

An Investigation into the Social Determinants of Crowdfunding Effectiveness in developing, non-Western contexts: Some Evidence from Thailand

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Abstract : This study examines the under-researched phenomenon of crowdfunding use and effectiveness in developing non-western markets. More precisely, using an institutional theoretical lens, the research explores the attitudes, motivations, and practice surrounding the initiation, development, and receipt of crowdfunding campaigns in a business context symptomatic of widely dissimilar regulatory, normative cognitive institutional 'pillars' to those studied - and utilized in practice - to date. As, in essence, a form of alternative finance, crowdfunding is used primarily to fund a wide range of projects through the securement of small amounts of money from a large pool of investors/participants. Being tied almost inextricably to e-commerce channels, the practice of crowdfunding typically sources its means and communicates the purpose of each venture mainly, though not exclusively, online. The wide range of projects supported to date span social entrepreneurship, community benefits initiatives, creative and artistic endeavors, assistance to disadvantaged social cohorts, and small business start-ups. Adopting a longitudinal, comparative approach, the study reported here embodies an investigation centered on six case start-up campaigns within the Thai societal context, covering a range of fundings calls and cause choices. Data was sourced from a variety of respondents using semi-structured interviews, observation (direct and participant), and company information. Results suggest that the motives and effectiveness of crowdfunding campaigns differ significantly in non-western consumer contexts from the norms that have evolved to date in mature Western contexts (particularly the US and UK). Specifically, whereas data on the different regulatory pressures showed relatively insignificant variation, the results regarding cognitive and, especially, normative dissimilarities between the Thai and US/UK institutional profiles surfaced potentially important differences with far-reaching implications. Particular issues to emerge from our data concerned consumer motivation in terms of support and engagement with different types of campaigns. This was found to stem from social norms symptomatic of 'collectivist' and 'relations based/particularist' cultural assistance behavior, in turn, linked to deeply-held societal values regarding interpersonal network ('in group') reciprocity. This research serves to refine and extend the limited body of knowledge to date on crowdfunding by exploring the phenomenon in a non-western, non-developed country contexts where social norms and values differ. This was achieved through uncovering and explicating the effects of cultural dissimilarity on motivation, decision-making, construed ethics, and general engagement with crowdfunding ideas. Implications for theory into e-marketing and cross-cultural marketing, as well as for practitioners seeking to develop effective crowdfunding campaigns in a Southeast Asian cultural environment, are discussed to conclude the paper.

Keywords : crowdfunding, national culture, e-marketing, cross-cultural business

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