A process analysis of how the founders of innovative new ventures use sensemaking to develop and manage a Crowdfunding campaign in pursuit of campaign legitimacy

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Table of Contents

Abstract **5**

Chapter 1: Introduction **9**

1.1 **Research structure:** **21**

Chapter 2: Literature Review **24**

2.1 **Early stage finance** **24**

2.2 **The concept of Crowdfunding** **28**

2.3 **The process of Crowdfunding** **31**

2.4 **Platforms** **33**

2.5 **Crowdfunding business models** **35**

2.6 **Benefits and drawbacks of Crowdfunding** **38**

2.7 **Sensemaking** **43**

2.8 **Sensegiving** **47**

2.9 **Critiques of sensemaking** **59**

2.10 **Entrepreneurship theory and Crowdfunding** **60**

Chapter summary **62**

Chapter 3: Methodology **64**

Introduction **64**

3.1 **Research philosophy and methodology** **64**

3.2 **Case study methodology** **68**

3.3 **Research methods** **73**

3.3.1 Documentary evidence 75

3.3.2 Interviews 77

3.4 **Research design** **78**

3.5 **Case Selection** **81**

3.6 **Data collection and analysis** **84**

3.7 **Data coding and categorisation** **92**

3.8 **Coding for Sensemaking and Sensegiving** **94**

3.9 **Reflexivity Statement** **101**

Chapter summary **104**

Chapter 4: Within case analysis **105**

Introduction **105**

4.1 **Superbricks** **107**

4.2 **Lynxwheels** **115**
4.3 **Mentworth Games** **123**
4.4 **The Super Events Company** **131**
4.5 **One Tall Story** **138**

Chapter 5: Cross-case analysis **145**
Introduction **145**
5.1 **Process model** **146**
5.2 **Cross-case analysis themes** **148**
5.2.1 Theme one: Motivation for Crowdfunding 149
5.2.2 Theme two: Relationship with the Crowd 155
5.2.3 Theme three: Speed of implementation 158
5.2.4 Theme four: Narrative and story 161
5.2.5 Future Focused case studies 165
5.2.6 Retrospective past focused case studies 167
5.2.7 Theme five: Campaign legitimacy 172
5.2.8 Theme six: Self-perception 177
5.2.9 Theme seven: Problem identification/Opportunity identification 187
Chapter Summary **192**

Chapter 6: Discussion **193**
Introduction **193**
6.1 **Crowdfunding** **194**
6.2 **Sensemaking in a Crowdfunding and entrepreneurial context** **202**
6.3 **Entrepreneurship/venture process** **214**
6.4 **Contributions** **218**
6.4.1 Contributions to Crowdfunding 218
6.4.2 Contributions to Sensemaking 220
6.4.3 Contributions to entrepreneurship process theory 224
6.4.4 Contributions to practice 226
6.4.5 Contributions to policy 228
6.5 **Limitations** **228**
Chapter Summary **230**

Chapter 7: Conclusion **232**

7.1 **Further research 232**

Closing remarks 234

References 235

Appendix 1: Kickstarter founder Updates: 275

Appendix: 2 Participant consent form 299

Appendix 3: Coding Examples/Rationale 300

Appendix 4: Narrative coding: Crowdfunding page data 304

Appendix 5: Retrospective quotes 310

Appendix 6: Interview quotes with sensemaking properties and themes 313

Abstract

The purpose of this research is to conduct a *process analysis of how the founders of new ventures use sensemaking to develop and manage a Crowdfunding campaign, in pursuit of campaign legitimacy.*

The research explores how the founders of new ventures secure funding and campaign legitimacy for their innovative projects via Crowdfunding. A sensemaking framework will be used to analyse founder experiences and facilitate understanding of the entrepreneurial process of Crowdfunding.

Sensemaking is an area of study that considers how people ascribe meaning to experiences and the theory is applied here to Kickstarter Crowdfunding campaigns. Kickstarter is the world's largest Crowdfunding platform for innovative projects and since 2009 over 16 million people have backed projects, pledging over $4.1 billion.

The online activity of Crowdfunding has grown in popularity over the past decade, driven by the funding gap that exists for early stage ventures and it has since developed into a credible, alternative, source of growth capital for entrepreneurs looking to create new ventures and develop innovative projects. The *Pebble Smart Watch* remains the highest funded Kickstarter project to date and in 2012 raised over $10 million in just 37 days, followed in 2015 by the *Pebble Smart Watch 2*, which raised $20.3 million, demonstrating both the potential and reach of this alternative online form of financing.

But Crowdfunding also delivers benefits to entrepreneurs that go beyond finance, helping them to better understand their market and to facilitate closer engagement with potential customers. Crowdfunding also has broader, societal impact by increasing the finance available to new ventures, which in turn drives the innovation output of an economy. Yet despite the popularity of Crowdfunding, research in this area is limited and nascent, with a tendency to focus

upon social network ties and funding outcomes, typically identifying potential antecedents but not the process that drives founder actions that lead, ultimately, to the campaign outcome.

This research aims to address the gap in the existing literature by considering how founder sensemaking may reduce uncertainty, compel action and assist in the construction of a compelling narrative. All of this is important for increasing understanding as to why Crowdfunding is of value to new ventures, how they use it and why they take the actions that they do within a campaign. This research also contributes to current theory on sensemaking by positioning it as an analytical tool that can be used in different settings and scenarios. The application of a sensemaking framework also assists in the development of an event driven understanding of the entrepreneurial process, as it relates to Crowdfunding.

This research aims to comprehend the process whereby founders engage with, and make sense of, Crowdfunding both as a means to finance their venture but also to assist in the entrepreneurial process more generally. An exploratory and qualitative approach was deemed appropriate for such an analysis, using a multiple-case research design. Methods of analysis comprise of case studies for each of the ventures, semi-structured interviews, campaign narrative analysis, the creation of timelines and the inductive development of theory through the application of a sensemaking framework. The research concludes with a process model, describing the role sensemaking plays in entrepreneurship and the creation and management of a Crowdfunding campaign. The research focuses upon ventures that are at the early stages of growth, as it is here that a funding gap exists, with many early stage entrepreneurs struggling to obtain finance to grow their venture.

The research makes the following contributions to the academic literature:

1. Sensemaking is established as a means to understand how a

Crowdfunding campaign unfolds and how it facilitates a new approach to comprehending the entrepreneurial process while also – specifically -revealing how founders interpret equivocal experiences and bring meaning to bear upon them, altering their behaviour, and leading to new interpretations of their experiences.

2. The research contributes to the social component of sensemaking, revealing how founders use Crowdfunding to create online narratives that bridge the distance between project creator and backer, aiming to secure campaign legitimacy for their innovative ventures, shape their organisational identity and facilitate market understanding. Indeed, this research found that narratives were constructed with a focus on the past and/or the future of their venture, depending upon where the founder perceived the greatest value to be. This will be covered in detail in chapters five and six.

3. The sensegiving model is extended to include a theory of 'sense-interpretation', providing a missing link in the current sensegiving process.

4. The research demonstrates the value of exploring entrepreneurship and Crowdfunding from a process, event driven perspective.

The research also makes a number of practical contributions and positions the sensemaking framework as a practical tool that can be used within a variety of organisational situations, to better understand the phenomena in question. In addition, the research may be of value to entrepreneurs who wish to gain a deeper understanding of the experience of Crowdfunding, and the role it can play in the entrepreneurial process.

Finally, the research also contributes to policy. New ventures provide considerable value to the economy and understanding the challenges

that founders face in trying to start and develop a business may help in the creation of better support systems.

Chapter 1: Introduction

The fundraising landscape for new ventures is rapidly evolving and entrepreneurs - who have long faced challenges in accessing capital from traditional sources such as bank lending, business angel (BA) and venture capital (VC) investment - are seeking alternatives to traditional finance.

Crowdfunding has arisen to fill the funding gap left by traditional investors and it is an innovation facilitated by improvements in technology that have transformed the manner in which entrepreneurs - and early stage ventures in particular – access finance, taking their venture to the crowd instead of to professional investors. Thus, Crowdfunding has become important for supporting and funding the development of new ventures and entrepreneurs (Beier and Wagner, 2017). Although the research literature uses numerous terms to denote the activity of Crowdfunding, such as Crowdinvesting and Crowdfinancing, for this thesis 'Crowdfunding' alone will be used.

The objective of this research is to understand how founders make sense of a Crowdfunding campaign as a means of validating their venture. To achieve this, a sensemaking framework (Weick, 1995) has been applied to the actions and experiences of founders during their campaign, to better comprehend why they take the actions that they do and to define the role that Crowdfunding can play in the entrepreneurial process. A process model has also been developed (See page 139) to capture the above and serves to answer the call from Dimov (2013) for more processural studies into entrepreneurship. This will be covered in detail in chapters five and six.

For the purpose of this thesis the term *'founder'* will be used to denote an individual who has initiated a new Crowdfunding campaign. The founder is the unit of analysis for this research as it is they who are seeking support from the crowd, which is made up of *'backers.'* This

term is used in reference to those individuals who support the founder by making a financial contribution via a Crowdfunding campaign and, through their interactions with the founders, influence the entrepreneurial process.

A wealth of research exists that considers how managers in established organisations seek capital to finance venture creation (i.e. Klein, 2014, Denis, 2004, Kerr, 2011) via traditional equity and debt related finance (e.g. bank lending, Venture Capital); but over the past decade there has been growing academic interest in how early stage ventures secure growth capital (Davidsson, 2015) and bridge the funding gap that exists at the earliest stages of venture development (Cassar, 2004). Tomczak et.al (2013) believe that the best possible option for entrepreneurs seeking early stage funding is angel investment but less than 3% of entrepreneurs actually manage to gain such support (Pope, 2011, cited in Cox, J. and Nguyen, T., 2018, p.17) as they are unable to demonstrate a strong enough value offer and therefore present a risk to investors. The principle that a business cannot begin, grow or survive without money is difficult to deny (Cassar, 2004; Axelson and Martinovice, 2013).

Due to some of the challenges described above many new ventures are compelled to seek alternative sources of capital. The Global entrepreneurship Monitor (Lam, 2009) found that over ninety percent of startup capital came from sources other than banks and venture capital. Sohl (2012, p.2) believes that Crowdfunding can help counter the historically low yields of traditional investment strategies in new ventures, and in doing so democratise the financing landscape.

Crowdfunding is a relatively new means of capital assembly and is part of a growing trend towards mobilising large crowds for different purposes, a process commonly termed: 'crowdsourcing'. Crowdsourcing can be defined in the following way:

"Simply defined, crowdsourcing represents the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call. This can take the form of peer-production (when the job is performed collaboratively), but is also often undertaken by sole individuals. The crucial prerequisite is the use of the open call format and the large network of potential labourers." (Howe, 2006, p53).

Crowdsourcing preceded Crowdfunding but Crowdfunding follows the same philosophy, as it too is reliant upon making an open call to a large audience. Because Crowdfunding is a social process the crowd can be mobilised for purposes that go beyond capital assembly, impacting directly upon the entrepreneurial process itself. One such example is *open innovation.* Open innovation is a term used in recognition of the fact that businesses or individuals from outside of an organisation can generate innovative ideas and have a direct influence upon a company (Chesbrough, 2006). Crowdfunding facilitates opportunities for open innovation by utilising its information technology based collaborative architecture to invite large groups of people to interact (Baldwin and Hippel, 2011; Bayus, 2013; Fjeldstad et al., 2012), bringing a new dimension to the entrepreneurial process. Within the context of this research the innovation discussion is focused upon the active role that backers and founders often take in the innovation dialogue (Stanko and Henard, 2016). Entrepreneurs, frequently lacking in resources, often employ open innovation and co-creation strategies out of necessity (Henkel, 2006), to assist them in overcoming those forces that resist the creation of something new being brought to market. It was observed however, that the form of innovation that resulted from crowd engagement was incremental in nature, that is, it encouraged founders to make only relatively minor changes to their offering. This finding supports research by Moreau et.al, (2001), which suggests that backers may encourage founders to develop the product inline with their expectations and current market offerings, hindering risk taking and

reducing the likelihood of radical innovation. Thus, in the context of Crowdfunding and this research, innovation was found to be limited to incremental improvements.

Crowdfunding is distinct from traditional finance because - rather than seeking a large sum of money from a small number of professional investors (i.e. venture capitalists) - Crowdfunding pursues (generally) small amounts of money from many individuals, and those backers do not (generally) receive financial return. Importantly, Crowdfunding also has relatively low barriers of entry for both the founders and backers with campaigns showcasing a broad range of social, artistic and commercial projects, many of which would struggle to raise financial capital via conventional means.

Crowdfunding campaigns also address an audience that is largely unknown to the project creator; one composed of domain experts and lay actors who have a variety of reasons for offering or not offering their support. However, Brabham (2008) argues that while the crowd may be largely unknown to the individual, it is not demographically diverse, consisting instead of white, middle – or upper–class, English–speakers who are higher educated and have home access to high–speed Internet connections. Moreover, Brabham goes on to say that the most productive individuals in the crowd are also likely to be young (under 30yrs), as this age group is most active in the Web 2.0 environment of content creation:

"The paradigm shift which has become known as Web 2.0 or the social web has meant that computing is now in the age of open innovation, close collaboration, co-creation, networking and creativity in the use of existing technologies to develop new offerings." (Bell and Loane, 2010).

Tomczak and Brem (2013) believe that Crowdfunding represents the disintermediation of the finance market as investors and founders are brought together directly on a 'platform' (i.e. an online Crowdfunding

platform intermediary such as Indiegogo or Kickstarter). In this sense Crowdfunding is a clear example of a two-sided market. Whereas the traditional venture capital model is driven by the investors' need for high financial returns, the Crowdfunding investor is often expressing personal interest or affinity. To this end '*the perceived value of the Crowdfunding project is socially constructed within an entrepreneurial context, rather than financially calculated in an investment context,*' (Downing, 2005 cited in Frydrych, et.al 2016, p.3). This is notable as it recognises that Crowdfunding has value that extends beyond capital acquisition and this will explored further within the following chapters.

In order for Crowdfunding to take place the following three roles have to be fulfilled:

1. The intermediary (e.g. platform/Kickstarter)
2. The fundraisers/Founders (I.e. the project creators initiating a campaign).
3. The crowd/backers (individuals supporting the fundraiser to reach their goals).

This is presented in Fig.1 below:

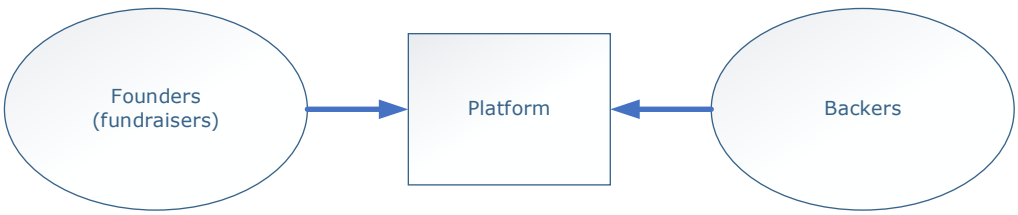


Fig.1 Crowdfunding roles

The challenge for founders is how - using the tools available to them on the platform (e.g. updates feature, narrative) - they can mobilise the crowd to support their campaign with the potential, also, of crowdsourcing their marketing. Viral marketing, and its effects, may be sought after by Crowdfunders wishing to attract a large audience but it is an approach that reaches only a small fraction of users compared to a more targeted social media approach (Goel, Watts, and Goldstein 2012), in part because it is it is "*notoriously difficult to*

design viral messages" (Naroditskiy et.al p.179). Indeed, the founders in this research utilised other forms of social media (i.e. Facebook, Twitter) to expand the reach of their message. Furthermore, the message may be targeted towards the right audience via these platforms, as the people sharing it are likely to have friends with similar interests (McPherson, Smith-Lovin, and Cook 2001). This form of promotion appeared to be effective within Crowdfunding.

As a relatively new phenomenon the Crowdfunding literature is limited, and often lacks empirical studies (e.g. Belleflamme et al., 2013; Colombo et al., 2015; Mollick, 2014); but there is growing interest in this area - and in alternative finance more generally among scholars of entrepreneurship and innovation. The extant academic Crowdfunding literature is primarily concerned with defining the strategies used by entrepreneurs to mobilise their social networks and maximise funding potential (e.g. Agrawal et al., 2011), and the research generally takes a quantitative approach (Mollick, et.al 2014, Belleflamme, et.al, 2014, Burtch, G. et.al, 2013).

A recent call for papers (McKenny, et.al, 2017) stated that in order to advance research concerning Crowdfunding the scholarly community need to adopt a cross-disciplinary approach, utilising other theories, such as sensemaking, information processing and theories of communication to facilitate a deeper understanding of the process (p.6). *"At this point, exploratory and broad theoretical views of the Crowdfunding phenomenon appear to remain appropriate and valuable" (*McKenny et.al, 2017, p.4). In addition, scholars have recognised the importance of advancing understanding of the role entrepreneurial narratives play in Crowdfunding (Gioia, et.al; 2013), while also highlighting the need for greater usage of qualitative measures. Frydrych et al. (2014) believe that a qualitative approach to Crowdfunding research will help capture a broader picture of the phenomena from an entrepreneurial perspective.

This research addresses the above call to action from (McKenny, et.al, 2017, Gioia, et.al, 2013, Frydrych et.al, 2014) and uses qualitative research methods to explore how the founders of new ventures use sensemaking to develop and manage their campaign, employing narratives as a sensemaking tool to assist them in the venture creation process (Bartel and Garud, 2009; Garud and Giuliani, 2013; Garud et.al, 2014; Navis and Glynn, 2011).

Sensemaking can be defined as the means by which "*people seek plausibly to understand ambiguous, equivocal or confusing issues or events,'* (Brown, et al. 2015, p.266) and is concerned with the individual 'making sense.' Yet sensemaking within the context of entrepreneurship and Crowdfunding is not an act conducted in isolation, as the individual exists as part of an ecosystem, and their identity is shaped by and through interactions.

Sensemaking was originally viewed as operating at the level of the individual (Louis, 1980) but it is now more commonly understood as a social process (e.g. Maitlis, 2005, Weick, 1995), dependent upon language, communication and narrative. This notion of sensemaking as a social process suggests that it is only through interacting with the world that we are able to construct accounts that enable us to comprehend it (Maitlis, 2005). Blatt et.al (2006) further elaborate, explaining that sensemaking incorporates both thinking and action, as when an individual looks to make sense of an experience they take action in the world and assess the outcome to determine if their assumptions were accurate. With this in mind a more accurate definition of sensemaking can be presented: Sensemaking is the creation of *'intersubjective meaning through cycles of interpretation and action, thereby enacting a more ordered environment from which further cues can be drawn" (Maitlis and Christianson, 2014, p.67).*

To better capture the importance of the social nature of Crowdfunding, it was deemed necessary to extend the sensemaking framework to include the construct of sensegiving, which can be defined as: "*the process of attempting to influence the sensemaking*

and meaning construction of others towards a preferred redefinition of organisational reality." (Gioia and Chittipeddi, 1991, p. 442).

There exists a large body of sensemaking research (See Maitlis and Christianson, 2014), and numerous models/theories have been developed over the years, many of which overlap as they seek to increase understanding as to how sensemaking occurs, and how it can be applied under different circumstances. Much of this existing research focuses upon crises that trigger sensemaking. For example Kayes, (1999) used a series of sensemaking processes to investigate the part that group sensemaking played during the 1996 Mount Everest climbing disaster and Weick (1993) studied the breakdown of organisational sensemaking during the Mann Gulch fire disaster in Montana, 1949. Both of these studies revealed the challenges of sensemaking in complex, uncertain situations and how quickly the process can become broken.

In addition to crisis situations and crisis management, sensemaking has also been used in everyday organisational contexts such as embedding learning (Catino and Patriotta, 2013), driving strategic change initiatives (Gioia and Chittipeddi, 1991) and developing innovation processes (Drazin, Glynn & Kazanjijan, 1999). As a new organisational context, Crowdfunding is suitable for the application of a sensemaking framework because Kickstarter campaigns generally occur in the early stages of venture growth when individuals are making key decisions that may shape a venture's future. Crowdfunding also reflects the dynamic nature of sensemaking as a theory. The actions of the founders are made within an uncertain environment (Crowdfunding), one that can only be understood by interacting with the crowd and identifying significant cues from which to draw meaning to inform future actions.

Exploring Crowdfunding also provides insight into how founders make sense of narrative construction, finance, identity, marketing and innovation, providing a snapshot of the entrepreneurial process which, in this context, is event driven and condensed into the short

timeframe of a campaign. Crowdfunding can also deepen understanding as to how entrepreneurs situate and communicate their ventures as undertakings in-the-making, reconstructing how their present state (through narrative expression) relates to both past project development and potential futures (Garud et al., 2010). The experiences that founders face - both in the creation and management of a campaign - present defined situations in which sensemaking can be explored. The notion of entrepreneurship being 'captured as a process' will be discussed in more detail in chapters five and six.

Despite the plethora of different sensemaking perspectives and constructs this thesis draws upon the Weickian framework, introduced in Karl Weick's seminal work: *Sensemaking in Organisations* (1995, 2005). It was selected due to its flexibility as a framework and it also introduces seven properties that are used in this research as individual lenses, through which to view the founders' experiences as they navigate their campaign. This thesis suggests that Weick's framework can be used as an analytical tool in equivocal situations to understand how sensemaking assists founders in creating *"rational accounts of the world that enable action"* (Maitlis, 2005. P.21).

Although there has been increasing scholarly interest in the areas of Crowdfunding, new venture finance and the broader application of sensemaking, the literature has not, to the researcher's knowledge, combined these areas to advance understanding of how founders/fundraisers use sensemaking to drive their campaign, pursue open innovation, and mobilise a crowd in pursuit of venture legitimisation.

It is important to note that in using Weick's sensemaking framework its effectiveness as a method of inquiry is not taken as a given, and the research remained open throughout to evidence challenging its validity. Thus, the Weickian framework will itself be treated as an object of inquiry within this thesis. Indeed, Weick (1995) suggests that his sensemaking framework should be approached with a flexible

mind-set:

"There do seem to be some implications for practice that run through my arguments, yet still give people lots of breathing space to adapt them to their own research" (Weick, 1995,p. 182).

A case study methodology has been adopted for this research as it serves the primary research objective of understanding the subjective and intersubjective experience of founders whilst also addressing the research aim: to conduct *a process analysis of how the founders of new ventures use sensemaking to develop and manage a Crowdfunding campaign, in pursuit of campaign legitimacy.*

The following objectives will be addressed in addition to the above:

1. Understand the founder sensemaking experience of running a Crowdfunding campaign.

2. Explore how founders use sensegiving and the social property of sensemaking to create a Crowdfunding pitch that secures legitimacy for their innovative projects and their campaign.

As Kickstarter is currently one of the most popular Crowdfunding platforms by numbers, and because it hosts a variety of projects, it has been selected as the context for this research. Kickstarter is an American public benefit corporation that maintains a global Crowdfunding platform. Launched in 2009 Kickstarter is the largest platform in terms of money raised (Kippuswamy, 2014) and its stated mission is to *"help bring creative projects to life"* (p.8). It uses a reward-based model (discussed in the following chapter) and attracts a large tech, creative and business community. Every project placed on Kickstarter must have a clear output, such as creating a book, product, or a work of art. Kickstarter campaigns do tend to have a creative edge, ranging from high-tech, software, fashion and food, to social and artistic projects. The founder - or the team behind the

campaign - independently creates their project, exercising complete control and retaining intellectual property rights: e.g. patents, trademarks, and copyrights.

While the average amount raised by founders on Kickstarter is less than $10,000 (Kickstarter, 2018) the potential exists to raise much larger amounts. For example, the *Pebble Smartwatch* was created by a group of entrepreneurs who had been unable to gain venture capital support for their innovation. In 2012 they made the decision to run a 37-day Kickstarter campaign, setting a target of $100k. The target was reached within 2 hours and when the campaign concluded the founders had raised over $10million from 68, 929 backers (Agrawal, et.al. 2014). Another extremely successful Kickstarter campaign is the *Coolest Cooler*, which gained support from 62,000 backers in 2014 and achieved a total of $13million from an initial target of $50k, despite the concept being rejected by traditional investors for being too low tech and too risky (Bruton, et.al, 2015). The range of potential pledge amounts and the diversity of the projects Kickstarter caters for make it a suitable platform for this research. The methodology chapter provides further clarification as to why Kickstarter was selected.

To summarise the overall contribution of this research: first, it contributes to the finance literature by providing insight into how founders use Crowdfunding as an alternative form of capital; second a contribution is made to entrepreneurship theory by exploring how Crowdfunding influences the entrepreneurship process and the way that new ventures are created. The findings are presented as an event driven process, an approach championed by Dimov and Mcmullen (2013).

Finally, the research contributes to the sensemaking literature by demonstrating how the framework can be used as a practical tool but it also extends the construct of sensegiving to provide a more complete picture of the sensemaking process, one that considers the

critical role of narrative, and how it can be used to manage and shape an organisation's identity as it pursues campaign legitimacy. The role of entrepreneurial cognition in financing/investment decisions has largely been overlooked (Wright and Stigliani, 2013), but it is important to understand how entrepreneurs think (Mitchell et al, 2007) in order to comprehend their decisions and actions (Shane & Venkataraman, 2000).

1.1 **Research structure:**

Chapter two: Literature Review	Entrepreneurial financing Crowdfunding Sensemaking
Chapter three: Methodology	Research Philosophy Methods of data collection/analysis Case study approach and selection Data and coding
Chapter four: Within case analysis	Case introductions and timelines Case analysis
Chapter five: Cross-case analysis	Process model and process Cross-case analysis
Chapter six: Discussion	Discussion of findings Contributions Limitations
Chapter seven: Conclusion	Further research

Fig.2 thesis structure

As shown in Fig.2 above, the remainder of this thesis is divided into chapters as follows:

Chapter 2: Literature review

The literature review chapter is divided into three parts. Part one discusses new venture finance and covers the different options that are available to entrepreneurs, alongside their respective advantages and disadvantages. Part two reviews the Crowdfunding literature, introducing Crowdfunding: what it is and how it operates. This section also identifies the research gap to be addressed. Part three reviews the sensemaking literature and presents Karl Weick's sensemaking

framework and its properties, addressing also some of the critiques of the theory.

Chapter 3**: **Methodology

In this chapter the methodological approach and the research design are discussed. The methods selected (interviews, documentation, narrative) for facilitating the analysis are introduced, along with the sensemaking theoretical framework, the case selection criteria and the data-coding format. In order to place the work in context the research philosophy, comprising of the epistemological and ontological assumptions underpinning the research, are explored.

Chapter 4: Within case analysis

This chapter presents the within-case analysis, using the data taken from the preliminary analysis to form timelines for each individual case, highlighting the key experiences of founders during a Crowdfunding campaign and the sensemaking properties that drive action.

Chapter 5: Cross-case analysis

This chapter builds upon the previous chapter and presents the findings from the cross-case analysis. The key themes are identified in order to determine how the founders of new ventures use sensemaking and sensegiving to navigate a Crowdfunding campaign, with the aim of securing capital and gaining campaign legitimacy.

Chapter 6: Discussion

This chapter consolidates the findings from chapters 4 and 5 and forms the core discussion chapter. The implications of the research findings are presented in this chapter and discussed in relation to the existing literature concerning the entrepreneurial process, Crowdfunding and sensemaking. The chapter also highlights the theoretical and practical contributions made, as well as giving recognition to its limitations.

Chapter 7: Conclusion

In this concluding chapter recommendations for future research are presented, alongside some closing commentary.

Chapter 2: Literature Review

This chapter will review the academic literature related to entrepreneurial finance, Crowdfunding, sensemaking and entrepreneurship theory (e.g. opportunity identification/process theory). The first section discusses early stage finance and Crowdfunding and the latter covers sensemaking and, in particular, Weick's (1995) sensemaking framework, which is an essential element of the research methodology. The construct of sensegiving and its importance in constructing both an identity and a compelling narrative will also be introduced in this chapter, which closes with a discussion of entrepreneurship theory. The following literature review and description of how Crowdfunding operates is important as it defines the context within which founders will make sense of their experiences and take action.

2.1 Early stage finance

The investment and financing landscape has become increasingly challenging for new ventures since the 2008 global financial crisis, as it retrenched the banking sector's unwillingness to lend (Wood and Berg, 2008). Subsequent years have seen a sharp fall in bank lending to small businesses in the UK, resulting in a funding gap between £26bn and £53bn over a 5-year period (Breedon Report, 2012). The Breedon report predicts that this gap will widen over the coming years, and will surpass £190bn in 2018.

Tomczak and Brem (2013) explain that, pre-2008, initial funding for the high-risk stages of starting a business came in the form of state/grant-based funding, with later stage funding provided by business angels and venture capital investment. Post-2008 the authors suggest that matters are very different with even funding from family and friends attenuated as budgets are squeezed and grants reduced or eliminated as the government impose austerity

measures. All of this has occurred alongside the significant decrease in bank lending.

Investments from business angels and venture capitalists also generally only occur once the founder has exhausted their own personal finances and any support from family and friends (McKaskill, 2009). Pope (2011) explains that only 3% of those seeking VC investment go on to receive funding, in part because professional investors are often seeking businesses that require more than just seed capital (Colins and Pierrakis, 2012). Belleflamme, Lambert and Schweinbacher (2013) argue that many ventures remain unfunded because they struggle to provide investors with a convincing value offer, while Wright, et.al (2016) state that many ventures refuse to surrender equity and are of limited interest to banks and investors anyway due to a lack of tangible assets to offset against the possible failure of the venture.

Cosh, et, al (2009) believe that another barrier to securing finance may well be the result of an information asymmetry: this denotes a situation in which one party possesses greater material knowledge of a defined situation than the other. For the purpose of this research the term is used in reference to the relationship that exists between the founder of a venture and the potential investor/backer, where the founder is tasked with communicating sufficient, credible, convincing information to the crowd in order to demonstrate the value of their business opportunity. The asymmetry exists because the founder typically knows more about the quality of the opportunity than outsiders (Sood, 2003). This will be explored in detail within the following chapters.

Because of the challenges identified above, relating to the accessibility of finance, many founders discover that their ability to launch a venture is dependent upon how efficiently they can operate on a shoestring budget and structure their venture – from the outset – in such a way as to minimise the risks incurred (Bhide, 1992). Bhide

(1992) explains that founders invariably use cash retention techniques – known as bootstrapping – to survive. This may involve, for example, the use of personal savings, credit card debt, loans, home re-mortgaging and obtaining funds from friends and family. The business may also reduce costs by outsourcing, operating with a low inventory, purchasing with scalability and longevity in mind, leasing rather than buying and even using skill trading and pre-selling. However, bootstrapping is not without disadvantages. De Buysere, (2012, p.8) explains that an overreliance on bootstrapping puts considerable constraints upon businesses and unless a venture has adequate funding and liquidity they are unable to grow and operate effectively, as finance acts as a lever of growth (COM, 2011).

It has been suggested that sources of finance can essentially be divided into two categories: equity and debt financing (Schweinbacher & Larralde, 2010). When money is invested against equity, it goes directly into the capital of the business from which investors receive shares. In this scenario, the investors have some agency within the business but also carry some of the risks. In contrast, debt finance (e.g. bank loans) leaves the business owner/founder with full autonomy, as the investor remains outside of the organisation and has no strategic involvement; they also do not shoulder the same degree of risk as an equity investor (Schweinbacher & Larralde, 2010, p.8).

The chart below introduces the primary finance options available to entrepreneurs:

Type of finance	Stage on which most useful	Subject to the investment	Given in return	What is provided to the venture
Bank Loans	Later stages with lower risk	Ventures with hard assets.	Loan repayment of interest	Funds
Leasing Companies	Later stages	Low involvement of own capital.	Lease payments	Consumer objects (e.g. equipment).
Government agencies	Later stages	Subsidy for particular projects to improve economic system	Implementation of the economic policy of the country.	Non-refundable capital, tax relief, cash bonuses
Bootstrapping	Early stages	Entrepreneurs uncertain about the market for their product. Mindset is 'try it, fix-it approach.'	N/A	Independence from external investor.
Business Angels	Seed-level stage	Familiar industries/venture with big potential.	Equity ownership/ROI.	Funds, support.
Venture Capitalists	Later stages.	High-growth market segments/advanced management	Equity ownership. High ROI. Preferential treatment.	Funds, support.
Crowdfunding	Initial stages (but equity Crowdfunding is often later stage).	Variety of projects, ventures, sectors, even high-growth start-ups	Rewards or equity.	Funds, feedback, support evaluation of an idea

Fig.3 financing options. Adapted from Schweinbacher and Larralde (2010, p.9)

It should not be assumed that the above financing options are mutually exclusive, as often traditional and alternative sources of finance overlap and are used in a complimentary fashion (Wright, et.al, 2016). But entrepreneurs do, perhaps, prefer finance that does not require surrendering equity and also comes with low servicing costs (Cosh, Cumming & Hughes, 2009; Vanacker & Manigarat,

2010), so it is likely that they will pursue, in the first instance, personal financial resources (e.g. family and friends, bootstrapping).

Regardless, many of the finance options presented above are difficult to access for new ventures (e.g. bank lending, Venture capital, business angel investment) and it is the inaccessibility of growth capital, coupled with the limitations of personally financing a venture, that have provided the impetus for the development of alternative forms of finance - such as Crowdfunding - that now serve to fill the void in the capital assembly process.

2.2 **The concept of Crowdfunding**

As stated in the introduction, the academic literature concerning Crowdfunding is currently limited, and Giudici et al (2012) believe that research is still in its infancy. But despite limited academic research into Crowdfunding the concept of raising money from numerous investors is not a new one. Charities and fundraisers have always relied on this approach. For example, in 1783, Mozart wished to perform three of his recently composed piano concertos in a Viennese concert hall. In need of finance, Mozart published an invitation to prospective backers offering manuscripts, as rewards, to those who pledged and assisted in raising the money needed to bring his concertos to life. A further example is Joseph Pulitzer who ran a public fundraising campaign to complete the construction of the Statue of Liberty in 1885 (Harrison 2013).

Online Crowdfunding is, however, a relatively new practice, undertaken by entrepreneurs with the goal of raising financial support for a variety of projects, from technology and design to fashion, art, and events. It harnesses a large group of individuals (the "crowd"), typically via Internet platforms (Mollick, 2014) in an attempt to raise the necessary finance. While Crowdfunding has gained interest from business scholars (Belleflamme et al., 2013; Colombo et al., 2013;

Mollick, 2014), the main focus of much of the Crowdfunding research has been on how entrepreneurs utilise social networks and virtual community ties (see e.g. Agrawal et al., 2011). It was observed, however, that there is a lack of empirical research that explores Crowdfunding antecedents, narrative construction and the experience of founders running a campaign and seeking to finance growth. Scholars also suggest that there is a need for further research that considers how entrepreneurs with fewer resources construct narratives (Lounsbury and Glynn, 2001) that are flexible enough to respond to emerging situations (Garud, et al, 2014). These issues are considered in the cross-case analysis chapter.

The concept of Crowdfunding grew out of the parent notion of *crowdsourcing* (Schwienbacher & Larralde, 2010). Jeff Howe and Mark Robinson first used the term in the June 2006 issue of the technology publication: *Wired Magazine,* the name being a portmanteau of *crowd* and *outsourcing.*

"Crowdsourcing takes place when a profit oriented firm outsources specific tasks essential for the making or sale of its product to the general public (the crowd) in the form of an open call over the internet, with the intention of animating individuals to make a contribution to the firm's production process for free or significantly less than that contribution is worth to the firm" (Kleeman, 2008, p.6).

Lambert and Schwienbacher (2010) provide a similar definition for Crowdfunding:

"An open call, essentially through the internet, for the provision of financial resources in the form of donations, (without rewards) or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes." (p.3)

The primary difference between the two is that Crowdsourcing is rarely a commercial endeavor, whereas Crowdfunding is concerned with raising finance. Wikipedia is one example of Crowdsourcing, it

being a model of distributed problem solving, offering access to a flexible, undefined workforce (instead of commissioned as with traditional outsourcing) resulting in increased cost-effectiveness. Crowdfunding, however, focuses on capital assembly for a specific end, and where the two converge is in the operational sense, as both rely upon communication and access to large groups of people; the differences are also manifest in the objectives of participants and how they are rewarded (Pazowski, 2014). With this in mind Mollick (2013) suggests that definitions, such as those provided above, are too broad when attempting to define how new ventures use Crowdfunding, and therefore offers the following definition:

"Crowdfunding refers to the efforts by entrepreneurial individuals and groups - cultural, social, and for-profit - to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries." (p.1).

Although both of these quotes have value in describing Crowdfunding the latter will be adopted for this research, as it specifies the entrepreneurial nature of the project creator and the importance of the funding targets that they set for their campaigns.

Crowdfunding is an area for entrepreneurial research in part because of its versatility in supporting a wide range of projects, from cultural industries such as film (Braet & Spek, 2010) or music (Agrawal, Catalini, Goldfarb, 2010), and for-profit/non-profit initiatives (Wojciechowski, 2009) and public elections (Gorshkov, 2011). Although Crowdfunding is primarily viewed as a method of raising finance, Kleenman (2008) believes that founders also use Crowdfunding as a means of cost reduction and a way of engaging with potential customers, thus reducing development timelines as well as marketing costs. In this way Kleenman (2008) is describing the crowd as a working consumer, who play an important role in the

production process, creating a source of value that goes beyond financial gain alone.

The market for Crowdfunding has grown continuously in the UK and worldwide. Collins (2013) estimated that the alternative finance market grew by 91 percent from GBP 492 million in 2012 to GBP 939 million in 2013 (p.4). Mesykens & Bird (2015, p.157) predict that Crowdfunding will reach $300 billion in funding transactions by 2025. Brabham (2008) and Kleenman (2008) cite the development of Web 2.0 as being essential in facilitating this rapid growth, as its introduction enabled companies to reach networks of potential consumers. Lee (2008) explains that Web 2.0 enabled computers to process vast amounts of information rapidly, facilitating its spread and allowing it to be recombined into different formats. Sociologically, Web 2.0 is arguably the very foundation of online networks, bringing together people with common interests. Further, Web 2.0 enabled anyone to create content for the Internet, which enabled the rise of Crowdfunding.

Harrison (2013) suggests that, to its advocates, Crowdfunding represents the use of the Internet to democratise both fundraising by businesses and investment by individuals, while also operating as a medium for channeling funds towards small businesses and innovations. With Crowdfunding any business, or even a single entrepreneur, can use the Internet as a showroom, creating for themselves a project page, which has the potential to reach a global audience.

2.3 **The process of Crowdfunding**

This section will examine the general process of Crowdfunding, and in doing so will place the analysis of founder sensemaking into context. The process of Crowdfunding is reliant upon three parties: (1). The individual/founder (2). Project backers (3). Intermediary/platform. Each will now be discussed in further detail.

The individual/founder employs Crowdfunding to *'get direct access to the market and to gather financial support from truly interested supporters,'* for a time sensitive project (Ordanini et al., 2009, 5). Then there are the backers (part of the larger crowd) who have taken the decision to: *'financially support the projects, bearing a risk and expecting a certain payoff'* (Ordanini et al, 2009, p.5). Finally, there is the intermediary, or platform, that brings the backers and the founders together (e.g. kickstarter/Indiegogo). This platform usually takes the form of an external, third party marketplace (known as ***indirect*** Crowdfunding) e.g. 'Fundable; Kickstarter; Indiegogo; Kiva;' (Lambert and Schwienbacher, 2010, p.4) or, alternatively, the platform can be privately administered, perhaps taking the form of a website or social media page, developed by the founder to target their own personal network (***Direct*** Crowdfunding). The decision as to which approach to take (i.e. Direct or Indirect) is likely to be influenced by certain constraints, such as the founder's willingness to pay intermediary platform fees and abide by platform guidelines; but the decision is also likely to be influenced by the number of backers each option has the potential to reach.

Accardi-Petersen (2011, p.211) believes that 5000 backers is the minimum number required for a successful Crowdfunding campaign. However, this figure is disputed by platforms such as *Crowdcube* (2012) and *Seedmatch* (2012) who claim that between 73 and 163 investors are, on average, sufficient for a successful campaign. The wide disparity in estimates may be platform specific, but it nevertheless demonstrates some of the uncertainties and the knowledge gaps that still exist within much of the Crowdfunding literature, concerning some of the most basic of issues, demonstrating that an explanatory approach to future research is still required.

It is important to note that although 'success' in a campaign is often measured in terms of a project achieving its target investment (European Expert Network on Culture, 2011, p.11), there are many

other more subjective measures, such as the effectiveness of the crowd/customer engagement strategy, and these will be explored later in this research.

But regardless of whether direct or indirect Crowdfunding is adopted by the founder it is necessary to recognise that the platform is the means by which the two sides are brought together. The focus for this research is upon indirect Crowdfunding only, as this is widely used and the resulting data is readily available (e.g. in public domain). It also has greater reach than direct Crowdfunding, which is limited by its reliance upon the founder's personal network.

A useful analogy to draw upon when considering Crowdfunding is the estate agency business, in which there are homebuyers and home sellers with the agent acting as the intermediary/platform that brings both parties together. In Crowdfunding the seller is represented by the venture founder, the backer of the project is the buyer, and the online platform that brings the two sides together is the estate agent.

The process of running a campaign is conceptualised below:

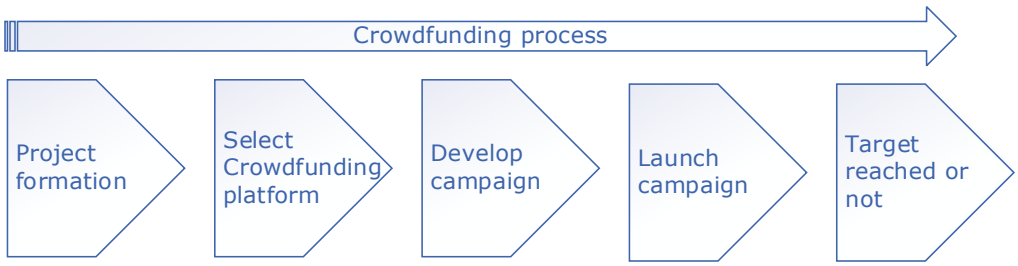


Fig.4 Crowdfunding process

2.4 **Platforms**

Platforms form an important part of the Crowdfunding process, and in the UK alone there are currently sixty-five, with specialised platforms such as Kickstarter representing distinct business models

that serve the capital assembly needs of ventures and are slowly taking over the role normally performed by traditional financial intermediaries (Lehner, 2013). According to Belleflamme (2014) the advantage of founders using indirect Crowdfunding over direct Crowdfunding is that potential backers are likely to prefer a platform where they can access many different projects as opposed to just one. Belleflamme (2014) proceeds to comment that the inverse is also true because the chance of any Crowdfunding campaign being a success (i.e. reaching target) decreases as the number of campaigns on the platforms increase, and so backers (and founders) may prefer platforms that host fewer ventures. This demonstrates network effects in action as the founders are exerting positive, indirect effects upon the crowd just as the crowd exerts indirect network effects upon the founders - e.g. founders value platforms that attract a large crowd (i.e. Kickstarter) as this increases their chances of raising their target figure. The platform, therefore, creates its value for users by facilitating interactions between parties and generating network effects: i.e. the more supporters the platform attracts the more fundraisers are attracted and vice-versa. As previously mentioned, network effects are clearly of importance to Crowdfunding platforms, as they require a large crowd in order to attract backers and project creators (Tomczak, 2013).

Belleflamme (2014) also points out that popular platforms, which attract a significant audience, are also likely to reduce costs in addition to increasing both parties' chances of success. Project backers do not incur fees for engaging with a campaign and are essentially subsidised by the founders who do pay platform fees. The fees are levied on the total pledge amount in the event that a campaign meets or exceeds the founder's stated target (Tomczak, 2013). As with other forms of Crowdfunding (e.g. equity based) backer pledges/investments are held in escrow and their accounts only debited if the campaign to which they pledge support has a successful outcome. If the project does prove successful then the founder has responsibility for completing their project and delivering

any promised rewards to backers. Even if a campaign is successful in reaching target, a project could still fail to complete and fail to provide the final product and any other promised deliverables. Mollick, (2014) found that this failure to complete is often a result of the campaign exceeding its target and thus overwhelming the founder with heightened fulfillment and administrative challenges. Should such a situation arise, the founder must make all reasonable efforts to compensate backers; Crowdfunding is a very public act and founders put their reputations at risk if they do not deliver as promised. Kickstarter takes no responsibility for failed projects and does not compensate backers in such an eventuality. The onus is therefore upon the backers to pursue legal action should they so wish.

2.5 **Crowdfunding business models**

Harrison (2013) explains that despite the current prominence of Crowdfunding it is not a homogenous phenomenon, and so any assessment of its potential as a counter to traditional financing needs to account for the different business models of Crowdfunding. Tomczak (2013) explains that the first decision to be made by a founder considering running a campaign is whether to adopt direct or indirect Crowdfunding and, if an intermediary platform is chosen, then which platform will best serve the venture interest. Tomczak then introduces the various payout modes of Crowdfunding and these represent *'the rules for regulating how and when Crowdfunding platforms release funds pooled from investor to fundraiser,'* (p.345). A typical Crowdfunding campaign runs between 30-60 days, depending on the platform. Belleflamme, Lambert & Schwienbacher (2010, p.15) explain that standard Crowdfunding projects normally adhere to the threshold pledge model, in which the fundraiser sets a specific funding target for their campaign. Frydrych (2014) explains that every Crowdfunding project needs to express a target, which is the amount that the entrepreneurs are looking to assemble. The two primary Crowdfunding pay models are: (1) *all or nothing (*also known as the threshold model*)* and *(2) keep it all.* The keep it all pay model

(sometimes referred to as *all and more*) enables the founder to keep any and all money that is raised, minus platform commission, regardless of whether the project reached target or not (Gerber, Hui and Kuo, 2012). The all or nothing pay model requires the fundraising target to be met or exceeded for the pledges to be accessible and processed: *'If the funding goal is not met then the money is returned to investors,'* (Collins and Pierrakis, 2012, p.15).

As the main focus of this research is the Kickstarter platform the all or nothing pay model is relevant. Upon first reflection it may appear that the keep it all model is the wisest choice, promoting a philosophy that, financially, the founder cannot lose. However, research by Cummins, et. al, (2015) appears to show that it is in fact the all or nothing campaigns that are more successful in meeting their fundraising objectives. This is supported in psychological theory through research conducted by Grolleau, (2016), which revealed that people exert more effort to avoid loss than provoke gain. With this in mind the all or nothing pay model is likely to prove more of a motivation for founders, as they must work harder to avoid a sunk cost of both time and effort. In addition, all or nothing provides more security for backers because, if a project fails to reach target, their initial pledge is not debited. Using this pay model Kickstarter has become one of the most popular Crowdfunding platforms with a success rate four times that of Indiegogo, its closest competitor in terms of positioning, feature-set, scope and adoption of the keep it all model.

The chart below shows the success rate of the different pay models, alongside the number of backers that each attracts:

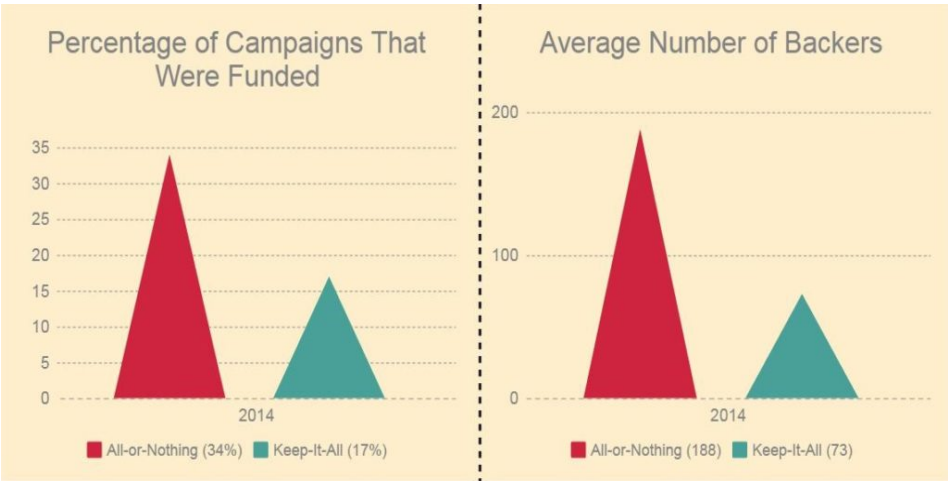


Fig.5 Source: Fundraising script.com (2017)

The next stage of the Crowdfunding process is to define the overarching Crowdfunding business model to be adopted and there are essentially three Crowdfunding business models: *Donation, Reward-based, Equity based* (see Fig.6 below).

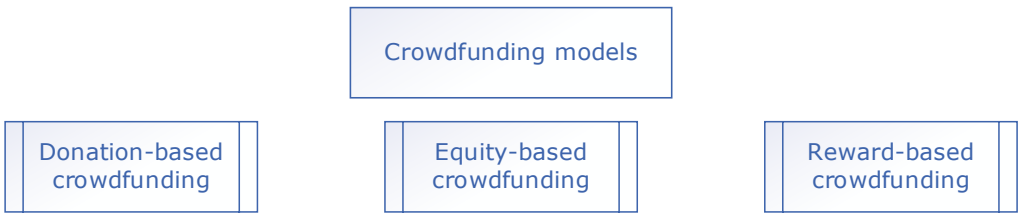


Fig.6 Crowdfunding models

Donation Crowdfunding: This model of Crowdfunding is commonly used by the not-for-profit sector, with the crowd offering support without expectation of any financial return. Social utility is of greater concern to backers than monetary reward and they provide support to a venture without expectation or desire for monetary compensation, receiving no tangible reward (Rubinton, 2011).

Reward Crowdfunding: Tomczak (2013) considers this type of Crowdfunding to be a *Passive investment*, and he uses this term to describe an investment situation in which backers have no influence over the venture's day-to-day activities and do not receive voting rights or any direct financial return (Gilo, 2000). Schweinbacher & Larralde (2010) characterise the fundraiser seeking passive

investment as *'solely interested in raising money but not using the crowd as an active consumer, or giving up some control over the product'* (p.13). Instead the backers are frequently offered a non-financial reward for their support, which can take numerous forms: e.g. a promotional gift or name credit. This research challenges Larralde's definition of passive investment, as the founders did appear to treat the crowd as active consumers, courting their involvement via open innovation. This will be covered in more depth in the following chapters. The most common reward that backers receive for their support is access to the final product through pre-purchase at a discounted rate, and often with exclusivities attached: e.g. signed by the creator or a limited edition version. Reward based Crowdfunding is normally tiered, meaning that the rewards available increase in value with the investment.

Kleenman (2008) suggests that that there are other motivations for backers to support reward based Crowdfunding such as: recognition, self-expression, community involvement, and the enjoyment of supporting a campaign (Harms, 2007). In addition, the backers may have identified a personal need for the product or service under development and therefore have a vested interest in seeing the product come to market.

Equity model: this is defined as *an active investment*, as investors take a stake in the business or a share of future profits and receive voting rights. Lambert and Schwienbacher (2010, p.9) explain that the equity Crowdfunding model is normally used by established businesses rather than new ventures, as their organisational structure enables investors to have a greater degree of involvement in the strategic process.

2.6 **Benefits and drawbacks of Crowdfunding**

Despite the rapid growth of Crowdfunding there is debate among scholars as to the benefits of Crowdfunding when compared with

traditional financing options. One of the areas upon which debate is focused concerns the extent to which Crowdfunding reflects the preference among offline investors (e.g. venture capitalists, business angels) to only offer support to companies located in broadly the same geographical area, often forgoing lower risk and higher return options because the ventures are considered to be geographically distant. Research (Lerner 1995, Sorenson & Stuart 2001, Florida & Kenney 1988, Sohl 1999, Nieuwerburgh & Veldkamp 2009, Seasholes & Zhu 2005,) found that investors preferred local interactions because they proved better for building trust between parties; reduced the costs incurred in tackling information asymmetries; aided due diligence and limited the need for consistent monitoring and reporting on investee progress. Viswanathan (2013) states that: *"In general, home bias is considered a sub-optimal behaviour in decision-making, leading to economic inefficiencies in the marketplace"* (p.2). The suggestion is that - regardless of modern ecommerce technologies that should make proximity less relevant for backers - there still exists a home bias (e.g. regional) with regards to the campaigns individuals wish to invest in, despite the fact that such behaviour does not have the same advantages that might be gained through offline investments (as described above).

Agrawal, Catalini and Goldfarb (2011) agree that geography plays a role during the early stages of online financing but found evidence that geographic distance between the entrepreneur and investors does increase significantly - after controlling for the founder's social network – for the following reasons: (1.) Ecommerce makes it easier to search and communicate with potential investors as platforms provide a format for the project creator to present their project in a standardised and comprehensive manner, making investment comparisons relatively easy at a distance. (2.) There is less of a requirement for investors to conduct day-to day monitoring as Crowdfunding transactions are relatively small and consequently confer less risk compared to traditional funders of early-stage ventures (3.) Crowdfunding platforms provide a dashboard, which

publicly display the investments the venture has received (i.e. the cumulative amount raised to date and the online identity of current backers). Platform social tools (message boards, Updates) - upon which campaigns are reliant - enable backers to communicate with one another, thus reducing the friction and risk normally associated with doing business at a geographic distance (Lerner, 1995,p.3). This suggests that rather than investments being influenced heavily by geography they may, in fact, be the result of backer affinity with the project whilst also being a reflection of how well the a founder can mobilise their social network and encourage them to back the campaign at the moment of launch, thus demonstrating to the broader crowd that this is a project deserving of their attention.

So while resource assembly through traditional venture capital tends to be geographically contingent (Harrison et al. 2010), by contrast, Crowdfunding may facilitate capital assembly that is independent of geography.

There are numerous benefits attributed to the use of Crowdfunding by the founders of early stage ventures, such as accessible finance (Bechter *et al.* 2011), maintaining control over strategic decisions and increased reach (Ramsey, 2012). However, scholars, such as Sigar (2012), believe that rather than Crowdfunding being a panacea for finance-restricted entrepreneurs it puts founders at a distinct disadvantage when compared to other financing options. For example, Sigar, highlights the significant administration (e.g. managing/shipping rewards) required in the running a campaign and also the challenges of overcoming information asymmetries and responding to customer comments. Also, because investments via Crowdfunding are generally much smaller than those made by traditional investors, more backers are required to raise the desired amount, resulting in even greater administration and a need for consistent backer engagement. For example, the *Pebble Smart watch* received in excess of 14,000 comments from the Kickstarter community (Kickstarter.com).

Sullivan and Ma (2012), Bechter et al. (2011) and Galwin (2012) believe that Crowdfunders also face the risk of their ideas being stolen, copied or enhanced by established investors or large organisations; and even if the idea has patent or copyright protection the founder may not have the funds necessary to fight a court case should a claim on ownership be challenged (Gobble, 2012). Kuti & Madaraz (2014) believe that equity-based Crowdfunding can even create a structure that is unattractive to next stage investors, due to the dispersion of ownership and the fact that many individuals already hold equity in the venture. Hsu (2004) also feels that there is an opportunity cost when raising capital from the crowd rather than professional investors, as the latter are able to offer greater support, guidance, industry knowledge and useful contacts than are likely to be acquired through the process of Crowdfunding.

Mollick, (2014) explains that the disadvantages of Crowdfunding also to the backers, because the ventures they are supporting may be unable to deliver upon their promises and could even prove to be fraudulent, something that has long been a public concern levelled at Crowdfunding. Mollick (2014) investigated the extent of fraudulent activity on Kickstarter and found it to be extremely rare. Mollick believes this is partly because platforms have strict criteria (e.g. founders must have a prototype and provide a clear plan for action and delivery) but also because of crowd diligence, as backers and prospective backers can interact with the founder and each other and discuss the merits of a given project. Thus, the social nature of Crowdfunding acts as a deterrent to fraud, as activities are essentially monitored and policed by the crowd. While many of the criticisms of Crowdfunding have some validity, they should be balanced alongside the fact that access to traditional sources of finance are severely restricted to early stage ventures, leaving them with little choice but to seek alternatives if they are to survive, develop and grow.

One of the key areas of debate among scholars focuses upon the future of Crowdfunding as a genuine, long-term alternative to

traditional finance. Sigar (2012) believes that Crowdfunding has great potential to spark growth among small businesses (p.480), creating new jobs and Gobble (2012) feels that Crowdfunding (by way of supporting new ventures) could help the economic recovery and drive innovation by encouraging experimentation, a fact that was evident from conducting this research. Sigar (2012) supports this view and believes that Crowdfunding has become a tool for innovators to improve on their business models or products (p.481). In contrast, Sullivan and Ma (2012) highlight the risky nature of investing in new ventures, particularly via equity Crowdfunding, as many ventures will fail to deliver upon early promises, which may result in lawsuits. Such uncertainty could then lead to further legislation and regulation of Crowdfunding, perhaps reducing accessibility and making it a less attractive option than it is currently.

Research in this area is still embryonic, with much still to comprehend concerning the basics and the dynamics of Crowdfunding. A recent call for papers from the Journal of Entrepreneurship Theory and Practice (2015) surveyed key thought leaders concerning the inquiry they felt would be most beneficial in furthering understanding in this area. The researchers concluded that cross-disciplinary research would be of value for furthering research into Crowdfunding (McKenny, et.al, 2017), synthesizing qualitative research with a supportive framework that enables greater insight into the dynamics of Crowdfunding and the entrepreneurial process. Mckenny, et.al (2017, p.6) cite the sensemaking framework and narrative construction as being useful approaches for further exploration of Crowdfunding, serving to highlight the antecedents and consequences from a qualitative perspective (Gioia, Corley, & Hamilton, 2013).

The next section introduces and discusses sensemaking theory as it relates to this research.

2.7 **Sensemaking**

Sensemaking is most closely associated with the works of Karl Weick, having first introduced the concept in his book *The Social Psychology of Organising* in 1979. But it was not until 1995, in his seminal work *Sensemaking in Organisations,* that a framework was first presented that explained how individuals and organisations undergo sensemaking. Sensemaking turns the ongoing complexity of the world into a *"situation that is comprehended explicitly in words and that serves as a springboard into action"* (Weick, Sutcliffe, & Obstfeld, 2005, p. 409). In the business research context sensemaking can refer to learning about new markets, new technologies, innovation, stakeholder communications, organisational culture, problem solving or the structuring of a venture (Ancona 2012, Berente et.al, 2011, Taylor and Robichaud, 2004).

Ultimately, sensemaking is about using data and feedback to create an emerging picture of an evolving situation by acting in the world (Weick, 1995).

The term "sensemaking" is used in this thesis rather than "decision-making" so as to move the analysis away from direct, isolated events towards on-going flows of experience, in which actors construct meaning and the environment by acting in the world. This is an important distinction to make because the objective of the research is to understand the motivation behind founder actions and to explore how those actions are then made meaningful through sensemaking. In addition, some scholars (e.g. Chia, 1994) have criticised decision-making theory for its attempts to impose order upon a stream of events and define it as a *"projection of purposive and intentional behaviour onto those we observe and analyse"* (p. 795). In contrast, sensemaking theory views human behaviour and experience as an unfolding, dynamic process. Crowdfunding and the entrepreneurial process are both dynamic in nature and thus the use of a

sensemaking framework that reflects this and is sufficiently flexible, seems an appropriate choice for the analysis.

It is important to note that sensemaking reaches beyond the mere interpretation of events (Sutcliffe, 2013) and deciphering of cues and instead it asks how it is that those cues got there in the first place (i.e. what sensemaking and enactment led to this cue being present in the first place) and why they were singled out by the founder from the flow of experience (Maitlis & Christianson, 2014). In other words, why did they ignore some cues and not others?

"What sensemaking does is address how the text is constructed as well as how it is read. Sensemaking is about authoring as well as interpretation, creation as well as discovery" (Weick, 1995, p.8).

Sensemaking as a construct has been around for decades and during that time it has grown both in popularity and breadth, being applied to a multitude of different areas, while also adding new constructs to the theory. It is for this reason that there is no all-encompassing, catchall sensemaking theory (Colville, Brown, & Pye, 2012; Maitlis, 2005; Weick, 1995).

This research adopts Weick's body of work as it serves to bind the majority of the disparate sensemaking research together, while also providing a framework for the exploration of process and experience. Schroeder (1989) argues that sensemaking, as a process, is occurring all of the time but that it only becomes apparent to the individual when some form of shock or crisis (i.e. something notably different from the norm) stimulates their threshold, demanding novel action and breaking them from the ongoing activity of sensemaking. Weick (1993) points out that severe shocks can also lead to the collapse of sensemaking, with each subsequent shock becoming a test of the individual's ability to make sense of what has occurred and to arrive at a solution. Sensemaking can perhaps most usefully be understood as a dynamic process that reflects the nature of the entrepreneurial

process and venture creation, recognising that meaning is made *"in an ongoing present in which past experience is projected upon possible futures"* (Hernes and Maitlis, 2010, p.104).

Sensemaking, therefore, is triggered when there is a difference between what is expected and the reality of a situation (Meyer, 1982). Meyer states that not all unexpected events will trigger sensemaking, as triggers must be of significant magnitude to register. For example, a threat to organisational identity (e.g. change in organisational structure, entering new markets, sudden need for investment etc.) can lead to sensemaking, resulting in questions such as: '*How can we gain the finance necessary to pursue this new opportunity*?' In situations such as these, individuals try to make sense of what is happening and pose solutions, perhaps by constructing new accounts of themselves and their organisation (Maitlis, 2009). This demonstrates the dynamic nature of sensemaking, and emphasises that identities are not stable, and instead are challenged through interactions and environmental pressures (Down and Warren, 2008, Weick, 1995, Nielsen and Lassen, 2012). Although sensemaking occurs at the level of the individual, identities are created through interactions with the world and through conduct with others. Once established, if a long held identity comes under threat then individuals orient themselves *"to situations that maintain esteem and consistency of one's self conceptions"* (Weick, 1995:p.22).

Following on from this Cerulo (2006) highlights *positive asymmetry* as a means by which individuals in organisations sometimes protect the organisational identity by only promoting the positives or framing negatives in only a positive light. Weick (1995) believes that identity is one of the most important properties of sensemaking. Indeed, early research (Bugental, Tannenbau, & Bobele, 1968; Manis, 1978, Louis, 1980) into sensemaking tended to emphasise its individualistic and cognitive elements; but during the 1990s sensemaking theory was further refined and developed, with Weick's work *Sensemaking in Organisations* advancing the field of study. From 2000 onwards the

academic literature has focused more upon the social, rather than the individualistic process through which sensemaking is accomplished (Maitlis, 2005) with discussions centered on the importance of language and narrative (Sonenshein, 2010, Nicholson and Anderson, 2005; Cornelissen and Clarke, 2012), combining both cognition and action, as individual sense makers are embedded within a social context in which everything they think and do is influenced by the *"actual, imagined, or implied presence of others.'* (Allport, 1985, p.3, cited in Weick, 1995 p.39). Maitlis (2005) believes that sensemaking is primarily a social and discursive endeavor, driven by language and communication where individuals *"interpret their environment through interactions with each other, and construct accounts that allow them to comprehend the world and act collectively"* (Maitlis, 2005 p.21). The academic literature now primarily views sensemaking as a social process.

Taylor and Van Every (2000) suggest that sensemaking involves turning circumstances into a situation that is comprehended explicitly in words and serves as a springboard to action. This focus upon action is supported by Gioia & Chittipeddi (1991) in their research into change within organisations, in which they conclude that sensemaking involves *"cycles of cognition and action"* (p.443). Weick is in agreement with this view and states: *"Cognition lies in the path of action. Action precedes cognition and focuses cognition,"* (Weick, 1988. P.307). Ultimately, it is action that shapes the environment and this is referred to by Weick as *enactment* (Orton, 2000), and it results in new outcomes that enable further sensemaking, as those actions that trigger sensemaking also encounter, and consequently change, the very situation that prompted the initial sensemaking. Weick (1988) explains that: *"people who act in organisations often produce structures, constraints and opportunities that were not there before they took action"* (p.306). This interplay of sensemaking, action and events make it particularly suited for the application of a process approach, and this will be discussed in detail in the methodology and in chapters five and six.

It is important to note that sensemaking does not always lead to action, as it may become apparent to the sense maker that doing so could be damaging, and more information is perhaps first required. This need for further information could indicate the existence of an information asymmetry, (such as that which often exists between an investor and investee) and this highlights the social nature of sensemaking because communication/sensegiving is required to address the asymmetry through the sharing of information.

2.8 **Sensegiving**

Gioa and Chittipeddi (1991) first introduced sensegiving as a sensemaking construct, defining it as:

"…attempts to influence the way that another party understands or makes sense. It is the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organisational reality" (p.443).

Even a small venture will be required to deal with a variety of external stakeholders so it is critical when exploring sensemaking to understand how meaning is both created and conveyed via sensegiving. However, Pratt, (2000) explains that before an individual can make sense and initiate sensegiving they must first go through a process termed 'Sensebreaking,' which is "the destruction or breaking down of meaning" (p.46). Sensebreaking requires individuals to interrogate their own assumptions about a situation and their proposed actions (Lawrence & Maitlis, 2014), and is often viewed as a precursor to sensegiving. While the academic literature has explored the use of these two constructs as used by managers in established organisations (Pratt, 2000, Mantere, Schildt and Sillince, 2012) there has been little attention given to how the founders of early stage ventures use sensegiving to communicate with a broad, dispersed audience, such as that found in Crowdfunding.

Smircich & Morgan (1982) argue that sensegiving is a central component of any manager's role, and that it can be achieved via numerous mediums such as meetings, presentations, procedures, metaphors and online communications to name but a few. But the challenge inherent in any act of sensegiving, even within the most carefully crafted of narratives, is ensuring that the intended meaning of the communication is recognised and accepted by the recipient as intended.

A large body of research exists which focuses upon the construction of narratives (e.g. Holt and Macpherson, 2010, Currie and Brown 2003) and acknowledges their importance in sensemaking. Narrative can be defined as *"the primary form, by which human experience is made meaningful,"* (Polkinghorne' 1988, p.1). Another definition is: *"A sequentially structured discourse that gives meaning to events that unfold around the narrator,"* (Riessman, 1993, p.81) and it is the *"preferred sensemaking currency"* (Boje, 1991, p.106). Maitlis (2014) argues that one of the benefits of exploring sensemaking through the social/narrative property of sensemaking is that it reveals not only who is involved but also what they are doing and the meaning that is constructed as a consequence. Narratives play a particularly important role during capital assembly that is disintermediated via digital mechanisms (Fischer and Reuber, 2014 p.565) and prior research implies that narratives and entrepreneurial storytelling are critical for new ventures seeking stakeholder legitimation (Martens, Jennings & Jennings, 2007).

It is important to re-iterate that in the context of this thesis, sensegiving includes communications directed towards likely stakeholders and investors. Thus, founders seeking financial support, either through Crowdfunding or more traditional means, will need to interact with investors and the narrative they use, and the stories they tell, are key in helping others make sense of the opportunity presented to them. Indeed, Fiske (1992) believes that:

"Sensemaking takes a relative approach to truth, predicting that people will believe what can account for sensory experience but also what is interesting, attractive, emotionally appealing and goal relevant" (Fiske, 1992: p.879, cited in Weick, 1995:p.57).

The above is important to our discussion as it suggests that a founder's sensemaking will be based on a number of subjective factors and biases, which may result in a less optimal solution to a problem. It also suggests that in the act of sensegiving, from a leadership perspective, the importance is in creating narrative accounts that are acceptable and credible to the audience being addressed, in order to create a shared reality, whether or not the narrative happens to be the most genuine account.

"One of the greatest challenges nascent entrepreneurs face is that of presenting their ventures in a favorable light, and developing an engaging and compelling account – one which investors will willingly buy into" (Parhankangas & Ehrlich, p.11).

An investor's first impressions of a venture are often based upon the entrepreneur's claims as they attempt to address the information asymmetry that exists (Murray and Marriot, 1998). This situation is particularly apparent in Crowdfunding, where it is often new or early stage ventures that are seeking funding. Such ventures face much greater challenges than established businesses because of the *liability of newness,* (Stinchcombe, 1965), used in reference to a business for which there is no conclusive track record of success or evidence of future profitability. These challenges are further exacerbated by the considerable information asymmetry that exists between the founder and the crowd.

"A good story holds disparate elements together long enough to energize and guide action, plausibly enough to allow people to make retrospective sense of whatever happens, and engagingly enough

that others will contribute their own inputs in the interest of sensemaking" (Weick, 1995, p.61).

Davidsson and Honig (2003), explain that in the public domain of Crowdfunding, securing social capital is of paramount importance to entrepreneurs. This suggests that image management is a vital part of a Crowdfunding campaign, as investment decisions will be highly dependent upon the founder's narrative sensegiving. George and Bock (2012), state that narrative is one of the most powerful means by which founders can impart information to legitimise unfamiliar innovations, which are often the staple of Crowdfunding. Establishing project validation through narrative, is considered to be a route to more efficient capital acquisition (Lounsbury and Glynn, 2001, Aldrich and Fiol, 1994; Zimmermana and Zeitz, 2002).

"Entrepreneurs use legitimacy to make unfamiliar opportunities recogniseable and compelling, generating a sense of commonality that encourages acceptance and participation" (Cornelissen and Clarke, 2010, p.5).

For the purpose of this research campaign legitimacy can be defined as a "*generalised 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*" (Suchman, 1995, p.574). If a campaign does not secure legitimacy then it will be unable to attract backers and it will fail. It is therefore of critical importance that founders build narratives that make future plans and objectives plausible in the light of past activities and accomplishments (see also Navis and Glynn, 2011; Teece, 2010).

Kirsch, Goldfarb and Gera (2009) explain that the accepted narrative form of a venture is the strategic business plan, which effects symbolic legitimacy (Karlsson and Honig, 2009). When approaching professional investors, entrepreneurs often deliver their business plans alongside more visual narrative mediums such as PowerPoint

presentations and videos, all with the aim of addressing the existing information asymmetry. Within Crowdfunding the narrative primarily consists of a founder's campaign page, which, alongside a written project description, also includes an embedded video and structural tools for asynchronous and synchronous updates and communication. Together these elements form the Crowdfunding pitch. It is important to note that a campaign page is accessible to the public (including all updates and platform communications) and remains online as a permanent record, regardless of the campaign outcome.

Steyaert (2007,) explains that it is the public broadcasting element that makes the Crowdfunding pitch challenging. He believes that it differs from a traditional investment pitch because it must have a broader voice within a sociocultural context, as the crowd is large and made of individuals with differing motivations.

"Crowdfunding offers a method of funding entrepreneurial ventures that differs in almost all aspects from VC funding. Rather than being oligopolistic, it is democratic," (Mollick, 2013, p.10)

To reach a large audience Crowdfunding is reliant upon the socially constructed interpretations of digitally delivered information (Downing, 2005, cited in Frydrych, et. al 2016 P.6). The purpose of founder sensegiving is to make the new venture comprehensible and credible to the crowd, and the challenge for founders is to present a cogent narrative that connects both their past experience and their future vision for their venture (temporality) in such a way that it generates campaign legitimacy and expedites crowd engagement; and sensemaking is the process through which those narratives come to be contested (Maitlis, 2014, p. 82).

The above sensemaking review provides an insight into some of the primary challenges and debates that were identified in the literature, and pertinent to this research. The review thus far supports Weick's (1995) view of sensemaking: that it is a process that frames the flow

of ongoing events. Weick's 1995 work *Organisational Sensemaking* introduced a framework comprising seven key properties, with each providing a deeper understanding of the sensemaking process. The seven properties are as follows: Retrospective, Identity, Extracted cues, Plausibility rather than accuracy, Enactment, Social. Due to the importance of the social nature of sensemaking and to more fully define the social dynamic of Crowdfunding, an eighth property will also be considered: sensegiving.

The properties are introduced here as they form the basis for the analysis, provide context, and will be referred to throughout this research.

Each of the eight properties will now be explored in more depth:

2.8.1 Retrospective

Weick (1995) believes that the creation of meaning is an attentional process, focused upon what has already occurred. Attention is directed backward from a specific point in time so whatever is occurring in the present moment will influence our opinion of it. The meaning of a lived experience undergoes modifications depending on the particular kind of attention that the ego gives to that experience. Weick, (1979) suggests that it is those events that we fear may occur that trigger sensemaking. The things, of which we are ignorant, by definition, are not available for sensemaking and therefore do not concern us. He states *"people are always in the middle of things, which only become 'things' when those same people focus on the past from some point beyond it"* (Weick, 1995, p. 43). Schutz (1967) elaborates by saying that meaning is not attached to the experience itself but instead the meaning is in the kind of attention focused upon the past experience. However, despite this focus on past events, some scholars (Gioia and Chittipeddi, 1991, Cornelissen and Clarke, 2010, Wood and Mckinley, 2010) argue that in many situations sensemaking can be understood as being prospective rather than retrospective and that this might even be advantageous when considering entrepreneurship:

"Although sensemaking has often been considered as retrospective it may also be prospective in the context of new ventures" (Cornelissen and Clarke, 2010, p.542).

Prospective/future orientated sensemaking places an emphasis on probable impacts that the imagined, future experience might bring. Thus entrepreneurs frequently envision how novel ideas might exist as future opportunities. Wood and McKinley (2010), see these opportunities as *"arising from the efforts of individual founders as they develop pathways to an imagined business venture"* (Wood and McKinley, 2010: 70). However, Emirbayer and Mische (1998) bridge

the distance between retrospective and prospective sensemaking by stating that sensemaking is a temporally embedded process, informed by the past (in the sense that existing knowledge can help to order and manage new knowledge) but oriented towards the future and the present *"as a practical-evaluative capacity to contextualise past habits and future projects within the contingencies of the moment"* (p962). They go on to explain that founders can shift between these temporal dimensions so as to be able to make the best decision within the most applicable context. The above is the context for the later discussion of narrative in chapters five and six.

Hernes & Maitlis (2010) highlight the fact that sensemaking is widely deemed to be dynamic in nature and that meaning is therefore made in an ongoing present in which past experience is projected upon possible futures (P.27). In this way past and future are synthesised to create many possible meanings and so the sensemaker must deal not with: *"uncertainty but (with) equivocality"* (Weick, 1995: p.27). Once the sensemaker has achieved a modicum of order and clarity regarding a situation retrospective sensemaking is likely to cease (Weick, 1995*).*

2.8.2 Grounded in identity construction

Identity is the primary sensemaking property from Weick's (1995, p.20) perspective, where the sensemaker undergoes continual redefinition coincident with presenting some self to others and trying to find which self is appropriate: *"who we think we are as organisational actors shapes what we enact and how we interpret,'* (Weick et al. 2005, p.416). Weick (1995, p.18) believes that an individual does not possess a singular definition of self but many, formed by projecting an identity into the world and judging the outcome. As identity is an integral part of sensemaking its maintenance and development are key to understanding how individuals make sense of their experiences and act in the world. Erez and Earley, (1993) explain that individuals construct their identity in

ways that meet a need for self-enhancement, and self-consistency. When either is threatened, sensemaking occurs, in order to identify the source of the threat and to protect the assumed identity. Pertinent to this thesis is research (e.g. Dutton and Dukerich, 1991, Ravasi and Schultz, 2006) that focuses upon threats to the assumed identity of an organisation and its public image and the subsequent work undertaken by managers to maintain that identity or construct new accounts of themselves and their organisation in the face of the challenges. Martins (2005) explains that when an organisational identity is strong, those members may ignore the challenge to identity and in doing so fail to engage in sensemaking at all. Maitlis (2014) agrees with this view and states that:

"sensemaking is an effortful and potentially costly process that requires people to feel motivated to give up their existing accounts of the world and to work to construct new meanings. They are driven to do so when they experience a threat to their identity and the intense negative emotions this arouses, but are less likely to engage in sensemaking when individual or collective identity is strong and positive capacity is low, or when they are highly invested in certain practices and beliefs," (p.78).

In consideration of the above, and in relation to identity, sensemaking can be viewed as the means by which individuals and organisations work to return to a state of predictability that defines who they are in the world.

2.8.3 Extracted cues

Sensemaking occurs when cues are extracted from an experience for sensemaking. Cues are *"simple, familiar structures that are seeds from which people develop a larger sense of what may be occurring,"* (Weick, 1995, p.50). It is important to understand why people notice and extract specific cues from the ongoing flow of experience and then use them to generate meaning that informs future actions. The cue that is extracted depends on the context (frame) as this affects

how the cue is interpreted, as will the social context. Clearly, only those cues that are noticed by an individual are available for sensemaking. This does not mean that unnoticed cues are not important but that the context, and our own biases, may hide them from us. Weick (1995) argues that faith in the extracted cues being salient is important for sensemaking and driving action. The sensemaker generates an outcome and as a result more cues are made available for sensemaking.

2.8.4 Driven by plausibility rather than accuracy

Weick (1995) explains that the perception of an experience does not have to be accurate or complete to motivate action and that plausible reasoning is often sufficient. Accuracy of perception, while favored, is not essential to sensemaking and is unachievable anyway. What is required for sensemaking is reasoning that reduces uncertainty to a workable level in order to motivate action. Weick (1995) goes on to say that the notion of accuracy is meaningless anyway, as a sensemaker operates from the hindsight bias, reconstructing the past and operating from a filtered sense of the present (Weick, 1995, P.57).

2.8.5 Enactment

While identity and retrospective make up the "sensing' part of the sensemaking process, enactment is the activity of *'making that which is sensed,'* (Weick, 1995, P.30). Action therefore, is essential to sensemaking as we come to know the world by taking action and observing the consequences. It is through action that cues are generated for extraction and meaning generated in an ongoing cycle. By taking action, any hypothesis formed through prior sensemaking can be tested. Also, by taking action the environment itself is altered (enactment):

"when people act, they bring events and structures into existence" (Weick, 1988, p.306). Orton (2000) argues that enactment provides further explanation for why sensemaking goes beyond mere

interpretation of an experience, as sensemaking is predicated upon the idea that people play a part in creating the environment that they experience. Weick (1995) states: *"People who act in organisations often produce the structures, constraints and opportunities that were not there before they took action,"* (p.306). For example, in a crisis situation early *actions "do more than set the tone; they determine the trajectory of the crisis"* (Weick, 1988, p.309). This demonstrates the power of enactment within sensemaking, as actions taken can become *"public and irrevocable, strengthening commitment at precisely the time that flexibility and improvisation are required,"* (Maitlis, 2014, p.86).

When something unexpected occurs or something planned for fails, this can trigger sensemaking in an attempt to return a sense of order and clarity. This sense of order, however, is not an objective phenomenon and instead is based upon preconceived notions that were generated from actions taken, which then inform future actions and act to justify the sensemaker's original presumptions. In this way, Weick (1995) explains, individuals *"create and find what they expect to find,"* (p.35).

2.8.6 Social

As previously stated, scholarly research into sensemaking has increasingly shifted the focus from individualistic accounts of sensemaking to intersubjective. Weick (2005) believes that no act of sensemaking is solitary because what is done internally is always contingent upon others (even if the 'other' is an imagined audience) who may be required to understand, approve or implement any future actions. An organisation exists as a network of shared meanings, sustained through the development and use of a common language/narrative and everyday social interactions. Existing research on sensemaking in the entrepreneurial process has focused on its role as a social process where meaning is created through language, talk and communication (Weick, Sutcliffe & Obstfeld, 2005).

2.8.7 Ongoing

Tsoukas and Chia (2002) believe that organisations are not fixed entities and instead are dynamic and subject to ongoing processes. This reflects the nature of sensemaking and highlights why sensemaking is a useful framework for analysing the activities that organisations undertake (e.g. Crowdfunding), because both are linked to change:

"Sensemaking never starts because people are always in the middle of things, which only become things when those same people focus on the past from some point beyond it" (Weick, 1995, p.43).

Experiences, therefore, are a constant flow of events and sensemaking is the act of *"chopping moments out of continuous flows and extracting cues from those moments,"* (Weick, 1995, p.43). Sensemaking is an ongoing activity and something individuals only become aware of when it is interrupted by a stimulus that needs to be addressed before the original sensemaking process can continue (Weick, 1995).

2.8.8 Sensegiving

Bartunek, Krim, Necochea, & Humphries (1999) and Gioia & Chittipeddi, (1991) believe that sensegiving is an interpretative process, in which individuals use language to influence one another. From a business perspective leaders and directors often use Sensegiving (McNulty & Pettigrew, 1999), to influence the sensemaking of employees or stakeholders. Entrepreneurs use a variety of different methods in their sensegiving to communicate their ideas in an attempt to create a shared reality with their audience.

2.9 **Critiques of sensemaking**

Despite the widespread recognition of sensemaking theory among a significant part of the academic community, the validity of the theory and the utility of Weick's framework as an analytical tool have been called into question (Thurlow and Mills, 2015, Morteza, et al. 2018). Much of this criticism has drawn attention to the lack of clarity as to how sensemaking can be usefully adopted, partly due to the proliferation in recent years of various sensemaking perspectives and constructs. Helms et. al (2010) believe that Weick provides little clarity as to how the properties can be operationalised. However, although Weick does not offer a single mode of operation for his framework he does encourage scholars to empirically test the framework, and advises that properties be used as 'separate analytical dimensions' (Weick, 2001, p.463), an approach that has been adopted in this research. Weick demonstrated that selective utilisation of the properties can provide useful insights and explains that there is no requirement that the construct be viewed as a single indelible process. Instead, he suggests that future research could focus on just a few of the properties of the framework, and that these could even be supplemented with additional properties created or adapted by the researcher; as with the sensemaking process itself, the operationalising of the properties is not clean and straightforward and Weick states that his properties are meant to provide:

"a rough guideline for inquiry into sensemaking in the sense that they suggest what sensemaking is, how it works, and where it can fail" (Weick 1995, p.18).

Scholars such as Holt and Cornelissen (2014) and Anderson (2006) maintain that the properties are accepted as a given too readily by academics, without further interrogation, limiting the validity of sensemaking as a theory. This thesis, in using Weick's properties as lenses, will not ignore emerging evidence that challenges the validity of the framework. In taking this approach Weick's sensemaking

framework will itself become an object of inquiry, the outcome of which, will be one of the contributions of this work. In this way the thesis is looking to validate Weick's framework and the properties therein, and to ascertain to what extent the properties of sensemaking can be used as an effective analytical tool.

2.10 **Entrepreneurship theory and Crowdfunding**

A key area of discussion in the entrepreneurial literature (Alvarez and Barney 2007, Shane 2003) relates to theories of entrepreneurial action and whether opportunities are discovered or created by entrepreneurs. While this thesis does not focus upon the initial process of identifying an opportunity it does demonstrate how an idea is developed, through sensemaking, and how that idea may become a viable opportunity when considered from the founder perspective. In addition, this thesis shows how an initial offering may develop over the course of a Crowdfunding campaign, through the influence of open innovation and co-creation.

The key assumption of discovery theory is that opportunities are objective phenomena that exist independently of those who may or may not be aware of them, and thus they are waiting to be discovered by alert individuals (Gaglio & Katz 2001). For this thesis an opportunity is deemed to exist when the possibility is present for some people to engage in activities that have the potential to create economic wealth (Helfat and Barney 2004). The implication of discovery theory for the general study of entrepreneurship is that opportunities can be found through analysis of industry and market structure (Alvarez and Barney 2007). Within creation theory, however, opportunities do not exist objectively but instead are created by the entrepreneur as they explore ways to generate economic wealth (Sarasvathy 2001).

Creation theory suggests that entrepreneurs explore opportunities and that this exploration may lead to fresh insights that serve to challenge any previous (and subsequent) hypotheses and assumptions. This process of iterating towards an economically viable venture has much in common with both the sensemaking process, detailed in this thesis, and also the theory of effectuation. Effectuation is concerned with how entrepreneurs identify the next best action to take considering the resources available. Effectuation, therefore, has much in common with sensemaking and could be useful in exploring the process of a Crowdfunding campaign in that founders use their available resources to devise a campaign in which their mistakes and any surprises can bring about new opportunities. In addition, effectuation highlights the importance of working partnerships; within the context of a Crowdfunding campaign such partnerships take the form of open innovation and co-creation activities that may assist founders in not only securing finance but also informing the venture's next step.

"Indeed, effectuation is another way of describing the iterative emergent search process that is central to creation theory" (Alvarez and Barney 2007 p.18).

However, although this research recognises the close relationship between effectuation and sensemaking the latter is used for the exploration due to the rich data that it can generate.

When undertaking entrepreneurship research it is also important to define the approach to be adopted in exploring the phenomenon. Following on from the above discussion, and for the purpose of this research, a process approach has been adopted, as it is consistent with effectuation and sensemaking, both of which are iterative and dynamic in nature and therefore reflect the dynamism of the phenomenon under study (i.e. Crowdfunding and entrepreneurship). A variance theory of entrepreneurship has long been the dominant conceptual system (Gupta, et al, 2016) and involves explanations of

change in an outcome variable attributed to a set of independent variables. Process theory, however, looks to explain the evolution of a phenomenon through the temporal ordering and interactions of numerous events and actions (McMullen 2015; McMullen & Dimov, 2013). As this research depends upon the collection of rich and emerging data the process perspective is most appropriate. Indeed, process theory is becoming more popular among academic scholars for the study of dynamic phenomena (Steyaert 2007, Gupta et.al 2016, Moroz & Hindle 2012). The process approach utilised for this research will be discussed in further detail within the cross case analysis and discussion chapters.

Chapter summary

Despite the fact that sensemaking, as a construct, has been in existence for some time it has not, to the researcher's knowledge, been used as an approach for exploring the founder adoption of Crowdfunding. In answering the research question - regarding how founders make sense of developing a Crowdfunding campaign - emphasis has been placed upon the early stages of economic activities, which Davidsson (2015) argues is where the greatest contribution can be made to the fields of economic and organisational studies. This research fills a gap in the academic knowledge by not only directly addressing the above, but doing so from a sensemaking perspective: that is, not just looking at what founders do but why they do it. Maitland and Sammartino (2015) are in support of research that takes the sensemaking perspective, as they believe that there are few empirical studies that explore how entrepreneurs make sense of Crowdfunding choices and how their perceptions affect decision-making.

This research aims to add to current theory by providing insight into the entrepreneurial process; the push and pull factors of Crowdfunding; the cues that founders single out from their experiences for sensemaking and, ultimately, how founders gain

validation for their projects. Clearly this is important for understanding founder behaviours, but it could also prove useful in the creation of policy, when governments are considering how they can best support economic growth. In addition, it can provide investors and platform owners with insight into how small businesses use Crowdfunding within an entrepreneurial context.

The use of sensemaking as an analytical framework is appropriate because Crowdfunding is a dynamic process and requires a flexible analytical tool such as sensemaking to unpick its many elements. In addition, sensemaking and Crowdfunding can both be understood as processes which, when combined, demonstrate the effectiveness of this perspective for understanding the entrepreneurial process of Crowdfunding and its role in opportunity development. Indeed, Steyaert, (2007) argues that sensemaking, as a process, is particularly in evidence when used in the study of entrepreneurship.

Using Weick's framework to explore Crowdfunding is a novel approach as much of the extant Crowdfunding literature focuses upon quantitative analyses as it pertains to network effects and funding outcomes and does not capture the founder motivations and cognitive processes that drive founder actions. The process perspective is useful because it serves to highlight why founders choose Crowdfunding as a means to develop their venture; the nature of opportunity recognition; how founders give meaning to their experiences during a campaign and why they take the actions that they do, which contributes to entrepreneurship research more generally.

The following chapter will discuss the methods used in this research and explain how the sensemaking properties discussed in this chapter were operationalised for the analysis.

Chapter 3: Methodology

This chapter provides the rationale for the research methodology, building upon the theoretical framework by describing how the data was collected and analysed. In doing so it addresses the gaps that were identified in the literature.

Introduction

The chapter beings with a discussion of the philosophy that underpins social science research, covering the paradigms and the epistemological and ontological positions that influence social science research. This will be followed by an explanation of the epistemological and ontological stance that was taken for this research, providing context for the methodology and the research design that follows. The methodology will cover case selection, methods used for data collection and provide a detailed description of both the within and cross-case approach to case study analysis.

3.1 Research philosophy and methodology

The term 'methodology' refers to a range of principles and practices from which specific methods can be selected in order to explore and solve problems relating to an area of research. *'Like theories, methodologies cannot be true or false, only more or less useful'* (Silverman. 1994, p.2).

The first step in selecting a suitable methodological approach to research is to be clear on the underlying ontological and epistemological assumptions that have been made (Morgan, 1980). This is an important consideration as these assumptions influence the research design and inform the reader as to the thinking process that has driven the research.

Ontology is the study of the nature of reality and the world. Epistemology is the study of the nature of knowledge (Morgan, 1980) or how to achieve 'true knowledge.' Creswell (2007) explains that in adopting an epistemological position, the relationship between the researcher and the researched becomes clearer. It directs the research, influencing both the data design and the overall narrative.

Ontology considers to what extent social objects can be viewed as objective entities, existing apart from social actors, or as social constructions, shaped through the cognition and actions of individuals as they act in the world. Qualitative research, such as this thesis, generally takes the position that multiple subjective realities exist, whereas quantitative research emphasises a single objective reality. Furthermore, qualitative research frequently focuses upon the creation of meaningful categories and specific areas of organisational phenomena. Qualitative researchers generally take the position that the social world can only be understood from the perspective of the individuals being studied.

In adopting a particular research approach an ontological assumption is made as to whether the world will be viewed as objective and external, independent of the researcher –positivist paradigm - or socially constructed and understood by and through the examination of human agents –interpretivist paradigm (Collis and Hussey, 2003). Collis and Hussey believe that the two paradigms - positivist and interpretivist - represent the primary research paradigms within the social sciences. The term paradigm is used in reference to a scientific practice that focuses upon people's philosophies about the world and the nature of knowledge (Collis and Hussey, 2003). Kuhn (1962) explains that paradigms are*: "universally recognised scientific achievements that, for a time, provide model problems and solutions to a community of practitioners."* (p.8). Morgan (1980) describes a paradigm as a *"way of seeing"* the world (p.606).

Arguably it is important to consider the two paradigms as extremes on a continuum (See Fig.7), and with progression along the

continuum the features and assumptions of each paradigm are relaxed and replaced by the features of the other (Collis and Hussey, 2003). There is therefore an unavoidable overlap of ideas.

A positivist ontological assumption places an emphasis upon experience in general (Clark, 2009) and provides a view of reality that is objective, existing apart from the human experience. From this perspective *"meaning resides within the world independently of consciousness"* (Collins, H., 2010, p.40). Positivist epistemological assumptions of knowledge focus upon what can be measured and the laws and regularities that can be identified (Cunliffe, 2011, p. 649). In contrast an interpretivist approach holds the opposite as true, maintaining that social reality is within us and cannot exist apart from us and that reality is constructed through the subjective and inter-subjective experience of individuals (Morgan, 1980). Acceptance of this view means that knowledge is socially constructed through human experience. In adopting an interpretivist position it is therefore assumed that reality depends upon the individual addressing the meaning, rather than the measurement of social phenomena (Collins and Hussey, 2003 p.53). Thus, the interpretivist position brings focus to bear upon individual enactment, which is integral to sensemaking theory.

It is worth highlighting once again that the two paradigms discussed represent extremes on a spectrum, with numerous stages occurring in-between. Indeed, Cunliffe (2011) believes it may no longer be possible for researchers to adopt either stance exclusively because of the influence of intersubjectivity and the challenge of separating subject from object (p.653).

The spectrum can be seen in Fig. 7 below:

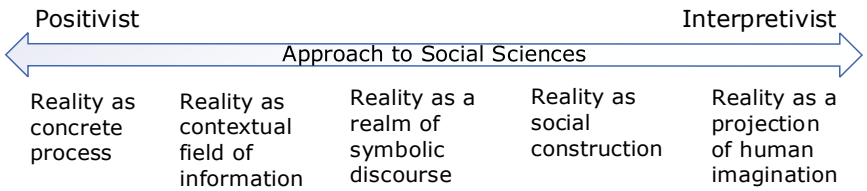


Fig. 7 Source: Adapted from Morgan and Smircich (1980) p.492

The following chart shows the differences between positivism and interpretivism:

Assumptions	Positivism	Interpretivism
Nature of reality	Objective, tangible, single	Socially constructed, multiple
Goal of research	Explanation, strong prediction	Understanding, weak prediction
Focus of interest	What is general, average and representative	What is specific, unique, and deviant
Knowledge generated	Laws	Meanings
	Absolute (time, context, and value free)	Relative (time, context, culture, value bound)
Subject/Researcher relationship	Rigid separation	Interactive, cooperative, participative
Desired information	How many people think and do a specific thing, or have a specific problem	What some people think and do, what kind of problems they are confronted with, and how they deal with them

Fig.8 Positivism and interpretivism comparison. Source: Pizam and Mansfeld (2009)

This thesis adopts the interpretive paradigm and therefore takes the ontological position that reality is socially constructed through the subjective and inter-subjective experience of individuals (Morgan, 1980). In this way narrative, thoughts and meaning, are socially constructed as individuals interact with the world. Bryman and Bell (2007) explain that social phenomena are produced through interactions and enactment, which in turn means that social phenomena are in a constant state of flux and becoming. It is therefore the job of the social science researcher to understand the subjective meanings that emerge as individuals act in the world. Bryman and Bell (2007) believe that there are two options for the researcher seeking to clarify the foundational reasoning for their work, and these options are 1) Deductive reasoning 2) Inductive reasoning. This thesis takes an inductive stance because its focus is

upon the experiences of individuals and how they view/interpret/make sense of the world through individual and shared realities, while acting within an ordered social world. Inductive reasoning is flexible in approach and requires no pre-determined theory, as it is reliant upon the analysis of data collected, enabling the researcher to form generalisations. *"The researcher begins with an area of study and allows the theory to emerge from the data"* (Strauss and Corbin, p.12, 1998). Inductive reasoning goes hand in hand with both the interpretivist paradigm and the sensemaking framework discussed in the previous chapter. In addition, the research design used in this thesis is dependent upon the collection of natural data: interviews, dialogue and narrative content analysis, each of which pertain to the sensemaking framework and the interpretivist ontological assumption that knowledge of the world is socially constructed.

The methods selected for this thesis were those that were the most appropriate for the phenomenon being researched. Because the objective is to understand and explore the subjective and inter-subjective sensemaking experiences of founders running a campaign, a case study approach has been chosen. Research by Eisenhardt, (1989) and Yin (2009) informed the case study design.

3.2 **Case study methodology**

A case study is a 'research strategy, which focuses on understanding the dynamics present within single settings' (Eisenhardt, 1989 p.534). According to Bromley (1990), it is a "systematic inquiry into an event or a set of related events, which aim to describe and explain the phenomenon of interest" (p. 302). Case studies assist in the close exploration of data, and focus upon a limited number of events or experiences and their relationships within a defined context. Bromley proceeds to explain that sources of evidence used in case studies can be qualitative or quantitative or a combination and are used to either

test existing theory or create a new one. Case study data can take numerous forms, such as archives and interviews, questionnaires/surveys and can also be based upon the direct observation of phenomena. One of the strengths of the case study methodology is that it yields rich data and in a form that is often difficult to replicate through quantitative statistical inquiry alone.

Scapens (1990) presents several different categories of case study and these are presented in the table below:

Type of case study	Description
Descriptive	In which the objective is restricted to describing current practice and the phenomena, and where the researcher's primary goal is to describe the data. McDonough and McDonough (1997, cited in Zainal, 2007 p.3) explain that descriptive case studies often appear in narrative form.
Illustrative	Where the research attempts to illustrate new and possibly innovative practices adopted by particular companies.
Experimental	Where the research examines, for example, the difficulties in implementing new procedures and techniques in an organisation and evaluating the benefits.
Explanatory	Where existing theory is used to understand and explain what is happening. The data is examined closely in order to explain the phenomena in the data.

Fig. 9 Case study types

Yin (1984) also introduces the *exploratory* case study, which is used to explore phenomena in the data that are of particular interest to the researcher.

The focus for this thesis is primarily with the descriptive case study approach, although there is some overlap with the exploratory and illustrative methods described above. Regardless of the approach

adopted a case study is a *"research strategy, which focuses on understanding the dynamics present within single settings"* (Eisenhardt, 1989 p.534). According to Bromley (1990), it is a *"systematic inquiry into an event or a set of related events which aim to describe and explain the phenomenon of interest"* (p. 302). The unit of analysis used in case studies can vary from an individual to a corporation; but for the purpose of this research the unit of analysis is the venture founder, as the purpose is to understand their sensemaking process. In addition, this event driven approach facilitated the development of a process model, answering the call from Dimov (2013) for more processural studies into entrepreneurial practices.

According to Yin (2010), the case study is interesting when it fulfills three requirements: (1) the questions posed are "how" or "why"-questions; (2) the researcher has little control over the events; and (3) the focus is on a contemporary, real-life phenomenon. Godoy (2006) extends this thinking to include comprehension-type questions that attempt to describe and interpret *what* happened in a situation. This thesis fulfills each of these requirements.

It is important to note that the case study approach is often criticised for a lack of robustness as a research tool, being too reliant upon subjectivity and frequently a single-case design, making theoretical generalisations problematic. In order to mitigate such shortcomings consideration was given to case design and this research uses multiple cases to improve data validity and refers to several data sources to triangulate the study (i.e. interviews, narrative analysis and page content analysis). Leonard-Barton (1990) believes that a multiple case approach can provide higher quality data, as basing conclusions upon a single case can result in *"misjudging the representativeness of a single event, exaggerating the salience of datum because of its ready availability or influencing estimates because of unconscious anchoring"* (p.250). Yin (1994) supports this view and holds that multiple case studies can improve data validity.

Yin argues that the multiple case study method is driven by the same logic as conducting multiple experiments, in that each case is chosen because it "*either (a) predicts similar results or (b) produces contrary results but for predictable reasons*" (Yin, 1984, p 48-49). The multi-case approach, therefore, helps to address the research question by uncovering the sensemaking of founders who, although managing a variety of ventures, each share the common experience of running a Crowdfunding campaign. It was assumed from the outset that cases would show commonalities in sensemaking, regardless of industry type, and that the differences between their actions in specific situations could be explained through their individual sensemaking process. By using a multi-case approach the chances of forming generalising conclusions from the data are greatly improved. It is important to note that as the case studies are retrospective in nature, the reliability of the data obtained from the participants' memories may lead to inaccuracies with timelines and perhaps important events are entirely omitted. This weakness is, once again, mitigated through the use of multiple cases and multiple data sources. Indeed, Yin (2009) believes that no single source of data collection has complete advantage over another and that a good research study comprises of more than one data source. The data sources described above were selected because they support one another, and each can provide evidence of sensemaking and sensegiving activities.

Yin (2009) lists the following common case study data collection methods:

- Interviews
- Archival records
- Documentation (including video, and online material).
- Observation
- Participant observation
- Physical artifacts

Yin also highlights the key principles for improving the robustness of the case study methodology. These principles have been used as a guide within this thesis: (A) Multiple sources of evidence from two or more sources (B) a case study database (i.e. a formal assembly of evidence that is distinct from the final case study narrative) (C) chain of evidence (e.g. clear links among the questions asked during interviews and the types of data collected).

Yin explains that creating a chain of evidence improves the reliability of case findings, by enabling the reader to follow the evidence trail, leading from the research questions to the conclusion of the research. For ease of use, the sensemaking properties identified (see chapters four and five) as being important for understanding founder action, have been coded for simple cross referencing to both the case study timelines and the appendices, where quotes from participants, textual/narrative/content can be found.

"In the aggregate you are therefore able to move from one part of the case study process to another with clear cross-referencing to methodological procedures and to the resulting evidence," (Yin, (1992, p.124).

The exploratory nature of the case study approach can result in vast amounts of data being amassed, making analysis a challenging endeavor. Eisenhardt (1989) argues that Yin does not address this issue and suggests that data proliferation can be avoided through the use of defined research questions. She goes on to say that a-priori specification of constructs can also be helpful in reducing data abundance and in shaping both the overall methodology and the design of theory building research. Despite being an advocate of a structured approach, Eisenhardt (1989) still champions flexibility, warning the researcher against being too rigid with research questions/constructs, stating that theory building research should – in order to limit generalisations and imposed limitations - begin *"as*

close as possible to the ideal of no theory under consideration and no hypotheses to test," (p.536).

The methodology used for this thesis uses defined interview questions to bring focus and to reduce excess data but the questions are semi-structured to facilitate fresh insights. The research takes the position of having no defined hypothesis to test, with theory emerging from the data itself. This will be discussed further within the research design section.

3.3 **Research methods**

Taking guidance from Yin's (1991) recommendations regarding data quality and integrity this thesis uses multiple data sources, with the resulting data being coded for easy reference to the case study timelines and appendices. In this way a chain of evidence is established, encompassing the data from the interviews, timelines and narrative and then linking these to the findings and the discussion that follows.

The chart below details the strengths and weaknesses of each data collection method. There is no perfect solution that is applicable to all research contexts but, rather, the source selected should be the one that best advances the research in question and enhances the robustness of the study.

Source of Evidence	Strengths	Weaknesses
Documentation	• Stable-can be reviewed repeatedly • Unobtrusive-not created as a result of the case study. • Exact-contains exact names, references, and details of an event. • Broad coverage-long span of time, many events, and many settings	• Irretrievability-can be difficult to find. • Biased selectivity, if collection is incomplete. • Reporting bias-reflects (unknown) bias of author. • Access-may be deliberately withheld.
Archival Records	• Same as those for documentation. • Precise and usually quantitative.	• Same as those for documentation. • Accessibility due to privacy reasons.
Participant observation	• Same as above for direct observations. • Insightful into interpersonal behaviour and motives.	• Theoretical generalisations due to poorly articulated questions. • Inaccuracies due to poor recall. • Reflexivity-interviewee gives what interviewer wants to hear.
Physical artifacts	• Insightful into cultural features. • Insightful into cultural features. • Insightful into technical operations.	• Selectivity • Availability.
Interviews	• Targeted-focuses directly on case study topics. • Insightful-provides perceived causal inference and explanations.	• Bias due to poorly articulated questions. • Response generalisations. • Inaccuracies due to poor recall • Reflexivity-event may proceed differently because it is being observed. • Cost-hours needed by human observers.

Fig 10. Data collection methods. Source: adapted from Yin, 1991, p.102

This research employs two of the above sources: Documentation and Interviews. Each will now be discussed in turn.

3.3.1 ***Documentary evidence***

Yin (1991) argues that documentation is likely to be a valuable data collection method for every case study type, and can be used to corroborate the information gathered from interviews which, according to Yin, are *"one of the most important sources of case study information,"* (Yin, 2003, p.90). Document analysis is a method for reviewing both printed and computer-based documents; but in order to gain meaning from document analysis it is required that data first be coded and interpreted (Corbin & Strauss, 2008; Rapley, 2007), and this will be covered in the coding section. Bowen (2009) describes document analysis as a method of qualitative research that is interpreted by researchers in order to provide voice and meaning to a phenomena of study.

O'Leary (2014) describes three different types of documents:

- *Physical Evidence*: Physical objects (artefacts), flyers, agendas, training materials.

- *Public Records*: The official records of an organisation's activities: mission statements, business plans, annual reports, policies, and strategic plans.

- *Personal Documents*: First-person accounts of an individual's actions, experiences, and beliefs: e-mails, scrapbooks, blogs, social media posts.

This research used textual content documentation provided by the founders (i.e. their narrative pitch) on their campaign page (See

Fig.11); their updates section (See Fig.12 and appendix 1) and also data taken from the interview transcripts:

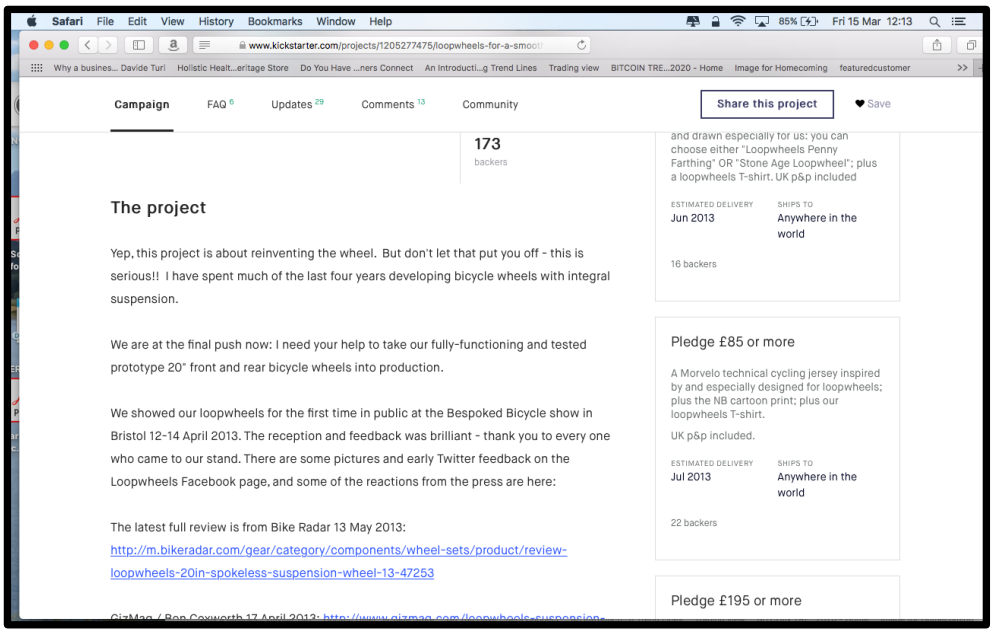


Fig.11 Excerpt from campaign page

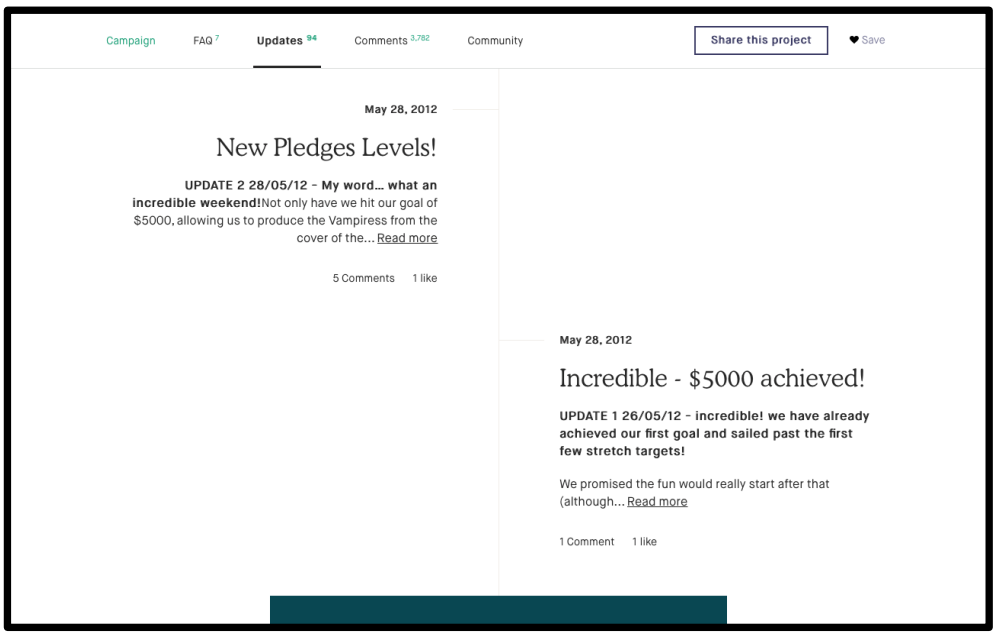


Fig.12 Excerpt from updates

Bowen (2009) explains that effective qualitative researchers usually use two different data sources together (e.g. interviews and documentation). He believes that document analysis is most effective when combined with an additional research method, such as

interviews, as these can serve to corroborate the findings from document analysis and vice versa. Yin (2009) supports this view and explains that documentary evidence is at its most useful when treated in this manner. Also, documentation can be used to make inferences, inform interview protocols or provide further depth and context to interview data. Should significant discrepancies between the two data sources be uncovered then this may be a signal that further research is required.

3.3.2 ***Interviews***

According to Rubin & Rubin (1995), interviews are best treated as guided conversations, as they enable the researcher to pursue a consistent line of enquiry whilst retaining some flexibility. Interviews are the primary data source for this thesis.

There are essentially three types of research interviews: structured, semi-structured and unstructured. Structured interviews require the questions to be predetermined and are designed to limit deviation and reduce extraneous information. They are easily administered, useful in situations where respondent literacy or numeracy may be low and also effective for occasions when an interviewer needs additional clarification regarding an issue. Unstructured interviews are the exact opposite, in that they have no preconceived questions or theories and are often driven by the interviewees' response to a series of open questions. Unstructured interviews result in a lot of data and are time consuming to administer, as much of the data is likely to be unusable due to a lack of focus. Unstructured interviews are therefore only suited to situations in which the area of study is entirely unknown, and where depth of information is of most importance.

Semi-structured interviews - the method adopted in this research - consist of key preconceived questions that guide the general direction of the conversation but nevertheless leave room enough for deviation and open discussion, so that a topic can be explored in more depth if

required. Thus, new insights can be made concerning issues that may have been overlooked or thought not pertinent to the research when first starting out. Yin explains that interviews should be viewed as verbal reports, in recognition of the fact that interviewees' responses may be affected by poor recall or inadequate description of an event. As discussed, such effects can be somewhat mitigated through the collection of supporting evidence from other sources.

Interviews are an appropriate method for this study because they capture actions and experiences and assist in gathering data on how the individual made sense of their Crowdfunding campaign; but they are not without challenges. For example, the interviews in this thesis are retrospective in nature as the views of interviewees are being sought post campaign and are based upon their first Crowdfunding effort. By definition, retrospective cases are historical accounts and help to *"identify patterns indicative of dynamic processes"* (Leonard-Barton, 1990: p.248). While this retrospective approach is effective for identifying dynamic processes and has high external validity, it can also lead to facts being misrepresented or embellished or even omitted entirely, which is problematic for establishing cause and effect relationships. In addition, the participant's answers to the questions posed may be self-edited in order to present themselves and the venture in the most favourable light. These problems are mitigated somewhat by the fact that the campaign narrative pitch – i.e. documentation from the founder's home page, which includes online dialogue data via the updates feature (see Appendix 1) - remains in its original form (written pre-campaign launch) and therefore can be used to corroborate certain aspects of the interview.

3.4 **Research design**

The methodological approach adopted is shown in the process diagram below and described in the sections that follow:

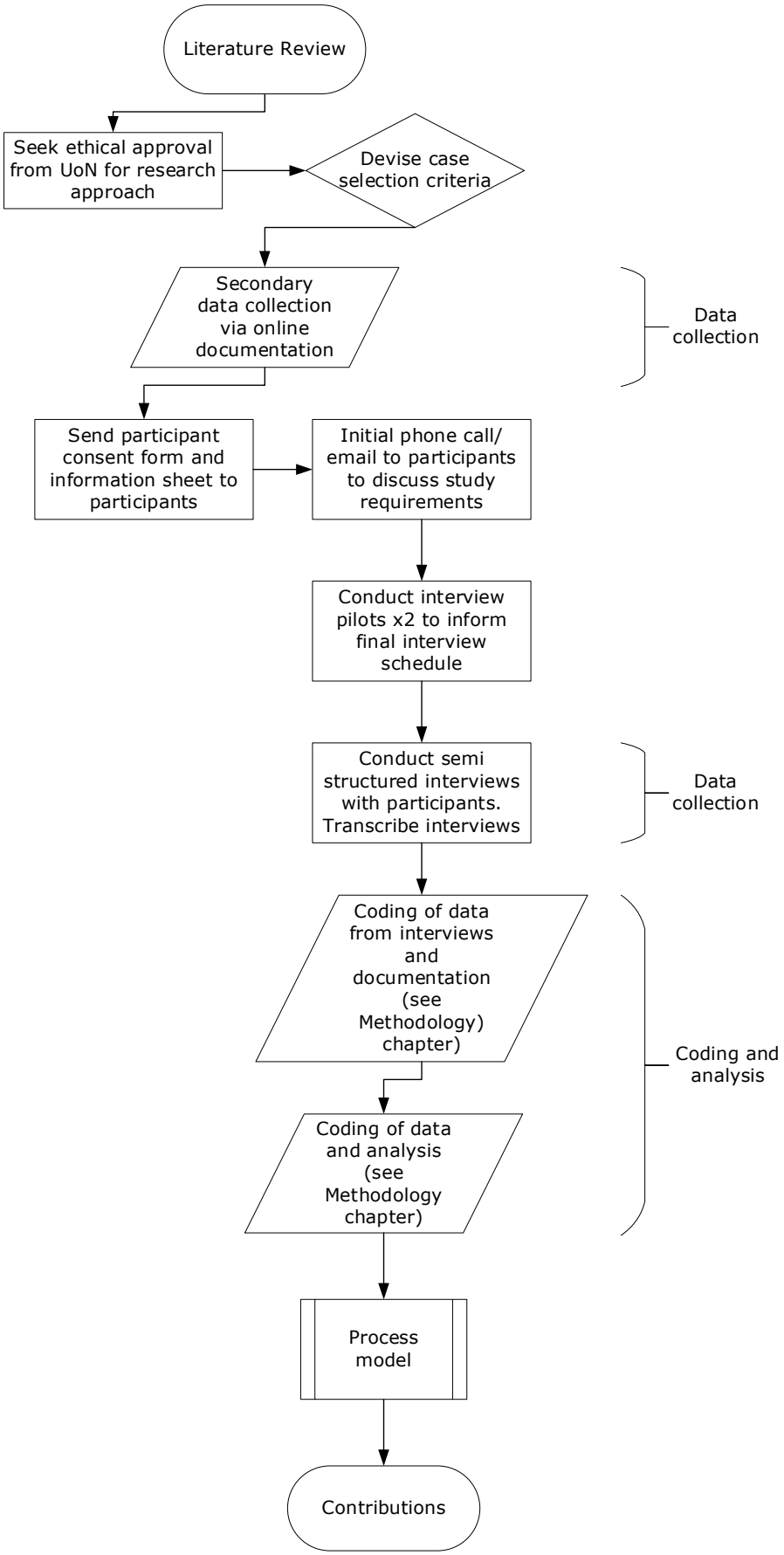


Fig.12(a): Methodological approach

Research design is the "science (and art) of planning procedures for conducting studies so as to get the most valid findings" (Vogt, 1994, p.22). The purpose is to show *"how the research question will be answered"* (Yin, 2009, p.26). In carrying out this research a process model (see Fig.26) was developed, which mapped the sensemaking experience of founders upon the two primary stages of a Crowdfunding campaign and the model then forms the basis of the discussion chapter in this thesis.

The two stages of Crowdfunding are described below:

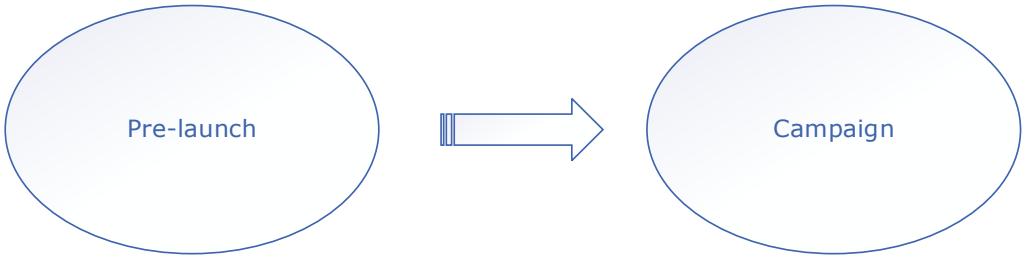


Fig.13 Crowdfunding stages

Pre-Launch

This stage is concerned with the work that is undertaken prior to a launching a Kickstarter Crowdfunding campaign.

The Campaign

This stage is the point at which the founder decides to take the project public and the Kickstarter campaign goes live. This stage is concerned with all the actions and the sensemaking that takes place in the running of a Kickstarter campaign.

A qualitative approach has been selected for the research design, as it is the most suitable for exploring the experiences - both subjective and inter-subjective - of the founders. *"One strength of qualitative research is its ability to illuminate the particulars of human experience,"* (Ayres et.al, 2003, P.871). A multi-case approach using

multiple data sources has been chosen for the reasons highlighted earlier in this chapter.

It is important, when drawing generalisations from data, to be aware that all data-gathering techniques have imperfections and the limitations of the methods and research design used in this research will be covered in the concluding chapter.

3.5 **Case Selection**

Five major criteria for case selection were implemented to achieve the thesis objectives.

1. The founder of the venture was accessible.
2. Sufficient number of studies undertaken.
3. Early stage ventures selected.
4. Ventures selected for maximum variance with regards to their business sector.
5. Each of the recruited founders had run a Kickstarter Crowdfunding campaign.

The above will now be considered in turn:

1. *The founder of the venture was accessible:* the founder of the venture is the unit of analysis for the study. The unit of analysis refers to *"the kind of case to which the variables or phenomena under study and the research problem refer, and about which data is collected and analysed,"* (Collis, 2003, p.68). The founder was chosen as the unit of analysis because - due to the nature of the research - it is likely that the most important insights will be gained by understanding their sensemaking/sensegiving, as it is their actions that shape the campaign. It was important that the founder was willing to engage with the entire process, being available for interview remotely or in person and be able to

respond to any follow questions or provide clarification concerning the information provided.

2. *Multiple case studies:* Using multiple case studies enables the researcher to go beyond the generalisation possible from a single case and improves data validity. The number of cases used was based upon the need to cover a spread of different industries and be of sufficient number to enable a cross case analysis, defining both the differences between and the commonalities across cases.

3. *Early stage ventures selected:* Research by Davies (2015) has suggested that the greatest insight into new business operations can be gained by focusing upon the early stages of new venture growth as this is where many key decisions are made that can help to explain how new ventures grow.

4. *Ventures selected for maximum variance:* In order to maximize variance in the case population the founders were drawn from multiple sites, markets, industries, leading to more reliable theory. Each of the ventures was selected on the basis that they conducted their operations within different sectors, thus reducing the likelihood of industry bias negatively affecting the validity of the data.

5. *Kickstarter campaign:* To minimise extraneous variation the Kickstarter platform is the exclusive focus of this research. Kickstarter was chosen because it is the most active and well-known platform (see also the literature review chapter) with strong brand recognition and reach, enabling broader conclusions to be drawn from the findings. Kickstarter also generally attracts new ventures and those in the early stages of growth, who are the unit of analysis for this study.

The participant ventures that were selected for this research are those that had used Kickstarter to run their Crowdfunding campaign. The ventures listed below will be introduced fully during the within case analysis chapter which follows:

Mentworth Games: Games company
One Tall Story: Publisher
Lynxwheels: Suspension device.
The Super Events Company: Events company.
Superbricks: Toy Company.

Superbricks were accessed through the University of Nottingham *Aspire to grow* programme, which is an outreach project targeted at business owners/senior decision makers who are working within small and medium sized enterprises. The programme was selected for potential case study identification because it provided direct access to the founders of start-up businesses, many of which were at the early stages of growth and therefore a good fit with the case selection criteria. However, not all of the businesses in attendance were seeking external finance and few had either been through, or were considering, a Crowdfunding campaign.

Having been an active participant in the six-month *Aspire To Grow* programme, I was able to gain an understanding of the issues facing the ventures, with regards to their activities and financing/growth.

The remaining cases were accessed through attendance at regional business conferences, via personal contacts and after making requests for participants on Crowdfunding platforms. This latter method was the most time consuming as many cases that expressed an early interest later declined to take part or were later found to not comply with the case selection criteria.

3.6 **Data collection and analysis**

To obtain the maximum benefits from the data collection process Yin (1991) encourages adhering to three principles:

1. Use multiple sources of evidence
2. Create a case study database
3. Maintain a chain of evidence

In addressing the first of these principles, documentation was collected from the following sources of data: interview transcripts, narrative textual content from the campaign homepage and dialogue data obtained from the Updates Kickstarter feature. While selected data are contained in chapter five a more complete database, providing a chain of evidence, can be found in the appendices (See appendix 1 and 2).

The research adopted a within-case analysis approach for each of the five participating ventures. A twenty-minute introductory interview was conducted with potential participants, in order to ascertain suitability for the research. This was subsequently followed by a one-hour interview for confirmed participants. Although some of the ventures were made up of co-founder teams the interviews were conducted with a single founder who had overall responsibility for the Crowdfunding campaign, as they were best positioned to provide the information required.

In the interests of flexibility the interview schedule followed a semi-structured format, as described in the interview section.

A review of the Crowdfunding and sensemaking literature was undertaken prior to the interviews, in order to fully comprehend the primary issues and to inform the interview schedule. Questions were developed ahead of time to provide direction, while the semi-structured nature of the interview allowed for deviations to be made

into related areas, improving both the richness and the validity of the resulting data.

The research began with the dissemination of a pro-forma to the participants during the final quarter of 2016 in order to confirm suitability and secure their consent for the study and, where possible, this was followed up with a telephone interview/face to face discussion to elaborate upon, or discuss, any points raised with regard to the participant criteria. This initial contact served the purpose of providing background context for each venture, while also providing participants with a general feel for the direction of the study, its aims and objectives and what participation would entail.

Guided by the *University of Nottingham* an information sheet and ethics form was designed approved and then sent to participants. Participants were informed that they could leave the study at any time and that they did not need to supply any personal information and that no personal data would be included in the final thesis. The information gathered (i.e. personal details) is kept for seven years after the study has ended, so that participants can be contacted by the researcher concerning the findings (unless they requested not to be contacted). After this time, the information is deleted. During this time, all precautions are taken to maintain participant confidentiality (i.e. password protected).

Company names have been pseudonymised in this thesis to further protect participants. If the fictional company names adopted for this research bear any resemblance to existing companies it is purely coincidental.

An important next step was the design of the interview schedule. As discussed, questions were semi-structured in nature, designed to obtain the facts of the matter from the interviewee while also being sufficiently open to other areas of relevance to the study. In addition, semi-structured interviews made it simple to seek clarification on

interesting and relevant issues raised by respondents (Hutchinson & Skodal Wilson, 1992) as well as to challenge any inconsistencies with the interviewee's accounts of events. Patton (1990) states that by asking more probing questions it creates opportunities for the respondent and the interviewer to establish a sense of rapport, thus reducing the risk of socially desirable answers being given that do not reflect the reality: *"Because many interviews convey implicit demands to the respondent (i.e. social desirability) there is often an attempt to present a self that meets these demands," (Denzin, 1989 p.97).*

The resulting data was not only factual and standardised to facilitate case comparison but also revealing as to the interviewees' perceptions and broader thinking processes, both of which are significant within a sensemaking context.

To ensure that this approach was adhered to, in both the design of the interview questions and the conduct of the interview, the approach presented by Yin (2000) was useful. Yin recommends that interviews should consist of both level one and level two questions. Level 1 questions are those that form the case study protocol, while Level 2 questions are broader in nature and open up the conversation. The nature of these questions is such that the answers/data can be coded later with regards to sensemaking and sensegiving. For example: a Level 1 question might ask: 'When did your Crowdfunding campaign commence?' Or 'What was the total amount raised?' Level 2 questions might ask: 'What actions do you feel led to the outcome of your campaign?' or 'How did you come to recognise this opportunity?'

In order to ensure that the final schedule was suitable for purpose it was first piloted under similar conditions to that of the final study. The interview questions – which encouraged participants to reflect upon their experiences of Crowdfunding - were piloted with an interviewee who had conducted a prior Crowdfunding campaign (they did not feature as a final case study). Based upon the findings from

this pilot, a second, refined, pilot interview was also conducted with an additional interviewee who also did not go on to feature in the final analysis. The outcome of the pilots informed the final interview schedule, helping to assess the appropriateness of the questions, their flow and natural progression, while also serving to highlight areas for further investigation previously overlooked. The pilots also revealed that some of the original questions were perhaps a little ambiguous or leading.

The core interviews were conducted between April and September 2017. In addition, and where possible, supportive documentation were obtained from the case study participants. Each interview lasted approximately one hour and was recorded via Dictaphone for later transcription and coding. Each participant, with one exception, was met face to face at his or her convenience.

Crowdfunding campaigns rely heavily upon communication and sensegiving in order to build momentum and to garner support. Documentation, in the form of relevant dialogue data obtained via the Kickstarter platform *Updates* feature (See appendix 1), was used to corroborate data obtained from the interviews. The Crowdfunding campaign narrative data (i.e. home page) serves the same purpose, while also being an integral part of the analysis in its own right. Indeed, the sensegiving/narrative analysis and the social aspect of sensemaking proved to be a much larger part of the research than anticipated and was recognised as being essential to understanding the sensemaking process. In selecting documentation as an additional data source the process offered by O'Leary (2014) was used to guide the data collection:

1. Gather relevant texts.
2. Develop an organisation and management scheme.
3. Make copies of the originals for annotation.
4. Assess authenticity of documents.
5. Explore document's agenda, biases.

6. Explore background information (e.g., tone, style, purpose).
7. Ask questions about document (e.g. who produced it? Why? When? Type of data?).
8. Explore content.

O'Leary (2014) explains that point eight in his process refers to the interrogation of the evidence gathered from documents, and recommends that interviews are used to support documentation and vice versa. The collection and use of documentation is guided by the advice of both Bowen and O'Leary. For the purpose of this research, documentation takes the form of the founders' Kickstarter campaign page and considers their dialogue with the crowd, which is captured through the Kickstarter *Updates* feature. The home page template provides an opportunity for the founder to describe their venture in textual detail, presenting project attributes and including also the risks and the challenges the project may face, a description of what the final pledge amount will be used for and the rewards (if applicable) that are available for backers. The home page is an important source of information because the content is primarily written prior to campaign launch and serves as a record of founder sensemaking ahead of their interactions with the crowd. The Updates feature also provides a permanent record of the campaign outcome, and displays evidence of the communications between the founders and the crowd. The data from both the sensegiving/narrative pitch and the Updates were placed into a database (See appendix 1 and 2) and coded in the same manner as the interview data. This will be discussed further in the next section.

Using the documentation and interview data in the way described, provided a deeper insight into sensemaking due to the temporal format of the data sources (i.e. data collected from both the past – pitch/interview transcripts - and present: Updates). For example, the data collected from documentation refers to both events that occurred pre-campaign - in the creation of the pitch -and also to current events through the captured dialogue with the crowd. The documentation,

therefore, can be contrasted with the data obtained from the post-campaign interview data to highlight any inconsistences in the sensemaking recounted by the interviewee, thus improving data reliability, as the analysis considers both the past and the present. Indeed, Bowen (2009) highlights the fact that documents are *"non-reactive"* data that are not affected by external influences and the research process (p.31) and are therefore useful in contextualising and strengthening research.

Eisenhardt (1989) believes analysis to be the most challenging part of the process of building theory and developing models for case study research, and she provides guidance as to how to analyse the data that is collected, regardless of the methods employed. She recommends two key approaches as being helpful: (1) *Use of within case analysis* (2) *Use of cross-case analysis*. Eisenhardt explains that the purpose of the within case analysis is to ensure that the researcher becomes intimately familiar with each case as a stand-alone entity:

"This process allows the unique patterns of each case to emerge before investigators push to generalise patterns across cases. In addition it gives investigators a rich familiarity with each case, which, in turn, accelerates cross-case comparison," Eisenhardt, 1989, p.540).

As Sandelowski (1996) further elaborates: *"looking at and through each case in a qualitative project is the basis of analytic interpretations and generalisations"* (p. 525). Analysis of individual cases enables the researcher to understand those aspects of experience that occur, not as individual units of meaning, but as part of the pattern formed by the confluence of meanings within individual accounts.

A within case analysis enables the researcher to become very familiar with each case on its own merits. The strength of qualitative research

is that is provides insight into human experience within a specific context (Stake, 1995). The within case analysis recognises that whilst the context under study is common to each of the participants, each participant also has an individual experience that needs to be captured in order to fully understand the phenomena being studied:

"In the course of their analyses, qualitative researchers must distinguish between information relevant to all participants and those aspects of the experience that are exclusive to particular informants. Such distinctions are necessary because those aspects of an experience that are unique to the individual have limited usefulness outside the interpretation of that individual's experience, although such unique features may be critical to understanding that particular person's story" (Ayres, et. al 2003 p.871).

Sandelowski (1996) states that: *"looking at and through each case in a qualitative project is the basis of analysis and forming later generalisations* " (p. 525). Stake (1995) explains that individual cases are useful because of what makes them unique and for what they can reveal about other cases but also because they can assist in the management of the plethora of data, by bringing focus to the research. Tesch (1990) believes this is achieved through the *"decontextualisation and re- contextualization,"* of the data (p. 115). That is, the collected data are first decontextualised through the act of coding for each case, and then recontextualised as the meaning of that data is sorted into themes, so reducing the original data into workable units that can then be used to generate theory and define process. A within-case analysis often takes the form of a detailed write-up of each site/organisation being studied, with this information being central to the generation of insight (Pettigrew, 1998) and often serving as a prelude to a cross-case analysis.

"This (within-case analysis) allows the unique patterns of each case to emerge before investigators push to generalise patterns across cases. In addition it gives investigators a rich familiarity with each

case, which, in turn, accelerates cross-case comparison," (Eisenhardt, 1989, p.540).

As previously mentioned, the advantage of using multiple case studies is that it enables more effective theoretical generalisations to be made through the cross-case analysis - by comparing/contrasting the data obtained from the within-case analysis - thus revealing patterns and themes among cases and leading to a more reliable theory. The identification of themes is *"an important, even an indispensable, part of the [qualitative] research process"* (Coffey & Atkinson, 1996 p. 18). Through this two step approach of within and cross-case analysis it is possible to identify salient themes and concepts:

"The central idea is that researchers constantly compare theory and data, iterating towards a theory which closely fits the data. A close fit is important to building good theory because it takes advantage of the new insights possible from the data and yields an empirically valid theory," (Eisenhardt, 1989, p.541).

Patton (2002) suggests that themes may enter the analysis a-priori or during the study itself. Themes may vary across individual cases or apply in the same way for all cases. Sandelowski (1996, 1997) states that *"qualitative analysts are obliged…to make sense of individual cases,"*(p.525) as this enables more effective generalisations to later be made.

However, in order to begin the process of building generalisations from any findings the data must first be coded.

3.7 **Data coding and categorisation**

Coding is the process of arranging things into a systematic order and cataloguing the incoming data. But as Saldana (2013) explains, it is not just labeling things but linking from the data to the subject and back to the data in a cyclical process (p.8). The diagram below details the coding process:

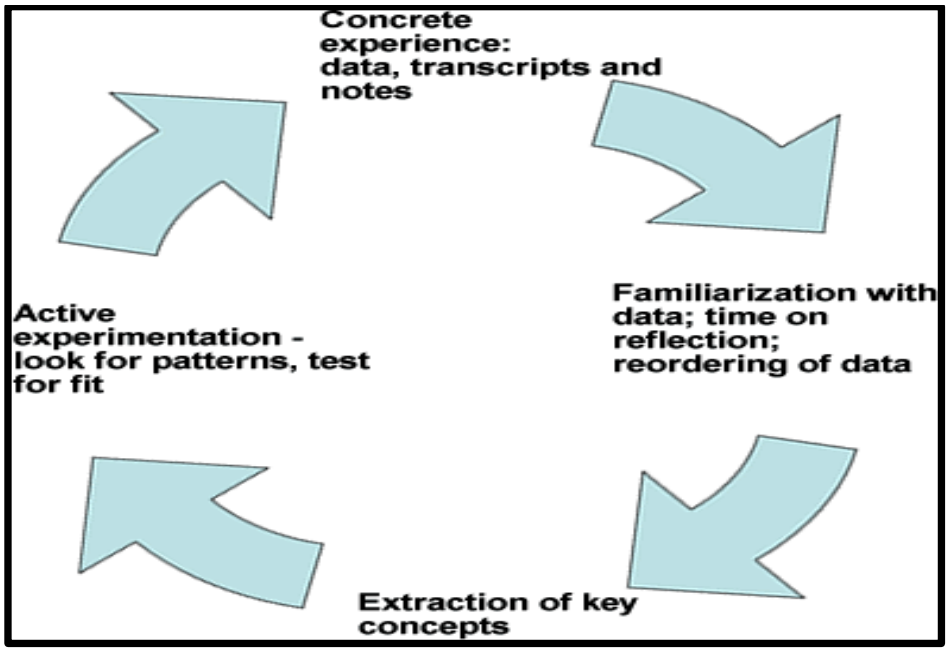


Fig 14. Coding process (Emerald Publishing, 2018)

The codes enable the synthesis of data into a form that can be quickly summarised and used for analysis.

Saldana (2009) advises researchers to view coding as if it were the creation of a storyline, with the story serving as an analytic thread, which binds and integrates the major themes of the evaluation. For this research, interviews were transcribed and coded alongside the documentation, using coding techniques known as First Cycle and Second Cycle codes (Saldana, 2013).

The First Cycle code used for this thesis is taken from the 'elemental' coding method: descriptive coding. Elemental methods are primary approaches to qualitative data analysis. *"They have basic but focused filters for reviewing the corpus and they build a foundation for future coding cycles"* (Saldana, 2009, p.66). Descriptive coding attaches labels to data, providing an inventory of topics to help in the categorising of data gathered from interviews and documentation. Descriptive coding can summarise in just a word or phrase the topic of a section of qualitative data. Once collated, these codes then act as an inventory of topics for categorisation.

This method was chosen for First Cycle coding because it is appropriate for virtually all qualitative studies, including case studies, interviews and documentation analysis (Turner, 1994).

The primary goal of Second Cycle coding, according to Saldana (2009), is to *"develop a sense of categorical, thematic, conceptual and/or theoretical organisation from the array of First Cycle Codes," (p.149).* In essence the initial data resulting from First Cycle coding is reorganised so that it forms a smaller, more manageable catalogue of themes and concepts.

The method of coding selected for the Second Cycle is Pattern Coding. Pattern codes are explanatory or inferential codes that identify an emergent theme, configuration or explanation. They pull together a lot of material into a more meaningful and parsimonious unit of analysis. *"They are a sort of meta-code. Pattern coding is a way of grouping those summaries into a smaller number of sets, themes or constructs,"* (Miles & Huberman, 1994, p.69). Miles and Huberman (1994) go onto say that pattern coding is appropriate for research that is seeking to establish themes from the data, rules, causes and explanations. It was therefore considered to be an effective approach for this piece of research.

3.8 **Coding for Sensemaking and Sensegiving**

The analysis used Weick's (1995) properties of sensemaking as the theoretical framework and these were applied to both the interview data and the documentation (e.g. narrative/dialogue). The prominent founder experiences of Crowdfunding are reflected upon in this research, by using each of the sensemaking properties. The properties can be approached and expressed in numerous different ways but for the purpose of this research they are defined and operationalised as shown below in Fig.15. The operational questions are the means by which each sensemaking property will be approached and queried.

It is worth re-iterating that the sensemaking properties are not all treated equally in this research, as it was noticed that some of Weick's properties (ongoing, enactment, retrospection) are less apparent in founder experiences but, nevertheless, could be said to be operating in the background and therefore implicit in all sensemaking and so, as a result, these properties are only referred to during events when they are significant and influential. In addition, it is important to note that Weick's properties share elements across their boundaries, so inevitably there is some blurring and overlap between them. Therefore the properties selected for the analysis are those that most adequately serve to explain the sensemaking of the founders during their campaign.

Sensemaking property	***Property expression***	***Operational questions***
Identity	Where founder perception of self is driving actions or when the founder acts from the identity of the organisation.	What role does identity play in driving founder actions and how does it shape the other properties?
Extracted cues	Where the founder identifies particular experiences or events as being significant, sometimes further embellishing them to justify actions.	What are the cues that founders extract when making sense of their experiences?
Plausibility	Where the founder takes decisions amid uncertainty based upon information that may or may not be entirely accurate, but nevertheless provides reason enough for action.	Do founders act upon accurate reasoning or are they driven by plausibility?
Social/Sensegiving	Where the founder interacts with the crowd and makes decisions based upon those interactions, or makes decisions with the imagined other in mind.	What role does the social property play in sensegiving, and the constructing of a story/narrative in pursuit of campaign legitimacy?
Enactment	Where the actions of the founder have contributed to opportunities/challenges they face –or are facing- in the environment.	To what extent do founders enact the environment, creating the challenges and the opportunities that they face?
Retrospection	Where it was clear that some prior experience was a key driver in how decisions had been made.	To what extent does retrospection and prior experience inform current actions?
Ongoing	Where it was apparent that sensemaking was in constant flow, shaping sensemaking activities and leading to a significant change in a founder's approach to their campaign, hitherto unplanned.	How and when is sensemaking identified as an ongoing process?

Fig.15 property expression and operational questions

The data from each of the interviews was transcribed and coded in the manner described (See appendix 3 for examples of coding). As previously discussed, the first stage of the coding process used descriptive coding as one of the elemental, first cycle coding techniques. Descriptive coding was used both for the interviews and for the gathered documentation (i.e. the data from the home page, dialogue updates etc.).

The resulting data was initially coded using a-priori codes in order to identify instances of sensemaking/sensegiving and the key founder experiences that appeared to be driving the progression of the campaign. It was during the transcription of the interview data that the potential themes first became apparent because, as Miles and Huberman (1994) state, "Coding is analysis," (p.56).

The table below (Fig.16) details the first cycle codes that were used for the within-case analysis. The key sensemaking properties were further utilised during the cross-case analysis, where themes were identified. Both the within-case and cross-case analysis are covered in chapters four and five.

Area of coding	**Code**
Motivation for Crowdfunding	MFC
Retrospection	RET
Enacting the Crowdfunding environment	ECE
Cues selected by founder for sensemaking	CUE
Identity plays a role	IDEN
Social sensemaking/sensegiving	SS
Sensemaking interruptions	SI
Plausibility of reasoning	Plau
Story of the business	Sto

Fig. 16. A Priori codes

Once the data had been collected and coded a within-case analysis was conducted. This approach resulted in five datasets, one per case study. Each of the cases was then considered using an inductive, experience/event driven approach. The key experiences identified from the coded data were plotted onto a timeline for each case, across the two stages of a Crowdfunding campaign (See Fig.13). To ensure that founder sensemaking was also captured these experiences/events were further denoted to show the sensemaking properties most pertinent to that specific experience (i.e. which sensemaking property was primarily influencing founder action).

This timeline became the foundation for the written, descriptive account created for each of the case studies. The key sensemaking events/experiences detailed on the timeline are evidenced within the written account through the use of vignettes, taken from the interview transcripts.

The within-case analysis enabled an in-depth exploration of each venture, delivering a deeper understanding of how sensemaking operates at the level of the venture founder. The data collected from the within-case analysis provided a solid foundation from which to progress towards a cross-case analysis (Yin, 2009) and then on to the development of a process model that captures the phenomena in a visual format and provides further insight into Crowdfunding and the entrepreneurial process.

As mentioned previously, the use of multiple cases enhances the likelihood that theoretical generalisations will be drawn from the data. To achieve this, and to move towards the generation of theory, it was necessary to compare cases to identify commonalities. Miles and Huberman, (1994, p.176) recommend that cases be compared all at once rather than individually, through the application of a cross-case analysis. In order to conduct the comparison the information gained from the within case analysis (e.g. descriptive narrative, vignettes, timeline and coding) were subjected to second cycle coding using

pattern coding, to generate a number of key themes, with each theme being assigned a propositional statement alongside the primary sensemaking property underpinning it. The propositional statements served as filters for determining the data to be gathered for each theme.

The themes with their corresponding sensemaking property and propositional statements can be seen below:

Theme	**Sensemaking property**	**Propositional statement**
Motivation for Crowdfunding *Sub theme:* 1. *Identifying a problem/barrier to growth* 2. *Previous negative experience with traditional finance options* 3. *Recognising benefits of Crowdfunding*	Extracted cues	Founders explain reasons for why they did not pursue other options or describe the benefits of Crowdfunding that they identified. Essentially push and pull factors.
Relationship with the crowd	Social/sensegiving	Evidence of founders communicating directly with the crowd, perhaps through direct updates, co-creation, or planning their actions with consideration given to how the crowd may react.
Speed of implementation	Plausibility	Founder actions are based upon quick judgements, and what seems to be plausible, rather than hard data.
Story/narrative	Sensegiving/ Social	Evidence of narrative construction, which can be textual, visual, dialogue.
Campaign legitimacy	Social/enactment	Instance where actions and narrative are used with the aim of securing campaign legitimacy.
Self-perception	Identity	Evidence of founder identity driving actions within the campaign.
Problem identification/Opportunity Identification	Extracting cues/Enactment	Evidence of founders seeking problems that need addressing or noticing situations to progress the business.

Fig. 17. Propositional statements

The thematic approach was adopted in order to reduce the data into a workable form, from which to generate theory. The cross-case

analysis identified commonalities across cases with regards to both the key experiences and founder sensemaking that structure the entrepreneurial process of Crowdfunding; this information was then placed into themes.

However, a different approach was taken when it came to identifying the commonalities within the narrative/sensegiving data as it had become apparent that the social nature of Crowdfunding was extremely important for understanding the entrepreneurial Crowdfunding process. A separate narrative analysis was therefore deemed necessary to capture how sensegiving/sensemaking may inform the creation of founder narratives.

"Narratives are stories of our experiences in time, grounded in events or episodes, which can be linked together in a temporal way, can be recounted because of plot, coherence over time and memory…" (Cunliffe, 2016, p.272)

It was very clear from studying the narrative patterns in the data that there were three areas of commonality between cases when it came to narrative construction:

1. Founder narratives are temporally positioned as Retrospective (past focused) or Future focused (Prospective).
2. Founder narrative style is either Relational or Showcasing.
3. The founders' 'Ask' for support was presented as either a *One-off solicit* or *an Ongoing Engagement.*

To elaborate on the above points: each of the campaign narratives was found to be either primarily:

1. *Future focused*: that is, the founder referred to the bigger vision for their venture or presented their project to the crowd as being a change agent, where the true value lay in tackling a much larger problem. Alternatively, the narrative may be presented as

Retrospective/past focused: this is when the founder used a narrative that referred to past developmental/prototype work, with the project value being tied to past achievements.

2. *Narrative style*: It was found that the narrative style employed by founders was primarily either Relational in nature (i.e. imparting a story/engaging the audience emotionally) or Showcasing (i.e. where the value of a venture was demonstrated through highlighting product functionality, prior development work and supportive testimonials). "*The language in Crowdfunding pitches affects funding outcomes.*" (Mitra and Gilbert, 2014, p.2).

3. *The Ask:* This refers to the moment when founders ask directly for backer support. The Ask was framed by the founder, on their campaign page, as either as a One-off solicit (i.e. pledges help the founder to take their next step/production run etc.) or an invitation for potential backers to be part of an ongoing engagement, in support of a bigger cause.

The findings from the above and a discussion as to what this tells us about sensemaking and the entrepreneurial process of Crowdfunding will be discussed in chapters four and five.

The following diagram represents a simplified version of the research model adopted in this thesis:

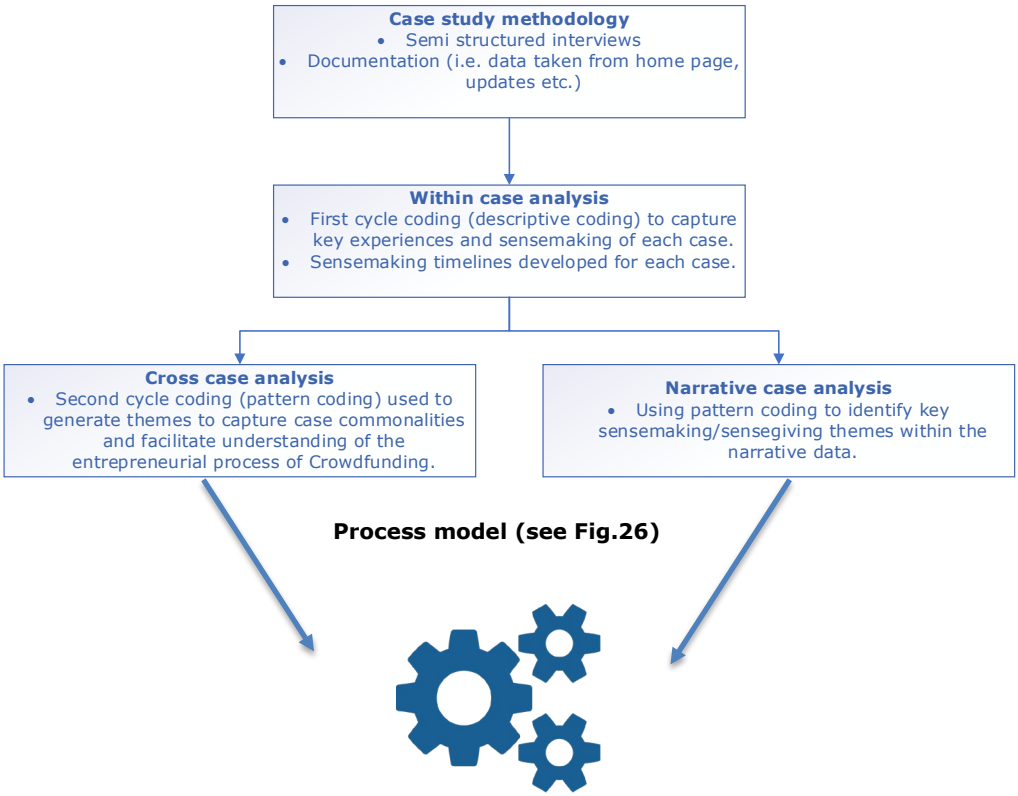


Fig.18 research model

3.9 **Reflexivity Statement**

Reflexivity is considered to be an important part of qualitative research (Guillemin & Gillam, 2004), because it asks the researcher to demonstrate an awareness of their role in the enterprise of knowledge construction. The authors explain that research is a process of action and the core elements that make up the research endeavor (e.g. the data, the participants and the researcher themselves) should be subjected to scrutiny and interrogation (P.274).

Mason (1996) explains that reflexive research asks that the researcher constantly take stock of their actions and their role in the research process and subject their actions to the same critical scrutiny as the rest of their "data." (p. 6). He believes that researchers should constantly ask themselves how it is that they know what they know.

Reflexive research also extends to the interpersonal aspects of the study, such as the dynamic between researcher and participants and also considers the ethics of the research. Whilst documents were submitted for approval to the ethics committee prior to any research being undertaken, a reflexive approach ensures that the ethical approach is adhered to.

Many of the elements of reflexive research have been covered already in this thesis i.e. the research philosophy that underpins this thesis and justification of the methodology. The concluding chapter also reflects upon the limitations of this research. However, there were several issues and challenges that were not captured and are presented here. Before undertaking this research topic I had originally submitted a proposal regarding social network ties, which later became a sensemaking study of entrepreneurs and how they choose between different forms of growth financing. It became clear, however, following the first annual review, that the approach was unwieldy, as the panel identified that I had too many cases, too many methods and too many different forms of finance under scrutiny. I followed their guidance in selecting my final research question, cases and approach; but there were still a number of challenges to address.

Firstly, it was difficult initially to find participants for the study. I attempted to contact potential participants via numerous different Crowdfunding platforms but the response was poor, and the few project creators that showed an interest turned out not to be a good fit with the participant criteria. However, as Kickstarter seemed to yield the greater interest and was the largest of the platforms with the most diverse range of projects, this became the platform of choice for the research. I reflected that the approach I had taken thus far was essentially cold calling, and that if I were to make progress then I needed to put myself in front of potential participants and build a relationship. I searched online for Crowdfunding events and business training seminars and attended several events, where I was able to talk directly to entrepreneurs who had Crowdfunding experience, and

who agreed to be contacted after the event to discuss my research further. This proved to be the most effective approach in securing participants. Also, through the *University Of Nottingham,* I attended a six-month business growth programme, from which I sourced another participant, while also gaining knowledge from the training itself, which had relevance to my area of research. Eventually I had collected data from nine participants but this also included one or two outlier cases and an ethnographic study. During my second annual review I was advised to reduce the number of case studies, due to the fact that I was likely to reach data saturation and gain little fresh insight from additional cases, something I later found to be true. Also, the outlier cases were removed and data sources and methods simplified. I was advised to drop the ethnography, which I did. On reflection, the time spent with this case study did not yield strong enough data to make the ethnography worthwhile. It was also clear that its inclusion would create an imbalance when considered alongside the other case studies.

The second major challenge was in defining the data sources to be used. Originally the Crowdfunding videos and the rewards structure were chosen as data sources - in addition to the interviews- but after transcribing/coding the videos and reviewing the findings from the rewards structure, it became clear that there was little to be gained by their inclusion, as neither yielded robust data or useful insight.

Finding a suitable way to analyse the data, and to build a picture of each case while also defining founder sensemaking was challenging, as sometimes there was too much data and I had difficulty separating out what was important from the data that could be discarded. However, by following the guidance from Eisenhardt (1989) and Yin (2009) I was able to discern a suitable approach to answering the research question posed.

Chapter summary

The aim of this chapter was to introduce the rationale behind the methodology before presenting the data analysis itself. As discussed, data was collected from two primary sources: interviews and documentation. The data collection was directed by the purpose of the research, which assumes that sensemaking is taking place throughout the Crowdfunding and entrepreneurial process, and that sensemaking occurs when a founder has *'occasion for sensemaking,'* (Weick; et.al, 2005 p.84) and that this sensemaking drives future actions in a process. The following chapter will present the findings from this research as a within and cross-case analysis.

Chapter 4: Within case analysis

This chapter presents a descriptive, within-case analysis for each of the five case studies. The analysis is based upon the data collected and applies the sensemaking theoretical framework of Weick (1995) to founder experiences during Crowdfunding, emphasising at each of the Crowdfunding stages the sensemaking properties that were instrumental in driving action and influential in the construction of a Crowdfunding narrative. This chapter illustrates the ways in which founders used sensemaking and its properties to reduce the uncertainty of a campaign in pursuit of their target.

Introduction

A funding timeline has also been produced for each of the case studies, to track their Crowdfunding progress in pledges made. In addition, the sensemaking timelines track founder experiences as they progress in their campaign. As discussed in the methodology chapter, these experiences were then interpreted as instances of sensemaking and mapped onto the two stages of a Crowdfunding campaign (Pre-launch and Campaign), as it is during these stages where most of the sensemaking that shaped their campaign, occurred. However, both the cross-case analysis and concluding discussion that follow this chapter give mention to some of the founder activities post campaign (as does appendix 5) but do so only when it provides further insight into sensemaking and Crowdfunding. The full activities of founders post-campaign, from an analytical point of view, fall outside the scope of this research.

The sensemaking timelines featured in this chapter, that support each case, are a visual representation of the key events and actions taken by the founders during the two stages of the Crowdfunding campaign. The primary sensemaking properties identified from the analysis were then overlaid upon these events/actions to form the timeline.

Reference codes are also used on the timelines for each case study and event (e.g. S1, S2 where the letter prefix denotes the case e.g. M: Mentworth Games, O: One Tall Story etc.), to specify the relevant founder quote/vignette that informed the findings; these quotes can be viewed in the descriptive account that follows each case timeline. To further aid the ease of property identification during the descriptive accounts, the convention of square brackets has been adopted and serves to highlight their influence during the within case analysis. As discussed in the methodology - and serving here as a recap - the sensemaking properties are defined and operationalised for the analysis in the following way (See Fig.15).

The five case studies that are used for the analysis can be seen in the table below and these will now be explored in turn, using an inductive, experience/event driven approach, beginning with a short introductory profile of each venture, followed by their funding and sensemaking timeline.

Case Studies	
Case study 1	Superbricks
Case study 2	Lynxwheels
Case study 3	Mentworth Games
Case study 4	The Super Events Company
Case study 5	One Tall Story

Fig.19 Companies used as case studies

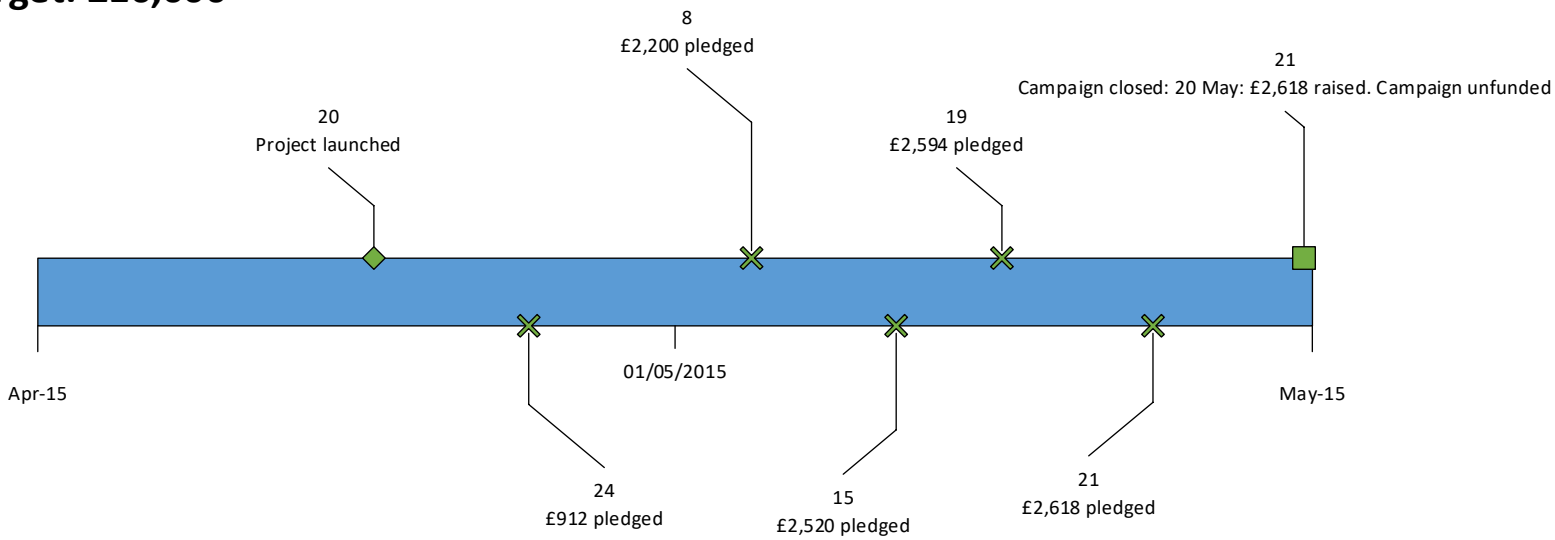
4.1 **Superbricks**

Superbricks is a company specialising in a patented craft toy that comprises colourful fusion beads that can be combined to build various shapes/structures. The product's unique selling point is that - unlike competing products -it does not require ironing to retain its shape, due to its robust bead connections. This means that a pin board is not needed to hold the creations in place.

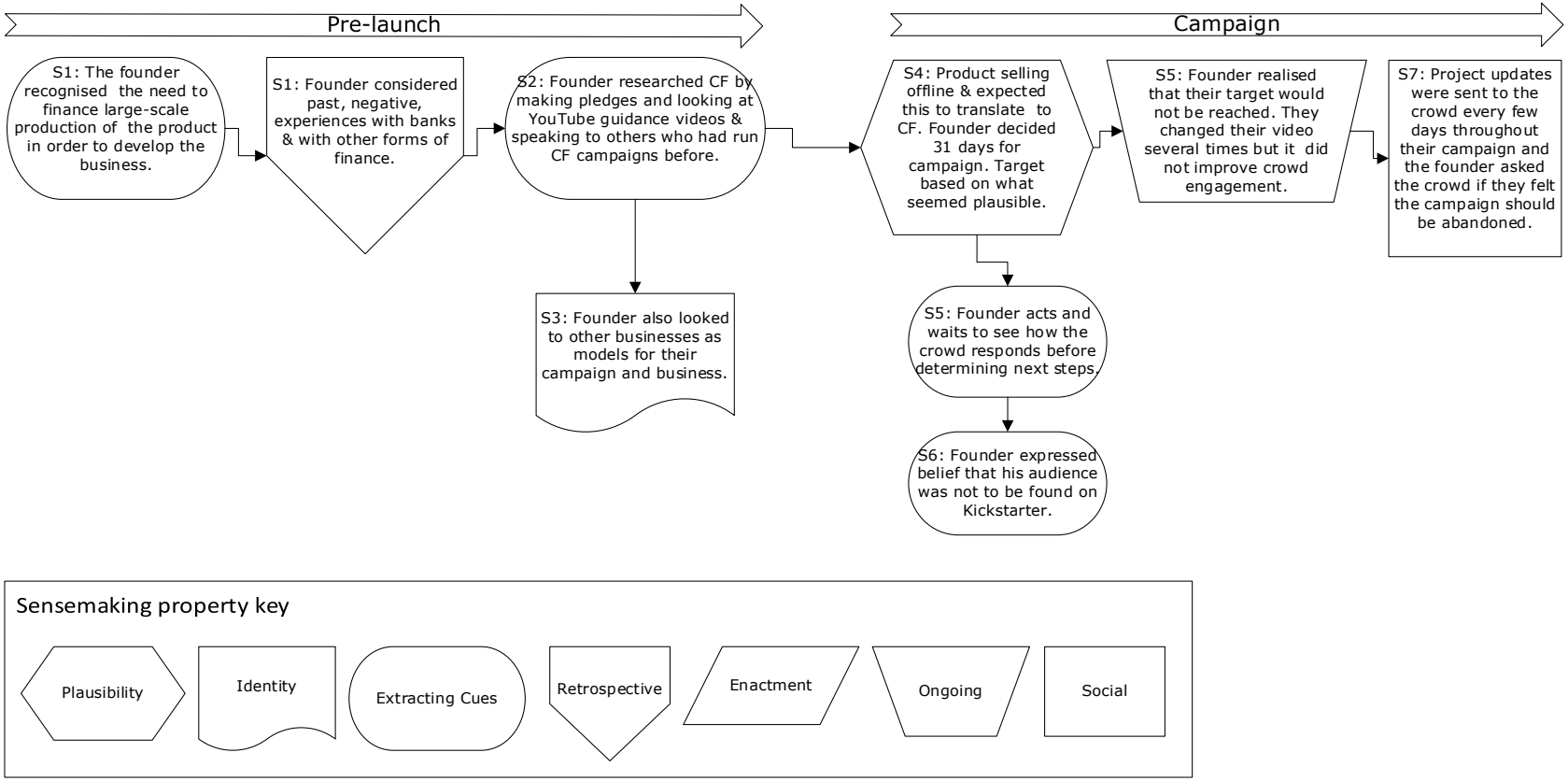
The founder began development work on Superbricks in 2013 and two years later the working Superbricks product had been created, funded entirely through bootstrapping. The product was extensively tested at craft fairs, schools, universities and network events with both children and adults. The company employs young people on paid internships to help market the product and to manage social media communications. The first Crowdfunding campaign was unsuccessful, raising £2,618 of a £10,000 target. However, their second campaign in 2016 raised £3, 654 with a target of £1,250. The third campaign in 2017 raised £4,320 with a target of £2000 within 21 days. This money was used to finance a bigger production tool to aid full-scale production and to increase the available range of colours. The funding timeline for the first campaign can be seen below, and is followed by the Sensemaking timeline.

Crowdfunding: Superbricks funding timeline

Target: £10,000



Superbricks sensemaking timeline



Within case analysis: Superbricks

The above timeline presents the sensemaking process that was recorded during the Crowdfunding campaign of Superbricks, and the following discussion refers to this chart. The founder had already created the Superbricks crafting beads to a high standard but recognised that to increase production further, investment would be required [Extracting Cues]. Various options for financing growth were considered but past, negative experiences with banks [Retrospective] compelled the founder to consider alternatives.

S1: *"I needed some money for production and I didn't want to take out a loan and I didn't want to get in a mess because I've already dealt with lots of mess and I didn't enjoy the experience"* (Superbricks)

The founder felt that Crowdfunding offered much less risk than traditional investment options such as venture capital, and he was excited by the potential of Kickstarter. In addition, Crowdfunding offered the opportunity to test the market reaction on a much larger scale than it had been previously tested. The founder conducted research by pledging on other Crowdfunding campaigns via Kickstarter and also by viewing YouTube guide videos and speaking to others who had gone through the process, taking information from them [Extracting Cues]. The founder also looked at other campaigns when deciding how they might position themselves and design their Crowdfunding narrative [Identity].

The founder knew that Superbricks was selling offline and concluded that the interest would translate to online engagement via a Crowdfunding campaign. The timeframe for the campaign, and the amount that he felt it might be possible to raise via Kickstarter, was largely based upon what seemed feasible [Plausibility].

An interruption to the founder's sensemaking process occurred within the first few days of the campaign when it became apparent that the

funding target was unlikely to be achieved [Ongoing]. The founder changed his video several times, feeling that this might be the problem, but it did not increase engagement. This led the founder to conclude that his audience was not on Kickstarter [Extracting Cues].

S6: *"I think we thought that the crowd was in Kickstarter, we thought they were there and we thought okay we just need to get it kind of moving and then it would get interest from the existing crowd but it took me a while to realise that you've got to build it."* (Superbricks).

The founder used the updates feature on Kickstarter to communicate with the crowd [Social] and asked the crowd if they felt that the campaign should be abandoned. The crowd encouraged him to continue.

The campaign did not reach target and was therefore unfunded. However, the founder cited numerous reasons for the failure of the campaign [Extracting cues] and these will be discussed in the cross-case analysis, but he also explained that he did not feel that he could have been prepared for the campaign because there was so much that he did not know, and it was all a learning experience. But following his experience, and confident that he had learned from his errors, the founder was determined to run another campaign and he initiated two further campaigns with significantly lower targets, being £1,250 (£3,654 pledged) and £ 2,000 (£4,230 pledged) respectively against a £10k (£2,618 pledged) target for the first Crowdfunding campaign.

It can be seen from the sensemaking timeline that the Crowdfunding process begins with the founder problem sensing, and identifying a need to further develop/finance the venture. The sensemaking processes of extracting cues/retrospection are important for the founder when considering options, as he draws upon the past and negative experiences to inform future decisions. However, this reflection was not enough to motivate the founder to undertake a

campaign and instead further cues were taken from the environment, identified as a result of research into Crowdfunding. This research took the form of active participation in a campaign (e.g. pledging on a project), watching YouTube guide videos/reading Kickstarter advice and constructing an online identity by viewing other campaigns that were similar with regards to sector or organisational identity/ style.

The decision to run the campaign is one that is taken amid uncertainty, and the property of [Plausibility] is the final act of sensemaking before launch, as the founder needs to feel that he is opening with a workable level of uncertainty. The challenges are subsequently rationalised to make success at least plausible.

An interruption to the founder's sensemaking early in the campaign demonstrates the [ongoing] nature of sensemaking, as the founder becomes concerned that the campaign is progressing too slowly and will not reach target. This leads the founder to make several changes to the campaign video, but these amendments do not increase engagement. This is perhaps revealing of the challenges of sensemaking amid uncertainty, when even the nature of the problem can be unclear. Also, because a campaign is time limited it is difficult to make any meaningful changes during its course, evaluate the impact of those changes, and then take action to address them.

The founder uses the Kickstarter updates feature to communicate with the crowd, highlighting the key role that the [social] property of sensemaking/sensegiving plays within a campaign. However, the campaign does not achieve its target. The ongoing nature of sensemaking is once again highlighted, as at the close of the campaign the founder identifies the problems that he believes hindered the campaign (See above quotes). The founder cites numerous, often contradictory, reasons/cues for this failure, but these cues make sufficient sense to the founder that he has a workable level of uncertainty. This is enough to motivate him to run another campaign.

These findings support Weick's (1995) idea that in sensemaking some map of the way ahead (in this case a conviction that the shortcomings of the previous campaign have been identified) are often enough to drive further action. The outcomes of action [enactment] then provide further opportunities for sensemaking. This cycle is of particular importance in the Superbricks case study, and will be discussed further in the Cross-case analysis chapter.

The above timeline is an indication that there exists a link between the [extracting of cues] from the environment and the formation of an [identity], suggesting that it is only through the taking of action, and extracting cues from the experience, that sense can be made of a situation. The act of sensemaking, in turn, supports the construction of organisational identity.

It is also apparent that certain sensemaking properties appear more readily at different stages of the campaign, signifying perhaps that frequency of property occurrence may be a reflection of importance, not only to the Crowdfunding and entrepreneurial/venture creation process, but also to the individual Crowdfunding stages. This case study demonstrates the ongoing nature of sensemaking in that action leads to outcomes but the sensemaking continues, as further cues are extracted to explain the outcomes which then engenders further action and so on. Problem solving and [extracting Cues] heavily influence the sensemaking process in the pre-launch phase, providing the initial motivation for Crowdfunding. But once the campaign begins the focus is upon [Enactment] and the [Social] aspect of Crowdfunding. However, problem sensing continued and actions were then taken to address newly identified challenges such as the lack of crowd engagement. The founder had identified his video pitch as a barrier to engagement, and consequently made numerous edits, none of which improved the situation. The claim could be made that when there are interruptions to sensemaking – i.e. incidents that challenge expectations - attempts are made to bring order back to the situation

through seeking [Cues] in the environment to assist in defining the true nature of the problem. This process continued post-campaign as can be seen in appendix 5.

Post campaign it was observed that [Extracting cues] was still important, as the founder attempted to make sense of why the campaign had not reached its target. From a sensemaking perspective this case showed the uncertainty surrounding the founder's attempts to make sense of past experiences, and to understand the reasons for the failure of the campaign.

As discussed, the founder provided many different and sometimes conflicting reasons as to why the campaign did not reach its target, [Plausibility]; but the reasoning was nevertheless deemed sufficient to motivate the founder to run a subsequent campaign.

It was noted that founder expectations were a key part of the sensemaking process in this case study and when expectations were not met the founder attempted to rationalise this and adjusted his funding target for subsequent campaigns to something much less ambitious. Not only were expectations adjusted but, also, the campaign itself was reframed as a 'learning experience' rather than a primary vehicle for securing funding.

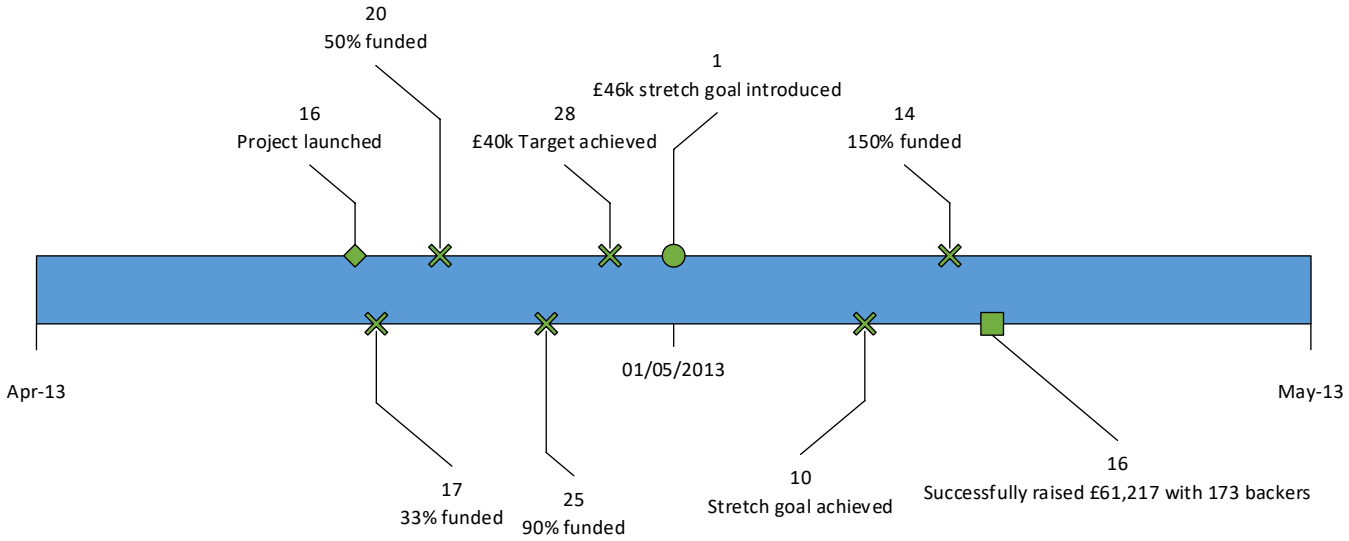
4.2 **Lynxwheels**

Lynxwheels are a company specializing in the design and production of shock absorbing wheels that feature integral suspension for wheelchairs, bikes and recumbent trikes. The founder is a mechanical engineer and industrial designer who initially worked with a small, local company manufacturing archery bows. The idea for Lynxwheels was first conceived in 2007 and the product is designed, engineered and made in Nottinghamshire by Jelly Products Ltd. The design is registered with patents pending. The business is currently working on the development of a shock-absorbing wheel for mountain bikes. Lynxwheels differ from traditional suspension systems because the design is based upon a spring system that sits between the hub and the rim of the wheel, providing the suspension and cushioning. The company turned to Crowdfunding as a means to improve the efficiency of production, and thus bring the product in at an affordable retail price. This increase in capability would enable the company to produce Lynxwheels in batches rather than as individual wheels.

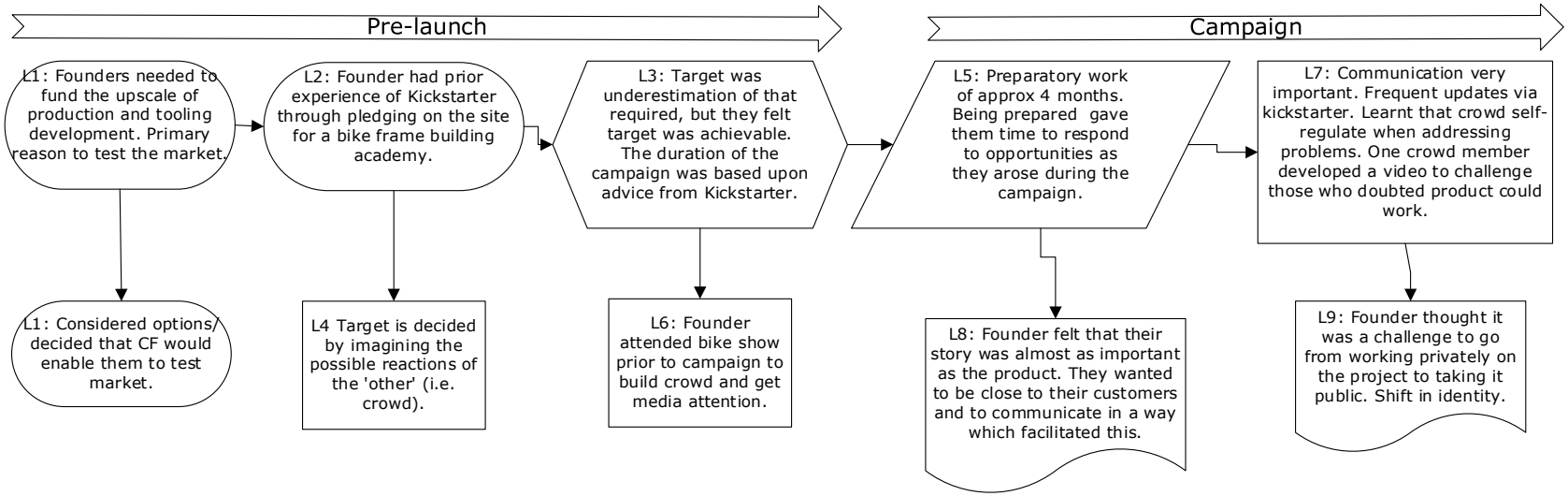
The money obtained through Kickstarter was used for the upfront costs of bulk purchasing the core components and it also enabled them to buy the materials necessary to make assembly jigs and other production equipment, including an extrusion tool for the aluminum components of the wheel and a resin system for the springs that are currently made using a steel tool. The first campaign took place on Kickstarter in 2013 and they exceeded the £40,000 target, with a total fund of £61,000. They subsequently launched a second campaign in May 2015 with a target of £16,000 and raised £21, 683, which enabled them to plan their first production run of Lynxwheels for wheelchairs. Below is the funding timeline for Lynxwheels during their campaign and it is followed by the sensemaking timeline. Once again the sensemaking events were interpreted using the sensemaking analytical framework.

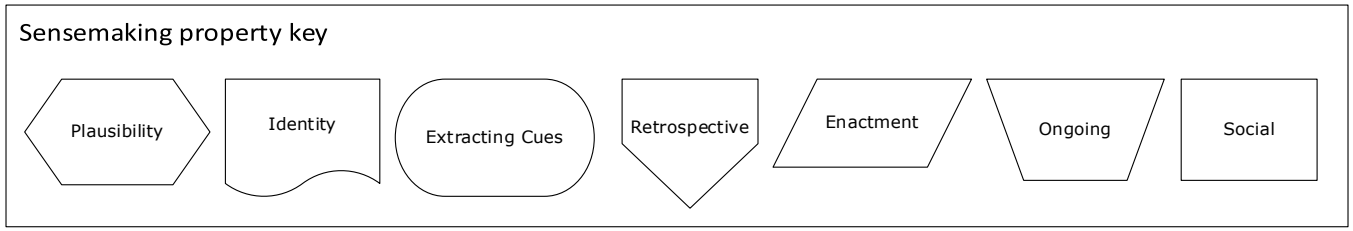
Crowdfunding: Lynxwheels funding timeline

Target: £40,000



Lynxwheels sensemaking timeline





Within case analysis: Lynxwheels

The sensemaking timeline reveals that the founders became aware that they did not have the required financial resources to develop the tooling needed to produce affordable Lynxwheels for the retail market [Extracting Cues]. The decision to run a Crowdfunding campaign came only after comparing other finance options and concluding that Crowdfunding had the added benefit of acting as a test market for their product [Extracting Cues].

L1: *"We had looked at various finance options but the primary reason (for Crowdfunding) was to test the market and we thought Crowdfunding would be the best for us*."

In addition, the co-founder had prior experience of Crowdfunding as he had previously pledged support for a campaign, related to the biking sector:

L2: *"My husband put in a pledge for another project and so realised, took that example, it was different, it wasn't a product. It was actually a bike frame building school, bicycle academy in Frome in Wiltshire or Somerset, on the borders of, and he got that going that way. Sam, my husband, was one of the people who pledged to do a frame building course about 18 months before it happened on what was one of the first Crowdfunding things in the UK. That was before Kickstarter."*

The desire to Crowdfund was therefore based upon problem sensing a barrier to growth, comparing alternatives and concluding that Crowdfunding had added advantages. Prior experience of pledging for Kickstarter projects within the same sector increased confidence in their project but also fostered confidence in Kickstarter as their choice of platform.

The sensemaking timeline revealed that the company's target sum was based partly upon what they felt was required, financially, to

secure the tooling equipment, but the figure was largely a rough estimation [Plausibility] and was tempered by feelings that the target needed to be plausible figure for the crowd [Social].

L3 & L4: "*The target turned out to be an underestimate but it was what we needed but also what we also thought we could realistically achieve so one of the reasons probably we didn't build in a big contingency was we just thought that would be too ambitious."*

Lynxwheels engaged in four months of work prior to the campaign, building their contacts and planning what they would do, and these are recorded as action processes [Enactment] on the sensemaking timeline.

This preparatory work also involved the founders attending a major biking event in order to raise awareness about their product and build contacts/secure early pledges but also to engage with the media ahead of their campaign [Social]. This strategy enabled the founders to reduce some of the uncertainty upon entering the campaign.

It was also noted that this effort, pre-campaign, was a result of their vision to be close to the customer [Identity]. This approach reduced the work required during the campaign and thus made it easier for the founders to respond to new opportunities [Enactment] and to deal with interruptions to sensemaking which, in the case of Lynxwheels, was the challenge of moving from operating privately to going public and handling negativity [Identity].

L9: "*The most challenging thing was the shift from working on something secretly for five years and then being right in the public eye online and it takes over your life*."

The claim could be made that that the stronger the identity of the founder and/or the organisation when entering a Crowdfunding campaign, the less reliant their sensemaking is upon trial and error

and the more coherent is their sensegiving [Social] and the easier it is to respond to negativity, as the identity acts as an anchor and reference point. This will be explored further in the Cross-Case analysis.

It was noted that the sensemaking properties of Social and Identity occurred frequently in the transcript, and that the founder's strong description of self was consistent with their stated aim of being close to their customers [Social]. The founder stated that their 'story' was almost as important to their success as the product [Identity]. The Social property/sensegiving occurred frequently, and this was manifest through the regular project updates provided by the founders, using the Kickstarter updates feature, which is found on the platform.

L7: "*I did a lot of updates to our backers either privately to the backers via the Kickstarter set up that allows you to do that, or publicly so just posting updates on the project. Before the campaign I had reached out personally through the show then through a lot of emails to lots of people we knew and friends of friends and got family lined up to do the same. The frequency of updates were pretty much daily.*"

It appears that as a result of their frequent updates the founders were better able to engage the crowd, and this may have resulted in co-creation and private communications with backers. This co-creation led the founders to sense an opportunity for a further innovation, which they capitalised upon, and it resulted in the creation of what is now their core revenue producing product, which became the focus of a subsequent, dedicated Kickstarter campaign [Ongoing].

"The product that we sell now is several iterations on from the first product and even when we first launched and first were doing the campaign for the original bike wheel for a folding bike, we had people

asking if we could do it for wheelchairs and now all of our business and our revenue and the success of our business is actually built on the wheelchair and not on the bike wheel."

The post-campaign change in direction identified in the Lynxwheels case study was also found in those cases where a high frequency of the sensemaking properties of Social and Identity were in evidence. This shows that there exists an interrelation between these properties and that, when combined, they can have an impact upon the likelihood of co-creation occurring, which can then lead to significant changes in not only the core business but also the organisational identity that is presented to the public.

It was also noted in the Lynxwheels case that some of the sensemaking properties are grouped around one stage of the Crowdfunding process, whilst other properties run throughout the campaign. This may be a signal of the importance of that sensemaking property for that particular stage of the Crowdfunding process, and this will be expanded upon during the Cross-case analysis.

The founders felt, on reflection, that they were not concerned about failing to reach their target during the first campaign, as they had the mindset that there was nothing to lose by trying. However, during their second campaign, concern over the possible public failure of their campaign became much more pressing, as the founders felt that they had generated a sufficient following for public failure to be damaging to their reputation [Identity]. The founder also struggled, personally, with the second campaign, perhaps because expectations were much higher [Ongoing]. The founder felt that now she had Crowdfunding experience she should be able to perform better and that the process should be much easier [Identity].

"It did work but I was quite critical of myself as well because I felt

the first time around anything that happened that was good was wonderful, second time around I felt I'd done this before so I should know what I'm doing and I should be better at it and it didn't turn out that way for lots of reasons. The second time around you've got everything to gain but you've also got quite a lot to lose."

The timeline revealed that, in a Crowdfunding campaign, different sensemaking properties are utilised at different times and only when necessary to tackle a specific problem, or to manage a particular situation.

4.3 **Mentworth Games**

Mentworth Games began life as a small company, made up of hobby enthusiasts and professional creatives, specialising in the design and development of role-playing board games that feature highly detailed miniatures. The games include futuristic sports games and mass combat fantasy games such as Kings of War. The company mission is to provide the best fantasy and sci-fi miniatures games on the market at an affordable price and to challenge the hold that the larger companies have on fantasy gaming.

In the six years since launch, Mentworth Games have released numerous complete tabletop gaming systems.

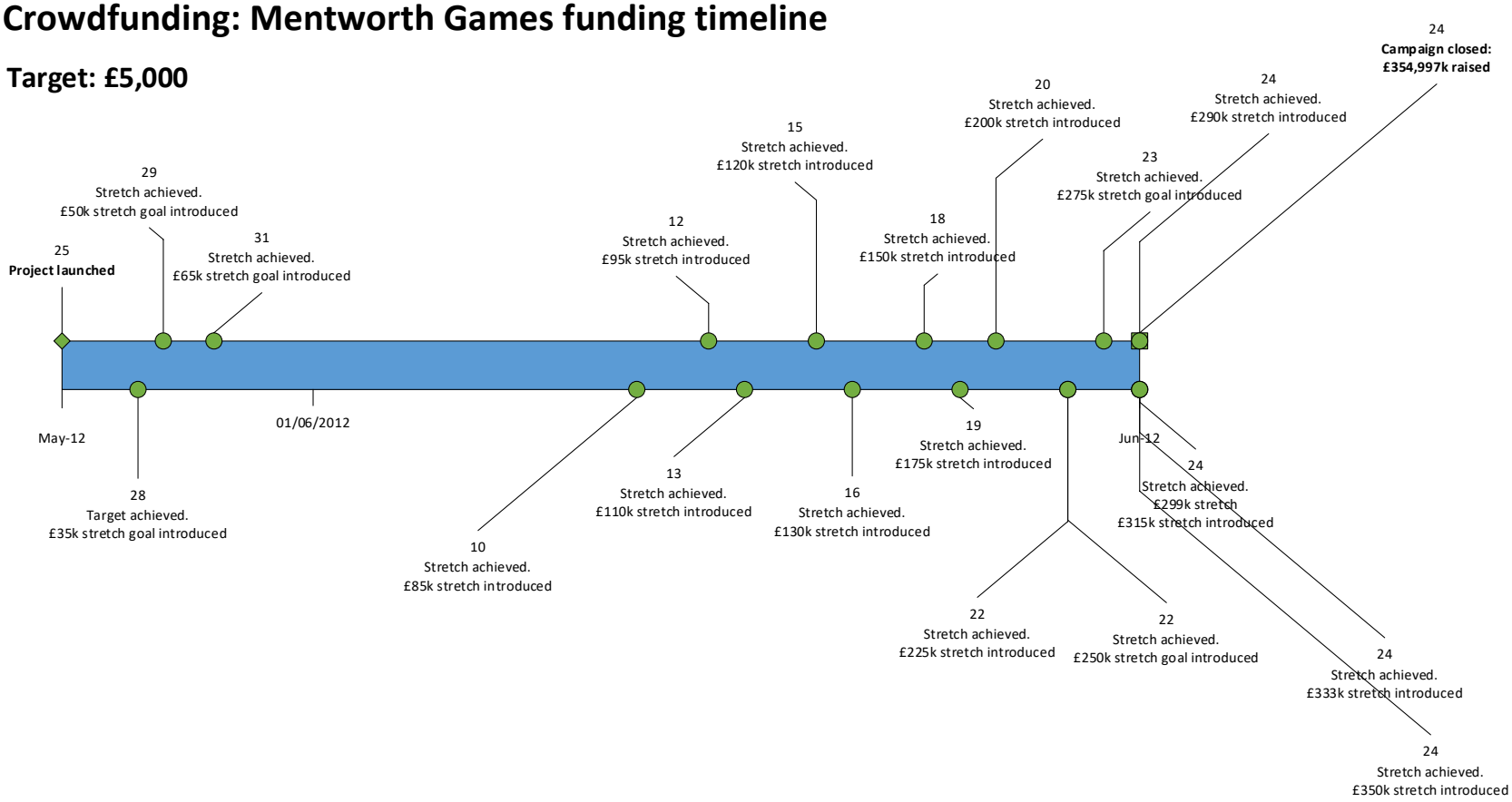
Their obsession for making highly detailed miniatures, simple but challenging games and value-for-money products, has seen Mentworth Games become a global presence in the table top gaming arena. Mentworth Games has a strong relationship with its community and Crowdfunding continues to help them raise finance for new product development.

Mentworth Games's Crowdfunding campaigns have been very successful and are still used to support the creation of new games and concepts. Mentworth Games have completed sixteen Kickstarter campaigns to date. The outcome of these campaigns is shown below:

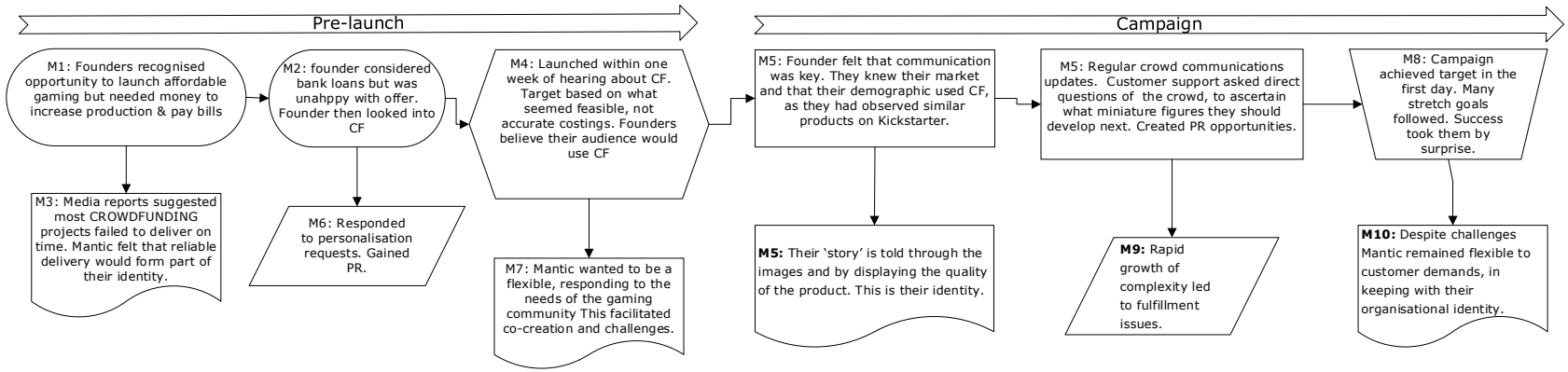
2012: raised £354,997 from a target of £5,000
2012: raised £728, 985 from a target of £20,000
2013: £1,216,482 from a target of £50,000
2013: £104,172 from a target of £25,000
2014: £558,076 rom a 50,000 target
2014: £575,75 from a target of £100,000
2015: £366,547 from a target of £25,000
2015: £1,057,975 from a target of £50,000
2016: £380,554 from a target of £50,000
2016: £685,853 from a target of £50,000
2016: £484,917 from a target of £25,000
2017: £410,198 from a target of £100,000
2017: £183,85 from a target of £80,000
2018: £272,409 from a target of £75,000
2018: £629,460 from a target of £75,000
2018: £1,454,343 from a target of £100k

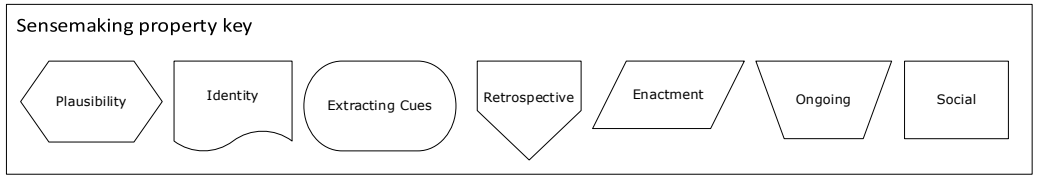
Crowdfunding: Mentworth Games funding timeline

Target: £5,000



Mentworth Games sensemaking timeline





Within case analysis: Mentworth Games

The most prominent sensemaking themes in this campaign are social, enactment, identity and ongoing. It was observed that the founding of the business was a result of recognising a gap in the market for affordable, quality fantasy gaming [Extracted Cues], and using this as the basis for the business:

M1: "*Lots of disillusioned customers who are saying I cannot, you know I want to do this but I can't afford to do it anymore. And you leave the space for other entrants to come in because you've left that space, the margin there for them to be able to undercut and still make a decent margin. So the likes of Mentworth Games was able to come in and undercut and so there was this ground swell of disillusioned Games Workshop hobbyists who were just right for here is a great alternative for me."*

The founders recognised that they needed further funding to cover overheads [Extracted cues] and considered bank loans but were unhappy with the offer they received [Extracted cues].

M2: "*You know it was that kind of hand to mouth existence. The reason being is that we approached a whole number of banks to help us invest in the business and none of them were interested in working with us. The closest we got to an agreement with the bank was a bank that said we will fund you but the directors of the company have to put in money into our bank exactly equivalent to the amount we lend you as security. Well that's, if they were going to do, if the directors were going to do that they'd have put the money in the company, not in a bank account."*

As a result the founders decided to pursue Crowdfunding. They also noticed that one of the key criticisms leveled at Crowdfunding from the media was that often projects were not delivered on time and as specified. Mollick (2013) found that 50% of projects in the design and technology categories were delivered late. Mentworth Games decided

that part of their mission would be to guarantee reliable delivery to the crowd, whilst maintaining the flexibility to respond to customers [Identity]. When Mentworth Games first entered Crowdfunding the concept was little known outside of the US, but the founders felt they had nothing to lose by attempting a campaign, as even if they only made enough money to cover overheads then that would be worth the effort required. Mentworth Games reasoned that as their product was selling offline it would translate well to a Crowdfunding campaign, an environment that they felt sure would appeal to their core audience [Plausibility].

M4: *"And what's more, they are doing it in this novel new way which because most hobbyists are slightly geeky, slightly computer oriented, and almost addicted to gaming so actually something like Kickstarter which is where it's almost a game..."*

The founders had no direct experience of Crowdfunding prior to their campaign and did little in the way of preparatory work, setting up their campaign in less than one week from first discovering Crowdfunding.

It was observed that once the campaign was underway the company 'story' was mainly told through exchanges with the crowd, with much of the company story and identity being generated by the crowd itself. In addition, Mentworth Games were less concerned about sharing a story of their inception and the founder journey than telling a story of the product itself, using imagery of the figurines and creating a fantasy story around that. The quality of the product, the artwork that was shared, and the founder commitment to flexibility and reliable delivery, were a key part of building their reputation and their story [Identity/Social].

M5: "Yes*, yes, lots of blogs, lots of social media, and that was a way to just get the message out there and to keep the excitement going*

and to make sure that the right people were hit with the message several times so that they couldn't, couldn't get away without having seen it and we'd show them some toy solider porn."

In addition, Mentworth Games focused upon communication as the most important element of their campaign, using the Kickstarter updates feature to engage the crowd in co-creation, rather than simply sharing updates. This consistent communication led to various PR opportunities. For example, a bride and groom requested personalised miniatures of themselves in return for a larger pledge, and this resulted in national media coverage [Social].

M6: "*We were contacted by a guy in Australia who was a doctor as it happened who had only just heard of us, so he'd never played any of our games before but he'd heard of this and contacted us and said I am about to propose to my girlfriend. If I paid you double that amount, would you have myself and my fiancé to be as two people, and we said of course, absolutely you can. And so he proposed and sure enough they became two of the Generals from this army of Paladin Angels."*

The highly interactive nature of the campaign was in keeping with Mentworth Games's desire to be a flexible company that could respond to customer needs [Identity]. Mentworth Games were taken by surprise, however, with the level of success they achieved, hitting their target within the first 24 hours:

M4 & M8: "*You know even if we got $10,000 out of it which we could then reinvest in the business but we were totally bowled over when the thing took $300,000. The reason we'd done it was really just to, as the initial campaign was really just to learn about Kickstarter. We thought well there's no better way of learning than learning through a campaign that we didn't think was going to be worth very much but actually ..."*

The founders introduced numerous stretch goals for the remainder of the campaign, while trying to retain their flexibility and commitment to delivery [Enactment]. This introduced increasing complexity that they had not foreseen, and led to order fulfillment challenges, placing pressure upon the company [Enactment].

M5: *"Actually one of the easier things to happen when you are doing Kickstarter is to become greedy, to, as time went by it, it was greed from both sides really, it was the people who were pledging constantly expecting you to have pledge levels where you gave even more if it went over a certain, even more and even more and so that communication went from being an information and, you know, like two mates bantering, it turned into actually we want this next, we want that next, why don't you give us this free. And actually not only did they want it, everything free but they wanted the ultimate in flexibility as well. I don't want to be told I have to buy that set of toy soldiers, I want to be able to handpick but have that soldier, that one, I want that one left handed or right handed, it was that kind of feeling to it."*

Despite the challenges, Mentworth Games continued to offer flexibility, acting from the organisational identity that they had presented to the crowd [Identity] rather than what they could feasibly deliver:

M9: "*The complexity actually made them much more difficult and actually the, although we were able to bring costs down from sourcing from China and that was great, the complexity of if you get it wrong in China and then it has to be on a boat for so many weeks and it arrives and it's wrong, it's misspelt or it's the quality of the model isn't good enough or whatever it is [mobile phone rings - brief conversation]. Yes, the complexity was being added to exponentially*

and the complexity of trying to get the packages out to the customers was growing exponentially."

Weick (1998) supports the notion that greater complexity does not necessarily lead to change: *"with greater complexity goes greater search for and reliance on habitual, routine cues,"* (p.87).

The sensemaking property of enactment features frequently in the data for Mentworth Games, and from each action that the founders took there was a corresponding learning that informed the next action and so on, demonstrating that sensemaking is a thinking process as much as it is one of action (Gioia & Chittpeddi, 1991, Weick, 1995). This supports the idea that sensemaking is a cyclical process and that the action to learning cycle is perhaps particularly apparent in circumstances of uncertainty (i.e. when first approaching a Crowdfunding campaign with no prior experience).

The data also seems to suggest that a relationship exists between the sensemaking properties of identity and social. This was also observed in other case studies and it will be explored further in the cross-case analysis chapter.

In concluding their campaign the founders adopted a different business model, regularly using Crowdfunding to boost cash flow and to finance new product development work. The campaign also revealed to the founders that their product was more than just an add-on to existing games and that they now had a market for their own games and platforms [Ongoing].

4.4 **The Super Events Company**

The Super Events Company are a full-service boutique events management company. They have won numerous industry awards and were finalists in the 2015 Tech Startup of the Year awards. They also serve as mentors for other event professionals.

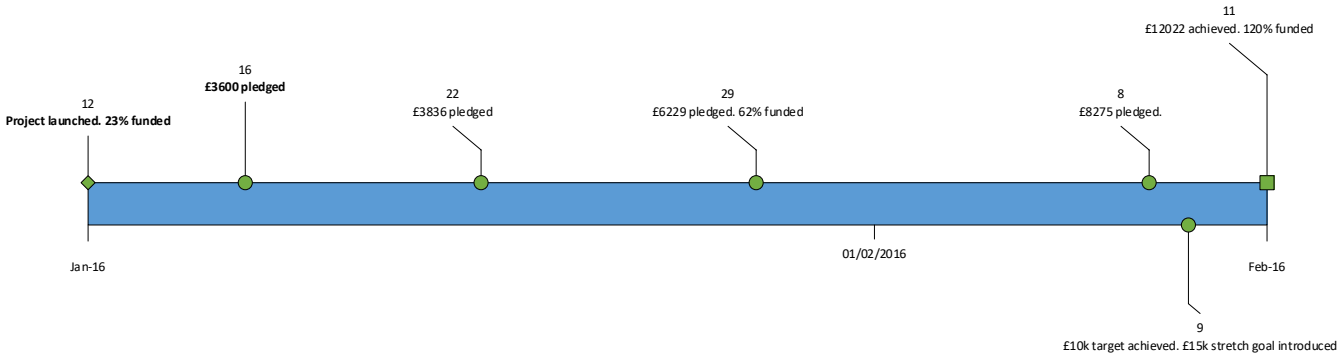
In 2016 they launched a Crowdfunding campaign for The Apprentice Program. The Apprentice Program is a social network that utilises eLearning-training tools to help professionals mentor and train their interns and teams. Through collaboration professionals construct programmes to ensure interns do well and become an asset to the business, while helping to reduce the training workload of mentors. The Super Events Company identified that there were approx. 500,000 apprentices in the UK in 2014, and that these workers were underpaid and overworked. The Apprentice Program was specifically designed to support the intern with regards to the acquisition of skills whilst also providing access to quality, timely training. The Apprentice Program also supports the business in which the interns are working by helping the mentors to retain qualified interns as full-time employees. The interns value the investment that has been put into their training, which in turn helps to foster loyalty to their employers.

The first version of the Apprentice Program was launched in 2015. The feedback received enabled the company to ascertain what mentors and interns really needed from an online training resource, and to then refine their offering accordingly.

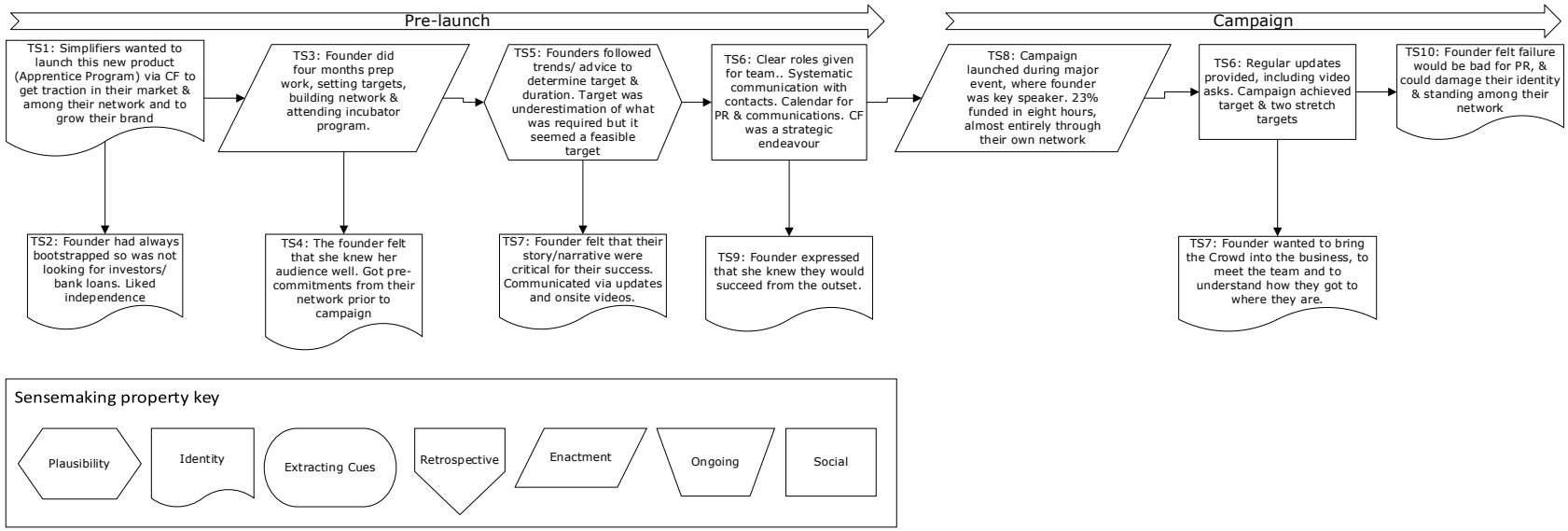
The final phase of the software development for the online platform, which enabled mentors to also upload their own training curriculum, was supported by a Kickstarter campaign that launched in January 2016, raising £12,022 of a target of £10k.

Crowdfunding: The Super Events funding timeline

Target: £10,000



The Super Events sensemaking timeline



Within case analysis: The Super Events Company

The most frequently occurring sensemaking properties during the campaign were Identity, Enactment, Social and Enactment. This case showed the strongest founder and organisational identity.

The founder had identified a gap in the market for a training tool to aid interns and mentors and began development of the *Apprentice Program*. However, the founder felt that in order to be a success the company would need to raise awareness and ensure early adoption of the tool. To this end the campaign was less about raising money and more about making sure that they built momentum quickly within their existing network of customers and supporters, among whom they were very well respected. The campaign would also help to launch the Apprentice Program product and assist in growing The Super Events Company reputation and brand [Identity].

TS1: "*For me I felt like the Kick Starter was the right move because it wasn't about raising a bunch of money. It was more about raising brand awareness and getting early adopters to buy into the new product. Because for me it was more important to have key influences in my market using our new eLearning product."*

In considering their options for financing further product development they did not pursue traditional forms of finance, as they had always been independent and had bootstrapped in the past [Identity].

TS2: "*Yeah, so the business all the way up to that point was 100% bootstrapped. No other type of investors or funding per se. We had different lines of credit and things like that, but no investors or funding from other sources."* (The Super Events Company)

The founder felt that she knew her audience/market very well and worked to build her crowd from her core network, among who they had a strong reputation, prior to, and during, their campaign [Identity].

TS4: "*So we knew specifically who we were targeting. They were people within our network. It wasn't necessarily targeting brand new strangers or people we never talked to. So they were either relationships either within my network personally, family friends obviously. But then we were very focused and targeted."*

The founder undertook five months of preparatory work ahead of the campaign, formulating the campaign strategy and conducting research [Enactment].

TS3: "*So we did a lot of research. I was part of business accelerator programme in Nottingham. And we learnt a little bit about Kick Starter there. And talked to quite a few people who had run Kick Starter campaigns both successful ones and not successful ones to gain the best information from them as well. Like okay now you've gone through that process what worked and didn't work? And how can we do ours better? And I also bought into a Udemy course online that was also, I don't know what it was called entirely, but it was like top tips on how to run a successful Kick Starter campaign.*" (The Super Events Company).

The founder decided upon her target figure and the duration for their campaign by reviewing Kickstarter advice and also reflecting upon what might be an acceptable/feasible target for the crowd, even though the final figure was considerably less than that required to fund the project to the standard preferred [Plausibility].

TS5: "*We set our financial target fairly low. So we knew that in order to build our e learning product it was going to cost us five times as much as what we were asking for. Even though we knew we needed to raise roughly about 50k to fully fund it. So we knew we just wanted it to sort of spark and obviously if you pick your target then you get the money and then you can create bonus targets and all that*."

Communication was continuous during the campaign and took the form of videos and regular updates [Social]. The founder felt that their origin story, and the way it was shared (Kickstarter, videos, updates etc.), was a key part of their identity [Identity].

TS7: "*Yeah. For us it's all about storytelling. So I think that we kind of wanted to take people down the path with us. Saying like this is why we think the learning product is really important. We did videos, we did blogging. We just sort of took them through the process of like meet the team, meet me, understand Simplifier – like how did we get to this point. It's not just about shoving a thing in front of them and saying go buy it now. But just really showing this is how we got here. This is where we are headed*."

The founder took advantage of a major international conference - at which she was a key speaker - to launch the campaign, aware that this could generate PR and foster interest among her own network, many of whom were in attendance [Enactment].

The founder expressed the belief that failure in the campaign would be bad PR for the company, and that their network may lose faith in them if failure occurred [Identity].

TS9: "*I think if it was not successful then I think that would have been a hard knock for us. We would have recovered but I think it would have been pretty hard. Because for us an unsuccessful campaign is pretty detrimental in our outward brand awareness. So it meant everything- it had to succeed. There was no chance that this was going to fail."*

The founder expressed that it was only during the campaign that she realised just how much work was involved in Crowdfunding, and that the effort could not be justified had the decision to run a campaign been entirely financially motivated [Ongoing]. The founder felt that engaging clients and undertaking additional projects with them could

have secured the money more effectively. In retrospect, the founder had no intention of running another campaign [Retrospection].

"*It's an obscene amount of work and we only raised – I want to say twelve thousand US dollars and so again, if we had raised three hundred thousand pounds then of course I would do one. But given the shear amount of work that we put into it and the payout financially it doesn't make any sense whatsoever. I think people tell you it's a lot of work but you don't really realise how much work it is, until you actually do one.*"

The timeline for The Super Events Company revealed that the strength of founder/organisational identity (i.e. frequency of the property in the timeline) appeared to be important for predicting the amount of preparatory work undertaken by a founder ahead of the campaign, how they managed the campaign and also and how they responded to the crowd.

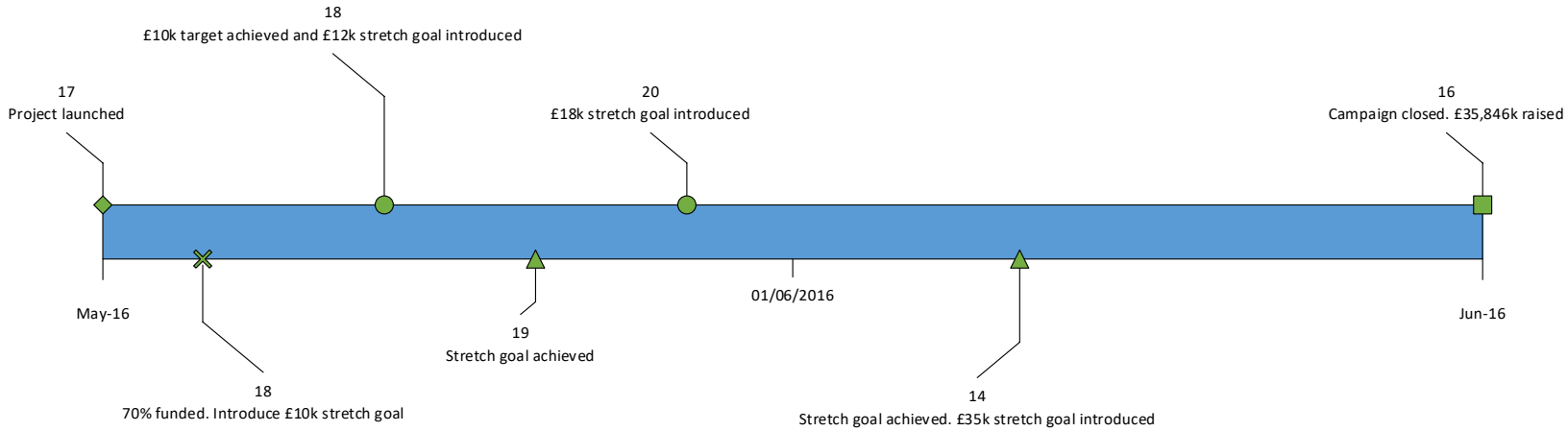
4.5 **One Tall Story**

One Tall Story are a business that create and sell storybooks for children that teach foreign languages using their Clockwork Methodology. This methodology means that the books start in English and end in a different language. As the stories progress, words in the target language are gradually introduced in a way that makes their meaning immediately apparent. Soon, the reader is able to understand entire sentences in a foreign language.

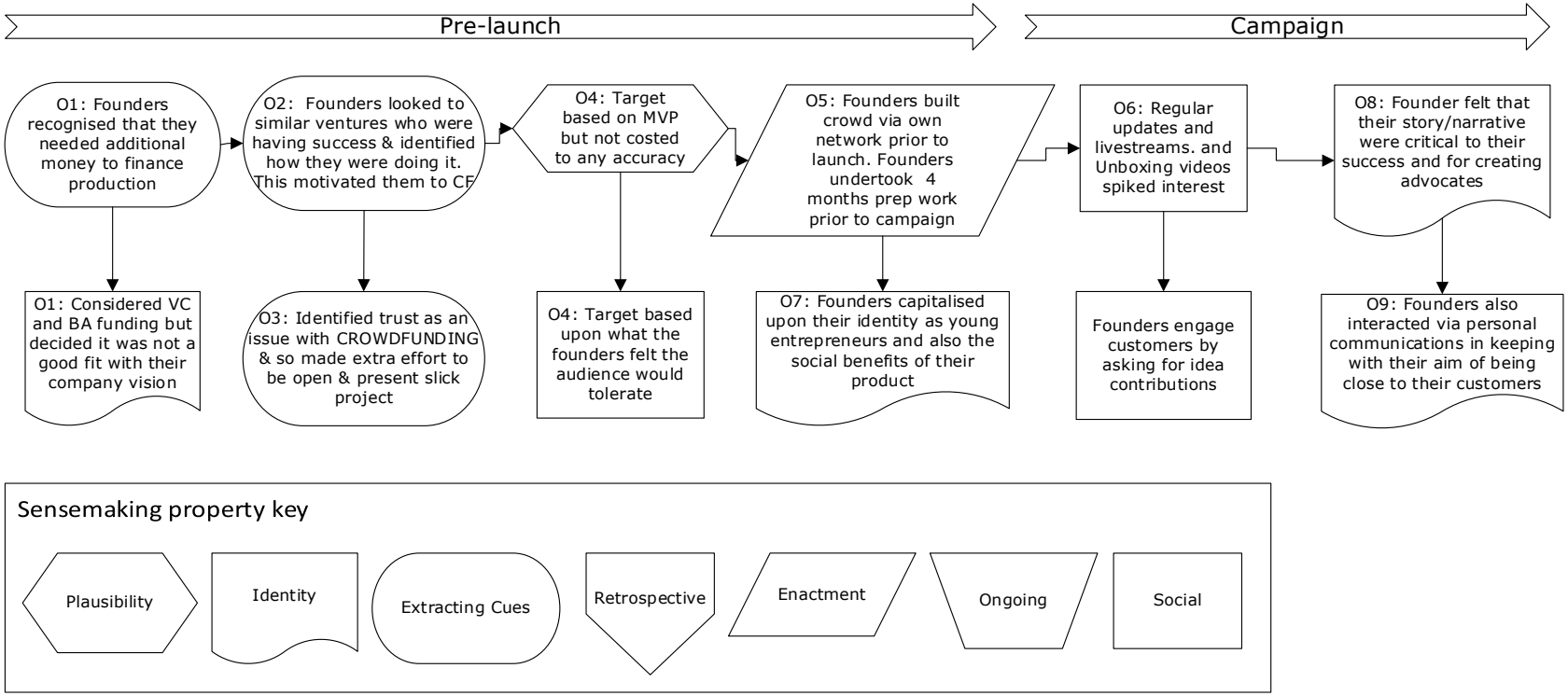
The founders developed their Crowdfunding campaign in order to finance the full production of a hardback book. The campaign launched in 2016 and raised £35,846 from a target of £10k.

Crowdfunding: One Tall Story funding timeline

Target: £10,000



One Tall Story sensemaking timeline



Within case analysis: One Tall Story

The most prominent sensemaking themes are Social, Enactment, Plausibility, Identity and Retrospective.

Before making the decision to Crowdfund the founders approached traditional investors, but concluded that they were not a good fit with the company and its mission to be close to their customers [Extracting cues].

O1: "*We kind of were looking at doing more traditional routes of funding to finance production. The more and more we went down that road we realised it wasn't quite for us; we hadn't met the investors who we wanted to be involved in the process and we felt that there was so much more that a Crowdfunding campaign could offer."*

The founders felt that Crowdfunding was in keeping with their mission and values as an organisation [Identity], and also provided an opportunity to get among their community, which would help them to better understand the needs of potential customers.

However, in considering Crowdfunding, the founders recognised that there was general mistrust surrounding it, perhaps as a result of several high profile project failures that resulted in backers losing their investments. Although these instances pertained mainly to equity based Crowdfunding it was nevertheless an issue that had affected trust in the sector [Extracting Cues]. The founder sought to address this issue for their own campaign by making an extra effort to be open and honest about their business, and they also spent time crafting a slick Crowdfunding pitch.

O3: "*The other big one was trust, I think a lot of people had been burnt by Crowdfunding campaigns, there were a few high profile ones around at the time we were going in, you know where people just haven't got money back from what they'd done. So we were concerned about that and particularly because we're two young guys,*

we hadn't made a book before and we basically just tried to, in terms of that we tried to be super honest about that and we also put in a lot of work into making everything look super slick and professional."

The founders undertook several months of preparatory work prior to the launch of their project and studied the campaigns of similar product offerings by businesses that had developed an effective online identity and had also run a successful Crowdfunding campaign. Two businesses in particular acted as inspiration for One Tall Story: Hello Ruby, a book that aimed to teach children how to code, and Rebel Girls Bedtime Stories, a book that had generated a large following and community, resulting in one of the highest total pledges to date on Kickstarter [Extracting cues]. In addition, One Tall Story utilised their own existing social networks in order to build a crowd prior to launch and, in doing so, almost guarantee that they would hit their target quickly [Enactment]. Their target was an estimate [Plausibility] of what the founders felt would be an acceptable figure to the crowd [Social]

O4: "*I hadn't really kind of costed everything out properly or anything like that. to be honest it was quite a finger in the air number. I think we basically just said we know we can do 10k so it wasn't particularly mathematically sound or anything like that."*

The founder mission to be close to customers was reflected in the frequency of the [social] property of sensemaking within their timeline. Their communications with the crowd were regular and included Kickstarter updates, live-streaming and personal emails to backers. One Tall Story also designed their packaging from the outset with the idea that the 'unboxing' (a popular activity on social media sites) of their product would be shown and shared widely on social media [Social]. This aptly demonstrates that sensemaking is never a solitary process and is always undertaken in the presence of, or with an imagined other, in mind (Weick, 1995).

O6: *"All the boxes and everything and they had been, you know all the boxes were specifically designed, they'd got share on social media options and stuff like that and they're designed to be good for unboxing videos, you know you really unpack them. So what we see when say we did a box with the Kickstarter we got a spike in orders because everyone shared on social media."*

Although it appeared that the narrative pitch of One Tall Story was constructed from their organisational identity, it was also evident that the social nature of a Crowdfunding campaign, and the two-way dialogue with the crowd, also shaped their [identity]. This lends credence to the idea that identity is central to organisational sensemaking, and also suggests that in uncertain environments (i.e. when an organisation is a startup and going public for the first time) an identity is formed as a result of taking action and learning from the feedback. This feedback is then used to inform their identity and, in this case, their [ongoing] Crowdfunding narrative. During the campaign the founders explained that the crowd treated them almost 'maternally', as they were young entrepreneurs, and that they capitalised upon this. This supports Weick's idea that identity is the central component of sensemaking.

O7: *"I think we sort of maybe inspired like a maternal/paternal instinct in a lot of people."*

The One Tall Story case study also demonstrates the ongoing nature of sensemaking within a Crowdfunding campaign, and the fact that it is always in operation. The founders began their campaign with a clear business model, but this was adapted as a direct result of information that resulted from the crowd [Social]. This results in a sensemaking cycle, where the founders project a message out into the crowd, this is then interpreted by the crowd and returned to the sender, who then either accept or rejects the interpretation and continues the dialogue. In the case of One Tall Story, this dialogue resulted in effective co-creation, which encouraged the founders to make several radical

changes to their product offering, resulting in a business model that they had not considered prior to Crowdfunding. This once again suggests that sensemaking as a process has no end point, and lends credence to the thinking that sensemaking is a cyclical process (Gioia & Chittipeddi, 1991).

It was observed in the case studies that sensemaking was a process of taking action, evaluating the outcome with regards to the resulting problems or opportunities, extracting cues as to the nature of those problems/opportunities, and taking further action and so forth. Sensemaking, therefore, never completes and the above timeline for One Tall Story reveals that even post campaign the founders are reflecting upon the actions they could have taken to improve their performance. In the case of One Tall Story we can see their assuredness, in [retrospect], that a greater focus upon PR would have led to a greatly increased final pledge, even though this is not evident from the data of other cases.

O10: "*I think we could've got to 50k if we'd have been smart, if we'd have planned out a PR strategy and really stuck to that I think."*

Chapter 5: Cross-case analysis

This chapter will expand upon the findings from the previous chapter with a cross-case analysis, moving from the idiosyncrasies of each case and towards the development of common themes that will form the basis of the discussion. A process model will also be introduced to represent the sensemaking that takes place within a Crowdfunding campaign and to illustrate the findings. The importance of this model will be discussed, with reference to Dimov and Mcmullen's (2013) paper on process theory in entrepreneurship, in chapter six.

Introduction

The previous chapter presented a descriptive analysis for each of the case studies, capturing individual case idiosyncrasies and highlighting the sensemaking properties driving founder actions as they develop a Crowdfunding campaign.

The cross-case analysis facilitates the generation of a number of key themes, which form the basis of the discussion and enable the research question and the research objectives to be addressed.

In undertaking the cross-case analysis the findings from the within case analysis were coded, as described, and the frequency of sensemaking properties - as they occurred in the case study timelines - were also recorded in order to inform the generation of a number of themes. Eisenhardt (1989) believes that the within case analysis is essential for understanding each case on its own merits, the data from which then facilitates the cross-case comparison. The emergent themes then make theoretical generalisation possible (Eisenhardt, 1989, Yin, 2009). Thus, the cross-case analysis provides greater insight into the sensemaking relationships that exist between discrete cases (Ragin, 1997).

The chapter begins with a visual representation (Fig.26) of the findings from the cross-case analysis and takes the form of a process model. The model illustrates the sensemaking properties identified as driving the campaign but also reveals how venture creation/entrepreneurship operate within the temporal confines of a Crowdfunding campaign. The following section introduces process theory and the model, and is positioned as a response to Dimov, & McMullen's (2013) call for more processural research. A detailed discussion is featured in chapter six.

5.1 **Process model**

The most dominant sensemaking properties and themes during the founders' Crowdfunding campaigns are presented in Fig.26, revealing how sensemaking influenced their actions and assisted in the pursuit of campaign validation.

It is important to note that there is overlap between themes and sensemaking properties, and often the selected properties and themes were partially evident at each of the Crowdfunding stages and not isolated to just a single stage as the model might suggest. For example, identity, as a property, plays a role throughout the process, impacting upon decisions and the subsequent actions. However, the themes and properties - as depicted in the model and as interpreted by the researcher - are the primary themes and properties influencing the campaign. In addition, it was found that sensemaking within a Crowdfunding campaign, particularly in relation to sensegiving, was not linear and this is represented in the model. The model also shows the Crowdfunding stage where open innovation is most likely to occur and the properties that it is most dependent upon.

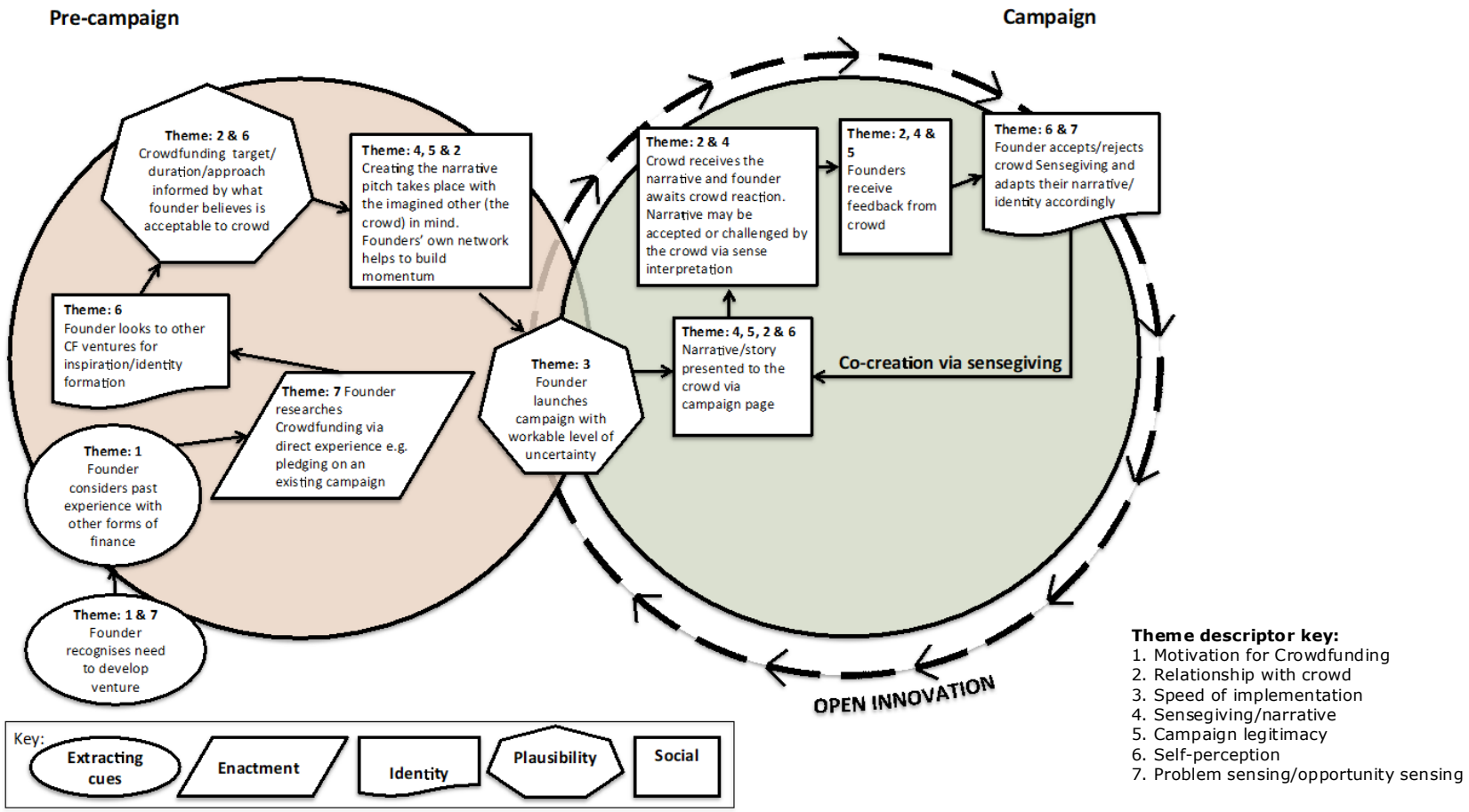


Fig.26 Crowdfunding and sensemaking process model

5.2 **Cross-case analysis themes**

As explained in the methodology, the cross-case analysis establishes the primary sensemaking properties that cases had in common, enabling themes to then be interpreted and coded. Seven themes were identified in the cross-case analysis (described below and numbered 1 to 7 on the above process model) and each theme is linked to the primary sensemaking property (sensemaking properties are represented by shapes on the process model) considered to be most pertinent to that theme. The themes were identified from the collected data and informed by the literature review.

It is worth restating that the purpose of the within case analysis (see previous chapter & methodology) was to code the sensemaking process, identifying those founder experiences and sensemaking properties relevant to the Crowdfunding campaign. These are then used to inform the cross-case analysis and the generation of themes. This chapter draws together those themes in order to facilitate understanding of the entrepreneurial process of Crowdfunding.

The themes are as follows and are represented in Fig.26

1. Motivation for Crowdfunding
2. Relationship with the Crowd
3. Speed of implementation
4. Sensegiving/narrative and story
5. Campaign legitimacy
6. Self-perception
7. Problem identification/Opportunity identification

Each theme, as it relates to its assigned sensemaking property (i.e. the primary sensemaking property identified as being most influential within that theme) will now be discussed in turn:

5.2.1 Theme one: Motivation for Crowdfunding

Primary Sensemaking properties: Extracted cues

The findings illustrate that the motivation for Crowdfunding was driven primarily by the sensemaking property of Extracted cues. As previously discussed, this sensemaking property focuses upon salient cues and from a research perspective the importance is in highlighting what is noticed and what information is filtered (e.g. sensing a problem or an opportunity, which motivates action).

The cross-case analysis revealed that there were three main subthemes, antecedents/cues which, either in isolation or when combined with the others, motivated founders to initiate a Crowdfunding campaign:

a) Identifying a problem/barrier to growth
b) Previous negative experiences with other finance options
c) Recognising benefits of Crowdfunding, over and above gaining finance

Because this specific theme has subthemes the information, and many of the supporting quotes, have been placed into a chart (Fig.27), showing how the above subthemes/cues relate to the individual cases.

Extracted cues Motivation for Crowdfunding	Description of cue	Case study to which cue applies	Example quotes
(1) Identifying a problem/barrier to growth	Founder identifies a problem that serves as a barrier to the growth and development of their venture.	Superbricks*:* Identified problem- Needed to speed up and expand production process. Lynxwheels: Identified problem- As above One Tall Story*:* Identified problem - As above Mentworth Games: Identified problem- As above The Super Events Company*:* Identified problem -Financing software development.	**The Super Events Company: "***By raising this Kickstarter money, we will be able to complete the next phase in software development to include the crowd-sourcing element, giving access to the mentors to upload their own training curriculum, in addition to ours.*
(2) Previous negative experience with other finance options	Founder has had prior negative experience with other forms of finance (e.g. VC/BA/banks) which serve as a disincentive to Crowdfund.	Superbricks: Negative experience with banks/VC Mentworth Games: As above One Tall Story: VC/BAs poor fit with venture objectives.	**Superbricks:** *"I didn't want to take out another loan and I didn't want to get into a mess because I've already dealt with lots of mess like that and didn't enjoy the experience."*

Extracted cues Motivation for Crowdfunding	Description of cue	Case study to which cue applies	Example quotes
(3) Recognising benefits of Crowdfunding, over and above gaining finance	Founder recognised benefits of Crowdfunding that went beyond raising finance and assisted in other business operations.	Superbricks, Lynxwheels and One Tall Story	**S2:** *"So Crowdfunding I thought was a great way to validate the product" (Superbricks, interview data)* **O1:** *"We have this idea of being as close to our customers… we love the idea of actually making them a part of that process and that's what stood out for us as being viable with CROWDFUNDING. There are other easier ways to get money than convincing two thousand people to give it to you, but what it did do was it meant there was longevity in those people's desire to kind of spend money with us. So I think that's what gave us, it like gave us the time in the community to figure things out."* (One Tall Story). **"***We were looking at more traditional routes of funding. The more we went down that route the more we realised it wasn't for us; we felt that there was so much more that a Crowdfunding campaign could offer" (One Tall Story).* *"It was more about raising brand awareness and getting early adopters to buy into the new product. Because for me it was more important to have key influences in my market using our new e learning product."* (The Super Events Company).

Fig.27 Motivations for Crowdfunding

a) Identifying a problem/barrier to growth

The first instance of sensemaking - as featured in Fig.26 and in the above chart - is recognition by the founder of a problem within their immediate environment deserving of attention, which, in this instance, is a barrier to growth: Superbricks had recognised a growth problem relating to their manufacturing process (which they considered to be too slow) that required investment to gain improvements; Lynxwheels had identified a capital shortfall that needed to be addressed in order to take their product from prototype into production, and to finance the upfront tooling costs required to move from making wheels individually to making in batches; Mentworth Games were aware of challenges with financing model sculpting and development that were restricting their ability to grow; One Tall Story wished to take their language books and language app into production but in order to do so they needed to finance the complete design of both products; The Super Events Company had already developed the first version of their software product but recognised that further development work was needed to create a market viable product. Clearly, in each case, a problem was first recognised and identified as a growth issue requiring a capital solution, and this act of sensemaking took place before action was initiated. These cues, therefore, served as the first motivation for seeking a financial solution. However, before defining and enacting a solution the case studies filtered and compared options based upon their prior experiences and also guided by personal values, beliefs and biases. These are discussed below.

b) Previous negative experiences with other finance options

Three of the case studies had prior negative experiences with other sources of finance, which henceforth served as a bias and consequently a filter, through which the decision to Crowdfund emerged. Although this filtering approach may reduce accuracy when making a decision (i.e. allowing past negative experiences to influence future choices) these filters made the current situation and

the risks personally comprehensible to founders so that a solution could be defined and enacted, which, here, is the initiation of a Crowdfunding campaign. In other words, the founders may well have found considerable advantage to pursuing external investment/loans but their bias became their filter and motivated their decision to enact a Crowdfunding campaign. Weick (1995) states that extracted cues are rarely an accurate reflection of reality and often suggest a consequence more obviously than was evident by the total datum from which they came. For these cases, it appears that their early negative experience with traditional finance shaped their future opinion. This suggests that cues are sensemaking seeds that may help the founder to develop a larger sense of what their options might be and what is occurring/has occurred (Weick, 1995, p.50). This is not to imply that Crowdfunding was not considered (by founders) concurrently with other options but, rather, that it only became the preferred choice once a filtering process had taken place.

c) Recognising benefits of Crowdfunding

An additional filter and thus motivation for Crowdfunding was recognition of the potential benefits a campaign could bring, such as the opportunity to test the market and build relationships with potential customers:

For The Super Events Company the major benefit of Crowdfunding was that it enabled the targeting of key influencers within their existing network, encouraging its wider adoption. This represents a targeted, strategic use of Crowdfunding in which capital assembly was not the primary focus. The case studies also expressed their feelings that Crowdfunding would be an effective way of testing the market for their product in a low risk environment, and this can be seen in the above table.

5.2.2 Theme two: Relationship with the Crowd

Primary Sensemaking property: Social and Identity

Crowdfunding and sensemaking are social processes. The social property of sensemaking was found to be critically important to a Crowdfunding campaign and this was most apparent during the *campaign stage* when communication and sensegiving are essential. As previously explained, the Kickstarter campaign home page and the platform's asynchronous and synchronous communication features are the means by which founders make their pitch to the crowd and receive their feedback. While sensemaking is often analysed at the level of the individual this neglects a crucial aspect of sensemaking, which is that it is predominantly centered upon others, and that shared meanings emerge from social processes (Maitlis, 2005; Weick, 1995). Indeed, Weick explains that decision-making occurs either in the presence of others or with the knowledge that those decisions may be comprehended or implemented by others (Weick, 1995). From this perspective a Crowdfunding campaign can be understood as operating in a similar fashion to most organisations, in that both are attempts to generate shared meanings amongst a network or community of individuals. The definition of an organisation (below) illustrates the point:

"An organisation is a network of inter-subjectively shared meanings that are sustained through the development of a common language and everyday social interaction." *(Resnick, Levine & Teasley, 1991, p.3)*

With regards to the above quote a successful Crowdfunding campaign requires a network of individuals, who have inter-subjectively shared meanings, developed through social interactions, to come together for a purpose. Social dynamics were found to be fundamental to Crowdfunding as founders must identify, or create, a suitable community to access via the platform (Belleflamme et. al. 2013). The

primary challenge for Crowdfunding projects is how to communicate, meaningfully, and gain support from a crowd of individuals who have a variety of motivations for backing a project, and where peer effects are important due to their high visibility on the site. Indeed, it was clear from the analysis that the specific make up of the crowd was largely unknown to the founders running the campaign. Thus, some of the founders based their strategy and the design of their Crowdfunding pitches upon the imagined other, and used content/style and tone that they imagined would be acceptable to this audience:

"*To understand sensemaking is to pay more attention to sufficient cues for coordination such as a generalised other, stereotypes, especially considering that organisations tend to drift towards an architecture of simplicity,"* (Miller, 1993, cited in Carey, 2003, p,11).

The following case study quotes demonstrate the uncertainty of targeting when launching a Crowdfunding campaign:

"*I was very unsure who my crowd was very unsure."* (Superbricks).

"*Did we have a vision of the crowd? I guess not, they've kind of always been like a faceless mob in my mind, I felt like they were about to pull out the pitchforks at any moment*." (One Tall Story).

Regardless of the degree of uncertainty upon entering the campaign, each of the founders recognised that the key to a successful campaign was effective sensegiving:

"*I did a lot of updates to our backers either privately…via Kickstarter…or publicly… posting updates on the project. The frequency of updates were pretty much daily. Mainly on Kickstarter. Good communication is critical. An authentic voice in talking to people when communicating with them so that they believe in you as a person as well as the product."* (Lynxwheels).

"*…we were always kind of telling people what we were doing… we put out videos, we put out photographs, a livestream on kickstarter. …So I think it's about doing it kind of on a personal level as well as professional*." (One Tall Story).

It was noted that the social property of sensemaking was not operating in isolation when the founder sought to build a relationship with the crowd and, instead, it was bound with the property of identity, as it relates to both the founder and the organisation. Where the identity of either founder or organisation was strong (i.e. the property appeared frequently in the dataset and on the timeline), it influenced the nature of the campaign and how founders framed their sensegiving. The quote below from The Super Events Company' case study indicates how their strong identity influenced and motivated the five months of prior effort invested pre-launch, and fostered the high level of strategic engagement they had with the crowd.

"*We had an editorial calendar…we knew what we were going to say at any given day. We mapped out our game plan… and did so much legwork and research prior that it pretty much played out how we thought it would. We just sort of took them (the crowd) through the process of like meet the team, meet me, understand Simplifiers, who we are – like how did we get to this point. It's not just about shoving a thing in front of them and saying go buy it now*." (The Super Events Company).

It was observed that Crowdfunding enabled founders to engage in deep communication with the crowd, increasing the likelihood of them receiving rich and valuable feedback that had the potential to shape the venture identity. Weick (1985) explains that people learn about situations by acting in them and observing what happens and Crowdfunding places a founder among their customers who not only engage with the founder directly but also with one another, creating a greater communication dynamic and building a network and

community around the project which, in turn, attracts others. The relationship between the properties of identity and social will be discussed further in theme six.

5.2.3 Theme three: Speed of implementation

Primary Sensemaking property: Plausibility

Although the founders began their Crowdfunding campaign amid uncertainty they were also in possession of a plausible, cognitive map of what they felt lay ahead, which was sufficient to reduce the uncertainty, drive action and expedite the decision making process. Rather than delaying launch until they had all of the information at hand concerning their product/market founders instead were guided by plausibility of reasoning, which increased the speed at which they could implement their plans. This supports Weick's (1995) theory that accuracy is useful but not essential in promoting action. What appears to be required in Crowdfunding is a workable level of uncertainty, which makes the planned action plausible and understandable to the founder. This notion of acting upon the plausible is evidenced in the founders' public campaign targets, which, in each case, are based upon what the founders imagined would be a plausible request of the crowd, rather than what they required (i.e. targets were not based upon accurate financial analysis) to fully deliver the project. This also echoes the social property of sensemaking within a campaign, which is important to this theme, in that decisions are always made with the imagined other in mind:

"*The target was how much I thought I needed and I thought okay make it a nice round number, so I picked ten thousand; I could've done with more but that's what I picked and thirty days, I thought okay it sounds a reasonable amount of time, it will go quickly so that's what I did*." (Superbricks)

"*The target was what we thought would be what we would need but also what we thought we could realistically achieve so probably one of the reasons we didn't build in a big contingency was we just thought that would be too ambitious*." (Lynxwheels)

Superbricks, following their first campaign, provided numerous explanations (see quotes below) for the failure of their campaign and it was clear that the uncertainty level remained high as the cues that are extracted to explain the failure are numerous and somewhat contradictory: *"the elapsed experience appears to be equivocal, not because it makes no sense at all, but because it makes many difference kinds of sense. And some of those kinds of sense may contradict other kinds,"* (Weick, 1995 p.27). Below are the explanations the founder of Superbricks provided to explain the outcome of their campaign:

"*I don't think I could've been prepared… we didn't know what we needed to do so we just couldn't figure it out. We hadn't got a crowd and we didn't know how to build a crowd*." (Superbricks)

"*We failed to communicate as much as we should have on our social media, I mean we were using Twitter but Twitter did not calculate, so I'm now clear that Facebook is the way to use media better. I think my audience was not tech savvy enough to appreciate the idea of sharing a message with others*." (Superbricks).

"*…So we failed because we did not get over our product capability and we succeeded the second time because we were better able to do that. So you've got to be able to amaze people*." (Superbricks).

"*Pre-communications are the key to success; build my audience*." (Superbricks)

However, despite the founder's evident uncertainty, the cues highlighted in the above quotes were plausible enough for the founder

of Superbricks to take action and run another campaign a year later. Although the knowledge and experience gained by Superbricks in their initial, failed, campaign may have contributed to the success of their subsequent campaigns it is also highly likely that this success was a result of the founder's re-evaluation of the funding target (initially set at £10,000) which was drastically reduced for their subsequent campaigns being £1,250 for their second campaign and £2,000 for their third. (Loane, 2016, p.1) explains that an overly optimistic campaign is evidence that entrepreneurs did not fully evaluate the pros and cons of Crowdfunding as a financing option.

The later campaigns run by Superbricks and described above both received lower final pledges than the first campaign but - perhaps because the target was much lower (and more plausible to the crowd) and the duration shorter - the target was achieved and Superbricks now sell their product online and through *Amazon,* and have won two independent toy awards since their launch.

During the campaign stage there were fewer incidents of founders in general, across all of the cases, using plausibility to drive action than there had been in the pre-launch stage, and instead decisions were made based upon the information gained from the outcomes of their actions, as they continued through the sensemaking process. Throughout the pre-launch stage, when there is a high degree of uncertainty, founders had limited information upon which to base their decisions, but once enactment takes place, and the campaign begins, there is a stream of informational cues coming from the crowd, from which founders can make new sense. Yet, the analysis showed that effective sensemaking remained challenging during a campaign as the short duration made it difficult to separate the issues/problems from the noise. This goes some way towards explaining why the founders expressed that a significant volume of the strategic work in Crowdfunding should take place before a campaign is actually launched, as there is not the time available during the campaign to identify and diagnose the cause of any

problems that arise and enact solutions, particularly if the problem confronted is a lack of crowd engagement. For example, Superbricks believed that their video might provide plausible explanation for poor crowd engagement and made several iterations during their campaign; but this did not improve engagement:

"The first video didn't work, I just thought it didn't work; so I've radically changed it and it didn't work again. So we did make changes and we put it in different subsets in the Kickstarter universe just to try and just change the audience but that didn't work either actually" (Superbricks).

Despite their efforts, Superbricks did not have the time available during their campaign to establish cause and effect reasoning and enact a viable solution, making plausible reasoning their only option.

And so sensemaking, as shown in Fig.26, required the founders to operate with plausible understanding of situations, testing these assumptions upon the crowd through enactment, and then either refining or abandoning these assumptions by introducing new ones as they attempt to move towards one that offers a better explanation of reality.

5.2.4 Theme four: Narrative and story

Primary Sensemaking properties: Sensegiving/Social and Identity

The cross-case analysis revealed that the theme of narrative/story was of particular significance within a Crowdfunding campaign (and the venture process more generally), being fundamental in driving the campaign forward. Thus, the narrative theme receives close attention during this analysis. Stories are powerful tools because we use them to determine, justify and guide our lives (Weick and Browning, 1986).

The data revealed that all founders were aware of the importance of narrative to a greater or lesser degree. The significance of narrative was first introduced in the literature review, and the methodology chapter presented the analytical approach adopted regarding narrative, providing a full description of the subthemes listed below. These are significant as they provide insight into the act of narrative construction, revealing the role that sensegiving and the Identity property play in shaping narrative construction, whilst also revealing how narratives are made sense of by founders as part of the entrepreneurial process.

The narrative subthemes are summarised below and discussed in greater detail within the previous methodology chapter:

a) Founder narratives are temporally positioned as Retrospective (past focused), Future focused (Prospective) or a combination.
b) Founder narrative style is either Relational or Showcasing.
c) The founders' 'Ask' is either a One-off solicit or an Ongoing engagement.

The table below provides an overview of the above, relative to each of the case studies and evidenced with example quotes taken from the data sources. The table also shows the frequency of the sensemaking property of Identity (as recorded within the interview transcripts/within case analysis). The property of Identity appeared to be the primary influencer of the narrative style adopted by founders:

Case study	Identity property (frequency from interview data: Low-High)	Primary temporal narrative orientation with example supporting quotes:	Primary Narrative style: Showcasing OR Relational	Type of Ask: One off solicit OR Ongoing-engagement
Superbricks	Low	**Retrospective/Past focussed narrative** Quote: "Superbricks was born after rigorous trial and error."	**Primary Narrative style: Showcasing** Quote: "Over two year's development from design to working Superbricks. Hundreds of adjustments to 3D design software, prototype testing with Alpha testers…"	**One off solicit** Quote: "We need your support to make the large injection moulding tool to allow us to speed up production and get Superbricks to you at a fair price
One Tall Story	High	**Future Focused narrative** Quote: "We want to revolutionise the way children learn other languages. You will be giving children the gift of languages."	**Primary Narrative style: Relational** Quote: "We want to make sure that children get a great start in language learning so that they don't end up regretting missed opportunities like Jonny (one of the founders) does." _	**On-going engagement** Quote: "We're on a mission to inspire more children to love and learn foreign languages. But we can't do that without your help." You can make that dream a reality by pledging your support."
The Super Events Company	High	**Future Focused narrative** Quote: "We want to STOP horrible internships. We want to be the go-to leader for online training in the events industry."	**Primary narrative style: Relational** Quote: "We want to STOP horrible internships. Horrible for the intern = not getting the proper training they deserve which means...Horrible for the mentor = their interns are disengaged and disinterested. Both mentors and interns deserve better. We've got sharp people...let's give them their first big break!" _	**On-going engagement** Quote: "We really hope you will back this campaign and join us on this journey together. Let's build something different together!"

Case study	Identity property (frequency from interview data: Low-High)	Primary temporal narrative orientation with example supporting quotes:	Primary Narrative style: Showcasing OR Relational	Type of Ask: One off solicit OR Ongoing-engagement
Mentworth Games	High	**Future Focused narrative** Quote: "We're on a journey to bring quality/affordability to fantasy gaming"	**Primary narrative style: Relational** **Quote: "**If you have a request please just send us a private message on here. We will have someone answering queries quickly and we are happy to be as flexible as we can be to get you the army and the models you want."	**On-going engagement** Quote: "So what are you waiting for, pledge now, and kickstarter our Mentworth Games journey. I want to thank the community…"
Lynxwheels	Low	**Retrospective/Past focussed** Quote: "Having spent much of the last four years developing wheels with integral suspension…"	**Primary narrative style: Showcasing** Quote: **"**our pre-production Lynxwheels have been tested for strength, longevity, durability, compression rates and lateral	**One off solicit** Quote: "All we need from you now is the money to tool it and make affordable Lynxwheels. Once we reach our funding target, we can place our orders

Fig 28: Case study narratives

The future and past focused cases will now be discussed in turn:

5.2.5 Future Focused case studies

The table above (Fig.28) shows that three of the five case studies used a primarily Future Focused narrative, in which the business was presented to the crowd as a change agent. However, although the above cases primarily used a future focused narrative they did so - on occasion - by combining the two temporal approaches (past/future):

"*We've been on a three-year mission to bring quality and affordability to fantasy gaming; thousands of playtests and an avalanche of feedback has helped us craft our game. Now, we're finally ready to launch the game*." (Mentworth Games, video data).

"*The initial prototypes have been built and we're ready to take it to the next level, let's build something different together*." (Apprentice Program, Page data).

"*We launched the first version of our product (our MVP) last year and have clients in the wedding planning industry all over the US using it now. This helped us get clear on what mentors and interns really need when it comes to online training tools and we were able to make swift refinements to the product offering quickly*." (Apprentice Program, page data).

"*That journey started when we were still at school. It suddenly occurred to us that we had the skills to reinvent our project with The Clockwork Methodology® and make a brand new story! We want to revolutionise the way children learn other languages*." (One Tall Story, page data).

The above quotes provide insight into the sensemaking behind the founders' sensegiving/narrative construction. The future focused cases only used the past as a means to build a bridge to their future vision, thus making their progress plausible to the crowd (i.e. creating campaign legitimacy through a logical sequencing of events as would be expected from a well structured story). One Tall Story also visually represent this temporal plasticity in their video pitch, in which they move from the past -as children - to the present, and onwards to their future hopes for their business.

Future focused and Narrative Style

The data also revealed that when the narrative was primarily future focused the narrative style was primarily Relational; that is, it was driven by emotional language and storytelling. "A good story holds disparate elements together long enough to energise and guide action, plausibly enough to allow people to make retrospective sense of whatever happens, and engagingly enough that others will contribute their own inputs in the interest of sensemaking" (Weick, 1995, p.61). For example, as can be seen in the above table, Mentworth Games's founder delivered a passionate pitch to camera, combined with an evocative, image heavy story/mythology describing their fantasy battle game, complete with ominous music; One Tall Story presented their own personal story and their challenge with learning foreign languages as the impetus for developing their language book; The Super Events Company also presented a chronological story via their page narrative, depicting the journey of interns, to illustrate the functionality and importance of their software.

Relational narrative and The Ask:

The type of narrative that was observed in the campaigns also seemed to influence the way in which the founder made the request for crowd support in the video. The Relational narrative, as seen in

the above table, was linked to an Ask that was primarily an invitation for backers to be part of a journey and on-going engagement, with less attention given to simply funding the next step of the venture

The diagram below provides a summary of the nature of the future focused cases:



Fig.29 How the Future Focused narrative links to Narrative Style and the type of Ask

5.2.6 Retrospective past focused case studies

Two of the case studies (Superbricks and Lynxwheels) focused primarily upon retrospection and prior developmental work to validate their venture. The founders, therefore, appeared to perceive the value of their venture to be evidenced in their developmental work rather than a broader, speculative future vision. During their video Lynxwheels uses much of their running time to detail the development of the wheel itself, taking the viewer into their lab to witness the rigorous product testing, while also showing the iterative design process. The Superbricks video focuses upon a user trial with testimonials, presenting a narrative that centers upon their developmental work and prototyping efforts. In both cases this focus upon prior achievements is supported by the narrative text on their home page.

Retrospective past focused case and Showcasing Narrative style:

The Retrospective narrative adopted by the above cases showed a relationship with the Showcasing narrative style. Showcasing is used

to describe a narrative style that focuses heavily upon the promotion of the product itself, use of testimonials and an emphasis upon prior development work. For example, both cases discuss their prior prototype work in detail (see above table and appendix 4) in detail.

The Showcasing narrative style and the Ask:

Where the cases were Retrospective and adopted a Showcase narrative style the Ask was focused upon securing backing to support only the next step in the process: a one-off solicit. Unlike the Relational narrative style the Ask was less emotive in the language used and the approach was more transactional in nature (See Fig.28 and appendix 4).

The diagram below provides a summary of the nature of the past focused cases:

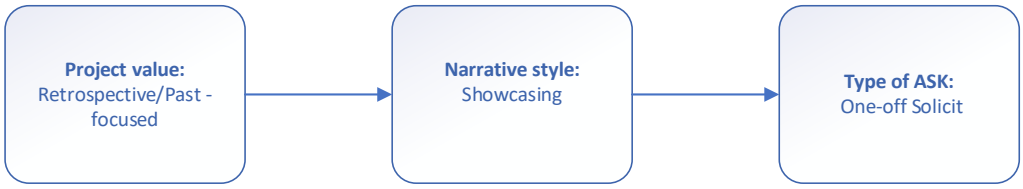


Fig.30 How Retrospective/Sensemaking narrative links to Narrative Style and Type of Ask

The narratives adopted by each of the case studies involved in this research, regardless of temporal orientation, showed a similar structure: Each began their narrative by providing an explanation as to why they were running a campaign, before then describing their developmental work and prototyping efforts. Where the cases differed was in their primary temporal orientation, their narrative style and how they framed the Ask.

It appeared that the temporal orientation of a narrative (past or future focused) was dependent upon where in their venture timeframe (past, present, future) the founder deemed the real value to be and what they felt would be of value to the crowd. This finding is supported by Garud and Gehman, (2014) as their research led them to believe that

individuals must make an implicit or explicit decision as to the time spans of their narrative and where the emphasis should be.

The future focused case studies primarily concentrated their narrative upon the bigger vision for their venture, which was communicated via a relational narrative. Although these cases did also discuss their developmental work it was used as evidence to justify and validate their future vision. In contrast, the retrospective/past focused case studies saw the venture's primary value in their developmental work, and adopted a showcasing narrative style that made no mention of larger future plans.

It was also observed that, regardless of the primary temporal orientation of the case studies, each of the case narratives gave some attention to past development work, as a way of securing campaign legitimacy. It is feasible that this dual approach helps the founder to make sense of their own journey, by reflecting upon the past: "*people can know what they are doing only after they have done it,"* (Weick, 1995, p.24) and it is "*only possible to direct attention to what exists, that is, what has already passed"* (Weick, 1995, p.25). By giving attention to the past the founder journey becomes comprehensible to the crowd and legitimates the Ask for support:

"*Present decisions can be made meaningful in a larger context than they usually are, and more of the past and future can be brought to bear to inform them,*" (Weick, 1995, p.29).

Maintaining a coherent narrative was critically important to ventures. For example, once Mentworth Games had initiated a campaign they suddenly had to manage a large number of backers who were passionate about the venture's products and Mentworth Games responded by offering a high degree of product flexibility, enabling backers to customise figurines, co-creating part of its miniatures range and so building a narrative and identity around a relational, customer-centric ethic. This narrative remained static even when it

became clear to the co-founder that offering such flexibility created fulfillment challenges for the venture. Germane to this is Weick's belief that in sensemaking *"Identities are constituted out of the process of interaction, "* (Weick, 1995 p. 20) and that people have "*the need for self-consistency which is the desire to sense and experience coherence and continuity,"* (P.20). The latter quote goes some way to explaining why Mentworth Games maintained its original narrative despite the challenges, as they wished to avoid exacting a legitimacy toll upon the organisation (Golant and Sillince, 2007). Garud & Giuliani, (2014) argue that an inability to meet expectations that are set through entrepreneurial narratives can lead to a loss of project legitimacy.

The loss of legitimacy is particularly evident and far reaching in Crowdfunding, because data concerning the number of backers, campaign duration and money raised, is publicly and permanently accessible both during and after the campaign.

In Crowdfunding the venture narrative and story are imparted to the crowd through the process of sensegiving and there was evidence that the crowd played a role in the creation of that narrative through their interactions with the founders. Stories provide a link for shared sensemaking between the entrepreneurs and the stakeholders (Martens, Jennings and Jennings, 2007). This demonstrates that rather than narrative being simply imparted upon another via sensegiving, narratives and organisational identity appear to be developed and crafted through collaboration and negotiation with the recipient:

"*We create that which we interpret."* (Weick, 1995, p.34). Thus one of the defining characteristics of Crowdfunding is that it enables the founders to test their story and their narrative upon an accessible audience, and receive immediate feedback, providing the business with insight into how they are perceived by potential customers and investors (see page

"*I also feel like people attached to us because we do tell a story of the heart of our company and myself and all of that. When you've got a campaign that has a bit of heart and personality and authenticity to it those do really well.*" (The Super Events Company, Interview)

"*I think [the story] was nearly as important as the product*." (Lynxwheels, Interview)

Co-creation of narrative was clearly in evidence in the Mentworth Games case study, evidenced through the continuous dialogue they had with the crowd. Mentworth Games' 2015 game: *Dungeon Saga* received over fifty two thousand comments from the crowd. The case study with the second highest volume of comments was One Tall Story, with forty-four comments. Mentworth Games' intense dialogue with the crowd and their relational narrative style, helped them to understand their audience's needs which, in turn, assisted in shaping the organisational values that would underpin their venture (i.e. flexibility/customer-centric). A high number of updates are an indication that founders are actively involved in dialogue with backers, which may have a positive impact upon the likelihood of co-creation and open innovation taking place; these are more likely to when a relational style narrative is adopted. Fig.26 shows that once founders launched their campaign they entered into an open innovation cycle, in which the opportunity for two-way dialogue and the exchange of knowledge is ever present. This process can increase a company's innovativeness (Lauren and Salter; 2006; Piller and Walcher; 2006). The nature and extent of Mentworth Games' dialogue can be seen in the appendix 1.

However, the co-creation activities that became such a crucial part of Mentworth Games' campaign are also likely a result of the passionate demographic that their gaming product attracts. It is therefore probable that a specific type of product works better than others on

Kickstarter. Indeed, it was noted that Mentworth Games shared little in the way of organisational 'story' with the crowd and instead their narrative was generated almost entirely through ongoing, relational dialogue with the crowd, which did not focus upon either founder or company credentials:

"*There were some [among the crowd] I am sure, who just wanted to say that I love your games, I can't afford it at the moment, I just want to register my love. And we got lots and lots of really positive comments like that. And actually there would be that co-creation idea happening. People were spending hundreds of dollars. If you've got a hobby gene then it is your crack*." (Mentworth Games).

5.2.7 Theme five: Campaign legitimacy

Primary sensemaking property: Social/Identity

The findings from the analysis thus far reveal that the primary purpose of a Crowdfunding campaign is to gain campaign legitimacy and to validate founder projects by overcoming the liability of newness, which is typically associated with early stage ventures.

In an attempt to reduce the asymmetry, it was observed that three of the founders in this research drew comparisons between their own venture and well-known breakthrough projects. For example, The Super Events Company provided an update to the crowd in which they described themselves in the following way*: "We are UBER for online education" (The Super Events Company).* Mentworth Games compared themselves *to Games Workshop,* while One Tall Story drew comparisons with *Goodnight Stories for Rebel Girls*, a hugely successful book series. In making these comparisons founders were effectively validating their project by creating a sensemaking shortcut for the crowd, one that enabled them to quickly grasp and appreciate the potential scale of the opportunity as envisaged by the founder, thereby making the innovation seem more familiar. Such comparisons may also help founders to shape their own organisational identity, better defining the business they are in and assisting them in setting their aspirations accordingly.

The interview data showed that founders were very aware of the need to gain validation early in their campaign and each of the founders made attempts to build their crowd ahead of their campaign, engaging their personal network in the first instance. In this way Crowdfunding revealed similarities with bootstrapping in that founders will often use their strong social ties as a means to finance the early growth of their business. Crowdfunding, however, is more strategic in nature than bootstrapping (where the objective is purely financial in nature) because in Crowdfunding engagement with a personal network is primarily concerned with driving the early momentum of a campaign, through facilitating herding behaviour.

"*We planned very carefully to do a handmade bike show in Bristol before we went live and we gathered our crowd at that show. We got people to sign up and we also knew that at that show there would be a load of journalists who were visiting the show. That strategy worked really well*." (Lynxwheels)

"*In terms of how we prepared for it the big one was building up a community, building up a mailing list… we needed to know that we had the 10k guaranteed… straight away, anything after that was a bonus. There was social validation of people who'd already given money*." (One- third stories).

It was noticed that legitimacy is also indirectly communicated to the crowd via the founders' use of specific Kickstarter platform features (i.e. the setting of a financial target and also the duration of the campaign). Although the founder is able to set any financial target for their campaign it was noticed that founders strategically set their targets lower than that required to fully deliver the project. The lower target perhaps appears more plausible to the crowd and the project that much closer to being realised (i.e. the project does not require a high amount of finance to come to fruition).

"*So we knew that in order to build our e-learning product it was going to cost us five times as much as what we were asking for. It won't be the bells and whistles version it won't be all the things that we hoped for but we can get a first draft out there. If you set your target too high then you'll never get the money*." (The Super Events Company)

Despite the above the founders knew that they could make use of stretch goals to increase the amount raised, taking them closer to or beyond their actual requirements for optimal project delivery. For example, stretch goals took Mentworth Games from their initial, plausible, public target of £5,000 to their final pledge of £354,997.

The case studies also demonstrated a strategic appreciation for running campaigns that were of shorter durations (generally 30 days or less), as these are believed to provide founders with a greater chance of reaching their target as projects can quickly fall out of favour due to familiarity (Ward and Ramachandran, 2010 & Mollick, 2014). Kickstarter states that *'shorter projects set a tone of confidence and help motivate your backers to join the party. Longer durations incite less urgency and less confidence" (Kickstarter.com, 2018).*

"*If you do a campaign for more than thirty days your audience, get real fatigued by it and less than thirty days is not enough time because you have to sort of hit that repetition. So we found just based on our research of other people that thirty days is a good rough number for it*." (The Super Events Company).

The importance of founders securing validation for their projects was further emphasised in situations where they experienced interruptions to their sensemaking, where both identity and legitimacy were challenged. For Mentworth Games this occurred when the crowd's expectations grew along with their hostility. Mentworth Games had attempted to deliver a high degree of flexibility with their rewards, to meet the expectations of the crowd, but the increasing complexity of operations created production challenges and delays.

However, despite these concerns Mentworth Games did not alter their approach, demonstrating their desire to maintain a consistent and coherent identity, a sensemaking issue that will be covered in the next section and the following chapter.

One Tall Story were able to capitalise upon the legitimacy gained during their campaign through a raised profile, which subsequently helped them to secure validity in the eyes of offline investors, assisting them in accessing additional funding from other sources. They also pitched to investors on the television programme *Dragon's Den* - although the founders declined the offer of investment. Dingman (2013) cited the *Pebble Smart watch* - the highest funded Kickstarter project to date - and explained that the project was initially rejected by venture capitalists and was only able to attract sizable venture funding following their successful Crowdfunding campaign. Further research is needed to ascertain whether a Crowdfunded venture sends a positive or negative signal to the broader investment sector. While it would seem reasonable to assume that a successful Crowdfunding project demonstrates public interest it may also be a sign that the venture failed to secure investment via traditional financing, which could be a signal to investors (e.g. venture capitalists and business angels) that other professional investors had found the project to be unworthy of investment. There is also the very real risk that a failed campaign sends a definite negative signal to the investment sector, hampering the founder's chances of securing investment from other sources. This is compounded by the fact that the outcome of a campaign remains in the public domain.

The chart below is a visual representation of the core elements of achieving campaign legitimacy through Crowdfunding, based upon the findings from the sensemaking framework analysis:



Fig.31 Elements that confer legitimacy in a Crowdfunding campaign

5.2.8 Theme six: Self-perception

Primary Sensemaking property: Identity

With the exception of The Super Events Company, the remaining cases each took cues and inspiration for their project and narrative construction from other, successful businesses operating in the same sector, and with previous Crowdfunding experience. It appeared that the founders extracted these cues to not only guide their own campaign, but also to shape their venture identity. This suggests that an organisational identity is not necessarily formed at inception and instead develops over time, and is created only through interactions with the world, demonstrating once again that entrepreneurship is

best understood as a process. Where the founder/company exhibited a strong personal or organisational identity, it was clear that this property influenced every aspect of the campaign, and most noticeably so during acts of sensegiving. The sensemaking literature states that sensegiving is concerned with guiding the sensemaking of others (Gioia & Chittipeddi, 1991), and that this can be undertaken in a variety of ways: using language, metaphors, symbols, narrative (Cornelissen & Clarke, 2012).

During the campaigns it was noticed that the founders crafted their sensegiving in such a way that it conveyed their identity. This was achieved as highlighted above but also through the use of testimonials, business/product awards or relevant qualifications depicted/mentioned upon their campaign home page. It was also observed that organisational identity was influenced - to a significant extent - through founder interactions with the crowd. Weick's belief that identity is formed by projecting it into the environment and observing the consequences, supports this:

"*The act of sensemaking begins with the sensemaker. An individual sensemaker will never act from an entirely singular mind-set as identities are constructed through, and by, interactions*." (Weick, 1995, p.18).

The Super Events Company had the strongest frequency of the identity property within their timeline, across all stages, and this provides some explanation as to why The Super Events Company had no instances of co-creation within their timeline, as they had entered Crowdfunding with very clear objectives and fully formed outcomes in mind (i.e. getting specific stakeholders to adopt their new product).

"We didn't have any of that (co-creation) though I can see how that can be incredibly valuable for some products." (The Super Events Company).

Thus, through enactment, their Crowdfunding environment was formed, shaped by their goals, beliefs, values and identity, and so creating the opportunities and challenges therein. *"People create their environments as those environments shape them," (*Weick, 1995 p.34) When the founder of The Super Events Company was asked if, looking back, anything about their campaign came as a surprise to them they provided the following response:

"*I know it sounds a bit brash for me to say it, there wasn't anything. We did so much legwork and research prior that it pretty much played out how we thought it would. If the campaign failed we thought that would be a disaster for PR. Because then giving the outward message to our prospective clients – 'ooh, other people don't believe in them. So why should I buy this thing?' So for us failure was not an option. We knew we had to succeed*." (The Super Events Company).

The above demonstrates how the strong identity of founder/ organisation affects sensemaking within a campaign. The founder approached the campaign with a high level of confidence and there is a suggestion in the quote that good analysis and preparation inevitably lead to good results and so - in hindsight - success is expressed as almost inevitable*:*

"This sequence resembles the sequence often described as a self-fulfilling prophecy. An extracted cue is used to prophesy the nature of the referent from which it is extracted. When the person acts confidently, as if that malleable referent has the character inferred from the cue, the referent often is shaped in directions consistent with the prophecy" (Weick, 1995, p. 54).

However, Weick's sensemaking framework holds that we make sense and order events in reverse: i.e. we retrofit what occurred and create the reasons and the story as to how it all happened, and this perhaps serves as a partial explanation for the confidence that this case study

displayed after the event, which may be driven by a desire to maintain a consistent identity.

Following their first campaign The Super Events Company further developed their Crowdfunded *Apprentice Program* into the *Super Mentor Academy*, an online mastermind programme for improving productivity. They now offer a range of services to simplify business operations for their customers and the founder also hosts a regular podcast. However, as previously discussed, The Super Events Company were also the only case study that expressed concern as to the possible negative reputational effect campaign failure could have upon their business, which suggests that the stronger the founder/organisational identity is the greater the anxiety experienced at the prospect of failure, and the greater the toll such an outcome may exact upon founder/organisational identity.

Following their first successful campaign, and listening to feedback from the crowd, Lynxwheels were encouraged to run a second campaign, focused upon raising money for the engineering of their integral suspension system for use in wheelchairs, a use they had not considered prior to their Kickstarter campaign. Their second campaign was also a success, raising £21,683 from a target of £16,000. Lynxwheels for wheelchairs has become their core revenue-generating product and are now sold worldwide. But despite the success of this second campaign the co-founder experienced unexpected challenges in managing this campaign:

"*The second time around you get into this horrible complete obsession with, has anyone else pledged, what are they saying. I think the second time around it was almost worse because the second time around we had a reputation already. The first time round you feel as though you've got nothing to lose and everything to gain. The second time around you've got everything to gain but you've also got quite a lot to lose. It was partly psychological as well*." (Lynxwheels).

The above has similarities with the concerns expressed by the founder of The Super Events Company who felt that they had much to lose should the campaign fail to reach their target. The founder of Lynxwheels attempted to make sense of the slow engagement of the crowd for their second campaign and cited several possible reasons, including the fact that they did not attend a key trade show to generate contacts, which they had done in their previous campaign. The founder reflected that attendance at this event had contributed to their successful, first campaign. From a sensemaking perspective we can see that, because the second campaign had not met expectations, it caused a sensemaking interruption that challenged founder identity:

"*It did work but I was quite critical of myself... I felt I'd done this before so I should know what I'm doing and I should be better at it and it didn't turn out that way for lots of reasons.*" (Lynxwheels).

The above highlights the role of retrospection and expectation in sensemaking. The founder's previous success created an expectation that was not met by their subsequent campaign: *"When a person compares an event with an expectation, regardless of whether the course of that event has been deflected or not, noticing becomes focused. The expectation affects the information that is selected for processing"* (Snyder and Swann, 1978, p.71), the *"inferences that are made"* (Cantor & Mischel, 1977, p. 14) and *"the information that is retained"* (Zadny & Gerard, 1974, p.22). "*Events that conform to the expectancy and confirm it make sense. Cues that do not fit stand out. Explanations constructed to explain these discrepancies are what the situation means,"* (Weick, 1995, p.148).

For the other case studies, each of which had lower instances of the property of identity on their timeline, the founders revealed little concern in this regard. This could be due to the fact that the founders were operating from an as yet embryonic organisational identity. Indeed, the claim could be made that when a founder with a strong

personal/organisational identity (perhaps a long-established company) enters an uncertain environment, like Crowdfunding, they have a greater sensitivity to the reputational risk of possible campaign failure. Cope (2011) believes that this fear is not unfounded and that failure has the potential to not only damage reputation but also to affect their ability to attract future investment. However, for those ventures that do not yet have a clearly defined sense of their identity, Crowdfunding is a learning experience, but also an environment within which they can test, shape and try on new identities. For these case studies, their identity did not appear to be fully formed upon entering the campaign and the data revealed that the founders first looked outside, in the environment, for cues and models to inform their decisions and narrative:

"*I found models of pages that I want to copy, well not copy but models that I want to use as templates and a video template that I like the look of.*" (Superbricks).

"*I suppose the big thing which motivated us was we saw a few projects, (and) there was this ridiculously successful one called Rebel Girls' Bedtime Stories and we saw the amount of excitement it was generating and the community it was building up and the fact they were getting money as well and we thought if we can get all three ticked off at once that's the way we wanted the funding start up*." (One Tall Story).

The above signifies that the creation of an identity for a Crowdfunding campaign may begin with an active searching of the environment to identify similar - but exemplary - businesses within their chosen sector, from which to take cues for both shaping identity and developing the Crowdfunding narrative. Once the founders launched their campaign an identity was presented to the crowd and the resulting feedback informed its further evolution.

But defining an organisational identity - one that is agreed between founder and the crowd - can also present considerable challenges for sensemaking, and the cross-case analysis revealed that founders were held publicly accountable by the crowd for any inconsistencies between promises made in their narrative and how effectively they delivered upon those promises. In the case of Mentworth Games they had set out to improve Crowdfunding's questionable, early reputation, by focusing upon delivering their project on time - something that so many other projects had failed to do:

"*We made it clear, as an organisation, that we were going to deliver (our Kickstarter) on time. In fact, we were on CNN or some American publication where they quoted the percentage that were not delivered on time - which was the majority - and they quoted the ones that had been delivered on time and Mentworth Games was one of those Very soon we became the biggest Crowdfunding company in the UK.* (Mentworth Games).

In addition, Mentworth Games also built their identity around offering the ultimate in flexibility to their customers, which, as discussed in the previous section, created logistical problems for them, which the crowd held them accountable for:

"*They [the crowd] wanted the ultimate in figurine flexibility. We gave far too much flexibility, which meant then suddenly what had been really important in terms of getting stock out to the customer on time was sacrificed and the customer satisfaction was falling. But instead of yes, good hearted exchange of views it became a constant: "So what are we going to get for the next reward level?" Yes, actually to be honest saw the ugly side of humanity. And the power of the troll to bad mouth. If you spent too long reading through the thousands of comments, you could be slitting your wrists at the end of the day."* (Mentworth Games).

Although the co-founder felt strongly that, as a business, they could not continue with their current business model of offering the ultimate in flexibility (particularly as customer satisfaction was falling) Mentworth Games responded from the perspective of the organisational identity that they had already established with the crowd (i.e. as a flexible and customer focused company):

"*To be honest I think pretty much every time we kept on giving to the crowd (extra products and flexibility). Many times I was saying as finance director, I don't think we should be giving anything more, I don't think we can afford to. But I think for every case we did*." (Mentworth Games).

Several prior studies have considered the impact on sensemaking of those interruptions to sensemaking that threaten an organisation's identity (Baum, et. al,1993, Brown & Starkey, 2000, Weick, 1995) and they found that the sensemaker will go to great lengths to maintain the current organisational identity and sense of self, even if this creates logistical difficulties. Weick demonstrated that the interruption to routines/expectations leads individuals to revert to familiar scripts and habitual responses, based upon what is plausible to them. Weick holds that this behaviour is driven by the identity that the individual has constructed about him/ herself but may also be motivated, in part, by past negative experiences (Weick, 1993, 1990).

Brown and Starkey (2000) find it unsurprising that identity threats trigger sensemaking, since such occurrences are painful and a challenge to our deepest assumptions about who we are, making them difficult to ignore. Mentworth Games's response to their own identity challenge can thus be understood as an attempt to re-establish predictability during a time when they felt the most threatened, and they did so by operating as if it were business as usual.

"The close link between an individual's character and an organisation's image implies that individuals are personally motivated to preserve a positive organisational image and repair a negative one." (Dutton & Dukerich, 1991, p.21).

This shows the power of enactment within sensemaking, as actions taken become *'public and irrevocable, strengthening commitment at precisely the time that flexibility and improvisation are required,"* (Maitlis and Christianson, 2014 p.86). However, it could also be the case that the extent of the identity challenge Mentworth Games faced meant that sensemaking, at an effective level, did not take place at all. Indeed, Weick believes that there are conditions that act as deterrents for sensemaking, making it difficult for leaders to trigger a search for new meanings. Maitlis & Christianson (2014) explain that:

"…crises can be powerful prompts for sensemaking but crises also arise from situations in which the organizational culture and prevailing practices inhibit sensemaking from being triggered. Such occasions suggest that sensemaking is an effortful and potentially costly process that requires people to feel motivated to give up their existing accounts of the world and to work to construct new meanings. They are driven to do so when they experience a threat to their identity and the intense negative emotions that this arouses; but they are less likely to engage in sensemaking when individual or collective identity is strong and positive, when capacity is low, or when the organisation is highly invested in certain practices and beliefs and so individuals and collectives become buffered from potential sensemaking triggers, and a much more powerful event is then required to induce sensemaking," (p.77-78).

This highlights the fact that sensemaking is not a perfect process and that decisions can be affected due to the inertia of our representations. Weick (1996) explains that when beliefs are strong the individual rarely challenges them and instead selective attention is given to cues that confirm those beliefs and maintains identity, data

that does not, is ignored. While this can be positive for continuity of action it is less useful in dynamic and fast moving environments such as Crowdfunding where inertia can override sound decisions.

This research revealed a clear correlation between the strength of founder/organisational identity and how the campaign was approached. For example, the data revealed that the stronger the identity of the founder or the organisation (as expressed in the interview transcripts) the greater the amount of preparatory work that occurred in the pre-launch stage. Where identity was not expressed quite as strongly (i.e. occurred less frequently on the timeline) there was less in the way of pre-planning and much more of a 'learning through experience' approach. The Super Events Company, who demonstrated the strongest identity during the analysis, started their preparation earlier than the other cases:

"*We probably started the planning process I would say in August. So five months prior and we mapped out our game plan and did all that prior to launching January 2016*." (The Super Events Company).

Both The Super Events Company and One Tall Story expressed strong identities, and they both did a greater amount of preparatory work prior to the campaign, to mitigate the chances of failure and to be better prepared for the challenges ahead:

Whether this extra preparedness is a signal to the crowd to invest is unclear. Cardon et, al. (2009) believes that preparedness is, indeed, a quality signal to VCs who are considering investing in a business but feels that - with Crowdfunding - passion and a strong narrative are likely more important factors. Further research would need to be conducted to ascertain if this is the case and it is also recommended that future research explore the extent to which long established companies -with strong organisational identities- use Crowdfunding differently (i.e. have different motives) than new ventures.

5.2.9 Theme seven: Problem identification/Opportunity identification

Primary sensemaking property: Extracting cues/enactment

For the purpose of this study the recognition of a problem (interruption to sensemaking) is termed: problem identification. Problem identification is used to define situations in which the founder notices a problem in the environment and this was first seen in theme one, when motivations for Crowdfunding were presented; but sensemaking can be triggered by any interruption to on-going activity (i.e. identifying a problem) and this is often the time when sensemaking is most apparent:

"*It [the campaign] just didn't look like it was going to work; everything we tried like calling people, telephoning them kind of didn't work so it was difficult*." (Superbricks).

The above quote demonstrates part of the process of sensemaking, in that the founder identified a problem with crowd engagement during their campaign and began taking action to restore order. It was noted that the actions of founders, throughout their campaign, were an ongoing attempt to generate outcomes and cues that could then be made sense of, reducing uncertainty, and were not, by definition, available prior to action. A new environment had thus been enacted, as can be seen with the quote below, in which One Tall Story explain how Crowdfunding gave them insight into their business, resulting in a change to their business model:

"*I think if you'd asked me that before we ran a Kickstarter campaign I'd have said yes, it's there, we know exactly what we're doing and that completely changed. Even in just the last few months we've pivoted to the subscription model, that was nowhere on the cards*

when it came to the Kickstarter campaign. So I'm actually quite glad that we were willing to be very fluid coming off the back of the Kickstarter." (One Tall Story)

The above supports Weick's belief that sensemaking is an ongoing, iterative process in which action is taken and sense is made in a continuous cycle, where enactment is a critical element: *"cognition lies in the path of action. Action precedes cognition and focuses cognitions"* (1998, p.307). Enactment, therefore, becomes a way to mitigate uncertainty and address problems, by creating new options. It is only through taking action (i.e. initiating a campaign) that stimuli and cues are generated and become available for sensemaking. The more action that is taken, the more cues become available for sensemaking. This cycle is *"the process in which organisation members create a stream of events that they pay attention to"* (Orton, 2000, p.231). As Orton suggests, it is this aspect of sensemaking - that individuals create the environment in which they find themselves - that differentiates it from mere interpretation and underlines the significance of approaching Crowdfunding, entrepreneurship and venture creation as event and time driven processes.

However, the remedial actions that were taken by founders to address identified problems were minor in nature. This is understandable because the time limited nature of Crowdfunding demands that actions are undertaken quickly and decisively, as there is little chance during a Crowdfunding campaign (typically running for thirty days) to seek diagnostic data to help frame and enact an informed solution to a problem and review its impact:

"*The video didn't work, I just thought it didn't work; so I radically changed it and it didn't work again and again. So we did make changes and we put it in different subsets in the Kickstarter universe just to try and just change the audience but that didn't work either actually*." (Superbricks).

The above quote reveals that the founder developed several iterations of their video, in quick succession, without the time available to determine which aspects of the video (if any) failed to engage the crowd. Even having made the changes the campaign was not of sufficient duration to determine their impact. The video, therefore, became a cue to which the founder attached meaning, identifying it as a probable cause of poor crowd engagement. Not only is it difficult during the short duration of a campaign to determine the cause of any problems, but it is also just as challenging to enact solutions. Rather, when time is limited and a problem identified, sensemaking appears to become unfocused. This was seen during the earlier analysis of Superbricks, when the founder provided numerous, contradictory reasons for the failure of the first campaign. It reveals that, when uncertainty is present, sensemaking still takes place but it becomes unfocussed, leading to numerous cues being cited as the antecedents for problems, which, in the case of Superbricks, was the failure of the campaign.

In addition to problem identification it was observed that, through the extracting of cues, founders were also able to identify opportunities. Each of the case studies made significant changes to their venture as a result of identifying an opportunity during their campaign. For example, following their first campaign, Mentworth Games came to understand that their product was more than just an add on for *Games Workshop* style gaming and, in fact, they identified an opportunity to create their own standalone gaming system. The company, to date, has run seventeen campaigns and Crowdfunding has become a part of their business model. Each of the seventeen campaigns has proved successful, with their most recent campaign, in 2018, receiving a total of £1,454,343 from a $100k pledge. Mentworth Games also now run a successful online operation and supply a network of retailers in Europe, Russia, Asia and Australasia.

The quote below provides an indication of how cues can be extracted from the environment as potential opportunities, but are often only revealed as a result of the ongoing nature of sensemaking and problem identification (see quote from One Tall Stories on p.191)

It is important to note that opportunity identification does not imply an active scanning of the environment by the founder but, instead, the opportunities are emergent, a result of taking action/enactment within the campaign, supporting the creation perspective presented by Alvarez and Barney (2007) and discussed earlier in this research. This finding also supports Weick's thinking as to how entrepreneurs engage with the environment:

"I prefer the term noticing to scanning because the former term implies a more informal, more involuntary 'beginning' to the process of sensemaking. Scanning by contrast, sounds more strategic, more conscious, more deliberate, more under the control of preconceptions, and less open to invention." (Weick, 1995, p.52).

In both of the above case studies the pivot to a new way of operating proved successful perhaps because, as Weick (1995) stated: *'A presumed order becomes a tangible order when faith is followed by enactment.' (*p.54)

Both Problem identification and Opportunity identification were observed to lead to positive enactment, in the form of a change of direction or an adaptation of a business model, suggesting that problem identification and opportunity identification have much in common and are tightly bound with enactment. The following quotes are an indication that enactment creates both the problems and the opportunities in an environment:

"*It became almost like a drug (Crowdfunding) because you then used the Kickstarter to create the products which you were going to sell through your standard routes to market at future months. So*

suddenly you were using Kickstarter to fund something, an investment for a launch, and it gave you the ability then to buy the products in sufficient volumes to bring the cost down to be able to make a decent margin… but you'd then become dependent on having those big kickstarters doing really well to fund new product development programme for the future years." (Mentworth Games, Games, interview data).

"*Actually the learning was that you can actually cannibalize your own business through Kickstarter. Your trade accounts then are saying why should I stock your products at all because actually you've creamed off all the best customers already."* (Mentworth Games, Interview data).

"*We were surprised at how quickly the word spreads out across the world. I think we expected to get interest in the UK. We didn't expect to get much interest from countries all over the world so the States, Hong Kong, Russia, all over which bring its own challenges*." (Lynxwheels, Interview data).

In the following quote the founder has anticipated the problem of securing a crowd and has taken action ahead of the campaign, using prospective sensemaking, in order to build the crowd and thus create greater opportunities for investment during the campaign:

"*The first time around we planned very carefully to do a bike show. We got people to sign up and we also knew that at the show there would be a load of journalists who were visiting the show. We knew that we couldn't get journalists to come to us but if we went to where the journalists would be anyway that strategy worked really well*." (Lynxwheels).

A similar approach was taken by the founder of The Super Events Company who used a speaker engagement as a tool for driving significant traffic to their Kickstarter campaign. By identifying a

potential future problem (lack of engagement) the founders turned it into a potential future opportunity (building a crowd):

"*So the day we went live there was all this buzz and anticipation around it. We also strategically made the day that we went live, the kick off day at a major international conference in the States where I was speaking at. I think having those parts of the pieces made it successful*." (The Super Events Company)

Chapter Summary

This chapter presented the findings from the cross-case analysis, in which commonalities between cases were identified and recontextualised into themes, thus reducing the data into a workable unit from which theory and process could be defined.

Chapter 6: Discussion

In this chapter the findings from the cross-case analysis are considered in relation to the extant literature on Crowdfunding and sensemaking, taking a process perspective. In addition, the key contributions of the thesis will be presented alongside a discussion of its limitations.

The chapter begins by revisiting and restating the purpose of the research. The findings described in the previous chapter are then distilled in order to explore what the empirical findings reveal, and the implications for the literature in the following areas: (1) Crowdfunding (2) Sensemaking and Sensegiving and (3) The entrepreneurial process. Each of these areas is tightly bound to the others so there is inevitably overlap in the discussion.

Introduction

This research unpacked the Crowdfunding process, using a sensemaking framework and a process perspective to analyse how founders initiate and navigate a campaign. In doing so, the research question and objectives presented below are addressed:

A process analysis of how the founders of new ventures use sensemaking to develop and manage a Crowdfunding campaign, in pursuit of campaign legitimacy.

1. Understand the founder sensemaking experience of running a Crowdfunding campaign and assist the new venture/entrepreneurial process.

2. Explore how founders use sensegiving and the social property of sensemaking to create a Crowdfunding pitch in pursuit of project legitimacy for their campaign and their innovative projects.

The above research questions and objectives address the gap that was identified in the literature review chapter.
The findings and themes that emerged from the cross-case analysis have implications for the following key research areas: (1) Crowdfunding (2) Sensemaking and sensegiving (3) Entrepreneurial process.

Each of the above will now be taken in turn.

6.1 **Crowdfunding**

This research approached Crowdfunding and the entrepreneurial process from the founder perspective, exploring their experiences of running a campaign. It applied the Weickian sensemaking framework to analyse why founders take the actions that they do and how sensegiving is utilised in pursuit of campaign legitimacy. As observed in the literature review, research on Crowdfunding is limited, and much of the existing research primarily adopts a quantitative approach, focusing on how informational cues that signal the quality of Crowdfunding projects, affect the final outcome of the campaign (Marom & Sade, 2013; Moss, Neubaum, & Meyskens, 2015). There is also a paucity of literature that tackles issues of entrepreneurship from a processural perspective (Dimov and Mcmullen, 2013).

This research revealed that Crowdfunding was a unique source of capital, and an alternative means for innovative organisations to access finance, particularly since the 2008 financial crisis (Lee, et al, 2015). Crowdfunding also opens a venture up to a broad audience of engaged, potential customers. According to Stanko and Henard (2017), Crowdfunding can be viewed as the very embodiment of the open innovation paradigm, as backers offer their opinions to the founders who they engage in dialogue. Fig.26 shows that once founders launched their campaign they entered into a communication

cycle/sensegiving, which created the opportunities for open innovation. This thesis revealed that the opinions of backers had the potential to positively impact a Crowdfunding venture, as founders often went on to significantly alter some aspect of their business post-campaign (see appendix 5) on the basis of backer comments. This two-way dialogue between founders and backers could be critical for innovative product development success (West and Bogers, 2014).

Dimov and Murray (2008) explain that the cost (time and money) of performing due diligence, and the absence of short-term exit strategies, means that venture capitalists and business angels consider innovative early stage ventures as a diversion, and are therefore reluctant to offer their support. Many new ventures are then left with little option but to consider alternative sources of finance. Crowdfunding, therefore, changes the way in which new ventures and innovative projects are created, by democratising the venture financing process. Although further research is required to ascertain to what extent this is true, Riedl (2013) believes there is sufficient anecdotal evidence that Crowdfunding helps entrepreneurs to finance projects that may have struggled to raise money through traditional means. Massolution, (2013) and Mollick (2014) support this view and explain that Crowdfunding has brought significant change to the traditional investment scene, and that many successful ventures have been launched as a result of Crowdfunding.

The Wall Street Journal stated that:

"Crowdfunding has the potential to revolutionise the financing of small business, transforming millions of users of social media such as Facebook into overnight venture capitalists, and giving life to valuable business ideas that might otherwise go unfunded" (Wall Street Journal, 2013).

It was observed that founders were motivated to Crowdfund either because of difficulties securing finance via traditional means (for the

reasons highlighted above) or because of prior negative experiences with them. In addition, founders view Crowdfunding as a risk reduction tool for venture development, by setting a funding goal at a level that supports launch. Founders were also attracted to Crowdfunding because of its utility as a market research tool (Gerber, 2012). Ding (2007) expands upon this, explaining that Crowdfunding goes beyond what can be achieved with traditional market research, as founders are able to presell their product, providing them with genuine, practical insight into market demand rather than just collecting a range of opinions from the public but without any practical commitment to the venture.

It was also evident from the findings that there is depth and richness to crowd and founder interactions, which serve to shape not only the development of the founders' products but also the ventures themselves and their nascent identities, as founders are able to test their identity and their story upon the crowd, adapting it accordingly (see previous chapter). The depth of interactions between the founder and the crowd appear to be the true value of Crowdfunding. Mollick (2016) recognised that backers take a very active role in the innovation conversation within a Crowdfunding context, being much more than just supporters of projects. Indeed, it was clear from the cross-case analysis that Crowdfunding was often a precursor to open innovation and co-creation. Stanko and Henard (2016) state that:

"*Much of the value of Crowdfunding to innovating entrepreneurs lies in the non-financial benefits that come with attracting backers*." (P.1)

Brabham, (2008) explains that many new ventures view the process of innovation as being 'open' and are happy to engage in distributed problem solving, co-creation and crowdsourcing. Those ventures that "do not cooperate and do not exchange knowledge reduce their knowledge base on a long-term basis and lose the ability to enter into exchange relations…" (Koschatzky, 2001, p.6).

The findings from the cross-case analysis confirmed the above, as the new ventures that were open to the informational and knowledge exchange used the feedback to their advantage and made changes to their offer. The Super Events Company - who entered the campaign with very clear objectives and a strong identity - did not benefit from open innovation in the same way.

The findings also revealed that the primary purpose of a Crowdfunding campaign is to gain legitimacy and overcome, what Stinchcombe (1965) defines as, the liability of newness, which he believes is a common challenge in the entrepreneurial process. An awareness of the importance of securing campaign legitimacy is vital because it brings a sense of focus for founders, tasking them with exploring the myriad means by which this can be achieved within a campaign, rather than becoming hyper focused on the goal of capital acquisition alone.

Ahlstrom and Bruton (2002) believe that organisational legitimacy should be considered a resource and a quality signal for resource assembly in entrepreneurial activities. The lack of venture validation restricts access to resources and hinders early-stage venture growth (Alvarez and Busenitz 2001; Tornikoski and Newbert 2007). When it is considered that only 38% of Crowdfunded projects meet their funding goal and that 62% of failed projects failed to reach even 20% of their target (Strohmeyer, 2013), it becomes clear that the *liability of newness* does not only apply to new ventures in the offline world - to which Stinchcomb (1965) first related the term. Suchman (1995) explains that the ability of an organisation to secure organisational legitimacy is the reason that some ventures succeed while others fail, a view also held by Starbuck and Macmillan (1990), who state: *"legitimacy is a critical ingredient for new venture success,"* (p.83).

Research by Dowling and Pfeiffer (1975) explains that when a legitimacy gap widens, stakeholders will eventually hold entrepreneurs accountable, assuming they have lost credibility and

are being manipulative and illegitimate. Campaign legitimacy, therefore, is a sign that the crowd trusts the founder to deliver and that the offered product is desirable and has overcome the liability of newness, which presents a significant challenge and if not overcome contributes to new venture failure (Stinchcombe, 1965). However, Zimmerman and Zeitz (2002) state that it is longevity and growth that are the true, most frequently recognised, signs of legitimacy.

In the pursuit of campaign legitimacy, it was noted that the efforts of founders were concerned with overcoming the asymmetry that exists between founders and the backers. The asymmetry - as it relates to Crowdfunding - is used here in reference to the founders' ability to gain the trust of backers and to assure them that the promised project will be delivered. It was surmised from the findings, and the existing literature, that the asymmetry that exists between founder and backer in a Crowdfunding campaign is more pronounced than that between a founder and a traditional investor, as the backers (i.e. investors) in a Crowdfunding campaign are not so easy to define and categorise and it is therefore assumed that they present more of a sensemaking challenge to founders. The nature of the asymmetry from the perspective of the backers relates not only to the accessibility of hard data pertaining to the venture, but also the accessibility of the founder, the latter of which is seen as a means of garnering trust (Agrawl et al, 2014). To this end traditional investors or supporters of new ventures, be they venture capitalists or bank managers, will often create an opportunity to meet with the founder ahead of any investment decisions. Agrawl et al (2014) state that:

"Creators almost always have more information than funders about their projects or ventures. However, the information asymmetry problem is exacerbated in the case of early- stage ventures raising capital in a lightly regulated environment where funders are remote and have limited opportunity to perform due diligence in person with the creator. For example, on a Crowdfunding platform, it is

particularly difficult for funders to assess the true ability of the creator or the underlying quality of the project or venture." (p.1)

As previously mentioned, traditional investment asymmetries are often addressed through a business plan and due diligence on behalf of the investor, with bank managers perhaps holding assets as security against project failure. Traditional investment is also often only an option for entrepreneurs once they can present evidence of market traction. With Crowdfunding, however, business plans, market forecasts and market data are not always available and, given that there are trust issues related to Crowdfunding, any asymmetry becomes that much more difficult to address:

"In the Crowdfunding setting, creators disclose as much information as they wish and then rely on an ethos of "trust me." (Agrawal, et, al, 2014).

Further research would be required to ascertain if this is the case as it could be reasonably argued that asymmetries are less of an issue with Crowdfunding, because backers are not seasoned investors, and therefore do not require the same detailed information as professional investors in order to make an investment decision (Schwienbacher & Larralde, 2012). However, this does not detract from that fact that, in practice, there is still a great deal that backers of Crowdfunding campaigns do not know about the venture and this must be addressed if the project is to be funded. When founders are Crowdfunding they are competing for attention alongside a myriad of other campaigns, and so those founders who are most effective at reducing the asymmetry and engaging the interest of backers will ultimately secure the support required.

Stinchcombe (1965) believes that early stage ventures can, through the building of networks and community, mitigate the liability of newness and generate trust via social proof (i.e. an engaged network sharing positive views on the venture). While Stinchcombe made

these claims before the rise of Internet it nevertheless holds true – perhaps more so - for Crowdfunding, as interactions are primarily limited to the Crowdfunding platform, making online communities of particular importance for garnering trust.

As explained in the previous chapter, founders demonstrated acute awareness of the need to take a strategic approach within their campaign, in order to build an audience and a community around their projects. Zimmerman and Zeitz (2002) noted that strategic action on the part of entrepreneurs is required in order to enhance the validity of an early stage venture and to mobilise resources.

Research conducted by Colombo et al (2015) and Mollick (2014) found that securing early support for a project (i.e. first three days) is critical for having a successful campaign, as it acts as an early signal of quality to the crowd and motivates others to offer support. It was observed that the majority of the work undertaken by founders was directed towards this end, gathering pledges and commitments from their personal network, prior to campaign launch.

"When investors lack information, they may still invest if a collective mobilisation provides them with a narrative that leads them to believe that the market is likely to rise- and that people like them can reap the rewards" (Indergaard, 2004: p.135-6).

Research by Kuppuswamy and Bayus (2018) found that backers commonly support projects in the very early and latter stages of a campaign. Zhang and Liu (2012) believe that this behaviour represents *herding,* a common phenomenon within online communities. Indeed, as previously discussed, backer engagement tends to be at its peak during the first three days of the campaign and the few days before close. Research by (Agrawal et al. 2011) found that friends and family disproportionately invested early in the funding cycle, with the accumulated capital generating a quality signal to the crowd. In a given week, backers were more than twice as likely

to invest in creators who reached 80% of their funding goal, relative to those who had raised only 20% (Agrawal et al. 2011). The acceleration in pledges is particularly strong towards the end of the fundraising campaign (Zhang and Liu 2012). At the same time, projects that show success early on might slow down in the middle of the process because of a bystander effect - a reduction in the propensity to fund by new backers because of a perception that the target will be reached regardless (Kuppuswamy and Bayus, 2013). Each of the successful cases in this research followed this pattern, with early campaign interest linked to the founders' personal networks. On reflection, several founders commented that if they were ever to run another campaign they would prepare in advance for the mid campaign slump, with a focus on pre-prepared PR.

It was also recorded that the founders' use of specific Kickstarter platform features (i.e. the setting of their financial target and campaign duration) were themselves a form of dialogue with the crowd, revealing something about the founders' belief and sensemaking concerning their own project. For example, although founders may set any financial target for their campaign it was noticed that, in all cases, the target was strategically set lower than that required to fully deliver the project to the desired standard. Germane to the above is research by Bock (2014) who determined that a high financial target represented a signal to the crowd that considerable effort would be required to realise the project, making the decision to invest less likely. The founders explained that the target had to appear plausible to the crowd and this was coded in the analysis as a strategic, sensegiving move in recognition of the fact that Kickstarter is an *all or nothing* platform, and a lower target is generally more easily achieved. In addition, if a project achieves its target early in the campaign the founder is then able to take advantage of stretch goals, to further increase the total pledges received.

The findings of this research support those of Ward and Ramachandran (2010) who found that projects struggled to maintain momentum the longer the funding period continued. Attention, it seemed, diminished with time. Ward and Ramachandran concluded that projects of longer duration did not provoke urgency, while the shorter campaigns communicated a high level of founder confidence in their project and were therefore more likely to secure validation in the eyes of the backers. Regardless of the medium and type of investment sought: *"entrepreneurs must convince investors that their future vision has the possibility to be actualised."* (Burg and Kenney 2000: p.1152).

This research found that the Crowdfunding pitch – imparted via a process of sensemaking and sensegiving - was a form of narrative storytelling and the most essential element of a campaign. The implications of this for the areas of sensemaking and sensegiving will be introduced in the following section.

6.2 Sensemaking in a Crowdfunding and entrepreneurial context

This research used Weick's (1995) sensemaking framework to analyse the experiences and actions of new venture founders as they develop a Crowdfunding campaign, revealing the role that different sensemaking properties play in progressing the founder journey. To date the existing literature has not considered the founder experience of Crowdfunding. Consequently, this research has the following implications for the sensemaking literature: (1) The sensemaking process is empirically demonstrated in the context of entrepreneurship and Crowdfunding (2) The importance of the 'social' property of sensemaking and sensegiving in the construction of an entrepreneurial narrative is demonstrated (3) A new theoretical construct –*sense-interpretation*- is suggested, to complete the sensegiving cycle.

As discussed in the methodology chapter, Weick called for his sensemaking framework to be used operationally, applying the properties as analytical tools to different settings, in order to determine its efficacy for generating insight. Weick's framework was found to be an effective tool for the analysis of Crowdfunding due to its flexible and dynamic nature (i.e. the sensemaking properties represent different lenses through which to view the phenomena in question). Both Crowdfunding and entrepreneurship are dynamic processes, that require different inputs at different times, and so an analytical framework that reflects this was required in order to capture the nature of the founder experience.

Weick states that sensemaking involves 'filtering, classifying and comparing' (Weick, 1995, p.51) and the findings of this study confirmed this to be important throughout the founder experience but was particularly in evidence pre-campaign. Fig.26 indicates that before seeking finance founders first had to recognise the need to do so, and identify a problem in their immediate environment (i.e. how to grow their venture). The identified problem is an extracted cue, just one of many possible problems which are *filtered* until the problem to be addressed emerges and is then (in this instance) *classified* as a growth issue. Starbuck and Milliken (1988, p.60) state that it is only the things which are noticed that can be made sense of; if they are not noticed then they are not, by definition, available for sensemaking.

In following Weick's model the founders then moved on to *compare* options for addressing the problem - such as seeking VC, BA investment or pursuing a bank loan - a comparison largely made retrospectively and based upon prior experience with traditional sources of finance. It was observed that in some cases prior experience lead to a bias against traditional finance, which consequently acted as part of the filtering process, serving to expedite decision-making by reducing the potential options:

"*Once a tentative explanation has taken hold of our minds, information to the contrary may produce not corrections but elaborations of the explanation,*" (Watzlawick, 1976, p.50).

Busenitzs (1999) believes that operating from biases helps founders to move forward, and if they did not operate in this way then *"most new ventures would never get launched"* (p.86). This implies that sense is often made based upon cues that distort that which is being made sense of, thus rendering future actions plausible but not accurate. The selected cue, therefore, does not have to be correct but must be plausible enough to promote action (Weick, 1995).

"The creation of meaning is an attentional process," (Weick, 1995, p.25).

According to Fraser et al (2015), cognitive biases such as these directly impact how entrepreneurs frame and evaluate their financing options, to include Crowdfunding.

The process of extracting cues, filtering, classifying and comparison continued throughout the Crowdfunding process. As founder motivation for Crowdfunding increased and as they progressed in their commitment towards initiating a campaign they once again entered the cycle, identifying existing Crowdfunding campaigns that they felt were similar to their own (cues) and that signaled quality (classifying) and then (comparing) these ventures and their campaigns against their own ambitions (filtering). Considering Crowdfunding from the sensemaking perspective provided greater insight into both the phenomena and the entrepreneurial process, making founder actions understandable and plausible. Starbuck & Milliken (1988) also make reference to the process of filtering, classifying and comparing options and state that *"filtered information is less accurate but, if the filtering is effective, more understandable,"* (Weick, 1995, p.61).

Indeed, Plausibility, as a sensemaking property, played a key role in the Crowdfunding process during times when founders lacked information or when it would have been too time consuming to conduct further research. It was observed that the short duration of Crowdfunding campaigns demanded that actions were taken based on the plausible as there is little time to make changes during the campaign (as discussed in the previous chapter). This is supported by much of the sensemaking literature, which positions plausibility as a method of decision-making during uncertainty:

"Having an accurate environmental map may be less important than having some map that brings order to the world and prompts action." (Starbuck & Milliken, 1998 p.1374).

It is also evident from the cross-case analysis that the founders framed their Crowdfunding experience in such a way as to justify to themselves taking action amid uncertainty, and this was sometimes achieved through framing a campaign as a 'learning experience.' The claim could be made that there is some level of self-delusion/embellishment that often occurs in sensemaking, due to its effectiveness in driving action when the way forward is equivocal. It is not simply the case that founders take action based upon plausible reasoning, as they also appear to make attempts to create a no-lose situation by reframing the uncertainty around Crowdfunding as a learning experience. This reframe serves to heighten the plausibility of their actions and supports the idea - proposed by Starbuck & Milliken (1998) - that when entering an uncertain environment any map of the way ahead (whether it be accurate or not) is sufficient to enable an individual to move forward. Indeed, the founders' use of the plausibility property appeared to be a means of simplifying and filtering the decision-making process, supporting Brunsson's (1982) belief that in sensemaking accurate perceptions have the power to immobilise and that those who want to take action simplify. Ancona (2012) states that:

"Sensemaking is not about finding the correct answer; it is about creating an emerging picture that becomes more comprehensive through data collection, action, experience, and conversation" (p.6)

It was observed that the stronger the identity of the founder/organisation (i.e. the higher its frequency on the within case analysis) the less likely it was that founder decisions were made based upon plausibility of reasoning. This concurs with research from Busenitz (1997) who found that managers in organisations with a clear identity and a strong network were likely to be more rational and strategic in their approach and less prone to decision-making biases. Indeed, research by Mollick (2014) and Zheng et al. (2016) found that social network size positively correlates with the success of Crowdfunding campaigns.

Through enactment, each of the founders generated outcomes, which resulted in new potential cues that were not available prior to enactment but later become available for sensemaking, which may serve to reduce equivocality. This indicates that enactment does not clarify by eliminating the lack of clarity but clarifies by shaping what it is that is being attended to (Brown and Pye, 2012).

The next section further considers the implications of this research for sensemaking but does so by focusing upon the social/sensegiving property, which is essential in the creation of a compelling narrative and, ultimately, a successful campaign.

Social/Sensegiving

As previously discussed, the findings from this research suggest that the primary purpose of a campaign is to secure campaign and project legitimacy by reducing uncertainty and the asymmetry that exists between founders and backers. In Crowdfunding this asymmetry is addressed via the narrative pitch (i.e. the project information

published upon the founders' home page), with the platform serving as the medium for the dialogic process between founders, their personal networks and the Crowdfunding community (Schwienbacher and Larralde, 2012). Lounsbury and Glynn (2001) state that:

"Stories and narratives can provide needed accounts, that explain, rationalise and promote a new venture to reduce the uncertainty typically associated with entrepreneurship." (p.546).

As explored in the previous chapter, the temporal focus (i.e. primarily past or future focused) of the narrative and founder sensegiving appeared to be informed by where in the venture timeline the founder assigned the most value. Garud, et al (2010) explain that the imagination of entrepreneurs concerning the future, shapes what aspects of the past they choose to discover and mobilise; the reverse is also true in that an entrepreneur's perception of the past may change the opportunities that are conceptualised as unfolding into the future. This research discovered that when founders ascribed value to the past (retrospective) then sensegiving was focused upon factors such as prior project development work, research and development activities, awards received and customer testimonials. When value was assigned to the future (prospective) then sensegiving focused upon the predicted impact their project would have and the changes that it could bring to the industry or sector. Germane to this, is research by Garud and Gehman (2014), who explain that individuals make an implicit or explicit decision as to the time spans of their narrative and where the emphasis should be.

"*Time is experienced subjectively and narratives are spontaneous acts of meaning-making that take place and interweave through many moments of discursive time and space*" (Cunliffe, 2016).

The temporal aspect of sensegiving and narrative within an entrepreneurial context has received little attention in the literature and, until now, has not been applied to the context of Crowdfunding.

This research found a correlation between where value was assigned and the nature of founder engagement with the crowd. Founders who were primarily future focused secured more backers overall and achieved a higher response to their requests for support. According to Ramsey (2012), a higher number of backers is an effective measure in gauging the project's future potential, proving to be a more reliable indicator than a high pledge total (which could result from a few well-heeled backers within the founder's personal network). This suggests that the "wisdom of the Crowd" (i.e. engaging a high number of backers outside of a founder's personal network) may well be a reliable indicator of future success. Indeed, it was observed that the primarily future focused cases engaged significantly more backers than those that were past focused: The highest number of backers for the former being 1,568 and the latter 67. Of course, further research would be required to ascertain the extent to which these figures reflect backer product affinity/desire rather than the temporality of the narrative.

"*Present decisions can be made meaningful in a larger context than they usually are, and more of the past and future can be brought to bear to inform them,"* (Weick, 1995, p.29).

It is nevertheless plausible that primarily future focused narratives/sensegiving are effective because they make the entrepreneurial story and the venture comprehensible to the crowd, building a logical bridge from the past (i.e. 'this is how we got here') to a compelling future (i.e. 'this is where we are going and how we are going to get there'), serving to legitimate the ask for support and thus attracting more backers. This perspective is supported by Aldrich & Fiol (1994) and Martens et al (2007), who believe that a coherent story and a convincing narrative galvanizes stakeholders by setting future expectations that they are able to get behind. According to Polkinghorne (1988) it is the projected ending that renders the beginning of a story and other intermediary events meaningful, and

it is the overall plot that brings these events into one meaningful whole.

"*Meaning attaches to a story because it is going somewhere, and it is from the end-point of a story that the story and its meaning can be seen as a whole*." (Simms, 2002, p.85).

Shane and Cable (2002) and Smith and Anderson (2004) explain that narrative and story are a means of packaging the firm's tangible and intangible assets into a meaningful bundle, reducing the appearance of uncertainty and encouraging investment, providing a link of shared sensemaking between entrepreneurs and stakeholders (Martens et al. 2007).

The findings also suggest that narratives and venture identities are not created in isolation but instead are co-created with the crowd, through the building and management of relationships. Martens et. al (2007) explains that narratives and stories provide a link for shared sensemaking between entrepreneurs and stakeholders, implying that narratives are not simply imparted upon another but instead are developed through interactions and negotiation with the crowd, serving to not only shape the venture narrative but also the venture identity: "We create that which we interpret." (Weick, 1995, p.34). Thus one of the defining benefits of Crowdfunding is that it enables entrepreneurs to test their story, their narrative and identity upon an accessible audience, receiving immediate feedback and providing the venture with insight into how they are perceived by potential customers and investors.

This difference in narrative approach can perhaps best be explained through the lens of the organisational/founder identity as it determines how founders interact with potential stakeholders, giving rise to further identity construction (Czarniawska, 1997). Indeed, within Crowdfunding there is an on-going dialogue between the founder and the crowd, which is made possible in Kickstarter through

the platform's communication features. Using such features the founders are able to create narratives that not only communicate static information through their project home page (text, pictures) but also generate an interactive dynamic through utilising the platform's asynchronous and synchronous communication features. The Kickstarter project page is merely a digital canvas for recording the founder narrative, but it is the crowd who decide whether to accept or reject it through their engagement or lack of.

This means that the Crowdfunding narrative is in flux, and can be tweaked and refined by the founder during the campaign and in response to feedback received from the crowd. It was evident when considering the interview data alongside the founder narratives that organisational identities are shaped as a result of these ongoing interactions and interruptions to sensemaking.

"*Identities are constituted out of the process of interactions. Thus the sensemaker is himself or herself an ongoing puzzle undergoing continual redefinition, coincident with presenting some self to others and trying to decide which self is appropriate. Depending on who I am my definition of what is 'out there' will also change,*" (Weick, 1995, p.20).

This notion is supported by the work of Lounsbury and Glynn (2001) who believe that entrepreneurs do not offer a single narrative but revise it continually as they attempt to connect with stakeholders. "In narrating experiences we engage in relationally responsive activity as we attempt to make our narratives meaningful to listeners in a particular context and help them see connections and participate" (Cunliffe, 2002, cited in Cunliffe, et. al, 2004, p.273).

However, while the sensemaking literature covers the constructs of sensegiving and sensebreaking - the latter of which Pratt (2000) describes as the "the destruction or breaking down of meaning" (p.464) and the extraction of cues- this research found that an

important element was absent from the sensegiving and sensemaking process. Indeed, it was observed across all case studies that the sensemaking/sensegiving process was a cycle in which meaning was created, imparted, re-interpreted and so on. The term sensegiving, however, suggests that the action ends once the message is imparted although, in Crowdfunding, it appeared to be just the beginning of a cycle. From this new perspective narrative and story are emergent and always in a state of becoming, as is the identity of a new venture, which is formed through interactions with an audience and the dialogic process.

It is suggested, therefore, that an additional, essential construct is required to fully describe the communication dynamic observed. This construct is termed: Sense-interpretation. It was evident from the findings that once sensegiving had taken place (i.e. from founder to crowd) the receiver of the message may re-interpret that message (i.e. elements of any received communication/sensegiving may be challenged by the recipient) and then, through the act of sensegiving, project their sensemaking and sense-interpretation back to the sender who then undergoes their own, further, sensemaking and sense-interpretation based upon the received information. A communication cycle may then be entered into, one that can lead to open innovation and co-creation as the narrative is negotiated.

Although feedback or a response from the recipient of a message is perhaps implicit within all communication, sense-interpretation provides a tangible link between the process of sensemaking and sensegiving and recognises that the meaning of that message may be altered or challenged by the recipient. Combined, these communication constructs thus form part of a cycle, enabling the founder to gather rich feedback from the crowd, which they may act upon and, in doing so, co-create their narrative/story and nascent venture identity.

The following diagram illustrates this communication cycle. The cycle continues until such time as an equilibrium is reached between the sender’s and the recipient’s sensemaking of the situation.

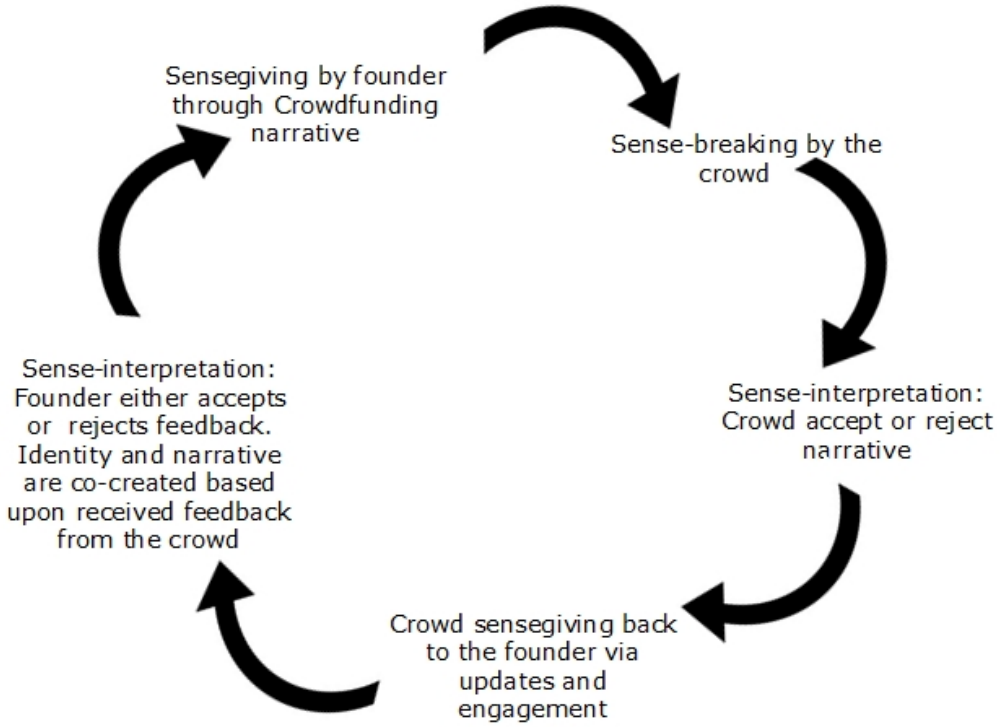


Fig.32 Communication cycle

The implications of the above diagram and the construct of sense-interpretation are that it improves our understanding of how new ventures develop and how narratives are created, supporting research by Holt & Macpherson (2010) and Cornelissen & Clarke, (2010), who suggest that such developments are not just a result of various sensegiving devices. Indeed, the empirical findings of this research define the process of narrative, venture and identity construction as one of negotiation and co-creation, highly dependent upon sensemaking and sensegiving. As explored in the cross-case analysis and appendix 5, this research demonstrates that each of the founders changed some key aspect of their business as a direct result of Crowdfunding and the interactions that they had with the crowd.

6.3 **Entrepreneurship/venture process**

As discussed in the previous chapter, there have been calls for a renewed focus on the process nature of entrepreneurship (Dimov & McMullen, 2013) and this research answers that call for a shift in inquiry, moving away from the variance-oriented approach to viewing entrepreneurship/venture creation as a process and a journey, comprising a series of events. Understanding how an entrepreneur transitions between the venture idea and venture creation is important but there is little research that describes this from a process perspective (George and Bock, 2012). According to Gartner, Carter and Hill (2016), even fewer studies have examined the sensemaking that takes place during this transition.

This research suggests that the application of a process approach provides an explanation of not only how sensemaking drives action in a campaign and the key Crowdfunding events that trigger sensemaking, but also offers a description of the dynamic entrepreneurship process within a Crowdfunding context. Indeed, Pentland (1999) explains that process theories are essential for gaining an appreciation of dynamic situations.

Dimov, & McMullen are not the only scholars to argue for more event-driven process research. Gersick (1994), Aldrich (2001) and Shane & Venkataramn (2000) also believe that process theory provides a better explanation of entrepreneurial dynamics, delivering greater insight by defining the entrepreneurial journey as numerous related and meaningful events. The academic community broadly agree that entrepreneurship is a process (e.g. Shane and Venkataraman, 2000; Schumpeter, 1943, Gartner, 1990); but Dimov, & McMullen (2013) believe that the academic community have, to date, given it little consideration, focusing instead upon *"linear models that are presumed to occur at a single point in time,"* (Dimov & McMullen, 2013 p.1481), thus treating the entrepreneurial process as a singular act by marginalising - or ignoring - the role of time.

Dimov & McMullen (2013) believe that empirical research is largely dominated by variance-oriented designs, which are outcome rather than event driven. Mohr (1982) explains that the variance design examines the degree to which a set of variables is used to explain variations in outcomes and maintains that each variable is, by itself, necessary and sufficient to explain a portion of that variation in the outcome. Dimov & McMullen (2013) believe that variance design is problematic, because it neglects to consider time and the fact that many things can happen after and before the outcome is actually clear; even trivial incidents could have considerable consequences. The variance perspective, therefore, suggests that change is driven by deterministic causation and that everything that occurred prior to the outcome was moving, unerringly, in that direction.

Thus, events are assigned high significance so that what follows (the outcome) seems to be predictable. Abbott (1990) explains that causal relationships within variance models are shallow because at each point in time the variables are seen to contain all of the information required to estimate their value at the next point in time. The result is that all variables are treated as being equal at all times, regardless of what other forces may be acting upon them. According to Van de Ven (1992) the variance model implies that the temporal sequence, in which the variables influence the outcome, is not of importance.

However, the process approach featured in Fig.26 addresses the above research concerns, as the model is event driven and built forward from events to outcome. This approach treats the founder journey as a holistic chain of events that form the explanatory unit. By considering the entrepreneurial process in this way each event, and each episode of sensemaking that drives an event, are deemed necessary to explain the outcome of the campaign but are insufficient if taken in isolation. Thus, the model considers time as essential and presents the founder experience as a journey rather than an act. Because this research focuses upon a defined period of time - a

Crowdfunding campaign - and applies a sensemaking framework to key events, it is possible to see how the founder journey unfolds and how founder sensemaking/sensegiving evolves in light of incoming information (sense-interpretation), revealing the antecedents to action. Therefore the variables (i.e. sensemaking properties) used in this research are not fixed, as with variance design, but instead evolve over time.

"When the entrepreneurial journey is discussed as a sequence of events and actions, each event/action constitutes an indelible part of how the process has played out and is sensitive to the history that preceded it. This requires researchers to reorient how they approach the empirical study of entrepreneurial process, from focusing on variables (Across journeys) to focusing on events (within journeys)" (Dimov & McMullen 2013, p.1505).

The proposition is that each event informs the ever evolving journey and those same events are evaluated differently in light of new, incoming information: *"New ends will emerge that give meaning to the same events" (*Dimov & McMullen 2013*, p.1494).* In essence, when new information is received, existing knowledge can be reorganised to make better sense of the present, which reflects the retrospective property of sensemaking:

"In some situations new information demands a reorganisation of existing knowledge structures in order for the information system to realise the full benefits of the new information." (Dimov & McMullen, 2013, P.1491).

The case studies used in this research are evidence of the above, aptly illustrating the evolving journey as founders reevaluate their Crowdfunding projects in light of incoming information (i.e. feedback from the crowd). For example, founders made fundamental changes to their core product, sales channel, business model and manufacturing process as a direct result of running a Crowdfunding

campaign (See previous chapter and appendix 5). Indeed, the culmination of a Crowdfunding campaign was only the beginning of the sensemaking process for the founders in this research who, at the time of writing, continue to grow and evolve their businesses, developing new products, entering new markets and developing their ventures. After all, it is a rare organisation that can call an end to entrepreneurial activities and innovation following the marketing of a single product as: *"each product constitutes its own journey"* (Dimov & McMullen, 2013, p.1496). This implies that founders take entrepreneurial journeys each time they enter a new market, develop a new product or devise a new marketing strategy, which further negates the notion of process as being a singular act.

As previously discussed, the process model in this research (Fig.26) was not outcome led (i.e. starting from a defined outcome and working backwards to identify antecedents) and this approach reduced the risk of conceiving of the founder journey in a deterministic fashion and ignoring the fact that systemic outcomes depend partly upon the variation that is brought to the process by the founder themselves (Dimov & McMullen 2013 p.1507-1508). Because the framework utilised in this research is sensemaking theory the founder *is* the unit of study and so their impact upon the journey is fully acknowledged.

Adopting a processural approach for this research was found to be an effective way of gaining an understanding of how founders made sense, not only of their Crowdfunding experience but the entrepreneurship process itself and the challenges of bringing an innovative product to market. The process approach made it easier to spot patterns in the data that may have been missed had variance design been adopted.

This research analysed how the founders of early stage ventures made sense of their Crowdfunding campaigns in order to validate and develop their venture. In considering the findings of this research,

obtained via the within case and cross-case analysis, it is now important to discuss the wider contributions that this research has made to the entrepreneurial literature and to practice more generally.

6.4 **Contributions**

This next section covers the key contributions made in the following areas:

- Crowdfunding
- Sensemaking
- Entrepreneurship process theory
- Practice
- Policy

These will now be discussed in turn:

6.4.1 *Contributions to Crowdfunding*

The previous chapters explored the key sensemaking properties identified as being influential in the entrepreneurial process of Crowdfunding. It was evident that sensemaking was instrumental at each stage of a campaign, both prior to and during the launch, for gaining project support and overcoming the liability of newness.

This research contributes to the Crowdfunding literature in the following ways: firstly, Crowdfunding was found to be a unique form of finance, and one that enabled the founder to access low-cost capital and investment from around the world, even though their venture may be considered too high risk within traditional investment and funding circles. Each of the case studies, at the time of writing, is still trading and continuing to grow, despite the fact that some of the ventures were originally refused finance from traditional sources. To this point, Surowiecki (2005) believes that there is a propensity for groups (e.g. the crowd) to produce an accurate aggregate prediction of market outcomes and therefore provide validation for ventures,

enabling them to grow and develop. Indeed, one of the strengths of Crowdfunding, aside from its clear value as an alternative source of finance, is its ability to raise a venture's profile and provide a boost to their reputation and thus their motivation to continue.

But campaign success is not wholly defined by the founders' ability to secure finance, as it is also tied to how effectively the venture can build a positive identity and presence, using narrative and sensegiving to connect with a large audience. Rather than thinking and acting alone, founders are actively engaged in the search for knowledge and in value exchanges with a surrounding community (Leyden, Link and Siegel, 2014, Vaghely and Julien (2010). Crowdfunding is therefore best understood as a phenomenon that is made sense of jointly, between the founder and the backers, with both parties working together to develop and promote the venture, which in turn aids identity construction, social validation and, ultimately, capital assembly. In addition, Crowdfunding also enables ventures to reduce business costs and create products jointly with consumers, thus adding value to the business while also decreasing the timeframe for product development (Kleenman, 2008). Crowdfunding, then, can be used as a marketing tool to gain knowledge of consumer preferences via the wisdom of the crowds (Belleflamme & Lambert, 2014). In a sense, Crowdfunding facilitates a similar network building process as other forms of social media (e.g. Facebook) - an outcome that cannot be replicated with traditional forms of finance.

Crowdfunding appeared to be connected to innovation in ways that went beyond the simple fact that Crowdfunding is, itself, a relatively new phenomenon, and one that democratises the financial landscape. For example, Crowdfunding helped founders who were struggling to get their innovative projects off the ground -via traditional finance - to gain market traction and to go on to have successful businesses that, at the time of writing, are still operating and growing. Crowdfunding also uses social media technology to create online

communities that facilitate open innovation, enabling the crowd to become involved in shaping a new venture, negotiating and co-creating with the founder to not only develop the project but also shape the organisational identity. From this perspective the crowd are much more than just potential backers, they are agents that help founders better understand themselves and to more effectively define the business that they are in.

6.4.2 *Contributions to Sensemaking*

Crowdfunding as a process is well defined, as platforms require founders to construct their campaign within certain parameters. The platforms also offer guidance to project creators for running successful campaigns, assisting founder sensemaking from the beginning. But how founders interpret this guidance and prepare for and manage their campaigns is, ultimately, determined by their individual sensemaking. A campaign, therefore, still poses risk and uncertainty due to the dynamic, evolving nature of Crowdfunding, entrepreneurship and the sensemaking process itself. It is this complexity that makes Crowdfunding an interesting arena for the exploration of founder sensemaking and the entrepreneurial process more broadly.

As discussed in chapter 2, the main criticisms leveled at sensemaking theory are that it lacks clarity and is vague on whether the act of sensemaking is retrospective or prospective in nature (Emirbayer and Mische, 1998, Gioia and Chittipeddi, 1991, Cornelissen and Clarke, 2010, Wood and Mckinley, 2010). This is just one of the factors that make the framework difficult to operationalise in a specific manner (Thurlow and Mills, 2015, Mckelvey, 2004, Namvar, Morteza, et al. 2018). But despite the theory's proposed shortcomings sensemaking continues to be widely used across a variety of areas, including leadership in temporary situations (Browning and McNamee, 2012), strategic change initiatives (Rouleau and Balogun, 2011), university governance (Gioia & Chittipeddi, 1991), and medical care (Westley,

1992). This thesis attempted to answer Weick's call for broadening the use of his framework, and for further testing property/framework utility within different settings. Indeed, Mcmullen and Dimov (2013) have also called for broader use of sensemaking as a means to better understand the entrepreneurial journey and the concept of identity.

This research began with no prior hypothesis and was open to findings that challenged the sensemaking framework. However, it became clear during this research that the flexibility of the sensemaking theory - rather than being a weakness - was perhaps one of its strengths as a qualitative methodology, particularly when applied in dynamic and uncertain settings, as these mirror the fluidity of the sensemaking process itself.

It was discovered that when the founders appeared to be operating from a specific sensemaking property they were not doing so in a linear fashion and instead the properties became more or less important at different times. During the pre-launch phase (Fig.26) it can be seen that the extracting cues property was in operation, as founders looked to address the issue of how to grow their business by reflecting upon their past experiences with other forms of finance and directed also by their goals and ambitions.

Indeed, some properties, such as enactment and retrospection, could be said to be always in operation at some level, running in the background, even if they do not appear to be overtly driving an individual's actions, as all sense is made with at least some attention (conscious or otherwise) upon the past. And because sensemaking is a process of cognition and action, both of which can lead to changes in the environment, all occurrences could be argued to be a result of the property of enactment.

This dichotomy did create difficulties in making a judgement as to what can be represented via sensemaking and what cannot, and it is perhaps one of the reasons why sensemaking is perceived as lacking

clarity, as it can be challenging to identify a single property that is operating in isolation, free of all others. It was nevertheless deemed possible to determine when founder actions were *primarily* driven by a specific property, regardless of which other properties may be in operation on the periphery. Furthermore, there are occasions when isolating a property does little to further understanding, as one or more properties may be acting effectively in tandem (e.g. sensegiving and enactment, both of which are influenced by, and serve to shape, identity), so the best approach for furthering understanding of a phenomena is to identify the primary property that can best explain the experience or event under observation. This approach was adopted throughout this research.

Weick (2005) presents identity as being the first of his properties and it was found in this research to have influence upon all other properties. It was observed that the founders of new ventures were amenable to change, and were flexible with their identities when first starting out (i.e. trying out the identities of other, similar organisations; drawing direct comparisons between themselves and well-established companies etc.); but once an identity had been established, or where a founder identity was particularly strong, outside threats appeared to motivate stubbornness rather than change. This may suggest that strong identities are less amenable to threats and, instead, are maintained in order to establish a sense of predictability in the face of uncertainty. This holds true for an organisation's identity and, in situations where organisational identity is clearly threatened, the culture of the organisation may be powerful enough to prevent sensemaking from occurring (Dunbar & Garud, 2009). Any discrepancies may therefore be dismissed as irrelevant, which can lead to the normalisation of deviance (Vaughan, 1996), meaning that flaws in reasoning are never addressed. This was covered in the findings chapter.

It was also observed that a strong identity appeared to reduce the likelihood of founder decision making being informed by the property

of plausible reasoning, preferring instead a data driven, logical approach to decision making. However, when a venture identity was weaker (i.e. occurred less frequently on the timelines) it could still be further developed via interactions with the crowd, through a tacit process of identity negotiation and co-creation activities (see chapters five and six).

The property of identity is integral to sensemaking and sensegiving during the construction of narratives, where sensemaking was found to be both retrospective and prospective, challenging the binary perspective. Rather, it was revealed that the two perspectives were temporally intertwined during sensegiving and narrative construction (see cross-case analysis chapter). A narrative, therefore, may represent prospective sensemaking when attempting to impart a future vision but also be retrospective when communicating the antecedents that validate that vision - moving from a credible description of past activities/development, towards a larger vision - thus creating a plausible and coherent story. When 'making sense,' individuals may attach a differing value to prospective or retrospective sensemaking when imparting a narrative but each, ultimately, is informed by the other. It therefore seems impractical to refer to sensemaking as either retrospective or prospective exclusively.

With regards to the act of sensegiving it was discovered that the existing theory was incomplete as it was observed that sensemaking and sensegiving formed part of a cycle. The term sensegiving suggests that the action ends once the message is imparted, that it is a singular act, although, in Crowdfunding, as in most communication, it is simply the beginning of a cycle. From this perspective a campaign narrative is always emergent and in a state of becoming. Rather than the receiver of the original message being passive they instead re-interpret the message and may then share their interpretation with the original sender (termed in this thesis:

Sense-interpretation) via sensegiving; and this may continue in a cycle of communication and negotiation of meaning.

Finally, there is little empirical research that draws specifically upon Weick's framework of sensemaking, and how it is used in different scenarios (Mills, et al, 2010), such as new venture creation. Thus, the application of Weick's framework as a method of analysis in this thesis adds to the literature on sensemaking, positioning the framework as a practical tool that can be used within a variety of organisational situations while also revealing how founders interpret equivocal experiences and bring meaning to bear upon them, altering their behaviour, and leading to new interpretations of those experiences.

6.4.3 *Contributions to entrepreneurship process theory*

In creating a process model of Crowdfunding (Fig.26) it highlighted, more broadly, the venture creation process, as many of the recorded events are common to new venture creation whether it occurs online or offline. As previously discussed, this processural approach serves as a response to Dimov's (2013) call for entrepreneurship/venture creation research to focus less upon variance oriented designs and more upon event driven processes that consider the sequence of significant events as a time based journey. The process model in Fig.26 contributes to theory by demonstrating that entrepreneurship is not a single act, but a sequence of events, each influenced not only by external events but also by the individual sensemaking of the founder.

The creation of a new venture or enterprise involves a series of connected activities (Low and Macmillan, 1988; Gartner, 1985). Indeed, the end of the Crowdfunding campaign did not mark the end of the founders' entrepreneurial journey as each of them used the knowledge gained during their campaign to reshape some aspect of their venture, whether that was changing their core revenue generating product or deciding upon a new business model (See

appendix 5). This supports Dimov's (2016) assertion that the structure of the entrepreneurial process is recursive in nature, made up of iterative decisions, each informed by the other as problems are identified and addressed:

"the application of such simple recursive mechanisms makes the entrepreneurial process a dynamical system that generates non-linear paths and complex structures over time." (Dimov, 2018, p.11)

The process approach also demonstrated - by defining key events and sensemaking activities - the ways in which Crowdfunding is changing how new ventures are created. For example, entrepreneurs who do not wish to surrender capital to investors, or are struggling to gain their support, can still secure significant capital via Crowdfunding. In this sense Crowdfunding facilitates innovation, as projects that may have been unable to secure support from traditional investors (i.e. *Pebble Smart Watch, Coolest Cooler*) can still attract finance via Crowdfunding, as there are fewer barriers to entry and many opportunities for business growth; crucially it is the entrepreneurs who determine the nature of that growth as they are answerable only to the crowd. As identified in this research, founders were not only able to test their products with potential customers via Crowdfunding but also test their narrative and identity and, in doing so, come to a clearer understanding of how best to position themselves in the marketplace. This differs from the traditional route to venture creation where entrepreneurs conduct market research (e.g. surveys) that is often restricted in reach due to limited time/ finance, ultimately providing little in the way of insight or value.

With Crowdfunding, however, geography and reach are not an issue as anyone can run or invest in a rewards based campaign regardless of where they happen to be (Agrawal, et al, 2011), providing an advantage over traditional investment, such as angel investors, who are normally located within a one hour drive. Crowdfunding also represents relatively low financial risk to both founders and backers.

But one of the greatest benefits of Crowdfunding, from the founder perspective, was to build communities of advocates and facilitate co-creation via a campaign, something that is challenging and costly to replicate with traditional market research approaches (i.e. surveys, focus groups etc.).

Finally, by presenting a Crowdfunding campaign and the venture creation process as an event driven journey, it serves as an example of how process theory can be used to provide a richer understanding of the entrepreneurship phenomenon.

6.4.4 *Contributions to practice*

This research contributes to practice in a number of ways. Firstly, it positions Crowdfunding as an important form of finance for entrepreneurs, and one that can complement other traditional sources. In addition, entrepreneurs who are looking to grow and develop their venture may use the findings from this research to achieve better outcomes from their Crowdfunding campaign, as the thesis offers insights into the actions that may contribute to a successful campaign; but its main contribution is in furthering understanding of how founders direct a campaign, and the antecedents that inform key actions. It also captures intuitions from founders as to how they feel about the Crowdfunding process, and the things that they may have done differently in hindsight.

The research presents a visual timeline, providing future entrepreneurs with a map of some of the challenges they may experience during a campaign, enabling forward planning and demonstrating that Crowdfunding is far from the easy option when pursuing capital assembly, requiring more effort and a greater variety of skills than new Crowdfunders expect (Hui, et al, 2012). This awareness may foster preparedness in entrepreneurs and guide them through some of the potential pitfalls, encouraging them to interrogate their own sensemaking. While entrepreneurs may wish to

emulate the success of high performing campaigns it is imperative that that success is considered in context and with regard to the founder sensemaking that shapes a successful Crowdfunding campaign.

This research also provides insights for Crowdfunding platform administrators who - through gaining an insight into the experiences of project creators and how they use the technology - can better design systems to meet their needs, reducing friction. Also, platforms can benefit from having a deeper appreciation of the push and pull factors of Crowdfunding as a means of capital assembly, which may help them to develop the means to increase engagement. It would also seem prudent for platforms to ensure that project creators are forewarned as to the efforts required in running a successful campaign, as currently many projects fail to deliver pre-ordered products on time (Mollick, 2014) and platforms do not, currently, offer purchase protection to backers (Morris, 2016). As this research has shown, there are many advantages to Crowdfunding beyond gaining financial support and these should be communicated more effectively to fundraisers, who perhaps become too focused upon high financial achievement alone. The findings may also help platform operators to make realistic claims, regarding the role of Crowdfunding in bringing innovative ideas to the marketplace.

Furthermore, as new ventures are so important to the economy, it is essential that there is broader societal understanding of the nature and challenges facing new ventures. Frequently, entrepreneurs are portrayed as self-assured economic "super heroes" (Burns, 2001: p. 24) but the reality is rather different, and by highlighting the challenges new ventures face in financing their ventures, perhaps more can be done to reduce the high rates of failure.

As discussed, there is considerable learning that takes place for each founder following a campaign, revealing that Crowdfunding has value beyond capital assembly, including securing potential customers,

facilitating market research, informing an organisational identity, co-creation/open innovation and defining new opportunities, while also enabling entrepreneurs to practice the skills necessary to run a successful business.

6.4.5 *Contributions to policy*

This research fills a gap in the academic knowledge by not only directly addressing the above, but doing so from a sensemaking perspective: that is, not just looking at what founders do but why they do it. The thesis adds to current theory by providing insight into how firms grow, what the push and pulls factors of Crowdfunding are and the cues that founders single out from their experiences for sensemaking. Clearly this is important for understanding motivations and behaviors, but it could also prove useful in the creation of policy, when governments are considering how they can best support economic growth. In addition, it will provide investors and platform owners with insight into how small businesses make sense of Crowdfunding.

6.5 **Limitations**

As with all research this thesis is subject to limitations. Firstly, there are issues inherent to data collection via the method of interviews that can have a deleterious effect upon the validity of the findings. For example, deficiencies in the memory of participants relating to their sensemaking will undoubtedly affect their accounts, and it may be difficult for participants to even articulate their own sensemaking process, as their actions may have been driven subconsciously. It must also acknowledge that most people see past events as more rationally ordered than current or future events (Starbuck & Milliken, 1988), and so interviewing founders too far hence from their experience may lead to a rationalising account of the flow of their experience, rather than serving to capture the flux and uncertainty of everyday life. Schacter (1996) suggests that respondents may also *reweave* their memory of past events in response to the cues and

vocabulary used in the interview itself and, under interrogation, include new thoughts and insights that did not occur at the time. Louis and Sutton (1991) also argue that, generally, individual behaviour is driven by habits of mind and may not be open to rational inquiry.

The above concerns of validity are mitigated somewhat by the fact that novel events and experiences (e.g. Crowdfunding) that capture the attention and require deliberate initiative are more memorable and visible to both the interviewee and the researcher, and so retrospective accounts of such specific events can be more accurate than that of everyday events. The recall of unusual events in this manner is often ascribed to the availability heuristic (Tversky & Kahneman, 1974).

An additional threat to the validity of interviews pertains to the *social desirability bias* of respondents (Burr, 2003). As Burr explains, not only will an interviewee's reflections upon an experience be influenced by the hindsight bias but their current situation, and the interview context, may motivate them to give the best account of themselves and their venture. It is important to note that attempts were made in this thesis to reduce the likelihood of such an occurrence, by ensuring the interviewees of confidentiality and anonymity.

This research was qualitative and interpretivist in nature and as such its contributions need be understood as being informed by the researcher's own sensemaking process and the theoretical contributions need to be acknowledged as generalisable to theory, not populations (Yin, 2009). As a result, primary data gathered in this manner is difficult to generalise with confidence, since the data itself is impacted by the values of the researcher, reducing the overall reliability of the findings. Interpretative research is, by its very nature, subjective and so it is difficult to exclude bias entirely from the research and Keesing (1987, cited in Weick, 1995) has argued that an interpretative perspective underestimates the constraints

imposed by context, distributed information, and differentials in power and vested interests (p.176).

The credibility of findings in quantitative research is dependent upon instrument construction but in qualitative research *"the researcher is the instrument"* (Patton, 2002, p. 14). By way of example, it could be argued that the experiences depicted on the sensemaking timelines during the within case analysis warranted the assigning of different sensemaking properties to those selected. *"People who study sensemaking oscillate ontologically because this is what helps them to understand the actions of people in everyday life."* (Weick, 1995, p.35).

However, the qualitative approach does enable a researcher to go into more depth and data gathered via inerpretivism is generally still associated with a high level of validity, particularly when multiple cases and data sources are used in the analysis, as detailed in the methodology chapter.

Finally, while this research focused on Kickstarter and reward-based Crowdfunding it might prove fruitful to investigate the comparative merits of adopting one of the other Crowdfunding models.

Chapter Summary

This chapter explored the implications of the empirical findings for the academic literature on Crowdfunding, sensemaking and the entrepreneurial process and discussed the key contributions of the work and its limitations. The chapter established the important function that sensemaking has in both Crowdfunding and the entrepreneurial process, also identifying the key role that sensemaking properties such as cues, plausibility, social, and identity play in driving the actions of founders and shaping their sensegiving and narrative construction. A novel theoretical construct was also

introduced and termed *sense-interpretation,* expanding upon the sensegiving and sensebreaking process and completing the communication cycle. The approach taken for addressing the research questions and objectives also addresses the call from scholars such as Dimov (2013), Venkataraman, Sarasvathy, Dew & Forster (2012), Vogel, (2017) for further empirical studies into entrepreneurship that adopt a processural approach.

Chapter 7: Conclusion

The primary objective of this thesis was to conduct an empirical evaluation of how the founders of new ventures launch and manage a Crowdfunding campaign in pursuit of campaign legitimacy. Due to the challenges inherent in capturing both founder experiences and the motivations behind their actions, it was recognised that a guiding framework was required. To this end, a qualitative methodology was selected, using the sensemaking framework (Weick, 1995; Weick et al, 2005) as a means to explore the study phenomena.

In this final chapter the emphasis is upon the highlighting the areas for potential future research that emerged during the writing of this thesis.

7.1 Further research

During the process of this research it became clear that there were a number of issues that, although relevant to the phenomena being explored, fell outside the direct scope of this thesis but could, nevertheless, prove useful for advancing knowledge in this area.

Firstly, although this research follows ventures as they go through the process of Crowdfunding it would be useful to know how they fair post campaign, and whether or not the experience of Crowdfunding had a positive impact on helping founders to develop their business over the long term.

Second, but related, future research could consider whether Crowdfunding helped or hindered ventures in securing additional investment from more traditional sources, such as business angels or venture capitalists. For example, a successful campaign may act as a focus group for traditional investors, providing useful market data. This could mean that, rather than Crowdfunding being perceived by traditional investors as a threat, it could be a source of opportunity,

delivering a wealth of intelligence and demonstrating not only market interest, but also the ability of the entrepreneur to present a business case and raise money from an audience that may be largely unknown to them. However, a failed campaign is likely to achieve the opposite result and it could be argued that even a successful campaign may suggest to an investor that the business has already tried, and failed, to gain professional investment. Further research could help to unpack this dichotomy.

Third, this research focused upon ventures that were broadly similar with regards to stage of growth and venture size, and it would perhaps prove insightful to explore how established ventures approach Crowdfunding - in comparison to new ventures - and to identify any differences in their sensemaking.

Fourth, although it is clear that Crowdfunding acts as a source of open innovation it is unclear as to whether the backers encourage founders to develop in ways akin to incremental innovation and the current state of the market or, rather, motivate founders to take risks and to pursue radical innovation. Research by Menguc et.al (2014) suggest that consumers react unfavourably to radical innovations and Anderson et al. (2014) term this the *maximization fallacy* which challenges the belief that more innovation is always better. Further research could consider the nature of innovation and its direct relation to Crowdfunding in more detail.

Fifth, it was observed that current sensemaking theory describes sensegiving almost as a single act of imparting information, without giving due recognition to the interpretation (sense-interpretation) of that message by the receiver. Sensegiving is thus the beginning of a cycle in which sender and receiver negotiate different definitions of the original message until equilibrium is reached. Future research could explore how this process operates in greater detail.

Closing remarks

The considerable task of managing a Crowdfunding campaign shares many similarities with the efforts required in the planning, launch and management of any business, and perhaps one of the greatest benefits to a founder of running a campaign is the development of self-efficacy and business acumen. Indeed, each of the founders felt that they had gained more than additional capital from their involvement with Crowdfunding.

It appears that, with regards to start-up capital, social networking methods, such as Crowdfunding, may be a powerful part of the solution in addressing the new venture-funding gap.

It was clear from applying a processural approach to this research that Crowdfunding supports entrepreneurship by providing an opportunity for innovative ventures to take their project to their potential customers and to gain validation for their ideas, while also securing the necessary growth finance; and given that entrepreneurs face considerable challenges with establishing a venture, Crowdfunding can be viewed as contributing to the creation and sustainability of a strong economy.

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Appendix 1: Kickstarter founder Updates:

SUPERBRICKS

Superbricks decided to alter their video one-week into the campaign after feeling that they were not going to hit target as expressed in the interview.

Very upfront with the audience about not getting towards total. Asks audience if they should pull down the campaign?

But the process of launching our project created a massive learning opportunity for us, that we have been trying to grasp, and we have been thinking about how we could have done this differently, in ways like our pricing, presentation and rewards offering.

I have therefore come to the conclusion that it may be better to stop the campaign where it is, so that we can review and reformulate now, rather than wait any longer.

I would therefore like to get the views of the most important people in this Kickstarter campaign… You

- *Do you agree, or do you think we should continue until the end of the campaign?"*

I agree, we should continue stick with the Kickstarter campaign and see it through the conclusion and what a fine conclusion it promises to be!

I have had a busy media time over the past week, being on BBC Radio twice and our local TV station- Notts TV. Met with lots of people who are impressed with Superbricks. Lost a key staff member all of a

sudden, who decided it was too much to come to work every day and thought it would be better to go back to staying at home!

I have been busy networking (virtual and actual) even more than before since my colleague left, so I was delighted to get an email this morning from Kickstarter to say that we have got a bit of love from them and we have their coveted 'staff pick' status. This is amazing....what ever happens with the outcome of of our campaign, this is great recognition that Superbricks is a amazing project and your support has been noted by the cool guys and girls in Kickstarter HQ. Hopefully, this will bring even more good people to see the project and pledge their support.

With all the support I have received on this journey, it is clear to me that Superbricks has to go ahead. In fact one of the issues I have noticed is in the 'UK non-tech' circles Kickstarter is not as well known as I expected. I seem to be spending more time explaining how Kickstarter works that explaining Superbricks. People I meet ask me where they can buy Superbricks now and they seem a little baffled by the concept of crowdsource funding and this was a big surprise for me. The process of building a Kickstarter project has helped to raise awareness of the project and I very pleased that I brought Superbricks on to this great platform. I have been offered the full funding to make the first production run 'three times over' :)) I am reviewing offers, but will accept one of them.

Today was a real highlight for me. I checked for Superbricks on Kickstarter and talk about 'connect & wow', we are the featured product in the superstar Design category. This is where legends we created!

This is awesome and whatever the reason for our numbers against our target, Superbricks is a star and eventually its light will be discovered by even more people.

Nearly three years of work and 30 days on Kickstarter: we have our first result!

I would love to say a big thanks to all of the huge number of backers for supporting us to smash our Kickstarter target. However, things don't go to plan for us..and it's better to be open and honest about it.

For Superbricks and Kickstarter, we failed to excite enough people and get the interest we needed to hit our funding goals. This was a a little upsetting...but there is no point getting depressed about it, that's not the answer. We took a lot of positives from the experience and are picking out the lessons from the process. One of the best things that we got from it was connected with you and lots of other great people around the world.

***I** therefore want to sincerely thank you for your wonderful support of our project...you saw the magic in Superbricks first and we are all very grateful. You made the whole process worthwhile.*

Despite the ups and downs, this has been a great process for us to go through. We have new friends all over this beautiful planet :)) We have been in the press, radio and TV. We have found friends in Kickstarter who liked us, making us a 'staff pick' and then went one further by making us a 'featured project' in the legendary Design section. So, we have decided use the next few weeks to get our thoughts together, pick out the lessons and work out a new plan to take Superbricks through to Kickstarter again. In our 'half glass full' world, Superbricks have come out of Kickstarter as a success in many other ways and stronger than ever. So stay connected and talk to us, share your thoughts and lets get to know each other a little better.

One Tall Story:

Hola amazing people!

Thank you all so so much! We can't believe we've hit 70% of our goal already!

We're sorry for not posting an update sooner. Quite frankly we've just been overwhelmed by all of the support so far. It really has been absolutely incredible and we can't wait to share our very first stretch goal with all once we hit that magic 10K mark!

Gracias 100 times over

Jonny & Alex

There are not enough languages in the world to say thank you for all of the support we have received in the 28 and a half hours since we launched- THIS IS HUGE.
Thanks to you, our dream of making these books has become a reality…but we've still got 28 days left to go to give the gift of languages to as many children as possible. That's why we're delighted to announce our first stretch goal!

If we hit £12K and get 25 retweets of THIS TWEET to Holly Willoughby, we'll make an audiobook of Jack and the Beanstalk introducing Spanish words exclusively for all of you wonderful backers!
So share the campaign with anybody you think might be interested and let's keep movin' on up!
YOU'RE ALL AMAZING
Love
Jonny and Alex

Not only is this project crowdfunded, it's also crowdsourced. Or, more accurately, Kidsourced seeing as we've been taking ideas from children to inspire the story we're creating.

To keep the creative juices flowing, when we hit our next stretch goal we're going to be releasing a make-your-own puppet show kit for all our backers to download! That means that all of you with kids (and all those of you who are just big kids) can have a play and come up with some new ideas for the story.

Here's Alex and I having a go…

Check out these great campaigns that are helping us reach our goals along our Kickstarter journey!
Mover Kit: The 1st educational wearable kids make & code

A new toy about learning 21st century skills powered by kids movement. Use craft & code to make games, disco bracelets — anything! CLICK HERE

Thanks to the Goethe-Institut, the worldwide organisation that promotes the German language and culture, we will be delivering what so many of you have been asking for: the story in German!



We will be working on the story, narration and even some workshops to help give as many children as possible a great introduction to the German language. This means:

- *Every single person who has pledged £5 or more will get a free German eBook, courtesy of the Goethe-Institute*

• German will be available in all formats as a reward. At the end of the campaign we will ask you to specify what language you want the books in so if you've already ordered a copy of the book but now want German instead, you don't have to change anything.

• New 4 Book Reward Tier: To accommodate for German you will be able to buy all 4 books for £37.

We're so excited to partner with the Goethe-Institut as it will mean giving even more children the gift of languages. If you can share it with your friends on Facebook or Twitter, or even email them that would be amazing!

Another huge Danke from us for all the encouragement, sharing and support!

Alex und Jonny

You're getting eBooks for French, Spanish, Italian aaaand German! Next, if we reach £35,000 we will donate a book to 100 libraries across the country :)

To help, please share anywhere and anywhere: Facebook, Twitter, graffiti, it all helps! The link is bit.ly/kickstarterOTS Get creative or copy the message below!

Hola One Tall Story supporters! Here's a quick summary of progress so you can keep up to date.

First of all, we are well on schedule with the production of the book, which will be in your hands well in time for Christmas! Jonny has been in a metaphorical bunker with his writing cap on, while Hannah Hutchings has conjured up another incredible character - surfer mermaid! Check her out below!

Alex, on the other hand, has been making sure the language learning side of things is on track with the help of professors, linguists and

now the Spanish Embassy, who we're delighted to welcome as a partner! :-)

As ever, gracias for all the support and encouraging messages!

Hope you have a lovely week!

Alex y Jonny

Hey guys and gals,

We are delighted to announce that the libros, livres, libri and Bücher have arrived, fresh off the press and looking fantastic!

Your books are all getting packaged nicely and should arrive over the next week or two (depending on how far they have to travel). The Kickstarter campaign was probably the most important moment for One Tall Story, so thank you for being a part of this language learning revolution. It's crazy to think about what we were doing this time last year, and how far it's come!

We have some exciting news, which we will be sharing shortly, but first we would like to enlist your help once more! Within our exciting news we are looking to add another fantastic illustrator to the One Tall Story team, and we'd love to hear your suggestions if you know of any! If you know of such a person please drop Alex a line at alex@onethirdstories.com and we will check them out :)

Not long for you wait, we can't wait to hear what the kids (and you) think!

Alex & Jonny

The Super Events Company

*My cheekbones won't let me stop smiling from ear to ear...what a rush to see in the first 8 hours that the campaign has been **LIVE**, we're already 23% funded!*
thank you!

*It's an indescribable feeling when what you and your team have been working towards for sooooo long is in fact, what the people **ACTUALLY** want.*

*We want to **STOP** horrible internships in the events industry...by instead giving mentors and interns the very best training tools and online platform for truly revolutionary learning experiences.*

*If you've backed the campaign already, **thank you.***

*If you're on the fence, **ask questions** in the comments and we'll address 'em.*
***Consider sharing the campaign** with someone you might know that would be interested in #wedtech, online learning, internships, eLearning and training solutions.*
The $100 level early-bird deal won't last long, at this rate.
Join the revolution...take part in the Intern Manifesto!

The sun was shining in Orlando, FL this morning, a new day dawning.

*Today, I spoke to a packed room of 200x event professionals at The Special Event Show + Conference, all about the latest and greatest **#eventtech** and **#wedtech** available to event planners. Huge success, to say the least.*

Yesterday, I spoke to 150x people on how to "Plan & Design Differently for the Non-Traditional Bride." Here, I shared quite a few stories of the weddings my team and I have produced over the

years...ones with 8' tall white stallion horses and flash mob dance-offs. Or what about that time I was faced with planning a wedding (for a very metal couple) in an underground cave!

I always find it hard to wrap up at the end as I could go on and on for days, sharing stories and teaching people about what I love: producing memorable moments that make a positive impact on the world

At the end of the session, one gal said, "you know, if the rest of the conference is as good as your talk was this morning, I'm in for a wild ride!"
Blushing, I thanked her, we exchanged business cards and now comes the fun part...I always love trying to find a way to connect the people I meet. Who can I connect her to at TSE?

*That's what The Apprentice Program is all about too...**C O N N E C T I O N.***
We believe in the power of the network, that's why building out the crowdsourced element to the software is so mission critical with this Kickstarter.

Jan 19th
Hello fellow superheroes!
***Last week was incredible**, to say the least. I spoke three times at The Special Event Show Conference, each time to a room of about 150-200 people.*

*Being among my peers and colleagues within the global events industry, **I was met with great encouragement and excitement** about The Apprentice Program and the potential of how it could really revolutionize how event professionals train and mentor interns.*
*I could see the light-bulb go on in so many people's heads when I described it to them. Obviously, this is a huge, **HUGE** problem that*

we want to solve and people believe in me and my team to do it. (high-five!)
Market validation.
Perfect timing.
The right product...headed in the right direction.
(all of it, a perfect storm)

To read my full recap of #TSE2016, check out: http://theapprenticeprogram.com/tse2016-recap/
This week, I'm focusing my efforts on connecting with the Nottingham and UK-based press, considering the viral response we received to our Kickstarter campaign in the first 48 hours we launched.

If you're local to the UK, come see me speak at:
Nott Tuesday - Tues Jan 19 @ 6:30pm - Secrets to Kickstarter Success
RSA East Midlands: New Year Party - Thurs Jan 21 @ 6:00pm - Sharing our Big Idea on Revolutionizing Internships and Apprenticeships

HELP US:
If you are connected to anyone in the local media (either Nottingham, East Midlands and/or London) that would be interested in picking up this story, please message me and we'll send along the press release and press kit.

I used to be a radio DJ another lifetime ago, so I'm pretty good at being entertaining and not saying umm or uhh during on-air interviews.

Thanks again fans...let's see if we can't get this thing 100% funded by this weekend!

Thank you to our recent backers...
● ***Cindy Lo*** *- Red Velvet Events - prominent corporate event planning team based in Austin, Texas*

● ***Martin Holm Mortensen*** *- Accelerace (Denmark business accelerator) - entrepreneur & investor*
● ***Aubri Nowowiejski*** *- Student Event Planners Association (SEPA) - founder and advocate for student event interns in the US*

MENTORS, STUDENTS, ENTREPRENEURS, all believe in The Apprentice Program!
Earlier this week, I spoke at the RSA (Royal Society of Arts) with 80 educators and at Nott Tuesday, a room of about 60 tech entrepreneurs this week, revealing details about The Apprentice Program and our Kickstarter...and then, a light bulb went on.

We are UBER for online education.

The Apprentice Program is a crowd-sourced social network for information sharing, both for mentors and interns to TAP into a global network of training resources.

BIG NEWS! we're running a raffle this weekend.
...everyone who backs our project within the next 48 hours, will be entered into a raffle where you could get bumped up to the next backer level without an increase in pledge $$.
So, if you back us at the $50 level, you could potentially win the LIFETIME access rewards of the $100 level!

If you've been on the fence, thinking about backing our project...
...now is the time to pledge!

This raffle ends at 11:59pm PST on Sunday, Jan 24th and we'll pick 5 winners from the people that pledge between now and then.
Tell your friends, share it with the world...with your help, we aim to be 100% funded by Monday.

And remember, if we don't hit our $10k goal, we don't get ANY of the money you've helped us raise so far...so, thank you for sharing this far and wide on your Facebook page, twitter and beyond.

And thank you for supporting The Super Events Company and joining the Intern Manifesto.

Together, we will STOP horrible internships by building the platform that helps mentors train their interns!

And a video introducing the raffle. 38% Funded. Video backer promotion. Promotes self as the UBER of online education. 48 Raffle boost to next level of rewards. So if you've been putting it off now is the weekend to do it.

Upfront that if they don't get the money then they don't get anything.

Jan 29th
Video Reminder that they don't get anything if we don't get all. 61% funded. etc.

Feb 8th
We're nearing the end of our Kickstarter campaign and it's HAIL MARY time.

$8275 raised, 82% funded to our 10k goal, 92 backers and only 63 hours to go.

EVENT STUDENTS, we've added a new reward level for you!
$51 reward level

You guys receive a 30 minute consult with me on:

- *where to find a great internship*

- *how to write a dynamic resume that'll get noticed*
- *top tips on interviewing skills that'll help you land your first BIG job in the events industry*

Spread the word to any event students you might know that would be interested in backing us at this level and supporting our campaign. Available to the first 20 people!

Big thanks to our recent backers…

- *Toby Reid - Biocity - UK entrepreneur and big supporter of The Super Events Company*
- *Sarah Chancey - Chancey Charms Weddings: luxury wedding planner and mentor*
- *Lori Schneider - The Cupcake Bar and chapter president of the International Special Events Society, Austin chapter*

Thank you for helping us spread the word...we've just got $2k more to raise to hit our $10k goal. Remember, if we don't hit the goal, we don't get any of the money so far that has been pledged...and the project doesn't get built.

Let's do this!

Video: adding new reward at higher level to gain the money. Persoanl coaching 30 minute session.

Feb 9th:

Thankyou video as hit target.

New rewards added

Mentworth Games.

5,000 goal hit it after three days.

UPDATE 1 26/05/12 - incredible! we have already achieved our first goal and sailed past the first few stretch targets!
We promised the fun would really start after that (although we never expected it would happen so soon!) so firstly - ***thank you everyone for your support,*** *and secondly* ***let the fun begin****..*

Passed through 5 more gials.
We've also looked at what everyone wants for the next stretch target and we think it could be the most exciting yet... we'll post it up if we can break the £35,000 mark!

My 29th
Wow – we've now broken $40K! Simply amazing, thank you so much!

We're currently hurtling towards our stretch goal of $50,000:

Based on your feedback, we will design and produce a plastic kit to build either an ***Orc Gore Chariot or a Fight Wagon****. Orcs use pig-likes Gores to power across the battlefield to trample all that stand before them. If we hit this target we will also make this kit available in the Special Extras section where if you add one to your pledge, we'll throw in a second one free!*
We've also posted up an ***FAQ*** *with your most pressing questions:*

Wow - after a little bit of tidying up today in preparation for the weekend, we were godsmacked at how much stuff you've helped us do!

Jun 1st

The Stretch Goals are now going to live here on the updates page to keep the main page a little cleaner. Just look at what you've helped us achieve:

***ACHIEVED** - We'll immortalise your support by putting your name in the Kings of War Rulebook with every Pledge of Champion ($100) or above!*

***ACHIEVED** - We will bring forwards production of our Undead Werewolves. If you've purchased a set in the Special Extras and we break through $10000, we'll give you a second set free, and then we can start doing some really mad stuff!*

ACHIEVED** - Every backer will get their **Rulebook signed by Alessio and Ronnie**. All pledges over $100 or more will get a **free electronic copy of the Hardback Rulebook!

***ACHIEVED** - We will produce the Ogre army from the Video. There are two plastic units of 3 models, and we will make these kits available in the Special Extras section where if you add one to your pledge, we'll throw in a second one free!*

***ACHIEVED** - We will include a **Lithoprint of the Mentworth Gamesa Map signed by Ronnie** in all pledges of $100 or more!*

***ACHIEVED** -**Mentworth Games Dice** - we will change the dice from normal D6 to ones with a Mentworth Games splat on one face. All pledges for Soldier and upwards ($35+) that have dice will now get a set of the new limited edition plastic 'Mentworth Games Splat' dice instead. The $5 dice set will now be Mentworth Games splat dice too.*

***ACHIEVED** - Based on your feedback, we will design and produce a plastic kit to build either an **Orc Gore Chariot or a Fight Wagon**. We will make this kit available in the Special Extras section where if you add one to your pledge, we'll throw in a second one free, as well as including one in pledges of Champion ($100) and up for free!*

Previous update

Jun 7th

We've been running this Kickstarter for two reasons - 1) to help fund the development of new miniature kits for Kickstarter and 2) to

reward you guys for your support! So far, every backer will get their copy of the Kings of War Hardback Rulebook signed by Alessio and Ronnie and upgraded Mentworth Games Splat dice. Everyone who has pledged $100 or more will receive:

- A free Orc Chariot/Fight Wagon

- Your name immortalised in the Kings of War Hardback Rulebook

- A free electronic version of the Kings of War Hardback Rulebook

- A signed Lithoprint of the Mentworth Gamesa Map

- a free ticket to our Mentworth Games Party in September

***But**, that's not enough for us and, as detailed in this week's upcoming newsletter - we want to give you more!*
So, here's what we're planning:

*If we hit the $65,000 level, we will do a **new unit every $10,000** until we get to $95,000. These will be:*

*- **$75,000** - Trolls*
*- **$85,000** - Mummies*
*- **$95,000** - Gargoyles/Harpies*

At $100,000 we will sculpt the Undead Skeleton with Dog – and give one free to everyone with a pledge over $100.
At that level we will also do a limited edition run of the wound markers in blue acrylic plastic – and these will be unique to Kickstarter subscribers!

What's in it for me?
One of the challenges the Kickstarter presented is that we cannot give away extra units at the $100 level, it just isn't feasible. Jan Novak however, has come up with a solution:

*- Any pledge of $100 or more will receive **one** of the new figures each time we pass the stretch goal*

*- Any pledge of $175 or more will receive a **complete unit** of the new figures as we reach the goal, and a free limited edition Undead Standard Bearer.*
*- Any pledges over $225 will receive **one of every unit** – including the Werewolves and one unit of the Ogres, one of any hero model that gets sculpted as a result of the Kickstarter and the free limited edition Undead Army Standard Bearer.*

*Please note these are for **values**, not specific pledge levels. If your pledge is over the qualifying level you will get the rewards from that point.*

For example: If you order the $110 Veteran and add a $75 army set from the extras you will qualify over the $175 level (you'd be at $185) and get all the $175 rewards.
So, that's the plan going forwards! Please continue to support Mentworth Games and tell lots of people about it - the more backers we get, the more free stuff we can give you!

Jun 8th
We have found that running this for a wargame system is a little trickier than straight board games with so many unit choices, different armies, and some people having already collected part of their force. We have tried to keep this fresh with the new Goblin army, but we really want everyone to be really happy with their pledges and what they get.

** If you have a request please just send us a private message on here. We will have someone answering queries quickly and we are happy to be as flexible as we can be to get you the army and the models you want.*

Jun 9th video

Update video:

We're excited to have hooked up with Nick and the guys at Worthy Painting for our Prince, Warmaster and Eternal Warrior Pledges. Nick was excited too, so much so he broke out the camera and posted his thoughts on Youtube!

Jun 13th

Final Thoughts

We've seen some debate about what we should do if we can break these two goals. Well, we feel we've neglected our good armies a little bit too much, so it's a good unit up next. We're thinking Brock Riders - and as promised, we'll show you an early concept of them a bit later. Stay tuned for the next update!

So there you go guys, have at it - sink your teeth into Gargoyles and the Undead Handler and we'll see you a bit later for an update on Brock Riders and other Miniatures!

Don't forget you can also help us spread the love with a Kings of War Avatar:

Jan 22nd

*We are now in the **last 60 hours** of this project and the whole thing has been an incredible success – and it's all down to you guys. We're on the final push and we'll have a couple of special extras you'll be able to get before it closes.*

There will never be another deal like this for Kings of War so don't miss it - and please keep telling everyone you know!!

Thanks for supporting Mentworth Games!

Jan 24th

OK – so we might have said final Stretch Goal. And you said – WE WANT MORE!

So, we hope you don't mind too much, but here's one more to sink your teeth into!

$315,000 – Celestian Paladin Knights

You asked for them, so here they are!

We will produce a unit of Celestian Paladin Knights. These mounted models with be armed with lances and shields.

If we break this stretch goal we'll include a unit of 5 models in pledges of $175 or more and the unit will also be included in the Buy One Get One Free section!

Thanks you so much guys!

LYNXWHEELS

April 17th
Hi all

I have had masses of interest in Lynxwheels and it is brilliant - thank you every one who is supporting me. 28% funded in the first day - and we've not even been live for 24 hours yet. Thank you every one!

There have been quite a lot of technical and quite specific questions coming in overnight and I am working my way through them as quickly as I can. I am posting answers to the FAQ section as well.

So if you've not had an answer yet, sorry - you should get one this morning.

April 17th
Tonight we reached another milestone: we have reached 33% of our funding target. That is after only going live yesterday! Your support has been incredible and this bodes very well for the whole project.

Gemma and I have had lots of messages of support and interest by email all day today and yesterday. People are suggesting some really interesting applications for Lynxwheels. It is very exciting - there are so many great projects happening and we really hope Lynxwheels will bring benefits to a lot of projects and people in the coming year. The future is looking great. Thanks for helping make it happen!

April18th
We're getting some brilliant coverage on our Lynxwheels and our Kickstarter campaign. And the more we get, the more likely we are to get backers, reach our funding target and get Lynxwheels into production. Take a look at these:

http://www.bikeradar.com/news/article/Lynxwheels-spokeless-suspension-wheel-on-show-37032/

http://www.gizmag.com/Lynxwheels-suspension-bicycle-wheels/27129/
http://road.cc/content/news/81342-Lynxwheels-launches-funding-drive-kickstarter
What is Sam up to today while I'm in the office posting this update on his behalf, reading tweets and emails, and answering the phone? (Latest call: BBC Radio Nottingham - listen out Tuesday morning).

Sam is getting away from the publicity and is back in his natural habitat in the workshop, from where he's just emailed me this photo. He's just reached another loopwheel milestone: this front wheel has just completed 6,000 miles on our rolling road, which is 13,200,000 cycles of the three springs, loaded with the equivalent of Sam's bodyweight. He'll just keep it on rolling!

Hope we're not sending you too many updates - there seems to be a lot going on we want to tell you about! Gemma.

April 20th

I have just added another pledge reward. It's the Dahon folding bike with Lynxwheels fitted for a special Kickstarter £1000 offer. The £950 early birds all sold out really quickly, and some people have said they just want to be able to ride Lynxwheels on a folding bike, without any frills. It is one week and one day since I first showed Lynxwheels publicly, at the Bespoke bicycle show in Bristol. The publicity and interest in just a week has been just amazing. It's obvious people really want a smoother, more comfortable ride. Already we are nearly half-way to our funding target so I am very hopeful, with the fantastic support I am getting, that we are going to get there by 15 May. I couldn't have imagined the level of interest from around the world. It's a real shame Kickstarter can't take pledges from any country. But if we get the Lynxwheels project funded and get into production, every one will get the chance of a more comfortable ride. Yey!! SAM

April 28th

I am really happy that we reached my funding goal on Sunday, just 12 days into the campaign. *£40,000 is a lot of money to have raised on a brand new product which is relatively expensive for people to commit to. Now I have reached the goal I can start to make serious arrangements for getting Lynxwheels into production and out to backers by my planned delivery date, which is August 2013 for Lynxwheels. Clothing and prints will be easier and quicker to deliver, so they'll arrive with you sooner.*

This is an ambitious project - ***every contribution makes a difference.*** *I've had big and small pledges from backers, and together they have all brought me beyond my target of £40,000. Every backer has helped get Lynxwheels into production - congratulations!*

First edition Lynxwheels

I set £40,000 as a realistic sum to get Lynxwheels into production. We're now at just over £42,000 and there are still two weeks of the campaign to run. ***So how will I use the extra funding?***

I've decided that with the funding already pledged being £2000 over target, I have enough to be able to mark every single loopwheel as one of the first ever edition. I was just planning to do this on the "full bundle" bikes, but I have thought of a way of putting a unique mark on every loopwheel I make for Kickstarter backers. The support I've had for my campaign has been truly inspiring, and I'd like to thank every one who has pledged for wheels by making them unique to Kickstarter backers.

For the "Full Bundle" Lynxwheels bikes, I will be not only marking the Lynxwheels as "first edition", but giving each bike a very special Kickstarter backer, 2013 badge. You will be one of a very few people to own one of these! So far there are only 4 backers!

Stretch goal: £46,000

The project description explains that the springs of Lynxwheels are the components, which require the most skill and time to manufacture. I don't know if we can get to over £46,000 in the next two weeks, but if we do, I'll use the extra funding towards another manufacturing jig for springs, so that we can run faster production on making springs. That would be great, as production could be a lot more efficient. It's another stretch, but with the support Lynxwheels are getting, and your help, I think we can do it :-)

Why pledge for Lynxwheels now?

Loopwheel set retail price £600: *Backers and would-be backers pledging for Lynxwheels and bikes might be happy to know that I've been looking further into the pricing for when I have production up and running. I can tell you that the minimum retail price for a set of a front and a rear loopwheel will be* ***£600+*** *when we get into "real" sales (not Kickstarter pledges). That's a lot more than the Kickstarter pledge level of £490!*

So here are ***three good reasons*** *for supporting me further and helping to stretch our goal to £46,000 by pledging for Lynxwheels:*

1. You'll be one of the first people ever in the world to have wheels with integral suspension on your bike. You have "early adopter" status (aka cool factor) !

2. As a backer of our Kickstarter project, you'll have paid a significantly lower price for your Lynxwheels than any one else.

3. Your Lynxwheels and your Lynxwheels bike will be marked as one of the first edition Lynxwheels batch ever manufactured. No one after 15 May 2013 will be able to order first edition Lynxwheels. Ever.

As I write there are just 4 "pure and simple" Lynxwheels bikes remaining to pledge for. So if you want to be one of the people who introduced wheels with suspension to the world, please back my Lynxwheels project - NOW!

Appendix: 2 Participant consent form

Name of Researcher:

1. I confirm that I have read and understand the information sheet for this interview. ☐
2. I understand that taking part is voluntary and that I am free to leave at any time, without giving any reason. ☐
3. I understand that the information collected during the interview, will be anonymised if requested and may be looked at by individuals from the research project team, where it is relevant to the research. I give permission for these individuals to access this information. ☐
4. I understand that anonymised quotes from the information may be used for written publications and presented at conferences. I consent to this. ☐
5. I agree to being audio recorded during the interview. ☐
6. I agree to take part in the interview. ☐

Name of Participant Signature

Name of Researcher Signature

Appendix 3: Coding Examples/Rationale

Three primary data sources were used for the analysis: interview data, Updates data, and narrative data (taken from the campaign home page). The data from the interviews and Updates were analysed using the same coding but the narrative data was approached in a different way. The coding approach is discussed below along with examples of coding:

Data taken from Interviews and Updates

First and second order coding was applied to the interview data and the data from the updates.

Descriptive coding was used for First Cycle coding and was applied to the interview transcripts, the textual narrative on the founders' home pages and the campaign Updates, accessible through the Kickstarter platform. The aim of this coding was to identify where instances of sensemaking occurred, based upon Weick's properties of sensemaking.

First cycle coding example (within case analysis)

Below are examples of coded datum to show how the coding process was approached, beginning with the coding for the within case analysis before moving on to the cross-case analysis and the generation of themes.

The examples below show the First Cycle coding used for the within case analysis. The code on the right hand side is the *descriptive code* used to summarise a main, influential piece/area of data for that specific case. The primary sensemaking property related to that data extract is also highlighted. The chart that follows the example presents all of the codes generated using First Cycle coding during the within case analysis. The abbreviated code was used for speed of coding and written alongside the relevant data. The coding cycles are the transitional process between data collection and analysis.

Example coding: Interview data

Quote: **"***We have kind of really tried to have* *Code: S*

this idea of being as close to our customers as possible and so we love the idea of actually making them a part of that process and that's what stood out for us as being viable with Crowdfunding." *Property: Sensegiving*

Example coding: Updates data

"If you have a request please just send us a private message on here. We will have someone answering queries quickly and we are happy to be as flexible as we can be to get you the army and the models you want." *Code: S* *Property: Sensegiving*

Area of coding	**Code**
Motivation for Crowdfunding	*MFC*
Retrospection	*RET*
Enacting the Crowdfunding environment	*ECE*
Cues selected by founder for sensemaking	*CUE*
Identity plays a role	*IDEN*
Social	*S*
Sensemaking interruptions	*SI*
Plausibility of reasoning	*Plau*
Story of the business	*Sto*

Second Cycle coding (Cross-case analysis)

The Second Cycle of coding was a process of codifying, arranging the codes in a systematic order, considering the data from a systematic perspective and assigning themes. This is done by intuitively sensing the data that "look alike and "feel alike." (Lincoln & Guba, 1985, p. 347). The themes, which

establish commonalities across cases, emerged as an outcome of pattern coding which is described in the methodology chapter.

For example the data coded: **Social/communication (S)** then became the theme: ***Relationship with the Crowd.*** By generating themes in this way all direct dealings with the crowd could then be identified and categorised, to better capture the communication dynamic taking place. The obvious sensemaking property that is the foundation of this theme is **Sensegiving/Social.**

By establishing the theme and the sensemaking property underpinning it, the later discussion becomes focused, with the aim of describing how that property influences that theme.

The example below shows a relevant quote, taken from the data, and alongside is the relevant code, followed by the identified theme and its supporting sensemaking property.

Coding example

"I did a lot of updates to our backers either privately to the backers via the crowd the Kickstarter set up that allows you to do that Kickstarter set up that allows you to do that, or publicly so just posting updates on the project. Good communications is critical. An authentic voice in talking to people when communicating with them so that they believe in you as a person as well as the product. Also, I use this expression: smothering the haters with love.

Code: S
Theme: Relationship with the
Property: Social/sensegiving

Narrative data

The narrative data (i.e. the data available on a campaign home page) was analysed by seeking patterns in the way that founder narratives were constructed. It was very apparent from studying the narratives that there were three areas of commonality between the cases. The data was then coded to reflect this and the themes below assigned to focus the later discussion. A full description of these themes can be found in the methodology section. The themes, in brief, are listed below:

1. Founder narratives are temporally positioned as Retrospective (past

focused), Future focused (Prospective) or a combination.

2. Founder narrative style is either Relational or Showcasing.

3. The founders' 'Ask' is either a One-off solicit or a Journey.

Narrative Coding example

Below are examples of coded datum to show how the above themes were generated. The right hand side shows the emergent theme.

Quote: "*We launched the first version of our product (our MVP) last year and have clients in the wedding planning industry all over the US using it now. This helped us get clear on what mentors and interns really need when it comes to online training tools and we were able to make swift refinements to the product offering quickly*." *Theme: Future Focused*

Quote: "*Let's build something different together*!" *Theme: Relational narrative*

Quote: "*So what are you waiting for, pledge now, and Kickstart our Mentworth Games journey. Thank you.* *Theme: Ask:Journey/ongoing*

Appendix 4: Narrative coding: Crowdfunding page data

Case Studies	Future Focused	Retrospective-Past focused	Narrative Style	Ask
Superbricks		"Superbricks was born after rigorous trial and error," (CROWDFUNDING Page) Discuss prototypes (CROWDFUNDING page)	Founder voice over only. Product focused. Passion. Testimonials.	"We need you to pre-purchase your kit to allow us to make the first production run just for you,"

Case Studies	Future Focused	Retrospective-Past focused	Narrative Style	Ask
Mentworth Games	We're on a mission to bring quality affordability to fantasy gaming.	"We've been working with the community, thousands of playtests and an avalanche of feedback.." (Video).	The founder pitches to the camera. Product focused, Evocative mythology narrative Passionate.	"So what are you waiting for, pledge now, and kickstarter our Mentworth Games journey. Thank you." "(Mentworth Games) "With your help we can make this happen," (video) "I want to thank the community…" "Our opportunity to give back…"

Case Studies	Future Focused	Retrospective-Past focused	Narrative Style	Ask
The Super Events Company	"We're on a mission…" We want to STOP horrible internships. We want to be the go-to leader for online training in the events industry. This could be BIG, y'all. it can be transferrable to any industry, in any country worldwide.	Mentions their work with running trials.	The founder pitches to the camera. Problem and solution focused. Emotional pitch. Testimonials.	"We really hope you will back this campaign and join us on this journey together,"(Video). Let's build something different together!

Case Studies	Future Focused	Retrospective-Past focused	Narrative Style	Ask
One Tall Story	"We're on a mission…" "You will be giving children the gift of languages". a big chunk of that time has been spent trying to revolutionise the way children learn languages.	Talks of engaging children with the help of collecting children's book ideas. We're on Kickstarter because we want to make sure that children get a great start in language learning so that they don't end up regretting missed opportunities like Jonny (one of the founders) does.	The founders pitches to the camera. Story based/emotion based.	"You can make that dream a reality by pledging your support," (page). We need your help to make it a reality, (page).

Case Studies	Future Focused	Retrospective-Past focused	Narrative Style	Ask
Lynxwheels	We want to STOP horrible internships.	"Having spent much of the last four years developing wheels with integral suspension…" (CROWDFUNDING page) "In 2007 my idea of a wheel with tangential suspension was born (Lynxwheels).	The founder pitches to the camera. Product focused.	"All we need from you now is the money to tool it and make affordable Lynxwheels." (Video).

Appendix 5: Retrospective quotes

CROWDFUNDING in retrospect:

"*I think CROWDFUNDING is an absolutely fantastic and really democratic way of launching a physical product in particular. I think it's in a really healthy state. Although I said earlier I think it's harder now in some ways, actually some bits are harder and some bits are easier because more people know about it. I think it's in a really good place and I don't think there's anything else that would enable a very small business, a start-up, to reach the number of people and to reach the markets that you can reach with CROWDFUNDING for the very, very tiny costs and the lack of risk because you only pay something for it if you're successful*."

Mentworth Games now use CROWDFUNDING campaigns for ongoing revenue generation, which supports their product development. Mentworth Games also came to realise, through their interactions with the crowd, that they had a standalone gaming platform:

"*I look back I think it was, it felt like the wild west when we were in the start of it, it felt like we were the pioneers in the wild west and that was really exciting. I think I became less excited about it and more drained by the whole operation and the complexity towards the end. And I guess I became a little bit disillusioned just because of the greed of the people who were wanting to pledge on that."* (Mentworth Games).

One Tall Story changed to a subscription model following their campaign and shared the following thoughts on their experience:

"*It like gave us the time in the community to figure things out, so it's like we had time and the resources to make this first book and then we had a whole bunch of people who we said what did you think and what do you want and all of that. So I think it was almost that and actually, it hasn't necessarily helped marketing because it means that the priority for us isn't to go out and find new customers, it's to really work with the ones we've got and I think we are probably just about coming to the end of that life cycle where we've got all the people who we're going to get coming with us and following us along. So I think the Kickstarter will then be helpful for showing validation, you know, we raised this much money. So yes the big thing which is building this incredibly attentive audience who are giving us money and helping to shape the product you know it's a double whammy*." (One Tall Story).

Superbricks sourced a manufacturer through the CROWDFUNDING process and expressed the following thoughts on CROWDFUNDING:

S9: "*It was a lot of effort, big distraction, big distraction but you know what, for us not knowing who our key audience was that process has been helpful, I don't know there's still an element of risk*." (Superbricks).

The Super Events Company shared the following:

TS12: "*It's a lot of work and I think that in my industry, in the events industry and specifically b to b training online training. I don't think it is the right platform to raise money and/or awareness. But it was a necessary step for us and we learned a lot by doing one. Everybody should do one but I won't be doing one ever again. So I think that's what we learned. If I made iPhone products or widgets and things then maybe I would explore it. But it's not the right platform for us*. *So Kick Starter can be amazing, not just Kick Starter, it could be other platforms (names). So crowd funding in general can be a great springboard for small businesses looking to launch a new product out into the market. But I would say it is better suited for people who have a tangible hard product not a soft product or a service."*

Appendix 6: Interview quotes with sensemaking properties and themes

SUPERBRICKS			
Crowdfunding Stage *1. Pre-launch* *2. Campaign,* *(Post-campaign)**	**Experience and supporting quotes**	**Sensemaking attribute**	**Theme**
Pre-Campaign	Negative experience of external finance and past failures lead to a preference for Crowdfunding. ***Quote:*** *I didn't want to take out a loan and I didn't want to get in a mess because I've already dealt with lots of mess and I didn't enjoy the experience.*	**Retrospection.** Drawing on previous experiences to drive future decision-making. Thoughts as to how to fund the business are mired in equivocality, and instead of seeking further information the decision is made through preferences, built through experience.	Motivation for Crowdfunding Speed of implementation.

(Post-Campaign) Campaign	The founder explained that he didn't think that he could have been prepared for the campaign. ***Quote:*** *I don't think I could've been prepared, I could've been better prepared but I just didn't know, there were questions I didn't know* **Quote:** *The thing is we didn't know what we didn't know; we didn't know what we needed to do so we just couldn't figure out. So we had these companies that we connected with that said we can help you and I tried to get in touch and they didn't say how they could help me. So it seemed to be like a bit of a scam so I didn't really, I just didn't connect with them rather than take up their offer and I'm glad I didn't*	**Retrospective/Identity** The founder is looking back on that first campaign from the position of a subsequent, successful, campaign and explains that it was only through learning by those early mistakes that success became possible. The creation of meaning is an attentional process, with attention directed backwards, so that the current situation influences what is discovered looking back. Anything that affects memory will affect the sense that is made of those memories. The failure of the campaign is seen as being the result of something that is impossible to	Self perception Speed of implementation.

	because the margins weren't that great.	know. However, there is a later realisation that bringing a crowd to the site is the key to success, suggesting that a lack of preparation may have affected the outcome. **Enactive of environment**: It's possible that a lack of preparation created the difficult environment that they faced in the campaign.	
Pre-Campaign	The founder explained that the objective of the campaign was mainly financial. He was confident in the offline market for the product and hoped that it would translate to kickstarter. ***Quote:*** *It was all about the funding and the markets, a bit about market exposure*	**Plausibility** It is plausible to assume that the offline market will convert to kickstarter even though this is not evidenced. However, this perception is enough to drive action.	Speed of implementation
Pre-launch	The founder identifies that not	**Retrospective**	Problem sensing

(Post campaign)	having a crowd leading into the campaign may have limited the campaign's success. ***Quote:*** *we hadn't got a crowd and we didn't know how to build a crowd and what we were doing is we were doing market stalls and craft fairs to get that crowd interested online.* **Quote:** *I think we thought that the crowd was in Kickstarter, we thought they were there and we thought okay we just need to get it kind of moving and then it would get interest from the existing crowd but it took me a while to realise that you've got to build it. I mean I heard the saying you need to build your own crowd but the understanding was that actually you need that*	Looking back on the campaign**,** the founder needs to make sense of the failure of the campaign, to bring a sense of order and understanding to what occurred. **Extracted cues**: A lack of knowledge and understanding is given as one explanation for the failure of the campaign. **Extracted cue**: Reinforced/embellished. This new insight, as to the need to build the crowd prior to the campaign, drove them on to conduct a future campaign,	Problem sensing. Problem sensing

	day-to-day wasn't quite so clear. **Quote:** *So you know can we be successful in Kickstarter and the Kickstarter market is not necessarily our audience, I don't know there's still an element of risk.*		
Campaign	The founder realised early on that the campaign wasn't going to be successful. **Quote:** *On the first one it just didn't look like it was going to work; everything we tried like calling people, telephoning them kind of didn't work so it was difficult.*	**Enacted Environment** The lack of success is unexpected. This triggers sensemaking and attempts are made to bring order back to what has occurred by contacting potential customers directly.	Problem sensing
Campaign	The founder felt that his existing network did not fully understand kickstarter **Quote:** *Yes it was it was trying to persuade people who were not already on*	**Retrospective: Hindsight Bias:** The 'vagueness' as to why the crowd are not engaging leads to the antecedents being	Problem sensing.

	Kickstarter that that's the way that we were going to connect with them. they didn't necessarily appreciate that, they thought maybe the funding always meant that they were loaning us the money rather than you know pre-purchasing products and Kickstarter for my audience wasn't that well known. If I was selling a mobile phone gadget or a computer gadget or a raspberry pie thing I think they'd be well into it and you know, easier.	reconstructed, moving from there not being a crowd, through to them being the wrong sort of crowd and also lacking the knowledge of how Crowdfunding operates. The extracted cues for sensemaking are embellished at each stage. This ends with the conclusion that something with greater tech is more likely to be successful, suggesting that the founder's product might not be the right kind of product for kickstarter when there is little evidence to support this.	
Campaign (Post-Campaign)	The founder has the realisation that the Kickstarter crowd are not their target demographic. **Quote:** *I didn't know because for me it was like a*	**Retrospection Hindsight bias:** The lack of audience engagement is an **extracted cue.** It leads the founder to try and make sense of this situation and the	Problem sensing

	product for everybody, it was like you know kids can play with it, adults can play with it you know even professionals can play with it but it clearly wasn't that. I mean our crowd now I know who my crowd is you know, she is married with children or has got nieces and nephews and there's occasionally a dad or a parent or an uncle, they're about twenty five to forty five. They live in a relatively affluent place in this country they live in; my conflict is that the Kickstarter market doesn't necessarily match that. So what we're going to do is tailor our product to the audience that Kickstarter already exists and use that to sell to them, not for	kickstarter experience has provided him with fresh insight into his market. There is, however, still the belief that the audience sought does not exist on kickstarter. This is an example where 'any map' is good enough to promote action.	

	them to buy for somebody else.		
Campaign and (Post-campaign).	Realisation that the video did not work and made another. **Quote:** *The first video didn't work, I just thought it didn't work; so I've radically changed it and it didn't work again. So we did make changes and we put it in different subsets in the Kickstarter universe just to try and just change the audience but that didn't work either actually.*	**Ongoing.** The founder is constantly making sense of the outcome of each video and adapting it. The video is the extracted cue and felt to be part of the problem. Rapid alterations are made to the video even though it is unclear what the problem might be.	Problem sensing
(Post-Campaign)	The founder realised that social media was very important for the campaign. **Quote:** *What we didn't do was we failed to communicate as much as we should have on our social media, I mean we were using Twitter but Twitter did not calculate so I'm*	**Sensegiving/Social**: Recognition of the social aspect of Crowdfunding. **Sensegiving.** Evidence that a campaign is primarily a social undertaking. But this is clearer when looking back upon the campaign and what occurred.	Problem sensing Problem sensing. Relationship with crowd.

	now clear that Facebook is the way to use media better, social media. We had press, we had local press, it didn't do anything exciting for us. Whereas Facebook if you do a post to a group then they will see that the next time they go on that, its waiting there for them whereas Twitter if you've missed it you've missed it and you [unclear-0:13:33.1] unless it's a direct communication. **Quote:** *I was given sort of an update every few days, every five days etc. whenever there was something to say they would say it and I'd work with them to share with us on social media and some really did but most really didn't. I think my audience was not*	**Hindsight bias:** But again we see different reasons being presented for why the campaign has not been successful. Here the focus is upon lack of communication with the crowd. These are attempts to make sense of what is vague. Reasons for lack of engagement further embellished, and here it is described as being due to lack of technical skills.	

	tech savvy enough to appreciate the idea of sharing the message, you know they'd communicate with us but they didn't necessarily, say to their friends and family you know here's something you might like as well to the person they think might like it. So we were probably more reliant on them to do that rather than ourselves.		
(Post-campaign)	Came to understand that pre-communications are everything. **Quote:** *Pre-communications are the key; build my audience.*	**Retrospective**: Once again confirming the idea that it is essential to bring the crowd to the site.	Legitimacy/self-perception
	Re-framed process as a learning experience.	**Identity.** Maintaining sense of self. Seeing negatives as a learning experience leaves space for further action.	Problem sensing
(Post-Campaign)	The founder explains that the	**Hindsight bias**: No real evidence	Problem sensing

	product is the key to success and that getting over the strength of the product is critical. The founder feels that their campaign failed because they were unable to communicate the strengths of the product. **Quote:** *I think the key to success is the product; it's got to be an exciting product. So we failed because we did not get over our product capability and we succeeded the second time because we were better able at doing that. So you've got to be able to amaze people.*	of this being the case. However, because they are looking back from their second, successful campaign, and the reasons for success are often vague and the result of numerous factors, various reasons are presented to some sense needs to be made of the outcome and so numerous reasons are presented to explain why the first campaign was successful. This conflicts somewhat with the founder's thinking that the failure was a result of the crowd not being on Kickstarter at all.	
	The founder didn't want to appear on the first video. He felt that his race might be an issue.	**Enacted environment**- Most CROWDFUNDING campaigns feature the founder, perhaps as a point of connection.	Relationship with crowd.

		Social: Imagining how the crowd might react and taking the decision not to appear in the video.	
(Post-Campaign)	The founder feels that a good story is needed to run an effective campaign. **Quote:** *I need the story of success*	**Enacted environment:** Story helps to connect the audience to the business and campaign.	Story/Narrative
Pre-launch	Founder's reason for their funding target. **Quote:** *The target I calculated how much I needed and I thought okay make it a nice round number, so I picked ten thousand; I could've done with more but that's what I picked and thirty days I thought it sounds a amount of time, it will go quickly so that's what I did.*	**Plausibility.** The target figure is not chosen because it's what is required but because it seems feasible.	Speed of implementation

One Tall Story			
Crowdfunding Stage *1. Pre-launch* *2. Campaign,* *(Post Campaign)**	**Experience and supporting quotes**	**Sensemaking attribution**	**Theme**
Pre-launch	Wanted to Crowdfund because they hadn't found an investor who they wanted to work with **Quote:** *We kind of were looking at doing more traditional routes of funding. The more and more we went down that road we realised it wasn't quite for us; we hadn't met the investors who we wanted to be involved in the process and we felt that there was so much more that a Crowdfunding campaign could offer.*	**Ongoing:** It was only through taking action and making sense of what occurred each time that the founders came to realise that traditional investment was not for them.	Motivation for Crowdfunding.
Pre-launch	The founder expressed the feeling that Crowdfunding would bring them closer to their customers.	**Social.** From the very start Crowdfunding is seen as a social endeavor.	Relationship with the crowd

	Quote: *We have kind of really tried to have this idea of being as close to our customers as possible and so we love the idea of actually making them a part of that process and that's what stood out for us as being viable with Crowdfunding.*		
Pre-launch	The founders knew that a similar product achieved success through Crowdfunding and they hoped to emulate that. **Quote:** *I suppose the big thing which motivated us was we saw a few projects, similar projects which was done really, really well and Hello Ruby, which is a book to teach kids about coding was one of them and while we were running our Kickstarter campaign actually, there was this ridiculously successful one*	**Plausibility:** We see vagueness here rather than uncertainty about the future success of the campaign. By understanding that a similar product had success this led them to believe that success was assured and that they only lacked the specific knowledge of running a campaign.	Speed of implementation

	called Rebel Girls Bedtime Stories and we saw this, we saw the amount of excitement it was generating and the community it was building up and the fact they were getting money as well and we thought if we can get all three ticked off at once that's the way we wanted the funding start up.		
(Post-Campaign)	The founders came to realise that their business model needed to change. **Quote:** *I think if you'd have asked me that before we ran the Kickstart campaign I'd have said yes it's there, we know exactly what we're doing and that completely changed that ten times in the next six months. I suppose, we thought well we'll just make a new book every few months and we'll sell that. So I was,*	**Ongoing and Retrospection.** Only by taking action and by looking back on the campaign do they decide to change their business model.	Problem sensing

	you know even in just the last few months we've pivoted to this subscription model, that was nowhere on the cards when it came to the Kickstarter campaign. So I'm actually quite glad that we were willing to be very fluid coming off the back of the Kickstarter.		
Pre-launch	The £10k target was arbitrary, not costed out. **Quote:** *I hadn't really kind of costed everything out properly or anything like that. We'd costed things out enough to know 10k will do the job and actually we are confident we can at least double that.*	**Plausible.** Speed more important than accuracy. More important to get the product out there than to try and be accurate on costings.	Speed of implementation.
Campaign	The company did not hit their target at the 24 hour mark and the founders felt that they had already exhausted the potential of their	**Social:** The founders are aware that when more people fund their project it validates the product, which further promotes	Legitimacy

	own networks. However, the campaign started to then move without much effort, and the founder felt this was because they had reached a tipping point that validated their actions. **Quote:** *So actually the aim was to do 10k in twenty four hours and it didn't happen, you know we got stuck basically on about eight thousand pounds. We had exhausted our personal networks pretty much, exhausted our professional networks that's how we got that initial ball rolling and we just didn't know where to push it further and then it picked up again you know almost sort of organically actually because we'd got to that tipping point where people were seeing it being promoted on*	the growth of the crowd. **Social:** The founders are making decisions with the crowd in mind, opting for a pledge that they deemed would be acceptable to the crowd, even though they had greater internal ambitions.	Relationship with the crowd.

	Kickstarter and there was social validation of people who'd already given it money. **Quote:** we had set ourselves, you know although we set a 10k target our internal target was about thirty, you know we were confident that we could do that.		
Pre-launch	The founders took a strategic approach. **Quote:** *The timeframe was definitely research based; Kickstarter does strongly recommend that the optimum amount of time to run a campaign is thirty days. We spent a long time choosing when we were going to do it for all sorts of reasons, for instance, we didn't want to do it during the summer holidays because people go away, they're not where*	**Enactment of environment:** The founders had taken steps to understand the dynamics of a campaign and in doing so had created a more favourable environment.	Extracted cues/Plausibility

	you expect them to be, they're looking after the kids who're home from school. We needed to know exactly where all these people were so that we could get in contact with them, so we spent a long time thinking about that and chose kind of optimum [unclear-0:07:51.3] based on that. I mean for us it would've been a failure if we only hit 10k but then that would've been public because only we knew that, everyone else thought that was the plan. So to be honest we'd done the work, we were confident, that wasn't a concern.		
Campaign	At the halfway point they had a sudden realization that they didn't know how to increase engagement.	**Ongoing.** They thought they were prepared, but realised they could have done more prep with regards to PR.	Problem sensing.

	Quote: What *I wish we'd done is setup a really good plan for how we were going to PR it and how we were going to be putting in all that time working on that. So because we didn't put the plan in place, when we realised we had all this free time and started well we might as well go off PR, the foundation hadn't been laying it and it just didn't work at all.* **Quote:** *Realised a PR plan should've ben created to help keep the campaign momentum. Feeling that 20 of the 30 days of the campaign was therefore a wasted opportunity.* **Quote:** *We'd done a lot of work beforehand but I think then what we didn't have in place was a plan of what we were going to do the*	**Hindsight bias:** Not clear that the time was wasted or that the extra PR focus would have made a difference. Particularly as it was picked up elsewhere that they felt there was littler PR take-up when they did attempt to get this.	

	rest of the time and we thought we'd be basically spending the first days of our Kickstarter you know, ringing people up, pushing papers, just doing whatever to get people in and there came a point where that stopped being effective and what I wish we'd done is setup a really good plan for how we were going to PR it and how we were going to be putting in all that time working on that. So because we didn't put the plan in place, when we realised we had all this free time and started well we might as well go off PR, the foundation hadn't been laying it and it just didn't work at all. I wish we'd have had a better idea of what we were going to be doing during the campaign because I would say twenty of those thirty		

	days were almost wasted. What we didn't know what to do and I think we could've, without even sort of blowing up and getting to the stage where its viral and you're talking about a hundred thousand pounds I think we could've got to 50k if we'd have been smart, if we'd have planned out a PR strategy and really stuck to that I think.		
Pre-launch	The founders undertook Crowdfunding for the money but equally for co-creation and to better understand the market. **Quote:** ***I*** *mean it was certainly useful for securing funds but actually you know, because of ingenuity actually just for a change we had some money in the back that maybe would've been kind of, there are other*		Motivation for Crowdfunding:

	easier ways to get money than convincing two thousand people to give it to you, but what it did do was it meant there was longevity into those people's desire to kind of spend money with us. So I think that's what gave us, it like gave us the time in the community to figure things out, so it's like we had time and the resources to make this first book and then we had a whole bunch of people who we said what did you think and what do you want and all of that. So I think it was almost that and actually, it hasn't necessarily helped marketing because it means that the priority for us isn't to go out and find new customers, it's to really work with the ones we've got and I think we are probably just about coming to		

	the end of that life cycle where we've got all the people who we're going to get coming with us and following us along. So I think the Kickstarter will then be helpful for showing validation.		
Campaign	The founders realised it would be very difficult to deliver with the logistics of delivering the product to customers. **Quote:** *What we didn't realise was going to be so hard was fulfilling everything in the Kickstarter campaign and I don't mean making the product, we always backed ourselves to make a product and I think we have, I mean just the sheer logistical problems of sending things out to two thousand people. We didn't realise that was going to be such a problem and if I was talking to*	**Ongoing:** Sense is made through taking action, making sense of the new outcome and making sense of the outcome once again.	Problem sensing

	someone when they're kick-starting something I'd be like be prepared for this to go way better than you thought. I mean you know if we were one of those Kickstarter campaigns who did hundreds of [unclear-0:10:12.3] honestly I don't know what we would've done; I don't know how we would've fulfilled that.		
Campaign (Post-Campaign).	Realisation that the real work is before the campaign actually begins. **Quote:** *We didn't realise how much the work was actually going to come beforehand. We'd done a lot of work beforehand but I think then what we didn't have in place was a plan of what we were going to do the rest of the time. You need, six months would be great, if you've*	**Retrospective/Hindsight bias:** When looking back it appears that the prep work was the key to their success.	

	got, like the longer you give yourself the better this is going to be just because you're going to have more people who are going to be there on day one, but as long as you've got months rather than weeks or days I think you can make a success of it.		
Pre-launch	Realised before the campaign that unboxing videos would be really important for social media. **Quote:** *all the boxes and everything and they had been, you know all the boxes were specifically designed, they'd got share on social media options and stuff like that and they're designed to be good for unboxing videos, you know you really unpack them. So what we see when say we did a box with the Kickstarter we got*	**Social/Sensegiving:** This awareness of the social aspect of the campaign, of creating things that can be shared, helped to spread the message. The founders actively looked for ways to get social support. The design of the box was created with the thought of the crowd in mind, demonstrating an awareness of a campaign being anything but a solitary undertaking.	Relationship with the crowd.

	a spike in orders because everyone shared on social media and we're hoping that's going to be the case every month with subscriptions.		
Pre-launch	Co-founder recognises that his colleague is the communicator, and sees himself as being a details person. **Quote:** *Alex is just, he's a phenomenal communicator, he loves talking to people, he's loves making, like he will just give them all his time. If someone had a question on Kickstarter he'd just chat away with them and the next thing you know he's on the phone with them or something and when you've got somebody who's doing that it's incredibly and certainly, I could not have run the Kickstarter campaign by*	**Identity:** Very clear idea of the role each founder plays in the business. There is a clear identity for each founder and this drives the roles that they take within the business and the campaign. But the founder puts forward their strengths and their identity within the business.	Self perception

	myself. Alex could've done, he just wouldn't have looked anywhere near as good and kind of the writing would've been not as good and that kind of thing, but Alex just brings such an ability to communicate with people and bring people under his spell and I think you need someone like that if you're going to do Crowdfunding		
Campaign	Initiated live-streams on Facebook. The founder felt that they could've done more in the way of updates. **Quote:** *So Kickstarter obviously has the ability to push out updates and so we did lots of that, we were always kind of telling people what we were doing and particularly, because you set stretch goals and say well we've hit this stretch goal*	**Social/Sensegiving:** The way the founders interact with the crowd is inline with their business goal of being closer to their customers. The founders act both as individuals in their interactions with their personal network but also through their organisational identity and mission.	Self perception

	but the whole time we were also trying to do that on social media. We tried to take advantage of everything that Facebook had to offer, we did livestreams, we put out videos, we put out photographs so like when we hit 10k Alex and I did a livestream, you know when it was one hour to go Alex and I did a livestream, anything that would get us that kind of visibility. So we did it, you know that was on a kind of companywide level, we were also doing it personally; so when one of our friends backed us they were getting a phone call. When someone who I worked with two years ago backed us they were getting an email and they were saying thank you so much and		Relationship with the crowd.

	then that person would go and share it with someone else because they felt that they'd really made a difference. So I think it's about doing it kind of on a personal level as well as professional. **Quote:** *The livestreams were really good; this was just when livestreams were coming onto Facebook and they are still massively prioritised by the algorithms, so you know it just got put in front of a lot of people. Things that didn't work so well I'd say maybe we didn't take full advantage of the Kickstarter update section, if you look at people who are kind of serial Kickstarter back of, no the people who setup Kickstarter they'll do like you know two updates a day almost, I think maybe that's*		

	overkill but there must be a reason these very experienced people are doing it, so I think we could've done more of that.		
Campaign	Realisation that it's about communicating with the individual not the crowd as a generic. **Quote:** *What was so nice was the crowd ended up being personified by these people who were super enthusiastic about what we were doing and these people who were saying this is amazing and I'm doing this first and this first. You know there's like ninety percent of people who will back you on Kickstarter and they never want to hear from you again, they saw it, they liked it, you know they want the product and that's it. The other ten percent*	**Social/Sensegiving:** Sensegiving is undertaken consciously, with recognition of the individuals who make up the crowd. Once again, following the company ethos of being close to its customers, a high amount of personal interaction is evidenced. This individual communication, in turn, helps to shape larger scale communications because, by understanding the needs of a number of customers in depth, it is then plausible to assume that the crowd as a whole may also have the same issues that need addressing.	Identity and relationship with the crowd

	of the people you really need to look after and those ten percent you kind of get to like have this personal relationship with them and if you're communicating with well individuals then it becomes super easy to communicate with the crowd because you just take the twenty conversations you had that day, you pick out the points that are relevant to everyone and you turn that into a Kickstarter upgrade or a [unclear-0:16:25.2]. So I think it's less thinking about the crowd and more thinking about the individuals, so part of it and then extrapolating that.		
Pre-launch	Achieving their target. **Quote:** *we needed to know that we had the 10k guaranteed it was going to happen*	**Plausible:** The founder has a target that they believe will be acceptable to the crowd. As	Speed of implementation

	straight away, anything after that was a bonus so we worked along that.	discussed earlier, they had a very different internal target (£30k) that they wanted to achieve. But it was important for their identity, and for that of the business, that they achieve their public goal.	
Campaign	Story and narrative was felt to be very important to success. **Quote:** *I think we sort of maybe inspired like a maternal/paternal instinct in a lot of people, you know we get so many messages from people still being like I just think what you guys are doing is amazing and it must be so hard, they're almost like I'm so proud of you like it's really strange people almost feel that and we were very, very conscious of that. We felt we had that as a strength, we felt that Alex*	**Retrospect/Story/Sensegiving:** The founder makes sense during the Crowdfunding campaign of the importance of their story. Their story has been developed through practice, until they found the essence of it, and were then certain of the identity they embodied within that story. This became a critical element of their sensegiving.	Story/narrative/Relationship with the crowd

	and I were just so enthusiastic about this idea we could really sell it and so I mean if you watch our Kickstarter video it begins with literally the story of our childhoods and how that unfolded because actually, I'm kind of like the grown up embodiment of what we don't want kids to become you know we don't want them to be so [unclear-0:08:54.5] we want them to be Alex. So we're kind of this dynamic of, we embody it, it's like we're now working together because I had the worst experience and Alex had the best experience and if we tie what we learnt together we can solve it and I think it almost kind of gives you the math of the expert coming at it from those two ways. So we had		

	got very, very good at telling our story, because we'd been for an accelerator programme we were pitching to mentors all the time, we just tried a million different things till we could find it, find it and find it and so it was a very conscious effort to use that as much as we could and just milk it basically.		
Campaign	Story ahead of business **Quote:** *we'd set out that we were going to make this less about the company and more about the two of us, you know we felt that we could be kind of charismatic and interesting enough that even though we were young people would kind of back us and run with it for that reason. So we tried to keep it very friendly and informal but attentive.*	**Story/sensegiving:**	Self perception and story/narrative

Lynxwheels			
Crowdfunding Stage *1. Pre-launch* *2. Campaign,* *(Post-Campaign)**	**Experience and quotes**	**Sensemaking attribute**	**Theme**
Pre-launch	They were eager to Crowdfund in order to test the market. This was the primary reason. **Quote:** *The primary reason was to test the market and we thought Crowdfunding would be the best for us.*	**Plausible:** Founder feels that it's plausible to assume that the kickstarter crowd will provide a strong insight into the strength of the market.	Speed of implementation
Pre-launch	The founder felt that there was nothing to lose by doing Crowdfunding. **Quote:** *The first time round you feel as though you've got nothing to lose and everything to gain. The second time around you've got everything to gain but you've also got quite a lot to lose.*	**Enactment:** Taking action and seeing what happens.	Self perception
Campaign	Change in business model and direction as a	**Retrospective/Ongoing:** The founder reflects upon their	Self perception

	result of the campaign **Quote:** *The product that we sell now is several iterations on from the first product and even when we first launched and first were doing the campaign for the original bike wheel for a folding bike, we had people asking if we could do it for wheelchairs and now all of our business and our revenue and the success of our business is actually built on the wheelchair and not on the bike wheel. So that testing the market and user feedback and then also testing geographical markets so realising where you get the interest from and going where the interest is and building on that.*	confidence in the product they had created only to learn as the campaign progressed that the real opportunity was elsewhere.	Opportunity sensing
Campaign	The social aspect of the campaign	**Identity:** The move from private	Self perception

	can be a challenge to deal with. **Quote:** *You feel every negative comment is a stab through the heart. You put your life and soul and all your money and all of your family's financial wellbeing into this project and, particularly when you have been doing it privately and secretly, and then suddenly being out there is a big shift in gear.* **Quote:** *I suppose because I work with my husband we just motivate each other and keep each other going and other colleagues are always really positive. I've just had to walk out the room. My colleague, Emma, is always positive about everything all the time and that you really need. More importantly I knew*	to public is challenging. Crowd negativity has an impact upon identity. The founder keeps the negativity in check by 'smothering the hater's with love,' which probably is coming from an organisational perspective and the founder focuses upon the positives of the product and belief in where they were heading. **Identity:** The identity of success created from the first campaign drove much of the effort in the second campaign, in an attempt to equal or exceed the success of the first campaign. When success was slow to materialize, and when their efforts received more in the way of negative feedback, this challenged the identity of success	

	it was a really good product and the feedback we'd had in our testing from wheelchair users was incredibly positive as well so I really believed in the product and I was doing it for them. I just thought put pride to one side as well and think about what's important. The importance is the product and getting that product out to people that want it and whether Crowdfunding is the right way of doing it. **Quote:** *Mainly with the first campaign we were just climbing nicely and it was non-stop activity. The second campaign I was doing non-stop activity to keep it going and we weren't getting the pledges in. Then we had some fits and starts but we got there in the*	that had been built previously.	

	end. It did work but I was quite critical of myself as well because I felt the first time around anything that happened that was good was wonderful, second time around I felt I'd done this before so I should know what I'm doing and I should be better at it and it didn't turn out that way for lots of reasons.		
Pre-launch	Realised the importance of early groundwork of 5 months plus. **Quote:** *Yes. I started preparing in detail the previous autumn. We launched in April for the first one so I've been working on it since about the previous October/November . I also followed a couple of campaigns and pledged a couple of campaigns to*	**Enactment.** Preparing the way ahead through considerable prep work, which left them able to take opportunities as they arose. The founder created a more favourable environment ahead of the campaign by taking these steps.	Self perception

	see how they worked. **Quote:** *I had a really great conversation and advice even on the morning of going live from somebody who had done it before. I had talked to several people but this one guy in particular who he said, you're going to get media interest, requests for things, have you got everything lined up, have you got a press release, have you got all of that, and I had. That was really useful and really important. That was the main thing, trying to prepare as much that meant that we could be flexible and respond to opportunities as they came up whether it be for briefing or written information, or actually just going to events.*		

Campaign	Realisation of the difficulty of communication with the crowd and managing negative comments. An advocate was on line and defined them in the face of negative comments. **Quote:** *During the campaign the first difficult thing was to learn how to respond to lots of questions. The other thing was how to respond to criticisms online. We were very lucky in that it got picked up online in a lot of places in a lot of different forums and there were all sorts of people commenting and we did wonder whether we should be responding to those comments. We soon found within a couple of days that they tend to self-regulate and that other people would chip in and we*	**Social.** Looking for social support. Decision made to keep out of the negative and to let the crowd manage this. Managing the dialogue around the campaign is a major challenge.	Relationship with the crowd

	thought actually, we're best to stay out of it because we probably couldn't have kept on top of it all anyway. **Quote:** *To a large extent we were really lucky because, I mean this was completely out of the blue and I can probably look at the date, it was not very far in, but somebody, we had no idea who he was, we've never met him to this day, a guy in the States, Beautiful Bandana his name was, lovely accent, an Irish American accent, engineer, he basically had seen all this online, picked up every one of the criticisms that people were making like it will be too bouncy, or it will be too wobbly, or it won't work, and dismantled each		

	argument in a video.		
Campaign	It was a significant shift going from private work to work that was in the public eye. **Quote:** *The most challenging thing was the shift from working on something secretly for five years and then being right in the public eye online and it takes over your life.*	**Enactment.** They make it symbolic in their own minds.	Self perception
Pre-launch	Their target was based on what the felt they needed for their activities. **Quote:** *The target was what we thought would be actually what we needed. As I say, it turned out to be an underestimate but it was what we needed but what we also thought we could realistically achieve so one of the reasons probably we didn't build in a big contingency was we just thought*	**Plausible:** The founder wanted a target amount that seemed feasible for the crowd. So the crowd could see the business could do what they set out to do without the need for enormous amounts of capital.	Speed of implementation

	that would be too ambitious. The second time around I wouldn't say we didn't need the money, but we needed the orders more than we needed the money. **Quote:** *And getting the first customers, yes. It was awareness on the first one as well but we were at the point with the first one where if the campaign hadn't been successful it would have been a real problem for us and we'd have to find another funding source.*		
Campaign	Realised that they had global interest not just interest from the UK as they had expected. **Quote:** *think the first time around we were surprised at how quickly the word spreads out across the world. I think we expected to get interest in the UK. We didn't expect to get so*	**Enactment.** This interruption changed the idea of what the business could be. CROWDFUNDING opens this up and shows what may be possible.	Problem sensing

	much interest from countries all over the world so the States, Hong Kong, Russia, all over.		
Pre-launch	The founder exhibited at a bike show 3days prior to campaign to gather the crowd. Got people to sign up to Kicstarter, to pledge. They went to where the journalists were rather than the other way around. **Quote:** *The first time around we, and this was a good plan, because we were completely unknown we planned very carefully to do a bike show which was a handmade bike show in Bristol which was the weekend before we went live so that show was Friday, Saturday, Sunday and we went live on the Tuesday lunchtime I think and we gathered*	**Enactment**. Creating their opportunities through preparation and taking action.	Legitimacy Story/narrative

	our crowd at that show. We got people to sign up and we also knew that at that show there would be a load of journalists who were visiting the show. We knew that we couldn't get journalists to come to us but if we went to where the journalists would be anyway and that strategy worked really well. **Quote:** *Yeah. Having been so clever the first time, the second time around we didn't do that. Because we had a really big mailing list we had lots of people over the previous two years saying can I have these wheels for my wheelchairs? We thought we could do it without that show and we did our Crowdfunding before we went to the show and probably we should*		

	have done it the other way around.		
Campaign	Lots of updates, communicated privately to backers via kickstater or publicly. Use of social media but mainly through kickstarter updates. **Quote:** *I did a lot of updates to our backers either privately to the backers via the Kickstarter set up that allows you to do that, or publicly so just posting updates on the project. Before the campaign I had reached out personally through the show then through a lot of emails to lots of people we knew and friends of friends and got family lined up to do the same. The frequency of updates were pretty much daily. Mainly on Kickstarter.*	**Social/sensegiving.**	Relationship with the crowd. Legitimacy

	Quote: *We've probably covered it, but just the personal touch. I think people like to feel they know the person they're talking to. Little things like individually signed postcards and keeping in touch. That's really important to successful crowdfunding I think.*		
Pre-launch Campaign	Family and friends were vital to impact. **Quote:** *Obviously we got the bulk of our funding from complete strangers but we had some significant pledges from people that we knew who we weren't expecting necessarily to put in what they put in. That really works well in terms of your profile because people get behind it. They jump on the bandwagon because they think*	**Enactment:** in using what was available to them from the outset. **Social:** legitimization.	Legitimacy

	it's going to be successful.		
Campaign	Pre-orders, testing market. Realisation that came from Crowdfunding their was demand for wheelchairs. Most of their revenue is now from sales of wheelchair Lynxwheels and not those for bikes. **Quote:** *Definitely securing pre-orders. Testing the market so getting feedback about the product, what people liked and didn't like about it. The product that we sell now is several iterations on from the first product and even when we first launched and first were doing the campaign for the original bike wheel for a folding bike, we had people asking if we could do it for wheelchairs and now all of our business and our revenue and the*	**Ongoing.** **Enactment:** Change in business direction and business model. By taking action and running the campaign the founders learnt more about the needs of the market. Sensemaking was ongoing and they were able to develop the new product.	Opportunity sensing

	success of our business is actually built on the wheelchair and not on the bike wheel. So that testing the market and user feedback and then also testing geographical markets so realising where you get the interest from and going where the interest is and building on that.		
(Post-campaign)	Feels that there is nothing else that could help a business in the way that Crowdfunding can.	**Retrospective.**	
Pre-launch Campaign	Recognises self as an organiser and project manager type and less of the people person. **Quote:** *I'm not a real people person. I'm more of an introvert. However, in my previous work, which was completely different from this, I really understood the importance, this is more in the mental health*	**Identity:** Very clear on strengths and how this benefits the company.	Self-perceptio

	world of service user involvement, of actually knowing that it's about people all the time and getting people involved in what you're doing. That's the important thing and I think I balance that quite well with my husband and business partner who is all about the product so that's a good combination. I am a planner, I'm a strategic strategy developer planner person and I think that was important.		
Pre-launch	Stresses the importance of gathering the crowd ahead of the campaign, **Quote:** *I'd try and stress less but that would be impossible. I think I would do more of what I did in the first one in terms of more of the physical gathering in a crowd first and*	**Retrospective**	Self-perception

	putting yourself out into the world a bit more. The second time around I spent too much time sitting at my desk and my laptop rather than being out and about because you also feed off the positive reaction from people face to face.		
Pre-launch	Comments on the video **Quote:** *We used the video. It was nicely filmed. It probably wasn't as pitchy as it might have been but it was a beautifully filmed thing. I think we put quite a lot of work into writing the campaign. It's not quite the same but going to that first show was really important, building that crowd initially was good. It was crucial.*	**Social/sensegiving**	Relationship with the crowd.
Pre-launch	They did not wait until everything was perfect before they launched.	**Plausibility**	Speed of implementation

	Quote: *The wheel was absolutely there, tested etc. The vision of what we were going to do was there. We were pretty much there with it. There were all sorts of things that we hadn't worked out like the ins and outs of shipping and packaging and those sorts of things, but we were very far advanced.*		

Mentworth Games			
Crowdfunding Stage *1. Pre-launch* *2. Campaign,* *(Post Campaign)**	**Experience and quotes**	**Sensemaking attribute**	**Theme**
Pre-launch	Mentworth Games wanted to cater for the disillusioned gamer. ***Quote:*** *Probably there were people that started off their lives playing Warhammer or one of the other Games Workshop franchises and then had become disillusioned because Games Workshop ... Games Workshop got to the place where they took, they had the choice in that the fork in the road was do I push prices up and make fantastic margins or do I keep at these prices and sell more? what they decided was we are going to push prices up which of	**Extracted Cues:** Recognising that a segment of the market were not being served, and that Crowdfunding provided a means to communicate with their audience.	Problem sensing.

	course, whilst I was there I saw the margins they were making ... I won't speak numbers but obscene, truly obscene the margins they were making and still do make because they push prices up even more since then. But of course what that does is that leaves lots of disillusioned customers who are saying I cannot, you know I want to do this but I can't afford to do it any more. And you leave the space for other entrants to come in because you've left that space, the margin there for them to be able to undercut and still make a decent margins. So the likes of Mentworth Games was able to come in and undercut and so there was this ground swell of disillusioned		

	Games Workshop hobbyists who were just right for here is a great alternative for me. And what's more, they are doing it in this novel new way which because most hobbyists are slightly geeky, slightly computer oriented, and almost addicted to gaming so actually something like Kickstarter which is where it's almost a game ...		
Pre-launch	Reason for doing kickstarter **Quote:** *I think I would say it was generally about the money but it, but within it, it was let's test how successful the concept of the game is through the voting system of Kickstarter because actually if we can sell 10,000 games through Kickstarter, then probably we'll be*	**Plausible.** Plausible to assume that if a product is successful through Kickstarter it should be a success offline although this does not automatically follow.	Speed of implementation Motivation for Crowdfunding.

	able to sell the same again through trade so therefore if it's going to be a success through Kickstarter, it's going to be a success through trade as well. **Quote:** *You know it was that kind of hand to mouth existence. The reason being is that we approached a whole number of banks to help us invest in the business and none of them were interested in working with us. The closest we got to an agreement with the bank was a bank that said we will fund you but the directors of the company have to put in money into our bank exactly equivalent to the amount we lend you as security. Well that's, if they were going to do, if the directors were going to do that they'd have*		

	put the money in the company, not in a bank account. And so we were looking for innovative ways to raise money and actually this coincided with Kickstarter starting off in America so this was, how many years ago now, probably seven years ago, no less than that actually. Maybe 5 years ago.		
Pre-launch	They did not wait until everything was perfect before launch. ***Quote:*** *The game system was there and I think there were just about enough armies for you to play with, I can't remember, they were elves, dwarves and undead, I think there were three different armies you could play with, I think that was what it was. And this was an ability, this was a chance for us to*	Plausible	Speed of implementation

	potentially add in another army. But as it went on and it wasn't necessarily the plan, you know it may be a hope in the back of our minds but the way it went on we were able to not only produce new armies but also flush out some of the armies that were already there and almost like we'll provide something for everyone so whether you are collecting this army, that army or choosing to start a new army, here's something for you that you can have through this.		
Campaign	Using Kickstarter became a means to fund ongoing game production. **Quote:** *What it did do though is it became almost like a drug because you then used the Kickstarter to*	**Ongoing/Social:** Here we see how the social side of a campaign can gain momentum and drive decisions that are made within the campaign. There was	Relationship with the crowd Problem sensing

	create the products which you were going to sell through your standard routes to market at future months. So suddenly you were using Kickstarter to fund something, an investment for a launch where you were actually, because you were giving away so much discount you were going to make very little money from it because it was the launch. But that gave you the ability then to buy the products in sufficient volumes to bring the cost price down to be able to make decent margins on your standard sales but you were, you'd become then dependent on having those big Kickstarters working really well to fund your new product development programme for	conflict between business practicalities and the need to be seen (as a campaign is very public) as a customer focused company.	

	the future years. So they were a drug that was difficult to come off **Quote:** *Actually that's a dangerous game to play as well because all you need is Kickstarter to fail in some way for you promise something which then you can't deliver profitably at all. Now we didn't really get into that situation but I know a number of companies that did where they really didn't consider fully the profitability of it and actually were selling things unprofitably and so that therefore if games are going to be unsuccessful they had bet the whole farm on that game.*		
Campaign	Crowdfunding led to a change in direction for business.	**Ongoing:** Sensemaking is ongoing and the social nature of a campaign leads to	Opportunity sensing

	Quote: *Essentially the products that we were marketing was a bit of a "me too" to product, so in the sort of science fiction, fantasy type of genre but we realised that it was a product that had a games systems of its own but could also be used by people who are Games Workshop players as well.*	new insights. They came to realise that the business could develop games that stood part from Gamesworkshop products.	
Pre-launch	Deciding upon Kickstarter as an alternative source of finance. **Quote:** *So Kickstarter just started, the MD had seen it starting and said look it's based in America but actually a lot of our customers are American based anyway, what do we lose having a go at this, you know even if we got $10,000 out of it which we could then*	**Plausible.** There is evidence here that just having some map of he way ahead is enough to drive action. Rather than months of planning they went straight into the campaign, speed being important to them. We also see that the internal story of this being a learning experience as enough to drive the campaign, without much	Speed of implementation

	reinvest in the business. That would be better than nothing. And so we put something together in less than a week I think and were totally bowled over when the thing took $300,000. The reason we'd done it was really just to, as the initial campaign was really just to learn about Kickstarter. We thought well there's no better way of learning than learning through a campaign that we didn't think was going to be worth very much but actually ...	knowledge as to what running a campaign would actually entail.	
Pre-launch	Deciding as an organisation what was important to them. **Quote:** *And then the other thing we made it clear was, as an organisation, that we were going to deliver on time and that was*	**Identity/Social:** This identity, as an organisation that delivers on time, determined how they presented themselves to the crowd. Even in adversity they tried to maintain this for	Identity Opportunity sensing Relationship with the crowd.

	perceived to be really important and sure enough we did deliver on time which actually we did a whole number of these and it was a rarity for them to actually be delivered on time, in fact we were on CNN or some American publication where they quoted the percentage that were not delivered on time which was the majority and they quoted the ones that had been delivered on time and Mentworth Games was one of those which are consistently delivered on time. So that was again really important for us. We did launch the next game and that got $800,000 and then we did another one, which did $1.2 million after that. So very soon we became the biggest	the crowd, their actions being driven by what they imagined that crowd would think if they let them down.	

	Crowdfunding company in the whole of the UK. And which meant then suddenly that what had been really important in terms of getting stock out to the customer on time was sacrificed and the customer satisfaction was falling.		
Campaign	Working with the crowd ***Quote:*** *And actually there would be that co-creation idea happening and it gave us the ability to hear what was important to the customer and actually even set little challenges of saying, oh we're thinking of launching a new race, what do you think they should be called? That kind of stuff which both ties in the customer because actually they feel they've been a part of almost like the christening of*	**Enactment/Social:** By taking action and through interaction with the crowd the operating environment is created as are opportunities for co-creation. Note: It appears that products such as this are particularly well suited to Crowdfunding and co-creation.	Relationship with the crowd

	a new race and, but actually gave us lots of good information as well. We could see from the start it was going to be a big winner. ***Quote:*** *talking to the customers was really important to us and where the customers we had were really passionate about us. So we had a really loyal fan base, relatively small but for those who had heard about us who had made the migration from perhaps collecting Games Workshop to actually saying no this is a great new game system, they were very loyal fans. So what Kickstarter allowed us to do was to have very, very good communication with them. What we did from the very start is we set up people who*		Relationship with the crowd.

	would be answering queries from early in the morning until late in the evening. ***Quote:*** *because we were raising funds all across the world, the people there loved that, that they felt they were having a conversation with us. That kind of stuff which both ties in the customer because actually they feel they've been a part of almost like the christening of a new race and, but actually gave us lots of good information as well. We could see from the start it was going to be a big winner.*		
Campaign	Mentworth Games provided flexible rewards, which created challenges. **Quote:** *We set out to do that from the start. Actually as time went by, we didn't achieve that*	**Identity/Social:** Their values drive them to continue, creating both their opportunities and their challenges.	Self perception Relationship with the crowd.

	because actually one of the easier things to happen when you are doing Kickstarter is to become greedy, to, as time went by it, it was greed from both sides really, it was the people who were pledging constantly expecting you to have pledge levels where you gave even more if it went over a certain, even more and even more and so that communication went from being an information and, you know, like two mates bantering, it turned into actually we want this next, we want that next, why don't you give us this free. And actually not only did they want it, everything free but they wanted the ultimate in flexibility as well. I don't want to be told I have to buy	**Social/Identity:** Presented an identity to the crowd and it was hard to alter that. **Enacted:** Created the environmental challenges they faced through offering the flexibility but it also may have created the opportunities. **Social/Identity:** Creating that organisationl identity and being very open and connected through social media leads to higher expectations from the crowd	Problem sensing. Relationship with the crowd Self perception

	that set of toy soldiers, I want to be able to handpick but have that soldier, that one, I want that one left handed or right handed, it was that kind of feeling to it. **Quote:** *To be honest I think pretty much every time I, well for many times I was saying as finance director, I don't think we should be giving anything more, I don't think we can afford to. But I think just for every case we did. And actually not only did they want everything free but they wanted the ultimate in flexibility as well. I don't want to be told I have to buy that set of toy soldiers, I want to be able to handpick but have that soldier, that one, I want that one left handed or*		Relationship with the crowd. Problem sensing.

	right handed, it was that kind of feeling to it. **Quote:** *The complexity actually made them much more difficult and actually the, although we were able to bring costs down from sourcing from China and that was great, the complexity of if you get it wrong in China and then it has to be on a boat for so many weeks and it arrives and it's wrong, it's misspelt or it's the quality of the model isn't good enough or whatever it is [mobile phone rings - brief conversation]. Yes, the complexity was being added to exponentially and the complexity of trying to get the packages out to the customers was growing exponentially.*		

	Quote: *So that was one of the other big learnings, it was about you have to have a loyal following and you have to treat them well and they have to feel they are being treated well. So we did have a situation where one of the products we developed from China, it had been printed and in the last proofing session, for some reason one of the files that was proofed was the incorrect file and instead of the books saying see page whatever, all the way through it said see page xxx, the whole book. Thousands of copies. And we, the book was perfectly usable, it was just not professional and the peel who received it just went wild. You know it was like*		

	you know mass murder had been committed and you know it was, it was unbelievable the kind of vitriol that came from that. And actually a bad news story on Kickstarter and it travels very fast as well so it is really important to treat things like that really carefully. **Quote:** *but instead of, yes, good hearted exchange of views and excitement, it became a constant so what are we going to get next for the next level? What are you giving us next? And then when you announce what you are going to give them next, yes okay so we'll have that, now what's next? And that kind of ... Yes, actually you, to be honest you saw the ugly side of humanity.*		

	And the power of the troll to bad mouth. You know it is, yes it is vitriolic some of the stuff that you get on there. If you spent too long reading through the thousands of comments, you could be slitting your wrists at the end of the day because there were people who were just incredibly negative people who are just after something for nothing. And who have got nothing better in their lives just to, than just to spend all their time writing nasty stuff on the internet.		
Campaign	Use of advertising to promote and drive campaign. **Quote:** *Yes, yes, lots of kickstarter updates and social media that was a way to just get the message out there and to keep the excitement*	**Social:** Targeted marketing	Relationship with the crowd.

	going and to make sure that the right people were hit with the message several times so that they couldn't, couldn't get away without having seen it and if you can show some toy soldier porn, you know here's a really exiting hawk ..		
Campaign	Trade accounts started to question why they should order games from Mentworth Games when customers already had the product through Kickstarter or they could get the most deals and excitement that way. **Quote:** *Actually the learnings was you can actually cannibalize your own business through Kickstarter. So you can get to the point where people are so sophisticated that as customers they are buying*	**Enactment:** By running a campaign they created some of the challenges that they face.	Problem sensing

	through Kickstarter and your trade accounts then are saying why should I stop your products at all because actually you've creamed off all the best customers already. Or my customers are saying they've already got it. Why on earth would I want to stock your game now? So it almost flipped the business on its head from saying here's a way to fund a new product so that we can launch great products and pay for our tooling to launch great products to our trade stores, to trade accounts saying why should we bother with you because actually you've given away everything.		
(Post-campaign)	Feeling that the campaign could've been run more effectively.	**Hindsight bias/Identity** Here, looking back	Problem sensing. Self perception

	Quote: *What we should have done differently every time which we just didn't do was to hold the discipline of keep it simple. And that was what really killed you because that, after every campaign, the swamp of customer services calls of saying either I didn't get mine or the neighbor took it and I've never seen it or, I am missing this, that and the other and you can't prove any of it.*	on the challenges there is a realisation that they should've kept it simple. But would they have been successful had they not been so responsive to customer needs? Their identity committed them to a course.	
Campaign	Strength of story is critical. **Quote:** *The truth is, that a lot of those people pledged the dollar because they wanted to be a part of the campaign and they wanted to be a part of the banter, the messages and we would get tens of*	**Story/Sensegiving:**	Establishing story/narrative

	thousands of messages. **Quote:** *There were some, I am sure, who just wanted to say that I love your games, I can't afford it at the moment, I just want to register my love. And we got lots and lots of really positive comments like that.*		
Campaign	Picking up on cues in the environment related to competition **Quote:** *As the market is being saturated and particularly as some big American players came in who were doing these things time and time again who were doing them, you know maybe four or five times a year, and then you had several of these happening. So there was constant big games being*	**Cues:** Picked up on the increase in competition. This made them more focused on talking to their customers and trying to deliver what they want. So they are making sense and extracting cues from within the environment whilst also creating both the challenges and opportunities they face in the campaign.	Problem sensing

	launched and suddenly you are not novel anymore and you've got to carry on talking really to your customers and delivering what they want to keep them as customers .		

Simplifiers	**Experience and quotes**	**Sensemaking attribute**	**Theme**
Pre-launch	The founder took a strategic approach from the outset. **Quote:** *We probably started the planning process I would say in September. So four months prior and we mapped out our game plan and did all that prior to launching January 2016.* **Quote:** *So we did a lot of research* *I was part of a business accelerator programme in Nottingham. And we learnt a little bit about KickStarter there. And talked to quite a few people who had run KickStarter campaigns*	**Enactment/Identity:** **Always prepares/organisational identity and founder identity influence preparedness.**	Self-perception

	both successful ones and not successful ones to gain the best information from them as well. Like okay now you've gone through that process what worked and didn't work? *And how can we do ours better? And I also bought into a Udemy court Online that was also, I don't know what it was called entirely, but it was like top tips on how to run a successful KickStarter campaign.* **Quote:** *We felt pretty prepared. We had an editorial calendar knowing what we were going to say at any given day.*		

	What we were blogging etc. We had a road map mapped out. We also had targets that we wanted to hit. So we had heard a lot of trends that if you don't hit at least 30 to 40 % of your overall fundraising goal within the first 48 hours that it is more likely that you will fail. So we really wanted to make sure we hit 40% of our fundraising goal in that first 48 hours, which I think we got really close to. We were like 35% or so. So we felt like we were on track.		
Pre-launch	The founder's motivation for Crowdfunding was primarily about raising		Motivation for Crowdfunding. Self perception

	awareness, not financial gain. **Quote:** *Yeah, so the business all the way up to that point was 100% bootstrapped. No other type of investors or funding per se.* *We had different lines of credit and things like that, but no investors or funding from other sources. For me I felt like the Kick Starter was the right move because it wasn't about raising a bunch of money. It was more about raising brand awareness and getting early adopters to buy into the new product. Because for me it was more*	**Identity:** As an established business they are not seeking money but key influences to promote a new product. There is real clarity as to what is needed and the identity of the business. **Identity:** The founder's identity is one of a credible businessperson. Thinking and planning are strategic. **Identity:** Here the identity of the organisation is front and center. Uses qualifiers 'high quality' 'international Award winning.'	

	important to have key influences in my market using our new e learning product. So we incentivised them to purchase at a certain level at the KickStarter then they would get access into other products. So for us it was more about brand awareness. It wasn't about the money. **Quote:** *We kept very copious documents of who we talked to, how much we've asked for from them, when was the last time we contacted them. And we were very strategic in all of that. We didn't go in*	**Identity**	

	blindly saying 'oh let's just put up a KickStarter page and the money will just sort of roll right in'. We were very strategic in all of it. **Quote:** *So for us we have brand recognition in our sector. People know and trust that the Simplifier is a high quality internationally award winning events firm. So there is a bit of social proof in that of like 'oh I know and trust that the Simplifier do great work. And this training product in the events industry – I'm willing to bet that is going to be great quality given*		

	their track record of what they accomplish'. So I think that really, really helps us.' **Quote:** *Business is just built in my genes and who I am as a person. So I always knew I wanted to start my own company and have that flexibility of time and schedule and a bit of control over what I do in my weekly work day.*		
Campaign	Crowdfunding proved to be very challenging. **Quote:** *it's an obscene amount of work and we only raised – I want to say twelve thousand US dollars and so again, if we*	**Ongoing:** You can only really know what is required within a campaign by running one.	**Problem sensing.**

	had raised three hundred thousand pounds then of course I would do one. But given the shear amount of work that we put into it and the payout financially it doesn't make any sense whatsoever.		
Pre-launch	The founder undertook considerable preparatory work prior to the Crowdfunding. **Quote:** *So we did a lot of research. I was part of a Business accelerator programme in Nottingham. And we learnt a little bit about Kick Starter there. And talked to quite a few people who had run Kick Starter campaigns*	**Enactment:** The high amount of preparation, their goals and beliefs helped them to eradicate uncertainty, leaving only vagueness as to what the experience of Crowdfunding might be. Their very clear goals and beliefs **Identity:** The identity and belief is behind everything that they do. Even when they are not exactly where they want to be, there is no uncertainty around their future success.	Self-perception Problem sensing.

	both successful ones and not successful ones to gain the best information from them as well. Like\ okay now you've gone through that process what worked and didn't work? And how can we do ours better? And I also bought into a Udemy course online that was also, I don't know what it was called entirely, but it was like top tips on how to run a successful Kick Starter campaign. **Quote:** *I wouldn't say so. I mean we were pretty well prepared going into it. I think people tell you it's a lot of work but you don't*		

	really realise how much work it is, until you actually do one. But we felt pretty prepared. We had an editorial calendar knowing what we were going to say at any given day. What we were blogging etc. We had a road map mapped out. We also had targets that we wanted to hit. So we had heard a lot of trends that if you don't hit at least 30 to 40 % of your overall fundraising goal within the first 48 hours that it is more likely that you will fail. So we really wanted to make sure we hit 40% of our fundraising goal in that first 48 hours,		

	which I think we got really close to. We were like 35% or so. So we felt like we were on track.		
(Post-campaign)	The founder feels that good analysis and preparation are the key to success. **Quote**: *I know it sounds a bit brash* *For me to say it, there wasn't any. We did so much legwork and research prior that it pretty much played out how we thought it would. I think the only thing that we were surprised by was the last minute push. Like in the last fifty or sixty hours before it closed of random strangers*	**Retrospect/Hindsight bias:** Here was see further confirmation of the belief that through taking a good strategic approach, through analysis led to success. But this strategic approach, driven by a clear identity helped them to eradicate uncertainty so that they could proceed with the campaign.	Self perception Legitimacy

	donating. I think that is the only part. Because we didn't expect it and we didn't count on it. So it was a nice, happy surprise to see those people come out of the woodwork and donate a little bit.		
Pre-launch Campaign	The founder recognises the social nature of Crowdfunding. **Quote**: *We pushed a lot of that content out on various social media channels, Twitter, Facebook, Instagram. And then we did quite a few updates as well in Kick Starter. Let me see here, it looks like we did one, two, three, four, five, six,*	**Social:** Very active on Kickstarter updates with frequent video updates for that final push to hit their target. Further understanding here of the importance of social proof in the early days of a campaign to legitimise the product. **Sensegiving/Social:** There is evidence here of the imagined other. Of thinking about how the crowd might make sense	Relationship with the crowd. Story/narrative

Pre-launch	*seven, eight, nine so we did updates in the Kick Starter updates section as well. And just looking back it looks like in the first eight hours we were already 23% funded. So again that was really like a big thing. Just to show that number right at the beginning. So there is like this viral movement in all that stuff.* **Quote**: *If you do a campaign for more than thirty days you customer base, your audience get real fatigued by it. So you keep asking and asking for money and after thirty days people just start to shut down and less than*	of the campaign and planning things accordingly. The need for social proof and legitimization is once again clear.	

	thirty days is not enough time because you have to sort of hit that repetition. So we found just based on our research of other people that thirty days is a good rough number for it. **Quote**: *We set our financial target fairly low. So we knew that in order to build our e learning product it was going to cost us five times as much as what we were asking for. But we knew that if we set our target at say fifty thousand, we did ours as a US campaign, because the majority of our e learning clients were US or Canadian. So*		

	all the numbers I'm talking about are in US dollars. So we set our target at ten thousand US dollars. Even though we knew we needed to raise roughly about 50k to fully fund it. So we knew we just wanted it to sort of spark and obviously if you pick your target then you get the money and then you can create bonus targets and all that.		
	No co-creation		
Campaign (Post-campaign)	The founder feels that their network and previous experience were essential to their success. **Quote:** *We tapped into, I would say – this is rough*	**Retrospective/Social:** Looking back on the campaign and the challenges it became clear to the founder that certain products work better online and this is given as one reason for the uphill struggle to achieving their goal. There is an	Problem sensing.

	numbers. But I would probably say 80% of the backers or people from my Network both personally and professionally. So I think that is huge if your CEO, your primary person that is attached to the Kick Starter does not have a strong network and also a strong reputation in the market. Then I think Kick Starter is going to be a lot harder to be successful unless, you've got a floating origami Bonsai Tree that is so whiz-bang and cool that people drive towards the product. But even still I believe even with that kind of a product	awareness of the importance of legitimization when entering the campaign, gained through having a strong network to start the campaign but also a reputation as an established business.	

	you've got to have heart behind it. It can't just be a widget. **Quote:** *But I think what I learned in the process of doing it is KickStarter is better for a real whiz-bang product like tangible thing, you know, that you put out on the market. So, I remember when ours was live the ones that went super viral and seemed to be earning like two, three four hundred thousand dollars on their campaign were the like the Bonsai Tree that floated with magnets. And so it was like this floating Bonsai Tree that can rotate and stuff and*		

	like it has to be, I think for it to be successful, have to be whiz-bang, wacky, weird things people can touch. Like physically with their hands. Those products do much, much better on this platform than what we were offering, which was a service. It was not a tangible thing.		
Pre-launch	The founder timed the launch of the campaign to coincide with her key speaker engagement at a major international conference. **Quote:** *So the day we went live there was all this buzz and anticipation around it. We also*	**Enactment:** Creating their opportunities. The crowd is something to be built and driven to the site. There is no expectation that they will just arrive. The early legitimization is key to everything and every opportunity is taken.	Legitimisation.

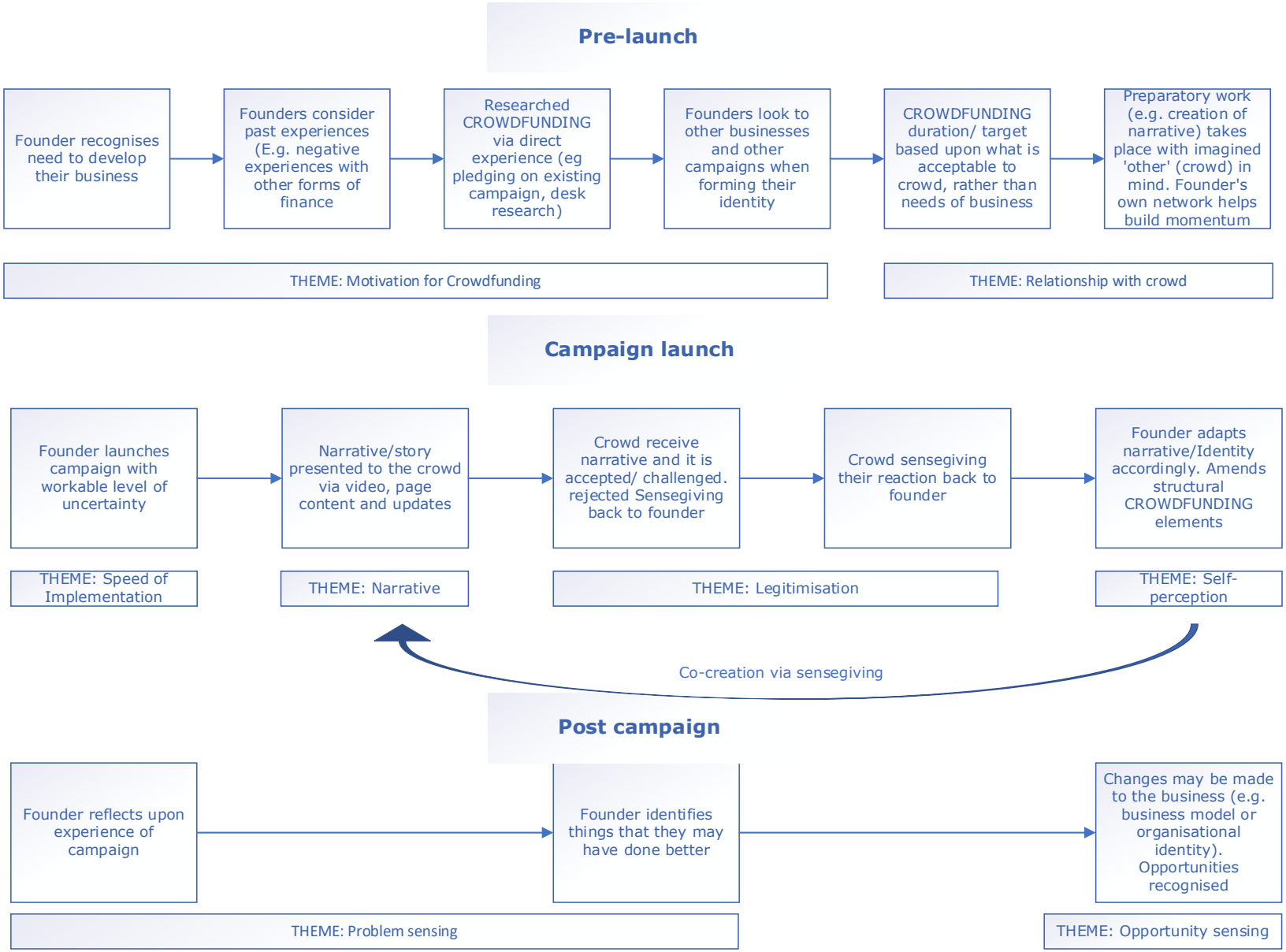
	strategically made the day that we went live, the kick off day at a major international conference in the States where I was speaking at. So there was the buzz of that and being in person with a lot of those prospective clients and speaking on stage. I think having those parts of the pieces made it very successful. And like I said I think we did hit something like 30 or 40% funded within the first 48 hours because of that. Then it's like 'it's day one, John you said you were going to back us at one hundred dollars. Here's the link just click on that		

	and boom, boom, boom. Done'.		
Pre-launch (Post-campaign)	The founder felt that failing to secure the finance would be a PR disaster. **Quote:** *I was just saying if the campaign failed we thought that would be PR disastrous for PR. Because then giving the outward message to our prospective clients – 'ooh, other people don't believe in them. So why should I buy this thing?'. So for us failure was not an option. We knew we had to succeed. I think if it was not successful then I think that would have been a hard knock for us. We would*	**Social/Identity:** There is a concern that failure will tarnish their identity as an organisation on the larger stage. As an established company they feel perhaps that there is much more to lose than a new company testing the waters. But even having recognised the concern of failure the founder states that there was no chance it would fail, even though this is always a possibility. This may be the strong identity of the founder being presented.	Problem sensing. Legitimisation.

	have recovered but I think it would have been pretty hard. Because for us an unsuccessful campaign is pretty detrimental in our outward brand awareness. So it meant everything – it had to succeed. There was no chance that this was going to fail.		
Campaign	The founder believes that a good narrative is important for bringing the Crowdfunding. **Quote:** *But then I also feel like People attached to us because we do tell a story of the heart of our company and myself and all of that.*	**Story, narrative, sensegiving:** The importance of creating a narrative. The focus isn't upon simply selling the product but selling the company and creating the story.	Story/narrative.

	So when you've got a campaign that has a bit of heart and personality and authenticity to it those also do really well as well. **Quote:** *Yeah. For us it's all about storytelling. So I think that we kind of wanted to take people down the path with us. Saying like this is why we think the learning product is really important. We did videos, we did blogging. We just sort of took them through the process of like meet the team, meet me, understand Simplifier – like how did we get to this*		

	point. It's not just about shoving a thing in front of them and saying go buy it now. But just really showing this is how we got here. This is where we are headed.		
Pre-launch	Using the video. **Quote:** *I think our video was strong. Our explainer video. I think that the way we blogged about it was strong, when it went live.*	**Sensegiving:** Importance of the video for sensegiving.	Relationship with the crowd.


Pre-launch
Founder recognises need to develop their business
Founders consider past experiences (E.g. negative experiences with other forms of finance
Researched CROWDFUNDING via direct experience (eg pledging on existing campaign, desk research)
Founders look to other businesses and other campaigns when forming their identity
CROWDFUNDING duration/ target based upon what is acceptable to crowd, rather than needs of business
Preparatory work (e.g. creation of narrative) takes place with imagined 'other' (crowd) in mind. Founder's own network helps build momentum
THEME: Motivation for Crowdfunding
THEME: Relationship with crowd
Campaign launch
Founder launches campaign with workable level of uncertainty
Narrative/story presented to the crowd via video, page content and updates
Crowd receive narrative and it is accepted/ challenged. rejected Sensegiving back to founder
Crowd sensegiving their reaction back to founder
Founder adapts narrative/Identity accordingly. Amends structural CROWDFUNDING elements
THEME: Speed of Implementation
THEME: Narrative
THEME: Legitimisation
THEME: Self-perception
Co-creation via sensegiving
Post campaign
Founder reflects upon experience of campaign
Founder identifies things that they may have done better
Changes may be made to the business (e.g. business model or organisational identity). Opportunities recognised
THEME: Problem sensing
THEME: Opportunity sensing