.g. facial expressions – forward to actively create and maintain a situation (Drew & Wootton, 1988; Freidson, 2019; Tseëlon, 1992). Goffman further describes back-stage regions, which focus on ("support") work and activities around the main performance. Examples are different types of clothes, other minor equipment, or colorful walls. These might either be used less knowledgeable or invoke meaning more subliminally (Drew & Wootton, 1988). The back-stage region is used to create illusions and impressions effectively and openly. Finally, off-stage regions project a reaction of the audience and thus imply a reflection on front-stage and back-stage performances from the actors him-/herself.

Hence, it is not only the cues selected that matter, but also how these are presented (or performed). The second set of codes aims to capture this how. I deductively code so-called dramaturgical mechanisms, which build on Goffman's (1959, pp. 32) six performance parts (table 1). These performance parts help actors to direct meaning creation in a specific direction (i.e. they might evoke positive or negative feelings). Thus, the dramaturgical mechanisms which I identify describe the broader category of activities while an actor is present "on stage"

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(Goffman, 1959: 32). Each of the mechanisms is attributable to Front-, Back- and Off-stage settings. See Appendix B1 for details.

INSERT TABLE 1 ABOUT HERE

I start by analyzing a couple of videos, where I ascribe a mechanism to how the self is presented. That is, I aim to locate whether the activities are performed by focusing on the person of the entrepreneur, or whether activities are revolving around other contexts and tools. In this initial approximation, I note the most important characteristics that emerge around each operationalization. I then refine these descriptions of characteristics in an iterative process (Glaser, 1978). By doing so I also amend the operationalizations. For example, while having known that the mechanism Self resembles around the societal role of the entrepreneur (Gafni et al., 2019; Goffman, 1959), it only gradually emerged that authenticity (O'Neil, Ucbasaran, & York, 2020; Radoynovska & King, 2019) constitutes a major part of this mechanism. I then assign each mechanism to front-, back- and off-stage regions.

In the last and third set of codes, I explore the signals that are addressed by cues and mechanism combinations. Signals are standalone constructs that carry implicit meaning (Ducasse, 1939). Hence by analyzing which signals are addressed by performances as of Goffman (1959), the totality of implicit meaning in a given situation is captured (Connelly, Certo, Ireland, & Reutzel, 2011; Goffman, 1981). By further comparing such signals to trust-related signals (e.g. Mayer et al., 1995), I am able to identify which aspects of trust are intended to be addressed with the chosen performances.

To identify the signals I once again go back to the extracted video sequences from the prior coding sets (Braun & Clarke, 2006; Miles & Huberman, 1994) and again inductively build first-order signals which I then aggregate into second-order signals. These were then discussed with a second coder (O'Connor & Joffe, 2020). For example, a meaningful unit that refers to going to desired places because of the introduction of the product is labelled as signal of Aspiration. That is because the founder described a desired place and explains the (private) reasons for wanting to go there [1001, 00:50]. The signal Aspiration was then subsumed with others (e.g. Geographical Roots) under Authenticity. As a final step I compare the found second-order signals to relevant trust signals from literature (Fawcett, Jin, Fawcett, & Magnan, 2017b; Six et al., 2010), all of which relate to either Ability, Benevolence or Integrity dimensions (Mayer et al., 1995). This produced 13 trust inducing signals. Details about the signals can be found in online Appendix B2. An exemplary coding can be found in Appendix C.

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FINDINGS – CUES AND MECHANISMS IN USE

The section outlines which cues and mechanisms are adopted to signal three dimensions of trustworthiness – Ability (A), Benevolence (B) and Integrity (I) (Mayer et al., 1995). In line with previous works (e.g. Fulmer & Gelfand, 2012), the findings indicate that Integrity is the most important trust base (67% of all codes can be allocated to it). The second most important trust base is Ability (20%) and Benevolence (13%) is third. This is interesting in so far, as benevolence as the expectation of doing good would seem to be of particular importance. Previous research however also notes such tendencies, as benevolent activities are particularly difficult to portray (Nikolova et al., 2015). The signals that are of most importance are Skills (A) (14%), Authenticity (I) (13%), and Responsibility (I) (12%), whereas Sociability (I) (1%), Positivity (I) (1%) and Loyalty (B) (less than 1%) are of least importance (in my final analysis I then only consider signals with a relative overall relevance of >3%). The focus of female founders is on Authenticity and Emotions, whereas male founders predominantly use the signals Skill and Seriousness (see Appendix D). Based on the above I will now outline three strategies (figure 2) which are used to evoke meaning around Ability, Benevolence and Integrity dimensions of trustworthiness (Mayer et al., 1995).

INSERT FIGURE 2 ABOUT HERE

Ironically Conscious

The ironically conscious is an active strategy, where front-stage mechanisms are most present. On the one hand, visual cues are used in combination with the Dramatization and Idealization mechanism to describe (or materialize) general yet important features of the product or company (Meyer et al., 2018); this is evident in those campaigns where the purpose of the product is depicted (AC) [1001] and prizes or recognitions are shown (R) [1034]. On the other hand, visual cues are presented in the Front and Idealization mechanisms, for example when an entrepreneur puts himself or herself in the front and uses body language (BL) to complement skills and product features, e.g. standing solidly on the ground [1020] or showing pride in the form of a smile [1048].

Mayer et al. (1995: 717) describe ability as related to a group of skills, competencies or characteristics that facilitate influence in a specific domain. Hence, the trust inducing signals that are being referred to in this strategy are Skills (73% of all observations within Ability) and Self-consciousness (27%). Skills are primarily evoked via combinations of Actions (AC) as well as Requisites (R) alongside the Dramatization and Front Mask mechanism. These are

complemented by Stage Set (SS) and Verbalization (V) cues in combination with the Idealization mechanism.

This becomes evident via for example actively showing (AC) – that is using - all possible functions of the product and how it fulfils its purpose; for example, there were numerous demonstrations of how exactly the pillow in the Comfy Night project would solve back and sleeping problems [1014]. Entrepreneurs also portray the final product after having described its effects [e.g. 1006, 1025, 1032], or "use" (R) other people (such as established experts in the field of fashion [1027], or people working for Kickstarter [1001]) as sparring partner to discuss and exemplify effects of the potentially successful campaign with. In Goffman (1959) other actors who only support the conveyance of a message are regarded as part of the requisites used. That is, they are brought onto stage to showcase the facts more reliably. Furthermore, by showing a newspaper article (R), the founder of a Bakeshop [1045] indicates her ability to run a successful restaurant/bar.

While the Dramatization and Front Mask mechanisms are used to portray and solidify essential features of a product, the Idealization mechanism is used to add societal relevance. For example, the entrepreneur is displayed as the protagonist who is limited in his/her work as he/she suffers from a lack of funding. That feeling of suffering is created by sad music and a rather dark color choice (SS) [1002]. What is more, when entrepreneurs verbalize (V) statements around how they engaged with their potential customer base to develop the product via statements such as "we´ve studied all these problems for a long time" [1014], or „I've been working on this sector for over 15 years" [1040] -, or in the case of an arts project they verbally (V) compare their work to other movies [1002, 1006]. By providing such evidence, the societal fit of the product is signaled.

Thus, by combining substantial product related signals with a statement on market research activities and covering different (often hidden) attributes of the entrepreneur or product – for example the suffering – via the choice of setting, the signal of Skill is powerful. It offers the potential investor not only factual evidence that is consciously presented, but also opens up some room of interpretation around specific attributes (Steigenberger & Wilhelm, 2018). Hence, not imposing factual certainty over the audience, but instead providing them with just enough evidence to enable a good reason decision (Möllering, 2001).

The signal Self-consciousness, which is primarily evoked by using Body Language (BL) and Requisites (R) in combination with Front Mask mechanism, helps create this interpretative

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room for reasoning. Entrepreneurs proudly and present the supposedly amazing product [1039]. It can be substantiated by using fingers to count [1037] and strong mimics or gestures to appear taller and happier [1031, 1048]. Such body language is relevant in that as trust on the one hand is tightly linked to self-consciousness (to be able to judge correctly) (Anfang & Urban, 1994: 4) and crowdfunding on the other hand requires entrepreneurs to believe in their product (Kuppuswamy & Bayus, 2018).

Hence, as described earlier, Goffman (1959) mentions the importance of intention. That is every expression (cue) and mechanism is performed in a way to evoke specific reactions and to drive a potential relationship into a specific direction (Manning, 2008). The above characteristics pinpoint the ironically conscious as an active strategy whereby the entrepreneur visually provides good reasons to support the venture. Status is a major (structural) aspect in transferring the necessary legitimacy both at the beginning and at the end of a campaign (Frydrych, Bock, Kinder, & Koeck, 2014; Goffman, 1959). In addition, dramaturgical discipline (i.e. the control of mimics, reflected in the presence of the cue BL) is employed to highlight the presence of the mind (Goffman, 1959: 210).

Looking ahead

Second, the looking ahead strategy is primarily enacted in front-stage, yet often in combination with off-stage thought experiments. In this strategy verbal and visual cues are primarily combined with the Dramatization and Idealization mechanisms to demonstrate the entrepreneurs' mission and involvement, for instance when discussing (V) the intentions and efforts to succeed in the endeavor as a team [1034; 1048]. Entrepreneurs also frequently use the mechanism Mystification to allow for situational normalcy to develop (Luhmann, 1979; Misztal, 2001).

Benevolence can be understood as the extent to which the trustee is believed to want to do good (Mayer et al., 1995). Literature suggests that it implies a specific attachment to trustor (as for example seen in a mentor/protégée relationship). Identifying benevolence usually refers to looking for motives and intentions within specific relationships. The signals that are addressed are Involvement (58%), Positivity (29%) and Reliability (13%).

The signal of Involvement is predominantly evoked by a combination of verbalization (V) and the mechanism of Dramatization and Mystification. For example, the founder of a shoe company reaches out to the community by saying (V) "and now Kickstarter we´re asking you for your help" [1048]. By emphasizing the importance of help and togetherness in this very

moment, he relies on the Dramatization mechanism to somewhat ironically highlight the necessity of the funders' support. Similarly, despite active and explicit calls for it in the video, the way in which people may participate in an online dance show is open for interpretation (V) [1033]. The usage of the mechanism Mystification might also be an indicator why the benevolence trust dimension is difficult to capture in empirical work (Hosmer, 1995; Nikolova et al., 2015), as it opens up an opportunity space for signification of social good. The opportunity space is the mind of the audience and the cues and mechanisms are used to project a certain picture.

Similar meaning creation dynamics are replicated for the signal Positivity. This signal also builds on the Mystification mechanism in combination with (BL) where the entrepreneur actively points at the team as a family, thus reveling into projections of what family means (Luhmann, 1979). Similarly, verbalization (V) to explain how products not only benefit the consumer, but in the case of a vegan meat substitute product it would also benefit piglets [00:21:00].

Another way to signal Involvement by using the Dramatization mechanism is when an entrepreneur projects social media stories of connoisseurs who tested their product live in the background (SS) while he is explaining them [1037]. At the same time the signal Positivity is Dramatized via the usage of the stage-set (SS). Employees wear the product (a bikini) even at their workplace [1047], or the projection of a happy couple sleeping together in the bed, which is situated in a showroom [1014]. Potential trustors are invited to engage in thought experiments involving a world where the product exists, and the mission is fulfilled [1033]. The subsequent aim is to further exemplify this positive feeling by using appropriate stage sets (SS) [1014].

Hence, positive effects are purposefully stretched into a non-conventional setting to somewhat ironically project the positivity. That is interesting insofar as the lift out of a normal setting might focus the attention on the essential attributes, but simultaneously does not impose a strong substantial signal which can be transformed into cognitive forms of trust easily (Steigenberger & Wilhelm, 2018). Benevolence therefore relies on the pathos of what is right.

Such characteristics essentially aim to promote the relevance of the product and depict the result users can expect to receive (Nikolova et al., 2015). Goffman (1959) refers to dramaturgical loyalty as an attribute that potentially prevents the bad; following this logic, the continuing emphasis on the team and community and a focus on the shared view of the future (together)

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guides the audience's attention towards the positive attributes and consequences (Murray et al., 2020).

Realist bonding

Third, the realist bonding strategy combines the benefits of both front-stage representations and off-stage thought experiments. Visual cues (e.g. AC, BL and SS) are combined with the Dramatization and Front Mask mechanisms to demonstrate create a unified understanding of the product and the intention behind it (Xiao, 2020). The Self and Realization mechanisms are mostly combined with the verbal cue (V and LS) and visual cues (AC) to convey emotions and values that back up the prior intentions (Moysidou & Spaeth, 2016; Tonkiss & Passey, 1999; Wuillaume et al., 2019). Integrity is evoked by creating intimate back-stage moments, and at the same time by demonstrating a present self that does not deviate from the identity projected in the backstage.

Integrity refers to the trustee's adherence to a set of principles that the trustor also finds acceptable (Mayer et al., 1995; McFall, 1987). Factors such as value congruence, a sense of justice or the congruence of actions with words are essential for showing integrity. The more consistent these actions are and the more they match common understandings of values, the more integer someone seems. In line with research on trust antecedents (e.g. Fulmer & Gelfand, 2012), the signals addressed most in this strategy are Authenticity (25%), Responsibility (23%), Emotions (16%), Openness (11%), Interaction (10%), Involvement (7%) and Reciprocity (7%).

Authenticity, but also Interaction, Involvement and Responsibility, are evoked by using Body language (BL) in combination with the mechanism Dramatization. That is visible when entrepreneurs open the arms that suggests sharing either pain or joy with the audience. The intention being that the film that is pitched would not only be for the entrepreneur but is intended to be for all [1021], or that the production of a movie is incredibly important to the entrepreneur and he wants to share his experiences and help others [1019, 1009]. In addition, the cue BL combined with the Front mechanism can also be used to signal Authenticity (Centorrino et al., 2015). Examples are big smiles of the entrepreneurs when they engage with their product [1049, 1042, 1034].

The same signals are also evoked by using stage sets (SS). While the cue BL is used to project intentions of the entrepreneurs, the cue stage set (SS) is used to transfer these (often future-oriented) intentions into the present. For example, the background materials are used to project the entrepreneur for example in different places or situations [1001, 1035]. That is mostly or

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the stage set is positioning the entrepreneur in a movie (which is the product pitched) [e.g. 1006], but also when the core messages are printed in bold in the background while they are described [e.g. 1012, 1032]

Stage sets (SS) are also used to depict the entrepreneur's private spaces – sometimes with their families - [1040] or childhood memories [1041], thereby creating a personal fit. For instance, Authenticity is signaled via the Front Mask mechanisms when entrepreneurs demonstrate the effects of illnesses by telling their own stories in pictures [1019], or portray the mission statement with background colors and photos [1032]. By that the entrepreneurs transfer individual intentions to the organizational level, by that implying an organizational identity via supporting dynamics (Pratt et al., 2018). Similarly, for Openness entrepreneurs outline how they aim to use the money, while they change scenery into the production facilities [e.g. 1045, 1041].

In addition, for the signals Authenticity, Interaction and Openness the findings show that it is also important to engage in actions (AC), which are presented in Dramatization or the Front Mask, to anchor identities with the venture. For instance, entrepreneurs who brew beer drink a beer and seem like they are engaging in an every-day situation [1012], which links to trust as in it creates familiarity (Luhmann, 1979). Another entrepreneur changes the name of the venture after himself by writing the name on a blackboard [1010]. This induces trust as it bolsters the individual identity (Gafni et al., 2019). Actions (AC) are also used to link the product and the arising opportunities to specific identities, for example to tech pros [1020].

While the above described cues (BL, SS and AC) in combination with the mechanisms Dramatization and Front Mask are used to create a sound impression of matching individual and organizational identities (thereby referring to a more cognitive base of trust), the cues Verbalization (V), Linguistic Style (LS) are used in combination with the mechanisms Self and Realization to portray emotional (i.e. affective) reactions (McAllister, 1995; Wuillaume et al., 2019).

The prior created personal fit is for example reinforced through the provision (V) of an economic outlook/analysis and an explanation of the impact on the venture [1004]. In addition, Emotions are evoked by saying (V) "we love the product" [1003], or by telling a story of an emotional bond about the people simultaneously shown in the background [1002]. Further examples are statements (V) such as „Our Country – America" [1037], "I always had a love for food" [10340240], „I see you then friend" [1049], or the joy which comes from feeding others"

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while explaining why she opened the bake shop [1045]. Entrepreneurs also sometimes use testimonials (R) to evoke emotions [1037]. In the case of the signal Responsibility, my findings also show that entrepreneurs speak (V) about their responsibility for society and the environment. The conversation circles around „hand crafted, local…" [1012] products and how they impact wellbeing.

An outstanding cue/mechanism combination for the signal authenticity was that entrepreneurs speaking in English as their second language, intentionally used their accent (LS) to transfer values. For example, for a French-speaking entrepreneur would deliberately refer to something in a strong accent (outstandingly stronger than in other parts of the video) [1027]. The cue LS is also often used to signal Responsibility (Park, Lee, & Kim, 2014). In combination with the mechanism Self and Mystification entrepreneurs signal their contribution to the bigger picture problem [e.g. 1002] – for example „missing the female icons – where the fuck are they"? [1043], or „make this planet green again" [1035].

In contrast Actions (AC) in combination with the Self mechanism are used to reinforce an authentic feeling. By for example reacting to a supposedly accidental finger cracking surprised with seeking emotional reassurance from the team in the video, the entrepreneurs evoke a backstage interpretation of an authentic behavior that is also tolerated or even business as usual. The goal could be that by dramaturgically creating an already observed reaction, the audience would easier take up the emotions as real and thus react more likely in the same way (Wuillaume et al., 2019).

Despite the strong presence of values in this strategy, the dramaturgical focus is on discipline (Goffman, 1959) as bonds are created via anticipated emotional involvement. Furthermore, the front-stage focus of the actions implies dramaturgical circumspection as the entrepreneur reflects a certain status and character. The sole presence of the entrepreneur thus legitimizes the values based on status, while the realist bonder further emphasizes this fit by tactfully inviting the trustee into the entrepreneur's personal space via back-stage features. Those opportunities to engage and co-create are what makes a venture successful, by establishing an emotional bond on both sides (Block, Hornuf, & Moritz, 2018; Butticè, Colombo, & Wright, 2017).

DISCUSSION AND CONCLUSION

The purpose of this paper has been to understand how trust, and in particular the leap of faith, can be evoked online. I build on existing conceptualizations that online contexts impose new interaction dynamics (Etter et al., 2019; Fisher, 2019; Leonardi & Treem, 2020; Murray et al.,

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2020) and add to research which understands that trust antecedents in such contexts operate differently than in face-to-face situations (Beldad et al., 2010; Fulmer & Gelfand, 2012). In particular, I argue that contemporary trust research, while paying attention to trust inducing signals (e.g. Baer et al., 2018; Bauman & Bachmann, 2017; Gefen et al., 2008; Timming & Perrett, 2016) and trust facilitating processes (e.g. Gawley, 2007; Nikolova et al., 2015; Pratt et al., 2018), widely overlooks the importance of how such signals are evoked via cues (one noteworthy exception is the study of Tsankova et al., 2012). In doing so, I contribute to literature in three ways.

First, my findings suggest three strategies – addressing different dimensions of trustworthiness – to reduce uncertainty and thus to induce the leap of faith online. With this I add to the emergent literature which already argues that the leap of faith can be actively evoked (e.g. Möllering, 2001; Nikolova et al., 2015; Pratt et al., 2018), and that signals are crucial devices to engage in doing so – particularly when the actors are physically and geographically dispersed (Grimpe, 2019). Inquiries into how this active evocation of the leap of faith is executed are however nascent. Hence, building on my empirical findings I suggest that the leap of faith in online contexts is a performance that focuses on the combination of cues and mechanisms (Bullingham & Vasconcelos, 2013; Goffman, 1959).

Conceptualizing the active nature of the leap of faith this paper presents three strategies in which situational and contextual factors that complement for the yet missing information and interaction are addressed (Grimpe, 2019). For example the ironically conscious strategy helps build a professional arena in which visual cues such as actions (AC) and body language (BL) in combination with the Dramatization and Front Mask mechanism make up for an entrepreneur's lack of cognitive legitimacy (Suchman, 1995). The cues are used to create inferences that address cognitive bases of reasoning (Lefsrud, Graves, & Phillips, 2019), thus aligning with the ability dimensions of trustworthiness. Furthermore, in the looking ahead strategy the cues verbalization (V) and stage set (SS) are predominantly combined with the mechanism Dramatization to evoke feelings of involvement and togetherness in the community (Bart et al., 2018; Lu, Zhao, & Wang, 2010; Murray et al., 2020). In addition, verbalizations (V) combined with the Mystification mechanism induce abstractions of these feelings into the context of the audience and by that minimize the perceived spatial distance (Beldad et al., 2010; Nikolova et al., 2015; Pavlou & Gefen, 2004). This strategy relates to the benevolence dimension of trustworthiness. The increased usage of the Mystification mechanism in this dimension might also explain why benevolence needs more time to be visible (Lui & Ngo,

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2016) and thus why research has so far struggled to capture benevolence empirically (Nikolova et al., 2015). Last but not least in the realist bonding strategy the visual cue stage set (SS) combined with Dramatization and Front Mask mechanisms, and the verbal cue verbalization (V) combined with the Self mechanism mimic the consistent evaluation of value-congruence in a face-to-face setting (Beldad et al., 2010; Parsons, 1970). They create emotional bonds by repeating and bolstering the existing information and consequently reduce risk (Bauman & Bachmann, 2017; Pratt et al., 2018). As such these performances are attributable to the integrity dimension of trustworthiness.

These findings provide further empirical evidence that in an online context the ability dimensions of trustworthiness are often related to product features (Pavlou & Dimoka, 2006), and the integrity-dimension is the most vital factor when it comes to engaging in a business relationship (Connelly, Crook, Combs, Ketchen Jr, & Aguinis, 2018). The three strategies also demonstrate how situational factors and identity dynamics around and in ABI-dimensions help induce the leap of faith in an online context (Baer et al., 2018; Pratt et al., 2018). By that the study also adds greater nuance to the emerging literature on online judgements (Baralou & Tsoukas, 2015; Etter et al., 2019) by empirically highlighting how different expressions of the information sender create meaningful categories to a consider information (Leonardi & Treem, 2020).

Second, I highlight which trust signals are important in an online context and how they are evoked. Research suggests that various signals are essential for creating trust (Fawcett, Jin, Fawcett, & Magnan, 2017a; Fulmer & Gelfand, 2012; Six et al., 2010), particularly in an online context (Bauman & Bachmann, 2017; Beldad et al., 2010; Boyd, 2003; Breuer et al., 2020; Gefen et al., 2008). Crowdfunding research also has shown that different kinds of signals induce different behaviors (Ahlers, Cumming, Günther, & Schweizer, 2015; Scheaf et al., 2018; Steigenberger & Wilhelm, 2018; Xiao, 2020).

Emerging from my findings this study enhances such insights by outlining which signals are of particular importance to evoke the leap of faith online (Szerszynski, 1999). The signal Skill is essential to respond to ability dimensions of trust (Mayer et al., 1995). The Dramatization of actions (AC) and requisites (R) is conducive for this. For benevolence dimensions of trustworthiness my study shows that it is crucial to demonstrate Involvement (Lin, 2008). That is best done by Dramatizing and Idealizing the verbal cue (V) and by Mystifying the visual cue (SS) alongside verbal cues (V). For the integrity dimension of trustworthiness the signals Authenticity, Responsibility and Emotions are particularly important in online contexts

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(McFall, 1987; Radoynovska & King, 2019). For these the mechanisms Dramatization, Self and Realization are most essential in combination with the cues actions (AC), linguistic style (LS) and verbalization (V). The signal Emotions often is evoked when creating offline situations by employing the Mystification mechanism on requisites (R). What is more, for Authenticity a constant interchange between front stage and backstage situations [1012, 1036] depicts the entrepreneurs in their true self, because he/she seems the same in private as well as public (Goffman, 1959).

With such findings my study provides additional empirical evidence for the relevance of emotional connections and the usage of e.g. images to create such connections (Gefen & Straub, 2004; Wuillaume et al., 2019). It also sheds light on the importance of dramaturgical evocation of signals (Riegelsberger & Sasse, 2002) and based on that makes a methodological contribution by suggesting to use Goffman's Presentation in Everyday Life (1959) as framework for the analysis of online meaning creation processes in organization and management theory. Although he is frequently mentioned in impression management (Bullingham & Vasconcelos, 2013), and some scholars have pointed at his relevance for trust (Misztal, 2001), his extensive framework on interaction is yet to be fully acknowledged in organization theory in particular and management in general (Manning, 2008).

Third, I contribute to crowdfunding literature by showing how entrepreneurs can evoke trust by engaging with their video pitches. This contribution also constitutes the managerial implications of my study. Crowdfunding has so far focused on the kinds of signals that matter in a campaign (e.g. Steigenberger & Wilhelm, 2018) and sometimes on when these signals are important (Xiao, 2020). My study empirically enhances such studies by outlining how kinds of signals are created by employing specific cues, thus offering a more nuanced palette of self-presentation for entrepreneurs. Notably, the study confirms that reward-based crowdfunding pitches should primarily rely on the presentation of the self of the entrepreneur (Gafni et al., 2019) via the mechanism Self and Front, but should also provide additional information on less visible attributes such as emotions (Steigenberger & Wilhelm, 2018; Wuillaume et al., 2019) via back-stage and off-stage mechanisms such as Mystification and Self. For example, the perceived ability of an entrepreneur/venture to manage costs and maintain creditworthiness (Steigenberger & Wilhelm, 2018; Zheng et al., 2016) are created via the integrity dimension of trust by talking about reliability (Hosmer, 1995). Entrepreneurs refer to how the money can and should be used [1013, 1015, 1006]. In contrast, the revelation of hidden attributes such as childhood dreams demonstrates benevolence, which is shown to be particularly important to

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seal financial deals (Pavlou & Dimoka, 2006). Hence, the larger the funding goals, the more attention should be paid to the benevolence dimension as it reduces uncertainty most effectively. The study also shows that campaigns with a smaller average investment sum more often rely on body language (BL) and linguistic style (LS) to evoke integrity bases of trustworthiness. These were mostly campaigns run by females.

To conclude, dramaturgical strategies are an important yet under-recognized means in online trust research. The understanding of how cues are put together in a dramaturgical way and how they relate to trust bases is essential to build successful and sustainable relationships online.

Future Research and Limitations

Future research should first investigate how the audience perceives the dramaturgical strategies of online trust (Bentzen, 2019; Möllering, 2019). While the presented signals have been linked to trust bases and are positively linked to trustful behavior (Bi et al., 2017; Davis, Hmieleski, Webb, & Coombs, 2017; Spence, 1973), their explanatory potential might differ depending on the context the audience's specific context (Grimpe, 2019). Second, Graebner, Lumineau, and Fudge Kamal (2020) argue that relationships evolve asymmetrically and change over time (Korsgaard, Kautz, Bliese, Samson, & Kostyszyn, 2018; Wilson, Straus, & McEvily, 2006). Hence, one could explore in more detail whether the perceptions of signals change over time and how this influences the strategies employed. Third, by extending the research scope to perceptions of the audience and thus looking at the performative outcomes of online performances (Garud, Gehman, & Tharchen, 2018) one could also examine effects of previous interactions, for example if entrepreneurs have already pitched on the platform or if the perceptions towards the campaign have changed as a result of questions and responses in the forum chat (Crosetto & Regner, 2018; Vismara, 2018).

As a final note, the interpretivist design and the often designated eclectic manner of Goffman's analysis (Knoblauch, 1994) constitute potential limitations of the study. Future research might therefore explore the dynamics of online trust on expanded datasets.

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TABLES

Performance	Description	Operationalization	Construct
Self	The person as an individual is represented. Impressions and values are created by interactive and indicative activities or behavior.	The persona of the entrepreneur is central. Parts of her role in society can be discussed, as well as how this resonates to values. This often involves personal background information.	Front Stage, Off Stage, Back Stage
Realization	Confirmatory facts that would remain hidden if not stressed. Must be mobilized by activity and will be expressed during performance.	Repetition of important product features or aspects of the venture's impact.	Front Stage, Off Stage
Mystification	Communication and contact constitute perception. Restrictions over contact can thus create awe or mystification.	Supportive pictures are used deliberately to invoke a state of imagination or future projection.	Off Stage
Idealization	Abstract claims around routines that are presented during a performance of other routines. Performance is "socialized" to fit into expectations.	The venture and the role of the entrepreneur are being connected and explained. This often involves the entire entrepreneurial process.	Front Stage
Front	The part which defines the situation. Supported by expressive equipment of standard kind.	Entrepreneurs dramaturgically express their self or their achievements. This can also involve other materials whilst being performing.	Front Stage
Dramatization	A somewhat idealized depiction of indifferent but essential information. It initiates an additional resemblance towards facts.	Essential features of the venture and product are overemphasized, and perhaps "over-explained". For example, the financial sustainability is crucial yet only via ironic overemphasis will potential funders pay attention to it in the videos.	Front Stage

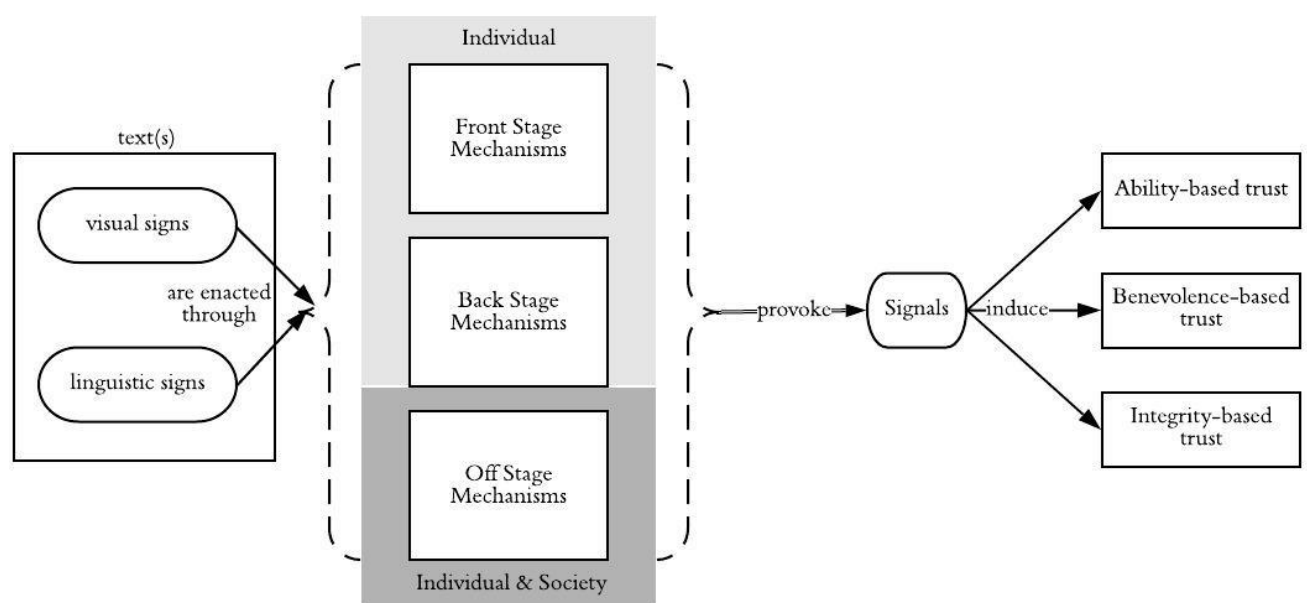*Table 25: operationalization of dramaturgical mechanisms as of Goffman (1959)*

FIGURES

Figure 13: conceptual framework (developed by the author)

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Cues	Mechanisms
Requisites	Front Dramatisation
Actions	Dramatisation Front
Verbalisation	Idealisation Front
Body Language	Front Self Dramatisation
Stage Set	Idealisation Self

Affordances	
Materialise	To anchor and match to existing ideas
Narrate	To describe
Infiltrate	To improve accountability
Captivate	

Active circumspection to legitimize venture

Behavioral discipline

Cues	Mechanisms
Stage Set	Dramatisation Idealisation
Actions	Idealisation Self Front Realisation
Verbalisation	Dramatisation Mystification

Affordances	
Captivate	To invoke clarificaiton of outcomes
Abstract	Intentions and efforts

Loyalty in community for future collaboration

Cues	Mechanisms
Verbalisation	Dramatisation Idealisation
Actions	Front Dramatisation
Stage Set	Dramatisation Front
Requisites	Front Dramatisation
Body Language	Dramatisation Self Front

Affordances	
Specify	Outcomes
Spatialise	To explain the match between idea and field (i.e. customers)
Materialise	To relate to standing of producer
Spatialise	

Emotional discipline

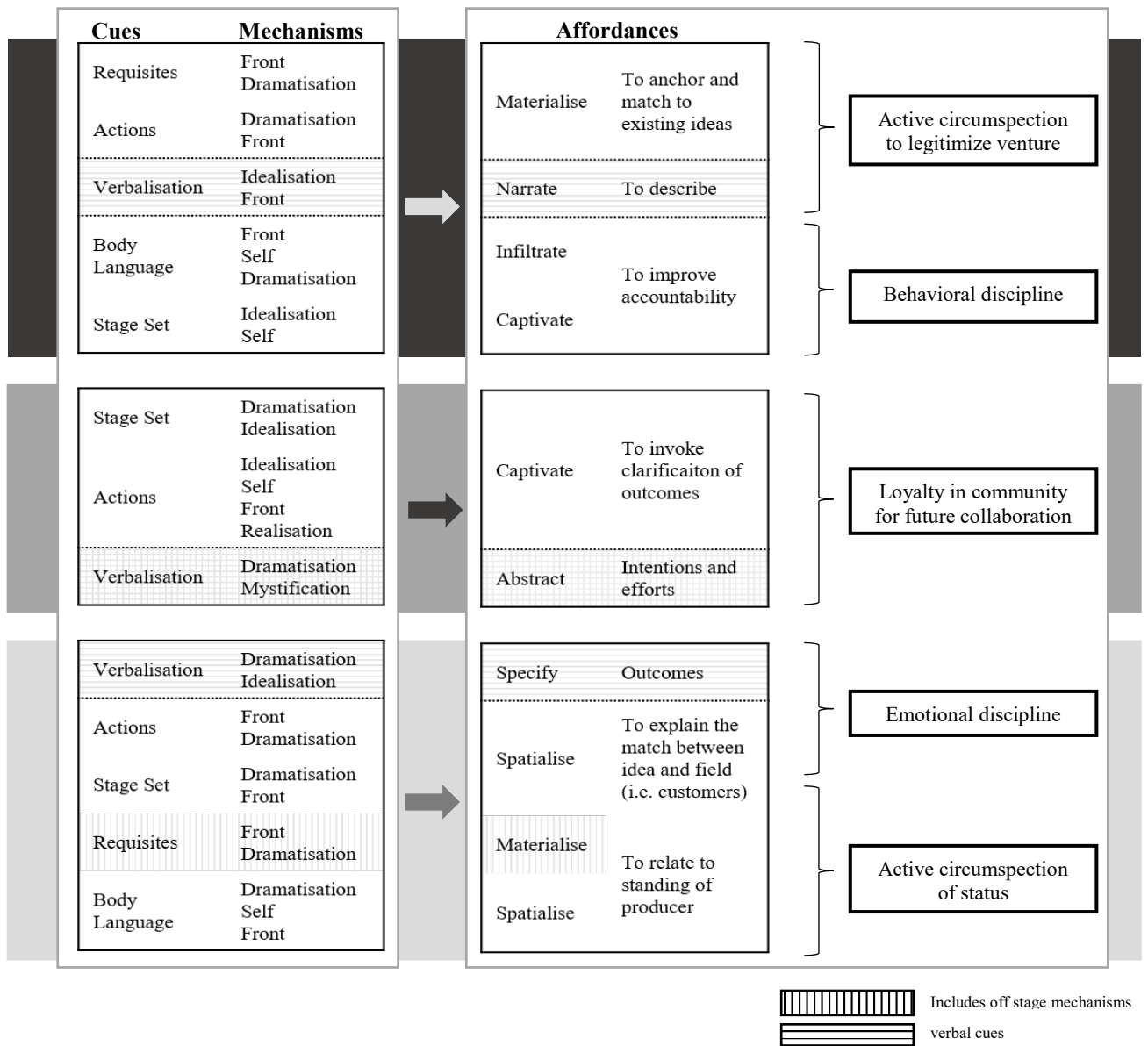Active circumspection of status

Includes off stage mechanisms

verbal cues

Figure 14: dramaturgical strategies (dark shades relate to Ability based trust, grey to Benevolence and light grey to Integrity based trust)

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PAPER 5

Building Institutional Legitimacy in Impact Investing: Strategies and Gaps in Financial Communication and Discourse

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Abstract

Purpose

Impact investing denominates an investment logic that combines social and environmental goals, financial returns as well as personal values. This paper considers the concept of legitimacy to be an appropriate way to understand how actors in the impact investing market influence discourse in order to overcome the inherent liability of newness - based on hybrid institutional logics - through their financial and non-financial communication.

Design/Methodology/Approach

Based on two theoretically defined sets of codes, a thematic discourse analysis is conducted by analysing meaningful units derived from documents produced by case-selected actors in the impact investing industry, which are then categorised into rhetorical strategies for legitimacy-building.

Findings

The paper finds that actors use diverse legitimisation strategies based on their relative positioning in the impact investing market. These strategies determine the actors' main discursive foci and, in turn, are affected by the overall organisational activities, governance and mission. This study proposes and discusses eight legitimacy creating strategies of relevant archetypes of impact investing actors in their financial and non-financial communication. Following these interconnected discursive engagements, a communication gap can be demonstrated between investors, intermediaries and social entrepreneurs.

Originality/Value

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Such discursive engagement gaps can provide a theoretical lens to explain the almost non-functional market and, as practical implications, show the need for convergence and harmonisation in financial and non-financial reports and communiques. This research further contributes to theory by providing insights into the discursive creation of legitimacy, and by promoting a better understanding of the emerging field of impact investing.

Keywords: legitimacy, impact investing, impact reporting, discourse, communication

Introduction

Societal challenges, such as climate change, the depletion of natural reserves, hunger, poverty, water-scarcity or gender-inequality together with a global social-media outreach have created new markets and may provide the underpinnings for increasing activity in social entrepreneurship and responsible investments. Social entrepreneurs pursue a social or environmental mission through their economic activity (Huybrechts & Nicholls, 2013; Nicholls, 2009; Nicholls, 2010), following hybrid business models that combine social, environmental and economic elements and include people, planet and profit in their rationale (Lehner & Nicholls, 2014).

Looking from a financial, investment perspective, Moore, Westley, & Nicholls (2012) argue that traditional sources of finance for social and environmental undertakings, for instance governmental grants, may become even scarcer in the near future due to ongoing austerity measurements. At the same time, Clark et al. (2015) or Friede et al. (2015) find that a shift towards the inclusion of sustainability-factors in investment-decisions can entail an even better financial performance, making a strong point for investors to look into this area. Yet, Lehner (2013) sees that traditional finance instruments that do not include social returns in their logic may be inadequate for social entrepreneurs due to their inherent liability of newness and the resulting risk-premiums. Furthermore, Moore et al. (2012) highlight that even if the capital supply was sufficient, institutional barriers and disincentives would still prevail and prevent private capital from being channelled into innovative social and environmental businesses because of the incompatible rationales and discourses.

Approaching and understanding this need to adapt (Brandstetter & Lehner, 2014; Harji & Jackson, 2012), impact investing as a sector has become one aspect of the social finance

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movement (Lehner & Nicholls, 2014) that has gained a large momentum since the term was originally coined by the Rockefeller Foundation in 2007 (Harji & Jackson, 2012). Still, according to Lehner and Nicholls (2014), the social impact market appears to be in its infancy. They further indicate that such innovative investment efforts have to be institutionalised and legitimized before more mainstream financial markets can be reached.

The current problems in impact investing are intensified by a lack of terminological clarity (Harji & Jackson, 2012; Höchstädter & Scheck, 2015), and a scarcity of capital across the acceptable risk-and-return-spectrum together with a shortage of track records of successful high-quality impact investments (Harji & Jackson, 2012; Harji & Jackson, 2012; Saltuk, Bouri, & Leung, 2011).

Building Legitimacy is often regarded as an effective way to overcome the liability of newness and ensure organisational survival and success (Fisher, Kuratko, Bloodgood, & Hornsby, 2017; Suchman, 1995; Zimmerman & Zeitz, 2002), as it imparts easier access to resources from external stakeholders and also fosters the process of the above-mentioned institutionalisation. Yet from a research point of view we do not well know how legitimacy can be created in a multi-contested field such as impact investing and how financial and non-financial communication in the "narrative economy" (Shiller, 2017) would need be configured in order to achieve the building of legitimacy. Thus, the following research questions have been postulated:

 I. How can institutional legitimacy help us understand the impact investing market better?

 II. How are the relevant archetypical actors contributing to discourse in the field through their financial and non-financial communication activities?

 III. Which legitimisation strategies can be identified, depending on the type of actor?

 IV. Are certain discursive foci of particular relevance in the corresponding reports and communiques?

The paper proceeds as follows. In the first section, literature on impact investing and legitimacy theory is reviewed and the link between these is point out. In the course of this analysis, the authors also propose a classification of active actors in the field by refining earlier academic conceptualisations. In the second part, a thematic discourse analysis of reports and investor communiques is conducted. Meaningful units primarily deriving from documents of selected actors are coded based on two different sets of codes, specifying general main discursive foci and legitimisation efforts of analysed actors. Finally, the findings are discussed and areas for further research are identified. Due to the nascent state of the literature (Edmondson &

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McManus, 2007), the aim of this paper is to provide theoretically informed propositions and methodological foundations for further inquiries rather than postulating unsubstantiated generalised claims based on inevitably subjective interpretations.

Impact Investing

Multiple, often divergent, firm-specific definitions of the term Impact Investing and blurred boundaries with related concepts such as "socially responsible investments" or "sustainable finance" have obstructed a common understanding of impact investing's main principles (Höchstädter & Scheck, 2015). Despite this, all definitions seem to agree that the characteristics of impact investing comprise the intentional creation of social and/or environmental impact alongside of financial returns (Brandstetter & Lehner, 2015; Daggers & Nicholls, 2017; Harji & Jackson, 2012). This joint creation of social, environmental and financial value is often referred to as "blended value", for example by Bugg-Levine and Emerson (2011), Harji and Jackson (2012), Nicholls (2010) and Weber (2017). Wood, Thornley, and Grace (2012, 2013) assume that institutional impact investors can act as agents who are able to catalyse further investments by legitimising the industry for other investors and service providers. However, according to Saltuk et al. (2011), there are two major challenges which investors face when they are opting for impact investing: first, a lack of capital across the acceptable risk-return-spectrum, and second a relative shortage of tracked successful high-quality investment opportunities (Global Impact Investing Network, 2016). Furthermore, difficulties concerning exit strategies, problems in defining a common language to talk about impact investing and a lack of innovative structures for portfolios rank amongst the most critical challenges confronting the impact investing industry (Global Impact Investing Network, 2016; Saltuk et al., 2011).

Brandstetter and Lehner (2015) position impact investments as a new and innovative paradigm in the financial world and provide an overview of a spectrum of investors, spanning between philanthropists and traditional commercial investors. This spectrum is based on a) the willingness to compromise on financial performance for social & environmental returns and b) the investment foci between negative and positive selections based on Environmental, Social and Governance (ESG) criteria (Brandstetter & Lehner, 2014; Harji & Jackson, 2012; Monitor Institute, 2009; Wilson 2014).

// INSERT FIGURE 1 HERE //

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Although institutions such as the Global Impact Investing Network (GIIN) or B-Lab have already made significant efforts in promoting the industry's advancement by establishing comprehensive reporting and measurement standards such as IRIS, GIIRS and B-Impact Assessment and there is more and more regulatory pressure to report non-financial information; traditional investors are still slow in adapting.

In any financial market, intermediaries are specialised entities that are experts in structuring deals and portfolios and take a key position in the relationship between those providing and those in need of capital. According to Wood et al. (2013), most institutional asset owners leave their portfolio management to intermediaries. By considering this critical role in more detail, intermediaries can promote or even undermine impact investments regardless of the asset owner's particular impact objective.

Finally, besides supply and demand actors and intermediaries, the investment environment (atmosphere), which is distinctly shaped by governments, policy makers and regulatory authorities, can make or break public legitimisation and thus contribute to society's validity judgment regarding impact investments (Bitektine & Haack, 2015). Following our initial thoughts on the impact investing industry landscape established by Brandstetter and Lehner (2014), the authors now combine their contributions with the findings of Harji and Jackson (2012) in Figure 2.

// INSERT FIGURE 2 HERE //

This figure provides insights into the interplay between different types of investors, intermediaries and investees, and sheds light on the division of the industry's landscape in terms of asset owners, asset managers, service providers and the demand side. To enable a successful and fair-priced resource flow between the actors, in other words to overcome the problems stemming from the liability of newness, the concept of blended value creation needs to be accepted and legitimised (Fisher, Kotha, & Lahiri, 2016; Fisher, Kuratko, Bloodgood, & Hornsby, 2017; Zimmerman & Zeitz, 2002).

The Concept of Legitimacy

While legitimacy in management is often positioned in institutional theory (Tost, 2011), it is also widely accepted and applied in philosophy or political sciences. Thus, as shown in table 1, diverse definitions of legitimacy based on Suchman's (1995) overview can be found in the literature.

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Suddaby, Bitektine, and Haack (2015) address the widespread application and popularity of legitimacy as a concept and offer a classification of existing research into three distinct perspectives on legitimacy: 1) legitimacy as property, 2) legitimacy as process and 3) legitimacy as perception. Because the different perspectives are important when it comes to understanding legitimisation strategies in a field, these three approaches will now be elaborated upon in the next few paragraphs.

First, building upon the thought of legitimacy as property, the authors denote that legitimacy occurs as an "immaterial resource which a company gains or acquires from its audiences through adopting structures, practices and symbols that are regarded to be legitimate" (p. 12). Consequently, the legitimacy object can be constituted by the degree of fit to its contextual conditions and environments. In this perspective, fundamental works such as Aldrich and Fiol (1994) additionally refer to legitimacy as socio-political underpinning. They state that legitimacy refers to a certain degree of congruence between an organisation's characteristics or expectations and the cultural system it is surrounded by. Further work by Scott (1995) adds the dimensions of regulative and normative legitimacy. He not only asks whether an organisation's characteristics complies with a cultural system's regulative processes, but also how well certain organisational actions, values and characteristics align with the broader social environment. Acknowledging these early findings in the concept of legitimacy as property, Suchman (1995) offers an influential conceptualisation and defines pragmatic, moral and cognitive legitimacy, whereas the pragmatic type asks whether and how organisational structures or practice work is successful and fulfils the expected outcomes. However, this faces criticism as some scholars (Aldrich & Ruef, 2006) have described this test as organisational learning.

Second, building upon the perspective of legitimacy as process, Suddaby et al. (2015) refer to legitimacy as a constant process of development, renegotiation and maintenance. This active discourse can occur through language (Searle, 1969; Zilber, 2006), communication (Suddaby, 2010) and texts (Czarniawski & Jorges, 1996) and evokes critical negotiations on prevailing institutionalised practices. Ultimately, such events can lead to a socially-constructed stigma or illegitimacy, and as a result new, emerging legitimacy judgments will become commonly accepted. Compared to the previous perspective, this new one refers to the degree of agency possessed by multiple actors.

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Reframing the definition of actor-related legitimacy, there are several voices that have to be be recognised. For instance, referring to socially-constructed illegitimacy in the context of institutionalism, Maguire and Hardy (2009) state that instead of a single institutionalised actor, multiple (outside) actors initiate and reframe an existing perception of legitimacy. However, Subbaby and Greenwood (2005) note a certain degree of institutionalism in the process of meaning-making, especially language. Therefore, the (rhetorical) discourse on renegotiating legitimacy may again be influenced by specific actors in institutions.

For the third perspective, Suddaby et al. (2015) propose the classification of legitimacy as perception. Acknowledging both the property and process perspectives regarding legitimacy, they note that instead of remarking physical characteristics and the structuralised renegotiation, legitimacy as perception refers to assessment or judgement of the societal fit of an organisation's characteristics and the individual process of making judgement. They describe legitimacy as a multi-level process including different actors. While these actors form subjective judgments, they also take into account the collective opinion about the legitimacy subject. Legitimacy is all about the evaluators' propriety judgments which in turn are highly dependent on the validity judgment created by society. This perspective emerges from a "cross-level research agenda, focused on individual, micro-level socio-cognitive processes and their macro-level antecedents and consequences" (Suddaby et al., 2015, p. 40).

An overlap between social psychologists' views and institutionalist theorists is highlighted by Tost (2011). She relies on the socially emergent views of pragmatic and moral legitimacy and further adds that from an institutionalist perspective the notion of cognitive and regulative legitimacy must be joined. However, it becomes evident that in the legitimacy judgment process most scholars strongly rely on social underpinnings. This is because these views often depict the substantive domain of judgment triggers, instead of only referring to specific cues or the prevalence of legitimacy's validity. The pragmatic precondition sees legitimacy as a perception of the social construction of reality. For single evaluators, this perception manifests a form of propriety judgments about the legitimacy subject. Depending on the strength of the validity judgment, the individual opinion reflects the collective view of society. In this view, and reflecting on impact investing and social entrepreneurship, the worsening of global ills has caused a mental trigger and has alarmed pioneers (Olesiak, Nicholls, & Emerson, 2015) that existing resources are not sufficient to address emergent global challenges (Harji & Jackson, 2012).

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Based on the introduced perspectives on legitimacy, Tost (2011) integrates micro-level judgments into a process with three stages: judgment formation, use and the reassessment phase. The latter two stages, however, are constantly interrelated and may lead to the afore mentioned isomorphism in an institution as social system. Therein Bitektine and Haack (2015) contribute to research on validity and propriety legitimacy judgments by stating that under the condition of institutional stability, the judgment process is isomorphic and dominated by the strong collective opinion. A perceived incongruence between new financial as well as non-financial information received about an entity and the validity judgment triggers a "mental alarm" causing active reassessment of legitimacy judgments (Tost, 2011). The existing collective opinion is weakened, and the status quo is problematised by the suggestion of illegitimacy. Thus, the legitimacy of an entity is assessed against a set of social norms. In the formation phase individuals can process information in two ways: they either seek to actively construct judgment (evaluative mode), or passively use validity cues (passive mode) and cultural expectations to create new forms of judgments regarding the overall legitimacy.

Finally, Aldrich and Fiol (1994) put emphasis on the social context in which new industries or innovations operate. They state that although the social context represents established meaning in a society, it also offers sites for renegotiations. Innovative actors can initiate processes of social construction through their communiques with the outcome of new meanings that in turn eventually alter institutional norms (Aldrich & Fiol, 1994).

Following these thoughts, in our inquiry we combine processes of social construction via renegotiation of prevalent legitimacy Tost (2011) as a lens, with Suddaby's et al. (2015) assumptions of macro-level antecedents and consequences, when we analyse the financial as well as non-financial communication of actors in the field.

Methodology

Numerous scholars (Hoefer & Green, 2016; Lounsbury & Glynn, 2011; Ruebottom, 2011) argue that legitimacy is based on the expectations and perceptions of the audience in a given social system, which can be influenced through rhetoric devices, presentation and communication strategies. In respect of this there is ample support for the influence of discourse on the creation of legitimacy (Bitektine & Haack, 2015; Phillips, Lawrence, & Hardy, 2004; Vaara & Tienari, 2008; Vaara, Tienari, & Laurila, 2006). Discourse also produces certain meanings and is constitutive of the social world (Bryman, 2012; Hardy & Thomas, 2012; Phillips et al., 2004).

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Fairclough (1992) argues that texts constitute one important form of social action. He describes textual analysis as the enhancement of findings produced through discourse analysis and differentiates between linguistic and intertextual analysis; the first extends traditional linguistic analysis by organisational structures and cohesion, while the latter adds up orders of discourse and argues that society and history are inseparable from texts. Intertextual analysis taking into account the social context may help in understanding how legitimacy is created in discourse in the field of impact investing.

In addition to constructing objects, discourse also establishes concepts and subject positions (Fairclough, 1992; Parker, 1992; Phillips & Hardy, 1997). While legitimacy as property (Bitektine & Haack, 2015) merely represents the creation of an object in a discourse, the more agentic view of legitimacy as the outcome of an active process of negotiation (Bitektine & Haack, 2015) defines legitimacy as a concept. Concepts are the ideas that arise out of a discourse consisting of dynamic and permanently changing sets of texts and entail the evaluation of moral values and beliefs (Phillips & Hardy, 1997). This is especially relevant when it comes to compare structured, reductionist financial information with often more elaborate non-financial reports and communiques, as both first need to be understood as concepts to find a common ground.

Despite the many agreements on the power of language, Alvesson and Karreman (2000) refer to unclear definitions and an undifferentiated use of the term discourse in social sciences and organisational studies. Therefore, they suggest a less standardised discourse as a basis for the referred subject. Consequently, this paper understates the effect of power by not sharing a Foucauldian treatment of "data as expression of standardised discourse" (2000, p. 1134); alternatively, it borrows from Braun and Clarke's (2006) thematic analysis which is rooted in psychology. This approach helps to identify certain patterns either as stories or themes/meaningful units, and also defines language as constitutive of social meanings. However, by using such themes in a thematic analysis, the research may be strongly influenced by the researcher's judgments (Braun & Clarke, 2006).

In order to analyse the discourse, a total of 19 actors, representing investors, intermediaries and investees, are included in the qualitative study. These actors were purposefully selected based on their salience in media and research. They can thus be seen as exemplary for their specific roles. During the analysis, the original classification of archetypical actors described in the academic literature (see figure 2) is adapted and a further classification into archetypes based on their roles and activities is proposed. As can be seen in table 2, an overview of the selected

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subjects of the analysis with the categorisation of archetypes, each actor's number in the document registry, their geographic location, a short description as well as the number of documents and meaningful units analysed is provided. Documents gathered for the analysis are screenshots of homepage contents concerning investor relations, reports provided online and offline, official documents as well as photographs and video-recordings of interviews (Bryman, 2012). Each document is signified by a number in the authors' document registry. Based on this, 721 meaningful units were extracted for analysis from the 282 documents. These units were then coded with two different sets of codes, which will be explained in the following paragraphs.

// INSERT TABLE 2 HERE //

Following a theoretically informed approach, a-priori themes are derived from the available literature on impact investing and legitimacy theory. The first set of codes follows the environmental, social and governance (ESG) criteria, which are defined as distinctive features held by both traditional investors and sustainable investors by Brandstetter and Lehner (2014). In table 3, four distinct themes are identified. The theme "financial" has been added based on the blended value principle of impact investments, while the theme "business model and industry" has been included in the course of analysis following evidence of the high importance of business development in discourse of the field. The main themes are extended by detailed codes.

// INSERT TABLE 3 HERE //

For the second set of codes, the high influence of rhetoric on legitimacy judgments is considered. Codes are derived from Bitektine and Haack's (2015) work involving rhetorical strategies promoting propriety and validity judgments identified in the literature. Their main argument is that each message received by evaluators serves as a cue based on the established macro-level validity. While strategies promoting validity aim to inform the evaluator about the exclusive valid collective opinion, strategies promoting propriety emphasise the positive outcomes associated with the adoption of a particular opinion or the negative outcomes that follow when sharing the opinion of competing alternatives (2015). In order to answer the research question of how legitimacy is created in discourse in the field of impact investing, corresponding strategies are included as the second set of codes in analysis. The original table by Bitektine and Haack (2015) is presented in table 4 and extended by comments on how these rhetorical strategies appear in the field.

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// INSERT TABLE 4 HERE //

Each meaningful unit was coded based on both sets of codes. In total, 928 codes are assigned. Because some meaningful units are not describable with only one code, the counts of meaningful units and codes and within the two sets of codes differ. Counts for codes for discursive focus amount to 826, while counts for codes in relation with legitimacy total 853. Using intercoder-reliability, all units have at least been coded by two coders and divergences lead to a discussion and group decision involving all authors. Table 5 provides examples of the transformation of units into codes.

// INSERT TABLE 5 HERE //

Empirical Findings

Critical Reflection on the Discursive Engagement of Archetypical Actors

First, a classification of actors into archetypes based on the organisations' main services, activities and mission statements is proposed in Figure 3. It presents four different archetypes (see also table 2), namely Social Investors, Sustainable Financiers, Enablers and Impact Entrepreneurs and displays their specific discursive efforts, which will be detailed in the next sections.

What is striking is the different communication between certain actor types. While Social Investors (e.g. the Gates Foundation or Bridges Ventures) and Impact Entrepreneurs largely share their composition, and Enablers (e.g. Toniic) go to great lengths to connect both worlds, so called Sustainable Financiers stemming from traditional institutions (e.g. BNP Paribas or JP Morgan) still predominantly "talk" traditional finance in their impact investing related reports and communiques.

// INSERT FIGURE 3 HERE //

Social investors are organisations that invest their own capital, either via intermediaries or directly to social entrepreneurs. They often also provide advisory and networking services, which is why they are not always clearly separable from so-called intermediaries.

Discursively, their strong social mission is displayed by 43.3% of all meaningful units of social investors being marked with a code concerning social and environmental themes. Their investment activities and the offering of intermediary services are often justified through discursive elements referring to governance, transparency and positioning in the network (22.6%). Social investors also aim to occupy an enabling role in the industry and thus also

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connect and engage in a public discourse thematising the development of the whole industry (16.6%). Their role as outcome oriented investors is made clear through the reference to the blended value their investments can achieve (17.5%). Nevertheless, social investors clearly put the emphasis of their investment activities on the social impact created. On a more detailed level, the codes most frequently assigned to social investors' meaningful units are BMI (16.6%), SM (15.2%) and FS (13.8%).

Sustainable financers are investors who incorporate impact investments into their traditional investment portfolio (e.g. Sonen Capital) and traditional financial intermediaries who include impact investments into their financial and/or advisory services (e.g. banks). Sustainable financers emphasise the blended value principle of impact investments and the reasonable financial returns that can be generated (53.9% of all meaningful units for this archetype), with FS being the strongest code (38.8% of all units for this archetype). Their good governance system them compels them to discursively define their underlying values as transparency (13.5% coded with GT) and responsibility and they often combine this with a notion of their leading role in the industry (11.2% coded with GP) with 24.7% of units being coded as governance, transparency and responsibility. Sustainable financers present impact investing as a new business opportunity that needs to be incorporated in the overall product portfolio in order to remain competitive. Social and environmental impact is characterised investing into ESG aware sustainable organisations that are referred to as the "leaders of tomorrow". Social problems as opportunities and overall market development are of rather subordinate importance in their discourse. It almost seems that they have to accept the ESG/ impact investing market rather than embrace it.

Enablers intermediaries and sometimes early-stage investors who are strongly focused on developing the impact investing industry and bridging supply and demand. Amongst all archetypes, the code BMI is most dominant for enablers (25.2% of all meaningful units for this archetype). Enablers conduct research, pioneer the implementation of new financial instruments (e.g. the social impact bond) and build networks to increase the interconnectivity between the actors inside and outside the field (e.g. Unreasonable Institute, Toniic). The mission statements and the discursive engagement of enablers are highly diverse. Similar to social investors, enablers concentrate on social and environmental issues (38.5%) as well as aspects referring to governance, positioning or transparency (20.4%). Besides their enabling role in the industry (BMI), the most crucial factors for enablers are their social impact (SIM, 15.9%) and transparency (GT, 12.8%).

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Impact Entrepreneurs benefit from the money either directly invested by investors or indirectly provided via intermediaries. The term itself includes entrepreneurs focusing on social and/or environmental impacts. This group has the strongest social and environmental focus in their discourse (55.1% of all meaningful units for this archetype). The most frequently assigned codes among this archetype are SIM (22.4%), SM (14.6%) and FS (14.1%), while more neutral discursive efforts are made by explaining basic business and financing models (18.0% of meaningful units coded with GT, GP, GA or GR). The blended value principle is included to explain how investors and beneficiaries personally benefit from investing in the entrepreneurs' business models (17.6%). Their communiques and reports often either lack or insufficiently provide standardised financial information.

Especially for impact entrepreneurs and sustainable financers, discursive engagement is aligned with their organisational structures and missions. The main focus in discourse in the impact investing industry is placed on the social and environmental effects that impact investments can achieve. 38.5% of all meaningful units of all actors are coded with a theme related to social and environmental aspects. Within this discursive focus, impact entrepreneurs represent the most dominant group of actors with 35.5% of social and environmental discourse. Among the social and environmental themes, SIM (14.4% over all archetypes) and SM (11.4%) are the most used codes for discourse analysis. Moreover, SIM is the second most frequently used code over all meaningful units and all actors.

In 21.3% of all coded units, actors refer to transparency (GT, 11.6%) and their own role in the industry (GP, 9.7%). Neutral arguments are deployed by all actors in order to include the business character of impact investments in discourse and to rationalise and justify their engagement in the industry. Their participation in this rationalising form of discourse is equally strong, ranging from 21.0% to 27.8% of this discursive focus. Supporting the blended value principle of impact investments, 24.9% of all meaningful units refer to sustainable finance, financial return or financial instruments. The code FS is the most commonly used code for discourse analysis as it is assigned to 18.2% of all meaningful units over all archetypes. Representing 46.6% of this focus, sustainable financers are the group of actors engaging most progressively in financial discourse.

Finally, 15.3% of all units are coded with BMI, establishing a connection to the industry, its development and the partnerships created. Enablers represent the most active group of actors in this category, taking advantage of 45.2% of discursive efforts within this focus. Providing

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evidence regarding the strong commitment to the acceleration of the industry's growth, BMI is the second most frequently used code after FS and before SIM.

Rhetorical Strategies to Build Legitimacy

To finally answer the research questions how legitimacy is created through the discourse in the impact investing industry, the rhetorical strategies promoting "propriety" as proposed by Bitektine and Haack (2015) have been used as a-priori codes (see table 4). The following section presents the strategies in descending order according to their frequency in the financial and non-financial communication documents, while table 6 provides further insights into the analysis by citing meaningful units for each legitimisation strategy.

// INSERT TABLE 6 HERE //

1.   Rationalisation

Rationalisation is the most important rhetorical strategy in promoting propriety for all actors in the impact investing industry. 25.7% of all meaningful units analysed follow the objective to provide (often structured) rational and objective arguments in order to create legitimacy. For all archetypes, rationalisation is amongst the three most relevant legitimisation strategies. In particular, sustainable financers (42.0% of meaningful archetype units) due to their closeness to traditional financial reporting and compliance with external regulations rely on this strategy.

2.   Success and Failure Narratives

Due to the different mission statements and foci of actors, success has been defined quite broadly for this analysis and is dependent on the actors realising it. Differences in the definition of success become apparent with the meaningful units stated for this strategy in table 6. For all actors, Success and Failure Narratives are the second most commonly used legitimisation strategy in the field (18.5%). Especially enablers (26.3% of meaningful archetype units) emphasise the successes they achieve with their work, followed by impact entrepreneurs (18.5%) and social investors (15.0%).

3.   Problem and Solution Discourse

Problem and Solution Discourse is coded with 14.7% of all meaningful units over all archetypes. Enablers incorporate this strategy, with 17.0% of all meaningful units assigned to discourse trying to explain why it is necessary to further develop and support the growth of the industry. Generally, the emergence of impact investing is referred to as a "solution" to current problems. Social investors (16.7%) and impact entrepreneurs (16.3%) present their business

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models as the solution for social and environmental issues. Sustainable financers on the other hand rarely thematise problems (6.5%).

4.   Frame Alignment

The strategy Frame Alignment is presented in close connection to the strategies appealing to pathos and emotions. Frame Alignment is strongly incorporated in discourse in the form of pictures and is coded in 12.1% of all meaningful units - when adding Pathos Justification (3.0%) these strategies even amount to 15.1%. A typical example would be the lonely polar bear on thin ice as a warning symbol for climate change.

In particular, socially motivated actors such as social investors (amounting to 19.4% of archetype units) and impact entrepreneurs (19.3%) use more pictures to symbolize their success stories, visualise the impact created and demonstrate the collaborative initiative.

5.   Value-based Theorisation

Moralisation and Ethos Justification are considered to be interwoven with Value-based Theorisation. In total, these three strategies amount to 9.7% of all codes assigned to the meaningful units. Actors engage in this strategy differently. For instance, sustainable financers (12.5% of archetype units) believe that it is reasonable and necessary to incorporate impact investments in a financial service provider's product spectrum as well as in an investor's portfolio in order to comply with good corporate governance. In contrast, social investors (9.2%) or impact entrepreneurs (11.2%) create more resonance with individual's personal values.

6.   Idealising Identity

The organisational structure and governance is pivotal for efforts idealising identity (ID). While impact entrepreneurs regard their organisations' mission to be conditional on achieving social impact even on a personal level, sustainable financers present their business as conditional on achieving financial returns alongside social impact. 7.4% of meaningful units are coded with ID. It is surprising that, for sustainable financers, ID is the third most frequently used legitimisation strategy with 10.1% of all meaningful units for this archetype, however that may be explained with the overlap with CSR activities and reporting. For sustainable financers, it seems to be necessary to emphasise their social identity because otherwise the social impact focus may not be clearly distinguishable from their basic organisational identity as traditional finance providers.

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7.   Valorising and Demonising Actors

Discourse analysis presents a high interconnectivity between actors in the field of impact investing. Partnerships, networks and the sharing of knowledge are priorities. The code VDA is present with 7.3% of all meaningful units coded with "valorising" the much more prevalent side. Demonising of other actors on the other hand is not a relevant strategy in the field, as this would go against the clearly communicated belief of an "inherently good human nature". References to the incapability of other actors are also scarce. Other actors are often valorised by mentioning partnerships, co-creation and joint projects. Social investors (8.4% of archetype units) and sustainable financers (8.3%) use this strategy most frequently.

8.   Ineffectiveness and Injustice of Existing Practices

Although the impact investing industry is presented as the counterpart to the frequently criticised financial system, actors shy references to the ineffectiveness and injustice of the existing system. This is very different to more critical approaches from political organisations and shows that impact investing fundamentally wants to improve and enhance capitalism rather than oppose it. Only 1.6% of all meaningful units over all archetypes are assigned with the code IN. Impact entrepreneurs refer most often to the local inefficacies and social voids they aim to solve with their organisational models (2.6%). It may be concluded that the delegitimating of the traditional financial sector is not pursued by the actors in the impact investing industry and efforts to include it in structured financial products are much more prevalent.

The above discussed strategies are almost always interwoven and therefore legitimisation strategies are aggregated into three groups as presented in table 7.

// INSERT TABLE 7 HERE //

Rationalising strategies (Group 1) are included most frequently and evenly amongst archetypes. Socially motivated actors engage more in strategies appealing to values and emotions (Group 3) in comparison to pragmatic financers and enablers (Group 2).

Discussion and Conclusion

Summing up the findings from above, this study indicates a strong connection between legitimisation strategies and the social identity of actors. A predetermined structure based on institutions which can be identified in their financial as well as non-financial communication, addressing moral and ethical values, emotions as well as their relations to other actors in the

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industry. Thus, our study provides support for the explanatory potential of institutional legitimacy theory even in socially constructed fields such as impact investing.

By questioning the status quo, impact investing as a new form of incorporating hybrid thinking, torn between financial and non-financial goals, has been shown to bring with a communication gap between the involved actors depending on their main focus being either ESG or financial goals. This results in difficulties in resource acquisition because of a failure in matching financial information needs and supply through to a not yet institutionalised (standardized) system of information exchange. Yet, the findings also indicate that actors strongly acknowledge the need to build legitimacy as a step to overcome these communication gaps.

Based on a thematical discourse analysis (Foucault, 1972; Hall, 1992; Hardy & Thomas, 2012; Hardy & Thomas, 2015; Maguire & Hardy, 2009; Phillips & Hardy, 1997; Phillips et al., 2004) this study proposes and discusses eight legitimacy creating strategies of relevant archetypes of impact investing actors in their financial and non-financial communication.

On the one hand, social investors and impact entrepreneurs can discursively interact without limitations because of their similar focus on social and environmental aspects; yet, financial communication between sustainable financers and impact entrepreneurs might prove to be difficult due to their different discursive emphases. While sustainable financers clarify their aims to achieve competitive financial returns, impact entrepreneurs rather communicate the non-financial social and environmental impact that they might create. This gap is currently bridged by enablers, who demonstrate the most diverse discursive engagement of all archetypes and act as translators between these worlds.

It has been demonstrated that such an inconsistent and incompatible discourse in the communication of the types of actors at the moment impedes the creation of a collective understanding regarding the principles of impact investing. Following Suddaby's call, it is further argued that the creation of an institutional legitimacy might harmonise previous communication gaps, as it curbs a competitive discursive engagement of individual actors (Suddaby et al., 2015, p. 40).

Previously, scholars in the field of impact investing have simply identified investors, intermediaries and investees (Brandstetter & Lehner, 2015), while others rather separate into the supply, demand and service providers (Harji & Jackson, 2012). Based on the conducted analysis, actors are rather found to be strongly interconnected in the form of partnerships and are active in various roles of the field. The study thus furthermore adds to the insufficient

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distinction of actors by identifying archetypes based their main social mission and core activities and distinguishing the roles of social investors, sustainable financers, enablers and impact entrepreneurs. The results show that the archetypical categorization also predicts their discursive foci.

One research question asks how legitimacy is created in discourse in the impact investing industry. The literature identifies micro-level individual propriety and macro-level collective validity judgments for legitimacy. Dependent on their personal value system, the valid social norms and stability of the environment, evaluators engage in an active or passive evaluation mode (Bitektine & Haack, 2015; Suddaby et al., 2015; Tost, 2011). Following the empirical evidence, we can hypothesize that the inconsistent discursive engagement indicates that actors notice the lack of a strong and unquestioned collective opinion (common values) that would be reproducible in discourse. Rather their aim is to build strong propriety judgments which can then form a resistant validity judgment for the field. Moreover, the body of research claims that rhetoric and language are powerful in terms of influencing these judgments (e.g. Hoefer & Green, 2016; Lounsbury & Glynn, 2011; Ruebottom, 2011). Subsequently, this research question is approached by including the rhetorical strategies promoting propriety proposed by Bitektine and Haack (2015). The empirical findings identify Rationalisation, Success and Failure Narratives, and Problem and Solution Discourse as the most dominant strategies in the field, all of which belong to the group of rationalising strategies. Strategies appealing to ethos and pathos are the second most commonly incorporated in discourse. Alongside legitimacy judgments relating to social identity and relationships in the field, this group is also included in discourse but occurs less frequently than rationalising elements.

Based on this and on a more collective level, it may be concluded that actors in the field aim to build pragmatic and moral legitimacy (Suchman, 1995, p. 578). The discursive emphasis on objective and rationalising arguments relating to transparency, accountability and responsibility provide arguments for the creation of pragmatic legitimacy (Suchman, 1995). Furthermore, the reference to social, environmental and financial impact aims to build consequential legitimacy (p. 580), whereby legitimisation efforts are diminished by the continuous inclusion of challenges associated with measurement. Through their subordinated strategies, the rhetorical strategies promoting successful ventures such as Success and Failure narratives and strategies appealing to the evaluators' value systems such as Frame Alignment and Value-based Theorisation contribute to the creation of structural legitimacy (p. 581). Personal legitimacy (p. 581) is built through the inclusion of personal success stories.

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This paper is an early inquiry combining legitimacy theory and impact investing and applies a qualitative approach to contribute to research in both fields. Potential limitations of the study thus can be first the relatively small sample size of 928 documents in a large field and second, the strong reliance on subjective evaluations of the authors throughout the coding process. Third, external reliability and validity (Bryman, 2012) are limited due to the highly dynamic social setting the analysis was conducted in. The enabler "Unreasonable Institute", which has recently changed its name and overall appearance, sets a good example for high dynamics; even though the institute fulfils the classification as "enabler" better than before, a newly conducted discourse analysis would probably provide slightly different findings for this actor now. These limitations also indicate the need for further research.

To cope with the inherent dynamic of the field, further research seems necessary to look deeper in the connection of the maturity status of a specific actor to the legitimisation strategies and discursive foci in their communication. In addition, by examining power factors within the discourse, certain recurring sets of themes may be identified as playing an important role in guiding legitimisation strategies. Finally, it might also be helpful to shift the focus of analysis of financial and non-financial communication to the identification and interpretation of signals and symbols in socio-economic phenomena such as impact investing. Well-known signals, such as certain KPIs and symbols such as auditor stamps have long lost their universality and have sometimes even been replaced by culturally loaded, ambiguous and hermeneutic signals such as the philanthropic actions of CEOs or the perceived environmental value of innovations. A potentially good starting point for future research on investor relations and financial communication in the age of social media.

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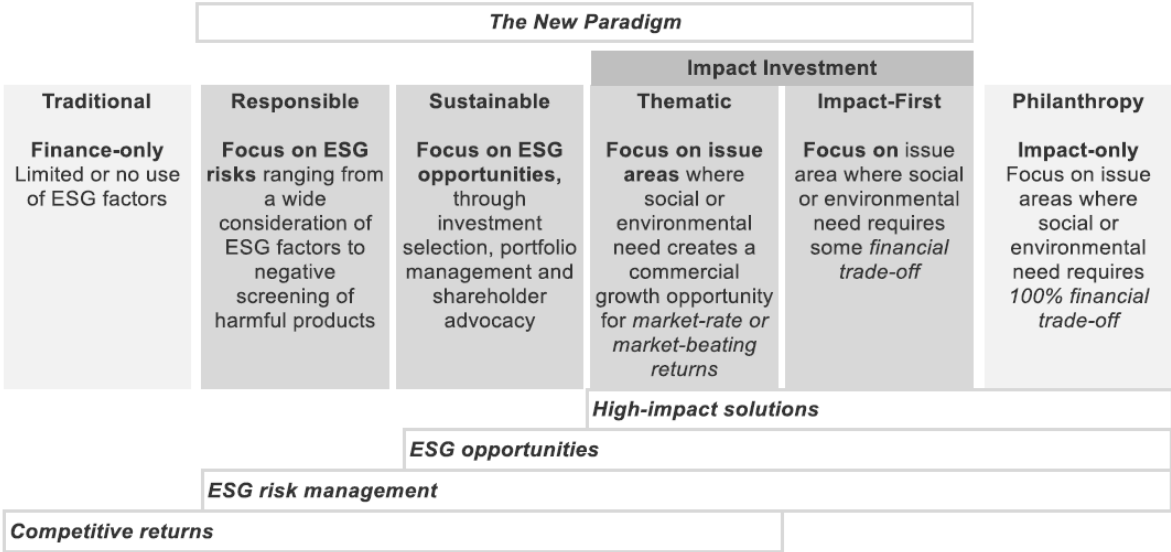
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Figures

Figure 15: Spectrum of social finance (source: Brandstetter & Lehner, 2015, p.89)
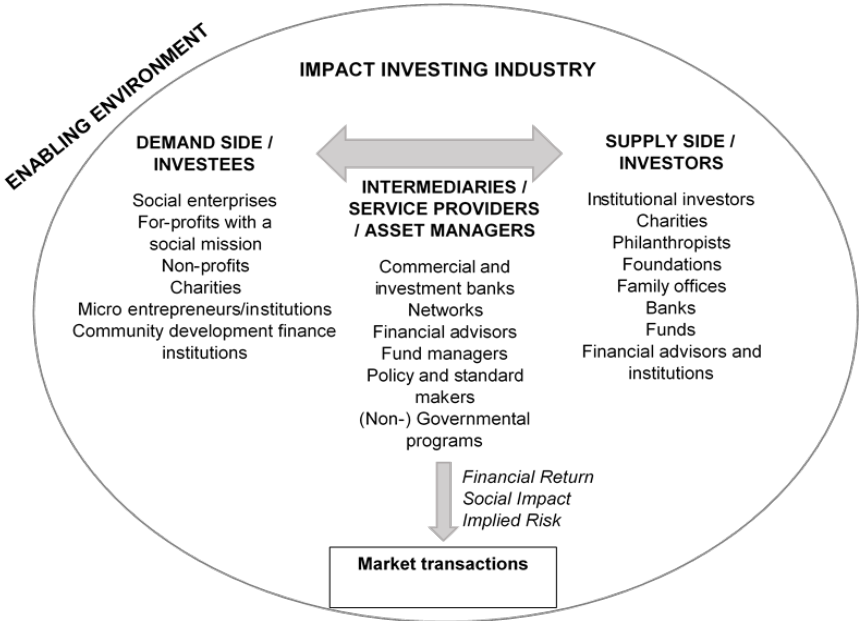

Figure 16: The actors in the impact investing industry (source: authors, based on Brandstetter & Lehner, 2014, p. 17 and Harji & Jackson, 2012, p.xi)
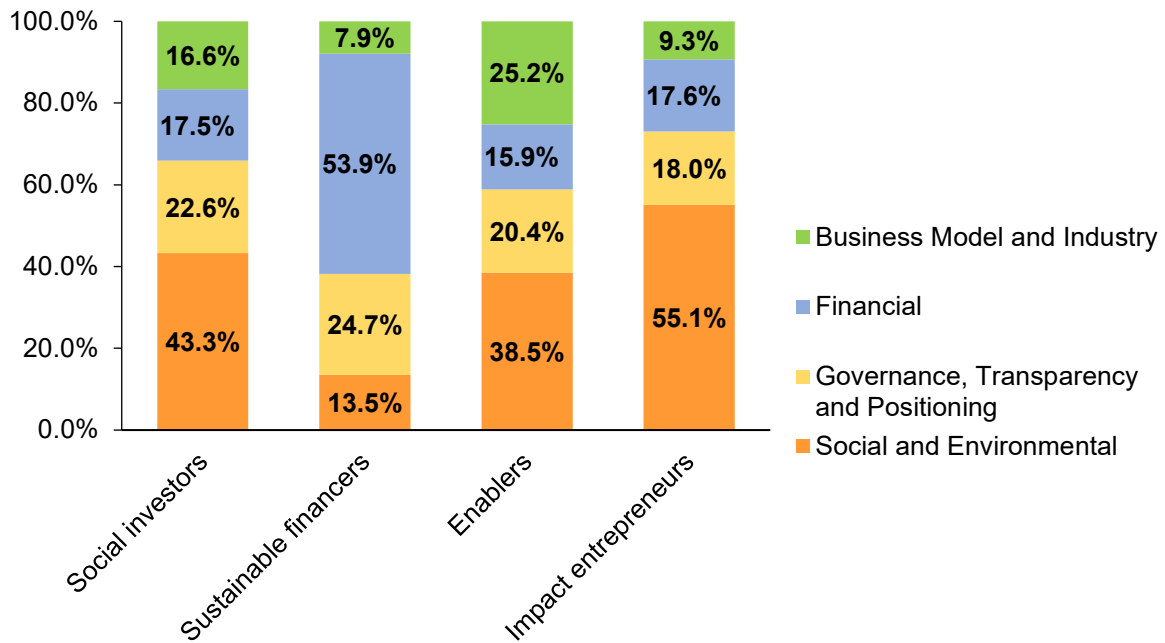
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Figure 17: Graphical Result - Discursive focus of archetypes (source: authors)

Tables

AUTHOR	DEFINITION
Ashforth and Gibbs (1990, p. 177)	*"A social judgment that is ultimately accorded to the organization by its constituents."*
Dowling and Pfeffer (1975, p. 122)	*"Congruence between the social values associated with or implied by (organisations') activities and the norms of acceptable behaviour in the larger social system."*
Scott (1995, p. 72)	*"A condition reflecting cultural alignment or consonance with relevant rules, laws or normative values."*
Suchman (1995, p. 574)	*"A generalised perception or assumption the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions."*
Zimmerman and Zeitz (2002, p. 414)	*"Social judgment of acceptance, appropriateness and desirability"* *enabling access to resources."*

Table 26: Foundational Definitions of Legitimacy

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ARCHE TYPE	ORGANISATION	LOCATION	DESCRIPTION	DOCS	UNITS
SOCIAL INVESTORS	**Acumen Fund** http://acumen.org	Head Office in New York; offices in India, East Africa, Pakistan, West Africa, England, Latin America/ Colombia	Acumen Fund receives charitable donations and makes debt or equity investments in "game changing companies" that have the ability to scale. Returns received are recycled to make new investments with a strong focus on ending poverty. Acumen Fund offers fellowships for future leaders in the social sector.	17	37
	Bill and Melinda Gates Foundation http://www.gatesfoundation.org	Headquarters in Seattle, US; offices in China, Ethiopia, Europe, the Middle East, India, Nigeria, South Africa, Washington D.C.	Tax-exempt private foundation founded by Bill and Melinda Gates with the belief that every life has equal value. In developing countries, the focus is put on the improvement of health and the reduction of poverty, while in the US the Foundation wants to provide access to education.	13	24
	Bridges Ventures http://www.bridgesfundmanagement.com	London, UK and New York City, US	"Money that makes a difference." Bridges Ventures is an investment firm that tries to prove that finding solutions to the world's problems can unlock a substantial commercial opportunity. Business is regarded as a powerful force for good.	9	35
	Rockefeller Foundation http://www.rockefellerfoundation.org/	Headquarters in New York, US; offices in Italy, Kenya, Thailand	The Rockefeller Foundation is a philanthropic foundation that engages in impact investing initiatives with the goal of building greater resilience and advancing more inclusive economies. The Foundation's Bellagio Centre is often named as the place where the term impact investing was first coined.	14	41
	Triple Jump http://triplejump.eu/	Headquarters in Amsterdam, NL; offices in Thailand, Georgia, Mexico, Peru, Kenya	Investment manager that improves access to finance services for entrepreneurs at the bottom of the pyramid. Triple Jump provides capital and advisory services and aims to expand financial service providers in all stages of the entrepreneurs' development. For investors, they offer portfolio management and impact measurement.	14	42

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ARCH ETYPE	ORGANISATION	LOCATION	DESCRIPTION	DOCS	UNITS
SUSTAINABLE FINANCERS	**BNP Paribas** https://wealthmanagementbnpparibas/en/	Worldwide operations	BNP Paribas calls itself "The bank for a changing world". BNP Paribas Wealth Management offers to invest money in sustainable and responsible investment funds that take into account ESG criteria.	10	30
	JP Morgan https://www.jpmorganchase.com/	Worldwide operations	The bank engages in the impact investing sector by providing capital itself and by managing funds and offering financial advisory. Impact investing is regarded as an opportunity for economic growth and a responsibility.	13	25
	Sonen Capital http://www.sonencapital.com/	San Francisco, US	Investment management firm that is convinced that investing to generate financial returns and to create social or environmental objectives are mutually reinforcing objectives.	11	32
	Triodos Bank https://www.triodos.com/en/investment-management/	Worldwide operations	The Triodos Bank calls itself the most sustainable bank and leader in transparency. Triodos Investment Management manages impact investing funds and is a founding member of the GIIN.	28	70
ENABLERS	**Big Society Capital** https://www.bigsocietycapital.com/	London, UK	BSC invests in intermediaries who then invest in charities and social enterprises with the aim of attracting co-investors and creating systemic change by achieving positive investment returns. Their mission is to have a transformative impact on the social impact investment market in the UK and to increase awareness of and confidence in social investments.	12	33
	Global Impact Investing Network https://thegiin.org/	New York, US	The GIIN is an organisation dedicated to increasing the scale and effectiveness of impact investing around the world. The GIIN builds infrastructure and supports activities and education accelerating the development of the industry.	11	25
	Social Finance http://www.socialfinance.org.uk/	London, UK	Social Finance as a non-profit organisation which partners with the government, the social sector and the financial community in the form of the social impact bond to create lasting solutions for social problems in the UK and beyond. Social Finance was the first organisation to successfully launch a social impact bond which was then adopted by other actors in the industry.	18	64

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ARCH ETYPE	ORGANISATION	LOCATION	DESCRIPTION	DOC	UNITS
ENABLERS continued	**Toniic** http://www.toniic.com	Headquarters in San Francisco, US	Toniic envisions a global financial ecosystem that creates a positive social and environmental impact. The organisation aims to be a global action community for impact investors, entrepreneurs and partners where they can share knowledge and promote the impact investing industry.	18	34
	Unreasonable Institute, now Uncharted http://unreasonable institute.org or https://uncharted.org	Headquarters in Colorado, US; teams in East Africa, Mexico, Brazil, New Zealand, France, Ghana, Boston, Japan, Morocco, India, Ecuador, Ukraine	The Unreasonable Institute aims to unite entrepreneurs that have a mission to address the world's major problems. The entrepreneurs are supported with mentors, funders and a global network. During the process of writing this article, the Unreasonable Institute changed its appearance; they are now called Uncharted and has placed a greater focus on the solution of problems and the enabling function they want to have for their entrepreneurs.	14	29
IMPACT ENTREPRENEURS	**Babington Group** https://babington. co.uk/	Derby, UK offices around the UK	Babington Group aims to realise young people's full potential by providing training and opportunities to create a better future. The organisation tackles the problem of inequality in access to professional education in the UK.	14	33
	Capital Good Fund https://capitalgood fund.org/	Providence, Rhode Island, US	Capital Good Fund envisions an America free of poverty. They work on empowering underserved families by providing them with financial services that help them to build better lives for themselves.	20	36
	Indian School Finance Company https://isfc.in/	New Delhi, India	The ISFC is a non-banking finance company that engages in lending to educational institutions and managers of such institutions. Students are enabled to access quality education by investments in infrastructure improvements.	15	27
	Jibu http://jibuco.com/	Kenya, Rwanda, Uganda	Jibu gives loans to franchisees that sell purified, convenient and affordable water in Jibu bottles. The social mission is providing access to affordable drinking water for everyone and empowering entrepreneurs.	25	68
	Peterborough Prison Bond http://www.social finance.org.uk/impact/c riminal-justice/	Peterborough, UK	The first Social Impact Bond in the UK with the aim of reducing the reoffending rates of short sentenced prisoners in the Peterborough Prison by providing them with professional services and support after their release. After the invention the Ministry of Justice implemented a national programme adopting the basic idea.	6	36
			Total Documents/ Units for Analysis:	**282**	**721**

Table 2: Selected Cases, Documents and Units and their Classification into Archetypes based on Roles

Appendices

THEME		CODE	DETAIL	DESCRIPTION
SE	Social and environmental	SC	Social change	– Tackling society's problems with a focus on systemic change
		SIS	Social and environmental issues	– Problem discourse about inequality, health issues, pollution, scarcity of clean water, expensive energy, global warming etc.
		SIM	Social and environmental Impact	– Definitions – Equality and empowerment, healthcare, for the environment or in terms of sustainability – Qualitative data on social impact
		SM	Social mission	– Missions, visions and goals the actors follow with their business model
G	Governance, transparency and positioning	GP	Positioning	– Reference to authorities and own industry role – Reference to leadership, powerful leaders and their experience
		GT	Transparency	– Reporting and measurement – Structures for control – Stakeholder inclusion
		GR	Responsibility	– Responsibility for industry growth, for social impact, towards clients and stakeholders
		GA	Accessibility	– Making impact investments and their benefits understandable and accessible for everyone
F	Financial	FR	Financial return	– Emphasis on the financial return – Scaling of financial return
		FI	Financial instruments	– Risk diversification and portfolio optimisation – Financial instruments used
		FS	Sustainable Investing	– Blended Value Principle – Inclusion of ESG criteria – Impact investment as a business opportunity
B	Business model and industry	BMI	Business model and industry	– Development of the industry by partnerships, research, transferring knowledge, etc. – Networks and interconnectivity of the industry – Challenges and future development

Table 27: A-priori Code Set for Analysis of Discursive Focus, based on the literature review

Appendices

STRATEGIES PROMOTING PROPRIETY / LEGITIMACY	SUBTYPES	MEANING FOR DISCOURSE ANALYSIS	CODE
Strategies emphasising the success of an entity; emphasising that a practice offers an appropriate and efficient solution to a problem of societal concern or that it fails to offer such a solution (theorisation)	*Success and failure narratives*	Success is defined differently for the actors; therefore, it is understood broadly for analysis Success: e.g. financial return, qualitative and quantitative impact, networks, successful initiatives or programmes. Failure: e.g. challenges unsolved, missed targets	**SF**
	Problem discourse and solution discourse	Referring to social and environmental issues and how they are solved by impact investing; appear together or separated (problem or solution discourse)	**PSD**
	Problematising the ineffectiveness and injustice of existing practices	Referring to the ineffectiveness and injustice of existing systems and actors to solve society's problems	**IN**
	Rationalisation – providing rational arguments and references to utility to establish property	Explanation of and information on the business model, quantitative impact and financial data, measurement, reporting, portfolio management	**RA**
Strategies constructing identities to confer or destroy the propriety of an entity	*Valorising and demonising actors*	Valorising actors: relationships in the industry Demonising actors: incapabilities in the system	**VDA**
	Idealising a construction of an actor's identity as conditional on carrying out social behaviours	Reference to the (social) mission related to impact investments	**ID**
Strategies creating resonance with the normative beliefs of evaluators	*Frame alignment – the process of making issue interpretations congruent with prevalent local accounts (frames in communication need to match frames in thought)*	Appealing to moral and ethical considerations through signals (e.g. photos of children or women), reference to typical mainstream discourses (e.g. explaining complicated structures more easily)	**FA**

Appendices

STRATEGIES PROMOTING PROPRIETY / LEGITIMACY	SUBTYPES	MEANING FOR DISCOURSE ANALYSIS	CODE
	Value-based theorisation drawing on appeals to norms from wider belief systems, from reference to institutional norms and logics and from linking discourse to orders of worth (to higher-order principles that define appropriate forms of behaviour)	Implying logics and beliefs that do not have to be rational but that lead to a certain behaviour (e.g. human rights, equal rights, e.g. access to water)	**VBT**
Strategies emphasising the moral value of the local entity	*Ethos justification stressing the importance of considering the important role of justice and ethics in judgments*	Moral and ethical considerations leading to certain behaviours; interwoven with VBT	**ET**
	Moralisation as a strategy establishing propriety by moral arguments		**MO**
Strategies addressing emotions	*Pathos justifications characterised by passionate appeals*	Appealing to emotions by photos (especially of children, black women, female entrepreneurs) and strong wording; interwoven with FA	**PA**

Table 28: Code Set 2 for Rhetorical Strategies Promoting Legitimacy as Propriety (source: based on Bitektine & Haack, 2015, p.65; extended by authors)

Appendices

STRATEGIES PROMOTING PROPRIETY	Aggregation level 1	Aggregation level 2	Group
Strategies emphasising the success of an entity (…)	SF PSD IN RA	SF PSD IN RA	**1**
Strategies constructing identities and actors (…)	VDA ID	VDA ID	**2**
Strategies creating resonance with normative beliefs of evaluators	FA VBT	FA VBT	**3**
Strategies emphasising the moral value of the local entity	ET MO	ET MO	
Strategies addressing emotions	PA	PA	

Table 29: Aggregation of Legitimisation Strategies (source:authors)