

Why crowdfunding? Understanding crowdfunding and the marketing roots of this fundraising model in Turkey¹

Neden kitle fonlaması? Türkiye'de kitle fonlaması ve bu kaynak yaratma modelinin pazarlama kökenlerini anlama

Rahma Debbabi² 

Burçin Kaplan³ 

¹ This article is a part of "What makes a Crowdfunding Campaign Successful? Investigating Crowdfunding Platforms as a Social Media Marketing Tool", titled master's degree thesis.

² MBA student, Istanbul Aydın University, Istanbul, Turkey, rahmadebbabi@stu.aydin.edu.tr

ORCID: 0000-0002-1253-2667

³ Assist. Prof. Dr., Istanbul Aydın University, Istanbul, Turkey, burcinkaplan@aydin.edu.tr

ORCID: 0000-0003-4967-8405

Corresponding Author:

Rahma Debbabi,

Istanbul Aydın University, Istanbul, Turkey, rahmadebbabi@stu.aydin.edu.tr

Submitted: 10/01/2022

Revised: 14/02/2022

Accepted: 24/02/2022

Online Published: 25/03/2022

Citation: Debbabi, R., & Kaplan, B., Why crowdfunding? Understanding crowdfunding and the marketing roots of this fundraising model in Turkey, *bmij* (2022) 10 (1): 429-446, doi: <https://doi.org/10.15295/bmij.v10i1.1996>

Abstract

The widespread use of the Internet and Web 2.0 emergence have promoted crowdfunding worldwide. In particular, crowdfunding exhibits significant growth potential in developing countries. It also constitutes a novel investment and financing mode that overtakes funding institution capabilities by providing practical marketing tools. Despite its considerable progress reported in developed countries, the deployment of this multidisciplinary economic model remains limited and restricted in developing countries. Turkey represents a promising emerging market for crowdfunding activities with its recent regulations. The potential of such an economic model is subject to further awareness of the crowd and investors (especially entrepreneurs) of crowdfunding concepts. This paper provides a narrative review where the authors aim to survey, synthesize, and discuss crowdfunding as a marketing tool and its relevant principles. Specifically, it depicts the bases and objectives of crowdfunding activities. Moreover, it introduces the marketing foundations relevant to this funding model to motivate the use of crowdfunding in developing countries such as Turkey.

Keywords: Crowdfunding, Entrepreneurship, Marketing, Finances, Turkey

Jel Codes: M13, M31, G20

Öz

İnternetin yaygın kullanımı ve Web 2.0'in ortaya çıkması, dünya çapında kitlesel fonlamayı önemli ölçüde desteklemiştir. Kitle fonlaması, özellikle gelişmekte olan ülkelerde önemli bir büyüme potansiyeli göstermektedir. Sistem, aynı zamanda daha etkin pazarlama araçlarıyla fon sağlayan kuruluşların yeteneklerini asan yeni bir yatırım ve finansman modu oluşturmaktadır. Gelişmiş ülkelerdeki kayda değer ilerlemeye rağmen, bu çok disiplinli ekonomik modelin yaygınlaştırılması gelişmekte olan ülkelerde sınırlı ve yetersiz kalmaktadır. Türkiye, özellikle son düzenlemeleriyle, kitle fonlaması faaliyetleri için gelecek vaat eden bir gelişmekte olan pazarı temsil etmektedir. Böyle bir ekonomik modelin potansiyeli, kitlelerin ve yatırımcıların (özellikle girişimcilerin) kitle fonlaması kavramları hakkında daha fazla farkındalığına tabidir. Bu makale, yazarların pazarlama ve ilgili disiplinlerin bir aracı olarak kitle fonlamasını araştırmayı, sentezlemeyi ve tartışmayı amaçladığı bir yazın incelemesi sunmaktadır. Spesifik olarak, kitle fonlaması faaliyetlerinin temellerini ve hedeflerini tasvir etmektedir. Çalışma ayrıca, Türkiye gibi gelişmekte olan ülkelerde kitle fonlaması kullanımını motive etmek için, bu finansman modeliyle ilgili pazarlama temellerini tanıtmaktadır.

Anahtar Kelimeler: Kitle fonlaması, Girişimcilik, Pazarlama, Finans, Türkiye

JEL Kodları: M13, M31, G20

Introduction

The most critical stage for any new business is the "establishing & foundation" phase. It includes all the proper steps to create the start-up and within which the company is supposed to bring together the different resources (financial capital, human capital) that it needs. The real challenge for any entrepreneur is to raise the needed money, especially since traditional financial institutions are hardly financing start-ups considering them as high-risk businesses.

Crowdfunding technology has emerged from this new economic model as a replacement or an alternative solution to traditional financial institutions (banks, venture capitalists, and business angels) (Li et al., 2016). It allows the entrepreneurs to use web 2.0, reach potential lenders/investors, and collect the capital needed. This is performed by gathering a small amount of money from many people, namely the "crowd". Due to the power of collectivism and the creation of communities, crowdfunding platforms can offer more than financial solutions; they can also be used as marketing tools.

Many studies in the marketing field converge with Beier, Früh, and Jäger (2019) to say that small and medium-sized enterprises (SMEs) can take advantage of the rewards-based crowdfunding model as an effective marketing tool. This was based on the fact that reward-based crowdfunding is, at some points, a combination between social media and e-commerce (Beier & Wagner, 2015, 2016).

Crowdfunding platforms can be exploited as social media tools in which the entrepreneurs interact with the potential investors and present the campaign as a showcase. More specifically, they can present and promote their project or company using texts, photos, or videos (Lai & Turban, 2008; Xu et al., 2014). Moreover, crowdfunding platforms, as social networks, allow the project's promoters to keep in touch with investors by publishing updates on their projects (Beier & Wagner, 2016; Mollick, 2014; Xu et al., 2014). Furthermore, in a crowdfunding campaign, especially the reward-based model, the fundamental of e-commerce resides. The crowdfunding platforms represent the first point of sale where entrepreneurs can offer their products and services to the public, estimate the demand, and condition the production according to the demand (Bartoli, 2020).

Crowdfunding has been widely employed abroad, especially in developed countries such as the United States, the United Kingdom, since 2009. Total Global Crowdfunding Industry fundraising volume is estimated to be \$34 Billion in 2015 (Massolution's 2015 CF Industry Report, 2015), to almost \$73 billion in 2018 (Technavio, 2018), and it is expected to exceed \$300 Billion by 2025 (Massolution's 2015 CF Industry Report, 2015). Unfortunately, it is still underused in developing countries. In Turkey, for example, crowdfunding became available for investors when the Capital Market Law has changed and became effective on December 5th 2017. Also, in 2019, the Turkish Capital Markets Board (SPK) prepared a regulation on the principles and procedures regarding equity-crowdfunding to facilitate accessing financing for entrepreneurs, and small and medium-sized enterprises, by offering them an alternative financial resource other than the conventional banks (Demiray & Burnaz, 2019).

Regarding the vulnerable economic situation and high unemployment rates worldwide, especially after the global COVID-19 pandemic, an alternative financing method that motivates people to be entrepreneurs and create wealth would be beneficial. Turkey represents a favourable ground for applying such an economic model. In fact, in addition to its local population, Turkey is one of the countries attracting more and more foreign investors by establishing special laws and thus creating an environment favourable to investment. Among these investors, there are students and young people with high entrepreneurial potential and innovative ideas but without a source of funding. Thus, crowdfunding represents an adequate financing model for this category of person. But unfortunately, many of them are unaware of this method or find it difficult or too risky. According to Sırma, Ekici, and Aytürk (2019), the awareness level of university youth in Turkey is still low. Still, most of them are willing to use it as fundraisers or even as investors.

In this perspective, this paper aims to simplify the crowdfunding process. Moreover, we intend to sensitize and attract entrepreneurs to use such a tool to promote their ideas and raise funds. Finally, we propose a theoretical framework for future entrepreneurs seeking funds to start a successful crowdfunding campaign. More than collecting money, they will meet the first consumers of the product and perform market research virtually free of cost.

The paper is organized into five sections: first, it describes the origin and fundamentals of crowdfunding. Second, it lists and explains the different types of crowdfunding activities. The third section presents crowdfunding as a marketing tool with its marketing mix components and the resulting benefits. The fourth section explains the progress of a crowdfunding campaign. Finally, the fifth section opens up new perspectives by describing Turkey's crowdfunding situation and possibilities.

Origin and bases of crowdfunding

Crowdfunding is the financial aspect of Crowdsourcing (Howard, Achiche, Özkil, & McAloone, 2012). The latter was first considered a solution for organizations to address issues related to information access in territories where the organization cannot operate (Jeppesen & Lakhani, 2010). Howe (2006a) defined this concept as to how businesses were using the Internet to "outsource work to the crowd". Howe (2006b, 2008) defines crowdsourcing as the act by which a company or an institution outsources a function, previously performed by their employees, to an indefinite network of people in the form of an open call. Brabham (2010) specifies that crowdsourcing is simply posting a problem online, gathering many solutions from the crowd, choosing the best ideas, and using these ideas in their business activities.

Starting from the general concept of crowdsourcing and applying it to the project financing field have triggered the notion of crowdfunding. Crowdfunding was defined as funding a project or a risky business by a group of individuals rather than by professionals (Schwienbacher & Larralde, 2010). Alternatively, it can also be defined as taping in the collective wallet, allowing a wide range of individuals to replace banks and other institutions as a source of funding (Onnée & Renault, 2014). Thus, crowdfunding relies on two principles: (i) The wisdom of the crowd and (ii) The promise of alternative finance.

What differentiates crowdfunding from traditional financing methods is the link created between the financier and the project leader, which gives new dimensions to the investment. In addition, it involves many internet users financing a project, developing its notoriety, broadcasting it through social networks, and promoting its commercial success through wide distribution via the Internet (Bessière & Stéphanie, 2017).

Since 2013, crowdfunding has been described as having a marketing function associated with funding (Valanciene & Jegeleviciute, 2013). This evidence finds its origin in the "crowd's wisdom" concept. We will retain the following formulation: If many people believe in an idea or a project, and it is funded, it is the expression of the crowd's wisdom, then this project can only succeed. This definition is a promise of suitable choice by the crowd, coupled with favourable funding, which induces the idea that the realization of financing by the crowd is a guarantee of the adequacy of the product or service offered to the market. Similarly, LePoder and Sebahg (2008) describe collective competence as an increasing function of individual competence; it comes up against a constraint of individual rationality. This is confirmed by Surowiecki (2004), who concluded that "Under the right circumstances, groups are brilliant, and are often smarter than the smartest people in them". He underlined those decisions made by the crowd are not necessarily made for personal interest but according to the collective interest. The collective competence assumes that crowds are diverse; otherwise, they are unlikely to be wise.

To determine the role of the crowd in the evaluation process, Bessière and Stéphanie (2014) question the motivations and expertise. They postulate that investment decisions are more a matter of perception than an in-depth examination. This would be a decision in which "feelings" play a crucial role. In their conclusions, the authors insist on the differences in investment motivations and choices by postulating that "crowdfunding opinions and recommendations can be considered as a form of "public testing", "a marketing logic prevails over a financial logic", "crowdfunding institutionalizes this socio-cognitive movement". Therefore, crowdfunding would directly impact the choice of investments, which would not necessarily lead to changes in corporate governance.

The second principle of crowdfunding is the promise of the so-called Alternative Financing linked to the sustainable and solidarity economy. The various financial crises, particularly in 2007, strongly impacted investor confidence in the system and gave birth to alternative financing methods (Clarens, 2019). However, this mistrust gradually faded due to the various regulatory provisions to strengthen the banks' capital and the " stress tests " encouraging results".

Historically, the financing of Start-ups is mainly based on accessing Business Angels. However, according to Pope (2011), less than 3% of entrepreneurs seeking funding from Business Angels are financed.

Crowdfunding can be considered an alternative solution because it allows financing projects in a field that is, a priori, not very appreciated by the institutions. Moreover, it offers a solution to actors who have difficulty financing their projects through traditional financing channels (Hemer, 2011). Furthermore, crowdfunding is an opportunity to finance projects that appear too risky, too innovative, or complex in the eyes of traditional financial institutions (Renault & Boutigny, 2015). In addition, one of the strengths of crowdfunding is that its contributions to the financed company are not only financial

but include marketing, solidarity, and local dimensions, oriented initially towards a more solidarity-based economy.

While researchers initially analyse crowdfunding as an answer to the problem of the equity gap, it should be pointed out that the different types of crowdfunding have also been analysed as responding to different moments in the development of the company.

Types of crowdfunding activities

Each crowdfunding model has its specificities, and an entrepreneur must understand the different types to choose the best type suitable for his needs. Moreover, understanding the different types allows publishing the project on the right platform. Furthermore, it helps make as many benefits as possible at different levels, not only financial ones (Belleflamme, Lambert, & Schwienbacher, 2013).

Although crowdfunding is a complex concept that is constantly changing and evolving, we can still define four principal forms of crowdfunding models that differ mainly in resource allocation and return to investors. First, the potential investors (crowd) expect to receive a reward most of the time. This reward, equivalent to the return to investors, can have multiple aspects categorized as material compensation, tangible compensation (monetary reward, good or service), or intangible compensation (social recognition) (Bartoli, 2020).

The most common forms of crowdfunding are Donation, Reward-based Crowdfunding, Equity Crowdfunding or Crowd-investing, and Crowdlending, also called P2P-lending or Loan-based Crowdfunding (Leeke, 2013; Belleflamme, Lambert, & Schwienbacher, 2014).

Donation-based crowdfunding

This model is based on donation and charity. It is similar to non-profit organizations. Participants fund the project related to a cause they believe in or related to a product they want to support. They expect nothing in return. Instead, they expect their contribution to be recognized (Bombardier, 2015).

The non-profit campaigns have a better success rate than profit, and individuals are motivated to participate (Schwienbacher & Larralde, 2010). It has also been shown that it is easier to reach the community and get accurate feedback for non-profit organizations. This kind of financing roots in microcredits and is considered the first crowdfunding model (Bartoli, 2020).

Reward-based crowdfunding

This model is based on rewards, and it consists of launching a product, or even a service, in a pre-order, a unique, or a limited version. Thus, the entrepreneurs offer one (or more) product(s) or service(s) at a fixed price. They also determine a delivery date in exchange for participation in the financing (Bombardier, 2015).

Bartoli (2020) explained that this model allows early participation in developing the product or service. Investors expect to receive a reward for their investment. This model is the best known and most used form. Significantly, the most famous platforms offer this funding model, such as Kickstarter and Indiegogo. Generally, the reward varies depending on the amount invested. Usually, it starts with formal thanks to material rewards that increase in value as the donation increases. Material rewards generally come down to two types: pre-purchases (the same product that will later be offered to the market) or a gadget (unique or not), depending on the amount given. Consumers perceive added value in this type of investment, whether in terms of timing (receiving the product before others) or in terms of quality (receiving an exclusivity or a unique product) which encourages them to invest early (Nocke, Peitz, & Rosar, 2011).

It must be underlined that this type of investment is not without risks. Thus, investors must know that nothing guarantees that the entrepreneur will meet his product delivery or delivery time commitments.

Equity-based crowdfunding

This model looks like traditional investment models. In fact, in this type of financing, the investor contributes to the company's shares and will therefore share the profits and losses incurred. However, some platforms offer the possibility of receiving only a share of the income without being associated with the capital. Also, some specialized platforms play the role of the stock market mediator who advises clients when choosing or making decisions (Leeke, 2013; Belleflamme et al., 2014; Hornuf & Schwienbacher, 2016).

This type of financing is often used by technological start-ups who do not have easy access to traditional financial institutions that consider start-ups high-risk failure and bankruptcy. From an investor

perspective, this model targets experienced investors looking for new investment opportunities and new or young investors with a small budget that they are trying to grow (Bartoli, 2020).

To cope with the high level of risk and scams, this financing and investment model is usually subject to government regulations. The laws constrain technological platforms, investors, and fundraisers, with constraints varying from one country to another.

Lending-based crowdfunding

It is also called a Peer-to-Peer loan or social loan because it is carried out between individuals without the intermediary of financial institutions. In this kind of fundraising, individuals lend money for a particular project and expect to be refunded when the business starts selling its products or services (Leeke, 2013). The loan agreement can be a traditional one with or without interest. It can even be in the form of a pre-sale. This model offers a return or reimbursement guarantee when the project becomes operational.

Entrepreneurs have recourse to this type of credit because of the ease and speed of access to crowdfunding platforms and the lower interest rate than traditional banks. Also, the platforms offering lending-crowdfunding guarantee the control and the selection of the projects along with the analysis and the distribution of the loans. Moreover, they retain about 1% of the loan amount (Bartoli, 2020).

Other forms of crowdfunding exist. However, they are very marginal and concern only particular and specific types of projects (Leboeuf, 2016). Real-Estate Crowdfunding, Recurring Crowdfunding, Civic Crowdfunding, Corporate Crowdfunding, Energy Crowdfunding are examples of crowdfunding sub-categories (Bartoli, 2020).

Crowdfunding as a marketing tool

The marketing components in crowdfunding activities

The American Marketing Association (2018) defined Marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offering that has value for customers, clients, partners, and society at large".

In order to make this theoretical definition practical, many marketing instruments are used. However, the "marketing mix"; known as the "4Ps" which stands for its four components: "Product", "Price", "Promotion", and "Place" (Kotler, 1967), is still the critical component and the most used tool when dealing with operational marketing (Bocconcelli et al., 2016).

The Crowdfunding process, which encompasses campaigns and platforms as described in section 4, seems to meet the criteria of a marketing strategy. Thus, it can be considered a marketing tool in addition to its financial interest.

Most scholars studied crowdfunding from a financial perspective. However, an increasing number of authors are studying the crowdfunding concept differently. They try to figure out how crowdfunding (especially the reward-based crowdfunding model) can be an effective marketing tool for small and medium-sized enterprises? For example, (Beier, Früh, & Wagner, 2014; Brown, Boon, & Pitt, 2017; Gierczak, Bretschneider, & Leimeister, 2016) state that when crowdfunding is well used, it proves to be an optimal marketing tool in addition to its known financing role (Beier et al., 2014; Brown et al., 2017; Gierczak et al., 2016). Moreover, according to Beier et al. (2019), already established companies might profit from the reward-based crowdfunding model for funding purposes and as a powerful marketing tool. Many authors support this idea. Therefore, it is justified that reward-based crowdfunding activities combine social media elements and e-commerce (Beier & Wagner, 2015, 2016).

Social media's aspect in crowdfunding

The existing crowdfunding platforms are somehow social media platforms where entrepreneurs can upload texts, photos, videos to promote their project or activity (Lai & Turban, 2008; Xu et al., 2014). Also, it allows them to interact with the crowd through publishing updates on their projects, answering questions of the crowd, and gathering comments from potential customers (Beier & Wagner, 2016; Mollick, 2014; Xu et al., 2014).

The social aspect and the marketing role of crowdfunding platforms are associated with the concept of Web 2.0. The latter is one of the pillars of this concept. In this regard, Hemer (2011) affirms that crowdfunding is an innovative process that gains from social networks and Web 2.0, particularly from "viral marketing and networking", which allows gathering users in specific web communities within a limited period.

One of the most accurate definitions of the web 2.0 maybe "is the network as platforms, spanning all connected devices; Web 2.0 applications are those that make the most of the intrinsic advantages of that platform: delivering software as a continually-updated service that gets better the more people use it, consuming and remixing data from multiple sources, including individual users, while providing their data and services in a form that allows remixing by others, creating network effects through an "architecture of participation," and going beyond the page metaphor of Web 1.0 to deliver rich user experiences" (O'Reilly, 2005). Therefore, a crowdfunding platform is a Web2.0 technology-based platform (Leimeister, 2012). It allows dynamic and instantaneous interaction between different users (Wolf, Dirtheuer, Sagl, & Herrmann, 2012; Bouncken, Komorek, & Kraus, 2015) or between users and content as publishing, sharing, commenting, etc. (Evans, 2010).

Crowdfunding as an e-commerce activity

E-commerce or electronic commerce, also called e-business, can be defined as "the use of electronic, computing, and internet-based technologies to change traditional revenue models and business designs to the mutual benefit of customer and vendors" (Al Dabbagh, 2011).

Nowadays, and with the impressive development of Web 2.0 and social media, e-commerce is changing from a product-oriented process to a customer and social-oriented one (Wigand, Benjamin, & Birkland, 2008). Social media refers to the applications created on Web 2.0, while Web 2.0 refers to internet-based concepts using collective wisdom and intelligence (Kaplan & Haenlein, 2010). Dennison, Bourdage-Braun, and Chetuparambil (2009) say that customers make more informed and accurate decisions when choosing a product or service by referring to social knowledge and experiences in such an environment.

At the same time, e-business allows entrepreneurs or buyers to know more about customers' behaviours, giving them insights into their experiences and expectations to develop better business strategies (Constantinides & Fountain, 2008). Thus, e-business is experiencing an evolution by incorporating an increasing number of Web 2.0 features and capabilities. These features improve customer engagement (Kim & Srivastava, 2007) and consolidate relationships with customers (Liang, Ho, Li, & Turban, 2011). Therefore, they can claim the improvement of their economic value (Parise & Guinan, 2008). From the evolution of e-commerce is born the notion of social commerce.

Parise and Guinan (2008) define social commerce as a more social, creative, and collaborative approach than e-commerce, where the crowd's engagement creates an added value. From a marketing perspective, social commerce allows companies to use social media as a marketing tool to understand customers' behaviours and decision-making processes (Constantinides & Fountain, 2008). Moreover, it allows exploring better the market opportunities (Michaelidou, Siamagka, & Christodoulides, 2011) and even being more competitive (Constantinides, Romero, & Boria, 2008). Based on previous definitions, crowdfunding platforms are among the best examples of social commerce platforms.

The reward-based crowdfunding model is mainly associated with the relationship between social commerce or e-commerce and crowdfunding. When choosing this model, an entrepreneur can make pre-sales through crowdfunding platforms, though they are called "rewards," not sales. At the same time, the entrepreneur is networking and interacting with his potential investors or/and customers (Bartoli, 2020).

The marketing mix in crowdfunding

The concepts of social commerce, e-commerce, and Web 2.0 are the basis for understanding how crowdfunding can be used as a marketing tool and not just as a fundraising tool. Thus, to understand the relationship between crowdfunding and marketing, a brief background of the variables that make up the marketing mix and contribute to building a marketing strategy is provided. Namely, the 4Ps: Price, Place, Promotion, and Product are presented in the frame of crowdfunding activities.

The place

The place is the Internet which constitutes a marketplace that attracts, daily, more than a billion connected people worldwide. This allows an entrepreneur to use rewards-based crowdfunding platforms. By doing so, SMEs can generate income through a timely first sales channel. Moreover, a project published on a crowdfunding platform can be considered an experimental tool for entrepreneurs better to assess the value of their ideas or products. Furthermore, it allows detecting potential segments to target and gauging potential pre-orders or sales with new distribution channels. Therefore, it allows the entrepreneur to detect weaknesses and strengths early in their sales and product distribution channels without incurring exorbitant costs (Beier et al., 2019).

The price

The price is generally lowered to collect as many funds as possible by attracting as many people as possible during a crowdfunding campaign. However, in some cases, several price brackets are offered with different "reward" products proportional to the investment amount. It is, therefore, necessary to offer prices that are well aligned with the nature of the object. Moreover, using several rewards that vary in their types and prices is an opportunity to segment future buyers before producing or selling products properly.

Moreover, the duration of a crowdfunding campaign is a trial period for entrepreneurs to optimize their packages and adequately discriminate prices according to consumer expectations. This is performed through a new distribution channel that is limited in time. According to Sayedi and Baghaie (2017), the price offers in crowdfunding platforms allow detecting the "early adopters" who are ready to pay high prices for a product, which would help develop and improve the product through their feedback to the manufacturer.

Usually, the price allows distinguishing another consumer segment. It concerns investors willing to pay the high price to receive a unique and innovative prototype early. This would give them a feeling of added value during the marketing of the product (Belleflamme et al., 2014; Slater, Hult, & Olson, 2007). Alternatively, some investors prefer paying the price lower than the market value because of the doubts concerning the product's reliability or the delivery conditions (Brown et al., 2017; Leone, Schiavone, & Dezi, 2018; Mollick, 2014).

The product

Ryan, Jones, & Lavagno (2013) explained that it has to have a positive impact and an accurate perception value on the potential future buyer or consumer to be considered a good product. However, having a 'good' product is not sufficient. It must also have a 'Unique Value Proposition' to meet the market needs and demand.

Reward-based crowdfunding is a helpful tool to test and validate the offered products concerning their technical characteristics and packaging proposals (Brown et al., 2017). Crowdfunding helps SMEs create campaigns with more freedom, far from traditional corporate management, allowing them to perceive stakeholders differently (Beier et al., 2014). Entrepreneurs usually offer varied rewards for the customers in a reward-based crowdfunding campaign. This pushes the investors to take more risks when testing new products or services (Beier et al., 2019).

The promotion

It refers to all online and offline actions that SMEs should take to attract their "core team" made up of the "early adopters" who believe in SMEs, their ideas, and their products. This kind of customer is the basis for building solid relationships with the crowd. Also, SMEs may "bridge too weak links" by retaining more reluctant and hesitant people and acquiring gradually new ones from crowdfunder (Bartoli, 2020).

Kraus, Richter, Brem, Cheng, and Chang (2016) underlined that considering the limited duration of a reward-based crowdfunding campaign and the traditional methods imposed in this campaign, entrepreneurs should present a compelling emotional story to captivate and motivate the crowd. Furthermore, when a user consults a page of a crowdfunding campaign, he must understand all the components of the project and the particularities of the products, so he would be more motivated to participate in this campaign (Frydrych, Bock, Kinder, & Koeck, 2014). A company and its product are more widely known by using crowdfunding platforms. It also conveys to potential stakeholders that it is a digital and updated company.

Beier et al. (2019) describe crowdfunding campaigns as an opportunity for SMEs to carry out online their communication actions, including all kinds of activities such as public relations, media management, and social media advertising.

Marketing benefits from crowdfunding

Crowdfunding platforms are designed to encourage entrepreneurs to use them for purposes other than project funding (Gerber, Hui, & Kuo, 2012). They add sections and options to facilitate communication (FAQ, Comments, Updates sections) and product marketing (Storytelling, photos, videos). This idea is confirmed in international platforms like Kickstarter, where one of the most frequently asked questions is, "I'd like to use Kickstarter to get my project out there, but I don't need money. Is that okay?". And the answer is, "Kickstarter is about more than just money. A Kickstarter project is a great way to connect with your audience and spread the word about your work."

Crowdfunding is an activity governed by specific codes, regulations, and standards. Therefore, it is fundamental to underline the extent to which it is necessary to invest in developing a marketing strategy. The latter requires coordination of activities and the development of adequate skills simultaneously by standard product development and funding process management.

The entrepreneurs expect to collect profits other than financial by embarking on such activity. In the following, these profits and motivations are outlined.

Test marketability

The crowdfunding activity is based on the regrouping of a crowd to support and finance a project. This yields the simultaneous collection of feedback, opinions, and suggestions from the community. In other words, it allows conducting a free-market study and gauging the demand for the product directly among the target audience. Thus, it gives the chance of being successful (Brown et al., 2017; Sayedi & Baghaie, 2017).

Acquire a network and social capital

As already mentioned, crowdfunding is an activity based on Web 2.0. Therefore, it helps establish short- and long-term relationships between entrepreneurs and the crowd. Indeed, this relationship can be ad hoc by the simple fact of giving an opinion, a comment or participating in the financing process. However, it can last when the investor expects to receive a reward, reimbursement, earnings, or royalties (Gerber et al., 2012).

Also, crowdfunding platforms provide an accessible interface for large-scale brainstorming. It is a creative tool allowing the crowdsourcing of ideas among many participants (Brown et al., 2017).

At the same time, these platforms are accurate databases as they present a broad spectrum of information and contacts that can be recorded and exploited. This allows forming connections, acquiring customers, and even creating a distribution channel for current and future projects (Bartoli, 2020; Gerber & Hui, 2013; Mollick, 2014).

Receive validation, promote the product and make direct sales

Bartoli (2020) explained that the simple fact of receiving the crowd's support constitutes a validation for the entrepreneur, whether it is for his idea, his product, or even his capacities of management, production, and distribution.

It also helps promote the product, attracts early adopters, and even makes pre-sales (Brown et al., 2017).

Price discrimination

The price discrimination concerns especially the reward-based crowdfunding model. This criterion has been widely described as one of the success factors of a crowdfunding campaign. Indeed, by multiplying the offers of rewards according to price, the entrepreneur aims to test and analyse how much people are willing to spend on the product (Belleflamme et al., 2014).

Benchmarking

One of the marketing advantages made available by crowdfunding platforms is benchmarking. It allows studying and analysing other published projects' management techniques and organizational methods. Moreover, being inspired by these projects and getting the best out of them is beneficial (Schwienbacher & Larralde, 2010).

Crowdfunding's weaknesses and risks

Like any fundraising tool, crowdfunding is not exempt from risks and weaknesses (Çağlar, 2019).

One of the most significant risks is fraud. Indeed, the story-telling and the project presentation may be misleading (İşler, 2014). Also, the reward-based model lacks control mechanisms, and nothing obliges the fundraiser to send the promised reward after completing their project (Çağlar, 2019).

Likewise, there is a problem with trust in crowdfunding platforms. Fearing that their ideas will be stolen, project owners are reluctant to publish details about their projects (Afşar, 2018; Bradford, 2012).

Another negative side for investors using the "keep-it-all" model is the possibility of the project's failure. The risks of failure of early-stage projects funded through this system are high (Agrawal, Catalini, & Goldfarb, 2014; Çağlar, 2019; Vural & Doğan, 2019).

For equity-based crowdfunding, one of the potential risks for investors is the poverty of the secondary market when reselling shares, which can cause real liquidity problems (Çağlar, 2019; Zengin, Yüksel, & Kartal, 2017).

Besides, crowdfunding investments present management and accounting difficulties for investors in some countries (Ata, 2018).

The reward-based crowdfunding campaigns

Campaign's goals

When an entrepreneur launches a reward-based crowdfunding campaign, his objectives can be multiple. A priori, the main objective is to finance a stage of its project development. However, as mentioned previously, it can be used as a marketing campaign or target market test for a new product without focusing on fundraising (Leboeuf, 2016).

The projects are considered at different stages. These stages range from the design stage to large-scale production and distribution stages. In the design stage, everything remains to be done. Alternatively, in the production and distribution stages, the entrepreneur has already tested many prototypes, the final design is stopped, and only remains the manufacture on a large scale and the distribution to the end customers. As such, the entrepreneur defines his financing objective. In other words, he determines the amount he considers necessary at the consideration stage of the project. Similarly, he can define if his project requires the entire amount to start (All-Or-Nothing) or if he can afford to start with insufficient funding (Keep-It-All). Both models exist and present a different risk distribution (Bartoli, 2020; Leboeuf, 2016).

Presentation of the project and the rewards

Once the objective has been defined, the entrepreneur will present his project to the public. During this stage, the entrepreneur can choose any design of his campaign. In addition, he has the possibility of providing qualitative information about his project in the form of text, photos, or videos. He can also provide, on social networks, hypertext links to site-specific or pages related to the project. Moreover, the entrepreneur can present himself individually or in a team on a specific page. Indeed, a crowdfunding campaign can be carried out by a single person, while a project and a campaign are carried out by a team (Bartoli, 2020; Leboeuf, 2016).

The entrepreneur sets up a reward scale to motivate people to participate in the crowdfunding campaign. Depending on the amount that the participant decides to give, he can choose one of the rewards. The most common reward offered by the entrepreneur is the product to be produced. However, the entrepreneur can also offer any reward he deems relevant to attract a person potentially interested in his project. It can be a simple "thank you" in exchange for a symbolic sum (one dollar in the majority of cases), various derivative products, or even "premium" rewards such as a special edition of the object. By varying the rewards in terms of choice or amount, the entrepreneur tries to attract as many participants as possible and thus, increases his chances of success (Bartoli, 2020; Leboeuf, 2016).

Campaign progress

When presenting his project, the entrepreneur can decide how long the call for contributions will last. Most of the time, the platforms limit the duration to 60, 90, or 120 days. However, it is also possible to have 'on-demand campaigns', for which the participants continue beyond the planned duration, provided that the initial objective was achieved on time (Leboeuf, 2016).

The campaign is then launched for the defined duration. Throughout the campaign, the public can ask questions to the entrepreneur, comment on the project and participate in the project. These questions and comments are transcribed in real-time on the crowdfunding platform. Moreover, the comments, the questions/answers, and the number of participants are available to the public along with the information on the amounts and rewards which have been already chosen (or the ones which remain available, as some rewards may be present in limited quantities).

In addition, throughout the campaign, the entrepreneur can update the description page and add photos or videos to report on the project's progress. It is also important to note that the platform does not collect the money during the campaign, and the participants' credit cards are not debited (Bartoli, 2020; Leboeuf, 2016).

End of the campaign

Once the campaign is over, and depending on the type of the chosen campaign, the pledged sums are debited from participants' credit cards. Thus, the entrepreneur is credited with that money after

deducting the fees accruing to the platform. For example, if the financing model chosen by the entrepreneur is the "All-Or-Nothing" type, the participants are only taken if the objective of the campaign is reached. On the other hand, if the model chosen is "Keep-It-All" type, the entrepreneur may decide to receive the money proposed by the participants even if the campaign's objective is not reached, and the platform will then perceive the costs (Leboeuf, 2016).

Suppose the entrepreneur receives funds and decides to keep the money despite everything. In that case, he undertakes to deliver the planned rewards to the participants or to reimburse them if he cannot deliver. From a legal point of view, this type of crowdfunding is not regulated by the financial authorities and would seem to come under the consumer code (Gabison, 2014).

Crowdfunding's scope in Turkey

One of the motivations of this paper is to popularize crowdfunding among the ranks of young entrepreneurs who want to invest in Turkey. Reviewing the existing literature on crowdfunding, Atsan and Erdoğan (2015) estimate that Turkish academic interest in this field is almost non-existent. Nevertheless, this phenomenon attracts more and more interest among Turkish scholars, and several articles have been published, mainly since the Turkish Capital Market has regulated it. Unfortunately, studies on Turkish crowdfunding projects in the current literature are primarily descriptive, and there are few empirical studies (Akyıldız, Camgöz, & Atici, 2021; Çağlar, 2019).

For developing countries, economic growth moves by turning to new investments tools with high added value. Therefore, they must be more suitable and in line with the expectations and needs of the various economic ecosystem players, particularly the entrepreneurial ones (Tetik, 2020). Many scholars suggest that the crowdfunding model can be a "viable microfinance instrument" in Turkey, but Turkey is not entirely ready for it (Fettahoğlu & Khusayan, 2017; Oba, 2019; Sancak, 2016). In the study conducted by Sakarya and Bezirgan (2018), it was concluded that the Turkish campaigns' success rates and the amount of support per campaign remain low compared to similar platforms abroad. On the other hand, Zengin et al. (2017) affirm that this funding instrument may be very beneficial for the Turkish economic growth by transferring householders' savings to the economy and allowing them to generate revenue at the same time. Indeed, Ayturk, Ekici, and Sırma (n.d) suggest that one factor in the success of a crowdfunding project is the low inflation rate which motivates the householders to consume more and invest instead of saving. Also, Ata (2018), while studying the potential of crowdfunding in Turkey, believes that the implementation of laws regulating crowdfunding will be a first step towards the development of this means of financing in Turkey.

Turkey's economic situation

According to the World Bank, since the early 2000s, Turkey's financial and social improvement execution has been noteworthy, driving expanded business and earnings and making Turkey an upper-middle-income nation. During this time, Turkey quickly urbanized, kept up solid macroeconomic and financial arrangement systems, opened to outside exchange and back, harmonized numerous laws and controls with European Union benchmarks, and extended its administrations. Moreover, it recuperated well from the worldwide budgetary of 2008-2009.

Unfortunately, in recent years, Turkey has faced many local economic challenges. Namely, they are the value of the Turkish lira fall, the growth of inflation, and the challenging international environment. This vulnerability is exacerbated by the global COVID-19 pandemic, which has accelerated inflation and unemployment rates. These weaknesses mainly affect specific sectors, tiny and medium-sized enterprises. Nevertheless, despite these weaknesses, the Turkish economy is expected to grow by another 8.5% in 2021, attracting investors (worldbank.org, 2021).

Crowdfunding Awareness in Turkey

Although crowdfunding is a contemporary funding model, Ünsal (2017) compares it to collaborative cooperation in Turkish culture adapted to 21st-century conditions and Internet use. However, crowdfunding, which can be translated as "Kitle Fonlaması", was legally introduced in Turkey in 2017 by the amendment of Capital Markets Law (CML) Art. Three of the November 28th 2017, defines the framework of crowdfunding activity. Article 35/A of the CML and the communiqué number III-35 / A.1 published by the Turkish Capital Markets Board. This communiqué became applicable by publication in the official journal on 03/10/2019 under 30907. Boards reinforce the law by regulating equity-based crowdfunding activities and setting out the principles of the crowdfunding system while prescribing detailed conditions and obligations that platforms have to follow (Paşlı & Sönmez, 2020; resmigazete.gov.tr, 2019). Even if the first Turkish reward-based crowdfunding platform, namely « www.projemefon.com », was launched in 2010, crowdfunding is still considered a new concept in

Turkey and not enough studied. The population's awareness about crowdfunding has been studied in European countries. Daskalakis (2016) estimates that the highest level of awareness about crowdfunding is in Spain with 33%, followed by Germany and Poland with 32% and 27%, respectively. Vergara (2015), while studying crowdfunding in the Philippines, concluded that the awareness level in developing countries is shallow. Sirma et al. (2019) tried to measure the awareness level of university youth in Turkey, and among the 485 respondents, 54% never heard about crowdfunding or knew the term but not the meaning.

Interestingly, 79% of the students were willing to use crowdfunding as a fundraiser, and 67% of them as investors. Ekici, Sirma, and Ayturk (2019) analysed the results of the survey conducted by the Istanbul Development Agency (ISTKA), among 824 students and academics in Istanbul, on the relationship between crowdfunding as an alternative financing method and innovativeness. A significant positive relationship was found between the degree of innovation and the willingness to participate as a supporter or project leader in a crowdfunding campaign. These results confirm the readiness of young people to adopt this new financing model. Özdoğan and Gür (2021) encourage using "science crowdfunding" as a tool for scholars to finance their scientific research and avoid any constraint from the funders.

Crowdfunding Platforms Situation and Challenges in Turkey

Recently, many scholars were interested in studying the Turkish Crowdfunding platforms to compare their performance to the international ones (Çağlar, 2019; Çubukçu, 2017; Demiray, 2019; Sakarya & Bezirgan, 2018). They agree that even if there is progress in the Turkish platforms, it remains less efficient than the international ones.

After the amendment of related rules by the Capital Market rules, three equity platforms have been developed (Fonbulucu.com invest, Fongogo Pro, StartupFon). A more significant number is expected to be developed in the coming years.

Vural and Doğan (2019) proposed a model, "Integrated Debt Based Crowdfunding", adapted to Turkey to ensure the implementation of the lending method. They conclude that such an instrument would probably increase crowdfunding's activities and projects' success in Turkey. It was considered the preferred method of investment by the interviewed investors. Unfortunately, Turkish law prohibits this method of funding.

Demiray and Burnaz (2019) analysed the active crowdfunding platforms in Turkey, including all the types of crowdfunding activities and funds for the platforms adopting the non-financial reward model. Bulusum and Ideanest propose the donation-based crowdfunding model. They launched, respectively, 14 and 10 projects. As a result, 12 out of the 14 and 9 out of the ten projects were successful. They raised more than 620.000 TL until 2019.

For reward-based crowdfunding, till 2019, there are three active Turkish platforms. Namely, Arikovani, Crowdfon, and Fonbulucu launched 66, 185, and 24 projects, respectively. 34 out of the 66, 18 out of the 185, and 11 out of 24 were successful projects. Specifically, the 34 successful campaigns on Arikovani have raised about 4.600.000 TL.

Fongogo is a platform combining donation and reward-based crowdfunding models. It launched 422 projects with only 133 funded projects. The total raised amount in 2019 is 2.447.000 TL. Kayhan (2017), when studying Fongogo, considered it to be the most used reward-based crowdfunding platform in Turkey. Moreover, he found that problems related to the use of the website negatively affect the success of projects. The most mentioned problems were the security concerns and the difficulty of using and understanding the platform.

Given the growing success of crowdfunding, a recently published study comparing the most popular reward-based crowdfunding platforms in Turkey and the USA concluded that there is an increasing interest in this method of financing in Turkey. Significantly, the technology and innovative projects aim to create a community more than fundraising (Uzuntepe, 2021). However, crowdfunding is still considered as an emerging practice in Turkey and requires efforts from platforms' founders, investors, entrepreneurs, and the state in terms of communication and regulation to promote this activity (Oba, 2019; Öztürk & Öçlü, 2021; Uzuntepe, 2021). Seyfi, Uzunçarşılı Soydaş, and Güven (2017) suggest using crowdfunding platforms as an efficient means of communication and establishing severe public relations. This stimulates the development of a good starting strategy based on the entrepreneur's reputation, know-how, and values.

Akyıldız et al. (2021) compared 60 Turkish projects to 60 American projects in the Film and Technology categories to investigate factors influencing the projects' success. Differences were revealed by

comparing samples from Turkey and the United States and samples from the technology and film sectors.

In order to improve the performance of local projects, some researchers have been interested in the motivations of funders and the problems they face. Oba, Atakan, and Kirezli (2018) found that Turkish crowdfunding campaign investors are interested in the platform's reputation, project quality, category, rewards proposed, visual pitch, and entrepreneurial fundraiser's entrepreneurial competence. Ercan (2017), while interviewing 5 Turkish funders, concluded that besides the material reward, there is an emotional connection and social responsibility and engagement that motivates them to support a project. Oba (2019) points out that crowdfunding in Turkey remains limited due to a lack of knowledge of Web 2.0 and limited access to information outside the big cities. Also, there are still problems of confidence and trust in technology, especially in connection with online payment methods. Büyükpilavcı (2014) explains the CF problem in Turkey because the entrepreneurs do not trust local platforms enough. Incredibly, they are afraid that their ideas will be stolen. Thus, they present incomplete or poor-quality projects, which results in a reduced number of participants. This vicious circle must be broken by improving the quality of the proposed projects and establishing an environment of trust that includes entrepreneurs, platforms, and investors.

After studying the Turkish context, Çonkar and Canbaz (2018) concluded that for the crowdfunding model to be developed in Turkey, it needs first economic and political stability. In this regard, Turkish institutions have to build the entrepreneurial culture and create a safe entrepreneurial ecosystem in which there is a trusted environment between entrepreneurs and funders. Moreover, it should create a cultural climate where entrepreneurs risk failing in their business. Another critical point is to ensure adequacy between the technological infrastructure and the ability of individuals to reach it while considering its reliability. Furthermore, efforts must be made on platform managers' strategies and communication to match the expectations of entrepreneurs and improve trust between them (Demiray, Burnaz, & Li, 2021).

In order to strengthen the Turkish economy and ensure its financial stability, the Ministry of Treasury and Finance of the Republic of Turkey works on creating a "modern next-generation finance channel" based on the digital transformation of financial institutions. In line with this project, Tetik (2020) presents strategic points on which stakeholders in this sector should work. First, to increase the interest of entrepreneurs and investors in crowdfunding, conferences and meetings of experts should be organized. Brochures should be distributed to the public to guarantee clear information and encourage the user to this economic model. Also, the legal status of the crowdfunding model must be flexible and constantly updated to adjust and adapt to current economic conditions. Furthermore, to abolish fears related to possible fraud induced by online transactions, reinforcements of the system's security and the sanctions provided for by law should be put forward. Finally, reliable and precise statistics on the situation of crowdfunding in Turkey should be presented to the public, and empirical studies in this field should be conducted to encourage the entrepreneurial ecosystem.

Conclusion

Although crowdfunding has become commonplace in many developed countries, such as the United States of America, Canada, Australia, and some European countries, its use remains limited in developing countries due to the community's unawareness and conservatism. In this article, the genesis of crowdfunding and its foundations have been outlined. Additionally, its state-of-the-art variants' marketing bases and benefits have been investigated. This is intended to promote crowdfunding by facilitating its understanding and encouraging its deployment by entrepreneurs, especially in developing countries.

Choosing the suitable crowdfunding model and adopting the right marketing strategy allows fundraisers to finance their projects and create a community and early adopters of their product. In addition, this yields effective marketability testing, accurate pricing, and imminent distribution chain launching.

Turkey exhibits favourable conditions and capabilities for the development of crowdfunding. However, despite the recent increase of Turkish crowdfunding activities, some cultural, technical, economic, and political factors still affect the continuous growth of this economic model. Therefore, strategic improvements are required to overcome those challenges, grant further development of this fundraising tool, and enhance its accessibility to a larger community.

In order for crowdfunding to be more applied in Turkey, financial and governmental institutions should establish a secure entrepreneurial ecosystem based on mutual trust between the various stakeholders. For it:

- Laws should be continuously improved to ensure a judicial infrastructure that protects the interests of all stakeholders.
- The platforms must be monitored and the security systems reinforced to reassure users.
- The advantages and economic prospects of this investment and financing model must be presented to the public. Awareness campaigns aimed at presenting, explaining, and simplifying this financing tool with examples of successful campaigns should be popularized.

Our study is a significantly expanded and extensive view of the literature in the field of crowdfunding. The article focuses on the marketing benefits that can be drawn from this tool initially used as a means of financing. Also, this work contributes to enriching the literature on crowdfunding, especially in Turkey, and opening new research perspectives. Furthermore, we hope to encourage more entrepreneurs to take advantage of the financial and marketing benefits.

It is recommended for further studies to carry out more quantitative and qualitative research with Turkish stakeholders and entrepreneurs better to understand their concerns, expectations, and suggestions. Thus, the crowdfunding model will be better adapted to Turkey's laws, conditions, and particularities.

Peer-review:

Externally peer-reviewed

Conflict of interests:

The author(s) has (have) no conflict of interest to declare.

Grant Support:

The authors declared that this study has received no financial support.

Author Contributions:

Idea/Concept/Design: **R.D., B.K.** Literature Review: **R.D., B.K.** Writing the Article: **R.D., B.K.** Critical Review: **B.K.** Approval: **R.D., B.K.**

References

- Afşar, A. (2018, April). Possible Impacts of Crowdfunding System on Entrepreneurs and Financial Markets in Turkey. In *Innovation and Global Issues Congress III* (p. 51).
- Agrawal, A., Catalini, C., & Goldfarb, A. (2014). Some simple economics of crowdfunding. *Innovation policy and the economy*, 14(1), 63-97.
- Akyıldız, B., Camgöz, S. M., & Atici, K. B. (2021). Kitlesele Fonlama Projelerinin Başarılarını Etkileyen Faktörler Üzerine Bir İnceleme. *Sosyoekonomi*, 29(50), 521-545.
- Al Dabbagh, R. (2011). E-Business: Concepts and Context with Illustrative Examples of E-Business and E-Commerce in Education. In *Handbook of Research on E-Services in the Public Sector: E-Government Strategies and Advancements* (pp. 450-462). IGI Global.
- Ata, F. İ. (2018). Yeni nesil finansman yöntemi olarak kitle fonlama: Türkiye potansiyeli. *Celal Bayar Üniversitesi Sosyal Bilimler Dergisi*, 16(02), 273-296.
- Atsan, N., & Erdoğan, E. O. (2015). Girişimciler için Alternatif bir Finansman Yöntemi: Kitlesele Fonlama Crowdfunding. *Eskişehir Osmangazi Üniversitesi İktisadi ve İdari Bilimler Dergisi*, 10(1), 297-320.
- American Marketing Association. (2018). Definition of Marketing. Retrieved from Ama.org website: <https://www.ama.org/>

- Ayturk, Y., Ekici, O., & Sırma, I. (n.d). The Determinants of Reward-based Crowdfunding Success in Turkey.
- Bartoli, M. (2020). *Crowdfunding as a Marketing Tool* (Bachelor's thesis, Università Ca'Foscari Venezia).
- Beier, M., & Wagner, K. (2015, December). Crowdfunding Success: A Perspective from Social Media and E-Commerce. In *ICIS*.
- Beier, M., & Wagner, K. (2016). Social media adoption: barriers to the strategic use of social media in SMEs.
- Beier, M., Früh, S., & Jäger, C. (2019). Reward-based crowdfunding as a marketing tool for established smes: a multi case study. *Available at SSRN 3338084*.
- Beier, M., Früh, S., & Wagner, K. (2014). Crowdfunding für Unternehmen-Plattformen, Projekte und Erfolgsfaktoren in der Schweiz (Crowdfunding for Firms-Platforms, Projects and Success Factors in Switzerland). *Projekte und Erfolgsfaktoren in der Schweiz (Crowdfunding for Firms-Platforms, Projects and Success Factors in Switzerland)*(April 28, 2014).
- Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding: Tapping the right crowd. *Journal of business venturing*, 29(5), 585-609.
- Belleflamme, P., Lambert, T., & Schwienbacher, A. (2013). Individual crowdfunding practices. *Venture Capital*, 15(4), 313-333.
- Bessière, V., & Stéphany, É. (2017). *Le crowdfunding: fondements et pratiques*. De Boeck Supérieur.
- Bocconcelli, R., Cioppi, M., Fortezza, F., Francioni, B., Pagano, A., Savelli, E., & Splendiani, S. (2016). SMEs and Marketing: A Systematic Literature Review. *International Journal of Management Reviews*, 20(2), 227-254. <https://doi.org/10.1111/ijmr.12128>
- Bombardier, C. (2015). *Financement participatif de projet en innovation: étude des facteurs d'influence sur Kickstarter* (Doctoral dissertation, École de technologie supérieure).
- Bouncken, R. B., Komorek, M., & Kraus, S. (2015). Crowdfunding: The Current State Of Research. *International Business & Economics Research Journal (IBER)*, 14(3), 407. <https://doi.org/10.19030/iber.v14i3.9206>
- Brabham, D. C. (2010). Moving the crowd at Threadless: Motivations for participation in a crowdsourcing application. *Information, Communication & Society*, 13(8), 1122-1145. <https://doi.org/10.1080/13691181003624090>
- Bradford, C. S. (2012). Crowdfunding and the federal securities laws. *Colum. Bus. L. Rev.*, 1.
- Brown, T. E., Boon, E., & Pitt, L. F. (2017). Seeking funding in order to sell: Crowdfunding as a marketing tool. *Business Horizons*, 60(2), 189-195. <https://doi.org/10.1016/j.bushor.2016.11.004>
- Büyükpilavcı, C. (2014). *Kitlesel fonlamanın ürün tasarımcıları için sunduğu fırsatlar: Türkiye'deki kitlesele fonlama platformları üzerine bir inceleme* (Doctoral dissertation, Fen Bilimleri Enstitüsü).
- Çağlar, M. T. (2019). Yeni Nesil Alternatif Finansman Yöntemi Olarak Kitlesele Fonlama: Dünya ve Türkiye'deki Uygulamalarının Etkinliği. *Uygulamalı Sosyal Bilimler Dergisi*, 3(2), 18-34.
- Çonkar, M. K., & Canbaz, M. F. (2018). Kitle Fonlaması Finansman Yöntemi: Türkiye'de Sistemin Geliştirilmesine Yönelik Öneriler. *Optimum Ekonomi ve Yönetim Bilimleri Dergisi*, 5(2), 119-132. <https://doi.org/10.17541/optimum.359492>
- Constantinides, E., & Fountain, S. J. (2008). Web 2.0: Conceptual foundations and marketing issues. *Journal of Direct, Data and Digital Marketing Practice*, 9(3), 231-244. <https://doi.org/10.1057/palgrave.ddmp.4350098>
- Constantinides, E., Romero, C. L., & Boria, M. A. G. (2008). Social media: a new frontier for retailers?. In *European retail research* (pp. 1-28). Gabler Verlag, Wiesbaden.
- Clarens, P. D. (2019). *L'avenir du crowdfunding en France: une approche par les plateformes* (Doctoral dissertation, Nantes).
- Çubukçu, C. (2017). Kitlesele fonlama: Türkiye'deki kitlesele fonlama platformları üzerinden bir değerlendirme. *Journal of Entrepreneurship and Innovation Management*, 6(2), 155-172.
- Daskalakis, N. (2016, February). Update on crowdfunding user's awareness. In *4th ECSF Meeting* (Vol. 17).

- Demiray, M. (2019). *Crowdfunding Community Engagement: Drivers and Outcomes* (Doctoral dissertation, Institute of Social Sciences).
- Demiray, M., & Burnaz, S. (2019). Positioning of crowdfunding platforms: Turkey as an emerging market case. *Pressacademia*, 6(2), 84–94. <https://doi.org/10.17261/pressacademia.2019.1036>
- Demiray, M., Burnaz, S., & Li, D. (2021). Effects of Institutions on Entrepreneurs' trust and Engagement in Crowdfunding. *Journal of Electronic Commerce Research*, 22(2), 95-109.
- Dennison, G., Bourdage-Braun, S., & Chetuparambil, M. (2009). Social Commerce Defined. White Paper, 23747.
- Ekici, O., Sirma, I., & Ayturk, Y. (2019). The Relationship between Crowdfunding as Alternative Financing Method and Innovativeness. *Journal of BRSA Banking and Financial Markets*, 13(2), 215-230.
- Ercan, S. (2017). Türkiye'de kitlesel fonlama: destekçilerin motivasyonu. *Ekonomi İşletme ve Yönetim Dergisi*, 1(1), 1-9.
- Evans, D. (2010). *Social media marketing: An hour a day*. John Wiley & Sons.
- Fettahoğlu, S. & Khusayan, S. (2017). Yeni Finansman Olanakları: Kitle Fonlama . Uşak Üniversitesi Sosyal Bilimler Dergisi , 10 (4) , 497-521 . Retrieved from <https://dergipark.org.tr/en/pub/usaksosbil/issue/33405/371726>
- Frydrych, D., Bock, A. J., Kinder, T., & Koeck, B. (2014). Exploring entrepreneurial legitimacy in reward-based crowdfunding. *Venture Capital*, 16(3), 247–269. <https://doi.org/10.1080/13691066.2014.916512>
- Gabison, G. (2014). Understanding crowdfunding and its regulations. *Publications Office of the European Union*.
- Gerber, E. M., Hui, J. S., & Kuo, P. Y. (2012, February). Crowdfunding: Why people are motivated to post and fund projects on crowdfunding platforms. In *Proceedings of the international workshop on design, influence, and social technologies: techniques, impacts and ethics* (Vol. 2, No. 11, p. 10).
- Gerber, E. M., & Hui, J. (2013). Crowdfunding: Motivations and deterrents for participation. *ACM Transactions on Computer-Human Interaction (TOCHI)*, 20(6), 1-32.
- Gierczak, M., Bretschneider, U., & Leimeister, J. M. (2016). Woohoo Tinkerbots! The Marketing Effect of Crowdfunding. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3159164>
- Hemer, J. (2011). *A snapshot on crowdfunding* (No. R2/2011). Arbeitspapiere Unternehmen und Region.
- Hornuf, L., & Schwienbacher, A. (2016). Crowdfunding: Angel investing for the masses?. In *Handbook of research on business angels*. Edward Elgar Publishing.
- Hauschke, F. (2018). Crowdfunding for Energy Access in India. DOI:10.13140/RG.2.2.32016.56328.
- Howard, T. J., Achiche, S., Özkil, A., & McAlloone, T. C. (2012). Open design and crowdsourcing: maturity, methodology and business models. In *DS 70: Proceedings of DESIGN 2012, the 12th International Design Conference, Dubrovnik, Croatia* (pp. 181-190).
- Howe, J. (2006a). Crowdsourcing: A Definition. Retrieved from Crowdsourcing website: https://crowdsourcing.typepad.com/cs/2006/06/crowdsourcing_a.html
- Howe, J. (2006b). The rise of crowdsourcing. *Wired magazine*, 14(6), 1-4.
- Howe, J. (2008). *Crowdsourcing: How the power of the crowd is driving the future of business*. Random House.
- İşler, S. T. (2014). Modern finansmanda yeni bir dönem: kitlesel fonlama-crowdfunding. *Gösterge, Sonbahar*, 51-65.
- Jeppesen, L. B., & Lakhani, K. R. (2010). Marginality and Problem-Solving Effectiveness in Broadcast Search. *Organization Science*, 21(5), 1016–1033. <https://doi.org/10.1287/orsc.1090.0491>
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1), 59–68. <https://doi.org/10.1016/j.bushor.2009.09.003>
- Kayhan, S. (2017). Fongogo: A Case Study on the Usability of the Local Crowdfunding and Fundraising Websites in Turkey. *HUMANITAS-Uluslararası Sosyal Bilimler Dergisi*, 5(09), 95-105. <https://doi.org/10.20304/humanitas.318510>
- Kim, Y. A., & Srivastava, J. (2007, August). Impact of social influence in e-commerce decision making. In *Proceedings of the ninth international conference on Electronic commerce* (pp. 293-302).

- Kotler, P., (1967). *Marketing Management*. First Edition, Prentice-Hall, Englewood Cliffs, NJ, USA.
- Kraus, S., Richter, C., Brem, A., Cheng, C.-F., & Chang, M.-L. (2016). Strategies for reward-based crowdfunding campaigns. *Journal of Innovation & Knowledge*, 1(1), 13–23. <https://doi.org/10.1016/j.jik.2016.01.010>
- Lai, L. S. L., & Turban, E. (2008). Groups Formation and Operations in the Web 2.0 Environment and Social Networks. *Group Decision and Negotiation*, 17(5), 387–402. <https://doi.org/10.1007/s10726-008-9113-2>
- Lepoder, L., & Sebah, T. (2008). Information, Rationality and Aggregation of Competences: Condorcet's Jury Theorem (Information, Rationalite et Agregation des Competences: Le Theoreme du Jury de Condorcet).
- Leboeuf, G. (2016). *Design des Campagnes de Crowdfunding* (Doctoral dissertation, Lille 2).
- Leeke, A. K. M. (2013). *Digital Sisterhood: A Memoir of Fierce Living Online*. iUniverse.
- Leone, D., Schiavone, F., & Dezi, L. (2018). Post-Campaign Operational Problems Hindering Promised Rewards in Crowdfunding Projects. *Journal of Innovation Economics*, 26(2), 173. <https://doi.org/10.3917/jie.pr1.0027>
- Leimeister, J. M. (2012). Crowdsourcing. *Controlling & Management*, 56(6), 388-392.
- Li, X., Tang, Y., Yang, N., Ren, R., Zheng, H., & Zhou, H. (2016). The value of information disclosure and lead investor in equity-based crowdfunding. *Nankai Business Review International*, 7(3), 301–321. <https://doi.org/10.1108/nbri-01-2016-0002>
- Liang, T.-P., Ho, Y.-T., Li, Y.-W., & Turban, E. (2011). What Drives Social Commerce: The Role of Social Support and Relationship Quality. *International Journal of Electronic Commerce*, 16(2), 69–90. <https://doi.org/10.2753/jec1086-4415160204>
- Massolution's 2015 CF Industry Report (2015). Retrieved from <http://www.crowdsourcing.org/editorial/global-crowdfunding-market-to-reach-344b-in-2015-predicts-massolutions-2015cf-industry-report/45376>
- Michaelidou, N., Siamagka, N. T., & Christodoulides, G. (2011). Usage, barriers and measurement of social media marketing: An exploratory investigation of small and medium B2B brands. *Industrial Marketing Management*, 40(7), 1153–1159. <https://doi.org/10.1016/j.indmarman.2011.09.009>
- Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1), 1–16. <https://doi.org/10.1016/j.jbusvent.2013.06.005>
- Nocke, V., Peitz, M., & Rosar, F. (2011). Advance-purchase discounts as a price discrimination device. *Journal of Economic Theory*, 146(1), 141–162. <https://doi.org/10.1016/j.jet.2010.07.008>
- Oba, B. (2019). Can Crowdfunding Provide a Solution for the Financial Problems of SMEs in Turkey?. In *Crowdsourcing: Concepts, Methodologies, Tools, and Applications* (pp. 1536-1550). IGI Global.
- Oba, B., Atakan, S., & Kirezli, O. (2018). Value Creation in Crowdfunding Projects-Evidence From an Emerging Economy. *Journal of Innovation Economics*, 26(2), 37. <https://doi.org/10.3917/jie.pr1.0028>
- Onnée, S., & Renault, S. (2014). Crowdfunding: vers une compréhension du rôle joué par la foule. *Management Avenir*, (8), 117-133.
- O'reilly, T. (2005). Web 2.0: compact definition. Retrieved from: <http://radar.oreilly.com/2005/10/web-20-compact-definition.html>
- Özdoğan, B., & Gür, U. Ö. (2021). Scientists' Technology Acceptance of Crowdfunding in Turkey: The Moderating Effect of Individual Entrepreneurial Orientation. *Journal of Entrepreneurship and Innovation Management - JEIM*.
- Öztürk, G., & Öçlü, B. (2021). Entrepreneurship in Artificial Intelligence Products with Crowdfunding Tools: Comparison of Turkey and the USA. *Proceedings Books*, 1.
- Parise, S., & Guinan, P. J. (2008). Marketing Using Web 2.0. *Proceedings of the 41st Annual Hawaii International Conference on System Sciences (HICSS 2008)*. <https://doi.org/10.1109/hicss.2008.242>
- Paslı, A., & Sönmez, R. A. N. S. (2020). Crowdfunding in Turkish and European Union Law. *EU Financial Regulation And Markets*, 178.

- Pope, N. D. (2010). Crowdfunding microstartups: It's time for the securities and exchange commission to approve a small offering exemption. *U. Pa. J. Bus. L.*, 13, 973.
- Renault, S., & Boutigny, E. (2015). *Crowdfunding: a solution for funding marginalized projects [Le crowdfunding: un levier de financement pour les projets marginalisés]* (No. hal-02326496).
- Resmigazete.gov.tr (2019). Retrieved from www.resmigazete.gov.tr website: <https://www.resmigazete.gov.tr/eskiler/2019/10/20191003-5.htm>
- Ryan, D., Jones, C., & Lavagno, E. (2013). *Marketing digitale: trarre il massimo vantaggio da email, siti web, dispositivi mobili, social media e PR online*. Tecniche nuove.
- Sakarya, S., & Bezirgan, E. (2018). Kitlesele Fonlama Platformlari: Türkiye Ve Yurtdışı Karşılaştırması. *Düzce Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, 8(2), 18-33.
- Sancak, I. E. (2016). Applicability and readiness of crowdfunding in Turkey. *International Journal of Business and Social Science*, 7(1).
- Sayedi, A., & Baghaie, M. (2017). Crowdfunding as a Marketing Tool. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2938183>
- Schwiebacher, A., & Larralde, B. (2010). Crowdfunding of small entrepreneurial ventures. *Handbook of entrepreneurial finance*, Oxford University Press, Forthcoming.
- Seyfi, M., Uzunçarşılı Soydaş, A. Y. D. A., & Güven, D. (2017). Evaluating crowdfunding from the perspective of Public Relations. *Turkish Online Journal Of Design Art And Communication*, 7(2). <https://doi.org/10.7456/10702100/001>
- Sırma, İ., Ekici, O., & Aytürk, Y. (2019). Crowdfunding Awareness in Turkey. *Procedia Computer Science*, 158, 490-497. <https://doi.org/10.1016/j.procs.2019.09.080>
- Slater, S. F., Hult, G. T. M., & Olson, E. M. (2007). On the importance of matching strategic behavior and target market selection to business strategy in high-tech markets. *Journal of the Academy of Marketing Science*, 35(1), 5-17. <https://doi.org/10.1007/s11747-006-0002-4>
- Surowiecki, J. (2004). *The wisdom of crowds*. New York: Anchor Books, C.
- Technavio. (2018). Global Crowdfunding Market. Market 2018-2022. Retrieved from Technavio website: <https://www.technavio.com/report>
- Tetik, N. (2020). Within The Scope Of New Economy Program (2002-2022) A New Generation Financing Approach For Entrepreneurs: Crowd Funding. *Turkish Studies-Economics, Finance, Politics*, 15(2), 925-940.
- Uzuntepe, B. (2021). A Brief Comparison of Most Prominent Crowdfunding Platforms in Turkey and USA. Retrieved March 21, 2022, from RePEc - Econpapers website: <https://econpapers.repec.org/paper/pramprapa/109966.htm>
- Ünsal, S. (2017). Kitlesele Fonlama: İş Yapma Yöntemini Değiştirecek Yeni Sistem, İstanbul. *Ceres Yayınevi*.
- Valanciene, L., & Jegeleviciute, S. (2013). Valuation of crowdfunding: benefits and drawbacks. *Economics and Management*, 18(1), 39-48. <https://doi.org/10.5755/j01.em.18.1.3713>
- Vergara, R. (2015, February). Awareness and attitudes towards crowdfunding in the Philippines. In *9th Global Business Conference. Manila, Philippines*.
- Vural, A., & Doğan, D. U. (2019). Girişimcilik Finansmanında Yeni Bir Model: Kitle Fonlaması1 (A New Model In Entrepreneurship Financing: Crowdfunding). *Journal of Business Research - Turk*, 11(1), 88-100. <https://doi.org/10.20491/isarder.2019.584>
- Wigand, R. T., Benjamin, R. I., & Birkland, J. L. H. (2008). Web 2.0 and beyond. *Proceedings of the 10th International Conference on Electronic Commerce - ICEC '08*. <https://doi.org/10.1145/1409540.1409550>
- Wolf, M., Dirtheuer, K., Sagl, S., & Herrmann, G. (2012). Mobil-interaktiv-sozial: Der digitale Mensch von morgen-" always in touch"?. In *Smart Mobile Apps* (pp. 531-544). Springer, Berlin, Heidelberg.
- Worldbank.org. (2021, October). Retrieved from World Bank website: <https://www.worldbank.org/en/country/turkey/overview#1>

- Xu, A., Yang, X., Rao, H., Fu, W.-T., Huang, S.-W., & Bailey, B. P. (2014). Show me the money! *Proceedings of the 32nd Annual ACM Conference on Human Factors in Computing Systems - CHI '14*. <https://doi.org/10.1145/2556288.2557045>
- Zengin, S. , Yüksel, S. & Kartal, M. T. (2017). Kitle Fonlaması Sisteminin Türkiye'ye Faydaları . *Bankacılık ve Sermaye Piyasası Araştırmaları Dergisi* , 1 (2) , 22-32 . Retrieved from <https://dergipark.org.tr/en/pub/bspad/issue/29048/337916>