

Title: Crowdfunding through a partial organization lens - The co-dependent organization

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Abstract: Crowdfunding has become a rapidly growing source of alternative financing for a wide range of products and service ideas. The crowdfunding process itself necessitating the successful interaction between a number of actors including the central organizing platform, a number of content providing campaigns, and a large diverse group of funders. By utilizing the literature on complete and partial organizations as well as rejecting the commonly applied organizational molds to describe the process, the paper proposes that crowdfunding is organised and enabled by the fluid and co-dependent interaction between the various actors. The concept of partial organizations and its emphasis on key organizational decisions reveals that crowdfunding may be conceived of as a ‘co-dependent organization’ in which the relationship of the involved actors is so interdependent that the crowdfunding process can neither be maintained or implemented without it.

PLEASE CITE: Nielsen, KR. 2018. Crowdfunding through a partial organization lens – The co-dependent organization. *European Management Journal*. 36(6), p. 695 – 707.
<https://doi.org/10.1016/j.emj.2018.01.006>

1 INTRODUCTION

Crowdfunding represents a growing source of alternative financing for a variety of both for- and non-profit ventures that has been described as changing “how, why, and which ideas are brought into existence” (Gerber & Hui 2013, p.1). The crowdfunding process itself is characterized by the successful interaction between a facilitating organization (or *platform*), a variety of *campaign founders* who seek financial support for their ideas and ventures, and a large dispersed “crowd” of individuals (“*crowdfunders*”) who are enticed to invest, pledge, lend, or donate money toward these ideas and ventures. The process relies on its ability to make strangers support strangers for causes, products, or services that have not yet been realized and of which they have little direct oversight or control. Despite this apparent hurdle crowdfunding has nevertheless emerged as an increasingly common source of finance for entrepreneurial (and other) projects seeking capital (Sorenson et al. 2016).

In order to understand the success of crowdfunding a growing pool of literature has emerged, which has sought to uncover the antecedents behind the success of crowdfunding. However, while these papers offer strong empirical and phenomenon-derived insights (Moritz & Block 2014), our theoretical understanding of the phenomenon itself has lagged behind (Mollick 2014). The organization of crowdfunding, for example, remains especially contested and a host of organizational terms – including “network” (Ordanini et al. 2011), “community” (Mollick 2016), “market” (Lin & Viswanathan 2015), and “organization” (Valančienė & Jegelevičiūtė 2014) - are often interchangeably used to describe the crowdfunding process (Tomczak & Brem 2013).

This paper proposes that while the application of each of these organizational forms has its merits, it nonetheless fails to fully grasp and describe the organization of the crowdfunding process. Instead, a greater understanding of how crowdfunding is organized can be achieved by considering the very elements (or decisions) that make up the organization of the process, rather than seeking to fit crowdfunding into a pre-existing organizational mold. For this very reason, the paper utilizes the theoretical concepts of “complete and partial organizations” (Ahrne et al. 2016; Ahrne & Brunsson 2011) in proposing a conceptualized model of how the crowdfunding process is organized. In doing so, decisions are regarded the core elements for maintaining a decided social order that can both reflect formal organizations but also social orders, which might not reflect complete or formal organizations (ibid). The application of

the partial organization concept by Ahrne et al. (2017) thus allows us to capture the fluidity and boundary crossing nature of the crowdfunding process; something that has eluded the aforementioned scholarly efforts to describe the organizational nature of crowdfunding.

The lack of theory on this novel form of financing is therefore where this paper seeks to make its primary contributions. Applying organization theory and – specifically the concept of partial organization – to illustrate how organization theory can be applied to address new forms of organizing and organizational collectives (see Walsh et al. 2006; Kostera & Kociatkiewicz 2014). Firstly, the paper reveals that the crowdfunding process appears to inhabit multiple organizational molds simultaneously – network, community, market, and organization – and is thus appears polymorphic in nature (see Comas et al. 2015). Each of these organizational molds succeeds in explaining organizational aspects of the crowdfunding process, but fails to explain it in its entirety. The paper therefore points to the need for an alternative approach – as that of Ahrne et al. (2016; 2017) – in which the elements or decisions that create organizations (i.e. decided social orders) take centre stage rather than creating new or adapting old organizational molds to suit this new phenomenon. Secondly, the paper contributes directly to the crowdfunding literature by proposing a conceptualised understanding of how organisational theory may offer insights into the organization of the crowdfunding process while providing a vocabulary for understanding the diversity of ways in which the respective actors within the process navigate and coordinate. Finally, the paper seeks to demonstrate the value that the concept of partial organisation can have for organizational studies by highlighting its usefulness in understanding emergent forms of organising such as crowdfunding. In doing so, the paper also proposes certain amendments to the partial organization concept in regards to the five decisions (i.e. rules, hierarchy, membership, monitoring, and sanctioning), which shape the decided social order of the crowdfunding process. Highlighting that there is a need to flesh out the five respective decisions so that we can account for different variation in for example membership. The implication is the decisions on, for example, membership not simply binary but can take on a variety of shapes from clear in-or-out membership to degrees of membership.

The paper is structured as follows: First the paper seeks to introduce the reader to the phenomenon of crowdfunding before proceeding to introduce the concept of complete and partial organization as set-out by Ahrne et al. (2016; 2017). Section three will thereafter seek to summarize previous scholarly attempts to define the organization of the crowdfunding

process revealing both the respective strengths, but also ultimate weakness of the four organizational molds previously noted. Finally the paper addresses how the concept of partial organization can allow for an improved understanding of the crowdfunding process; i.e. by following the particular decisions that necessitate its organization. The paper discusses and concludes on the usefulness of the partial organization concept in addressing the crowdfunding phenomenon in addition to proposing certain amendments to the concept of partial organization that could benefit its application.

2 BACKGROUND

While we may conceive the larger phenomenon of crowdfunding (the agglomeration of all crowdfunding platforms) as an emerging marketplace, the paper proposes that the interaction between a single crowdfunding platform and its respective campaign founders and crowdfunders is a form of organizing that in some respects reflects a single entity. This notion of a larger single entity is also reflected in how platforms often refer to themselves as a community rather than a single business (IndieGoGo 2016; Invesdor 2017; Kickstarter 2016). In line with the existing crowdfunding literature (and practice), the crowdfunding process is thus seen as a symbiotic relationship between platform, campaign founders, and crowdfunders (Gerber & Hui 2013). Furthermore, the paper argues that this symbiotic relationship is also characterized by a co-dependence in which the boundaries between the respective actors within the crowdfunding process become blurred. Not only blurred, but obscured to the point of which the three respective actors start to carry out key organizational functions for one-another. As opposed to similar circumstances where organizations engage with external parties or partial organizations – committing to an agreed upon standard (Brunsson et al. 2012) or utilize crowd knowledge (Afuah & Tucci 2012) – the paper argues that a crowdfunding platform cannot disengage from the campaign founders and crowdfunders without compromising its ability to function and maintain itself.

2.1 What is crowdfunding?

Despite variations within the emerging literature, crowdfunding is at its core conceived as an open call for monetary investments facilitated by the internet; a call that seeks to engage interested parties in donating, pre-purchasing, lending, or investing in a specific project or venture (Belleflamme et al. 2014). Although feasible without intermediary support, crowdfunding is increasingly enabled by platforms (such as Indiegogo and Kickstarter) that act as facilitators of the crowdfunding process in exchange for a commission (Mollick 2014).

Hence when seeking to characterise crowdfunding, the existing literature often subdivides the crowdfunding process into four models depending on the nature of the funding: A differentiation between donation, reward, equity, and lending-based approaches (Cholakova & Clarysse 2015).

Table 1. The four models of crowdfunding

Crowdfunding Model	Definition
Donation-based	Donation towards a specific project with no expectations of financial or material returns.
Reward-based	Individuals invest a pre-defined amount of money with the expectation that if successfully funded, they will receive a tangible (but non-financial) reward, product or service.
Equity-based	Small investments in crowdfunding project in return for an incremental stock in the respective business.
Lending-based	In the lending-based model the crowdfunder lends a small amount of money to a specific platform, project or person.

Source: Zhang et al. (2014) and Cholakova & Clarysse (2015)

The three principal “actors” of the crowdfunding process are identified as the campaign founders, platform, and crowdfunders. The campaign founders are the creators of an idea, product, or service and who initiate a crowdfunding campaign in efforts to gain “direct access to the market and [...] gather financial support from truly interested supporters” (Ordanini et al. 2011, pp.444–445). The platform, in turn, broadly serves as the central organizing actor for the crowdfunding process by displaying a diverse number of campaign founders, providing a categorized overview, and presenting the top trending campaigns. Finally, crowdfunders are the target audience and represent a diversity of individuals who are enticed to support a given campaign founder.

Given the novelty of the field there is – at this time of writing – no singular comprehensive definition of crowdfunding and some scholars even suggest that this may not be possible (Mollick 2014). The existing research on crowdfunding can primarily be characterized as phenomenon-driven and has therefore focused on “developing a definition and description as well as a differentiation to related subjects and concepts” (Moritz & Block 2014). Given this phenomenon-driven approach, the current research often emphasises a particular model of crowdfunding as well as the antecedents of funding success (see e.g. Mollick 2014; Xu et al. 2014; Moss et al. 2015; Lin & Viswanathan 2015). While greatly advancing our

understanding of crowdfunding, such research arguably leads to an instrumental understanding of the phenomena in which it is perceived as a stable or static component of actors and models rather than a fluid ongoing process. However, this paper argues that if we reflect on crowdfunding more deeply, its fluid and interdependent nature becomes more apparent. Doing so will furthermore bring the challenges of conducting a broader theoretically conceptualization of the phenomenon to the forefront. It is, for instance, difficult to identify the boundaries of the formal organization of crowdfunding: While one could argue that the formal organization of crowdfunding is only the platform itself (e.g. Indiegogo), this perspective would presuppose that the platform carries out its organizational functions independently from or without the other noted actors (campaign founders or crowdfunders); something, which it cannot. The platform is reliant on the campaign founders for creating the content on which it relies and both campaign founders and platforms are, in turn, reliant on crowdfunders to support the imagined¹ goods or services, disseminate and market it as well as provide feedback (Schwienbacher & Larralde 2012; Valančienė & Jegelevičiūtė 2014). This is also reflected in IndieGoGo's characterization of their business model as "Dream it. Fund it. Make it. Ship it." (IndieGoGo 2016) or Kickstarters warning to prospective crowdfunders which notes that crowdfunders "aren't buying things that already exist — they're helping to create new things. Some projects will go wonderfully, and others will run into obstacles. Be prepared for a little bit of each." (Kickstarter 2017e). The implication here is that a crowdfunding process commences before a physical product or service exists or is fully designed. Furthermore, crowdfunders are invited to take on a significant role in enabling these ideas.

Drawing on the literature on user innovation and open innovation (see von Hippel et al. 2011; West & Bogers 2014), crowdfunding could thus be said to exist at the intersection between Chesbrough's (2014; 2011) work on open innovation – centering on "firms co-operating across firm boundaries to create and commercialize innovations" (Bogers & West 2012, p.61) – and von Hippel's focus on the roles of users in driving innovation (von Hippel 1988). These "distributed models" of innovation are characterized by the fact that organizations increasingly turn to external sources of knowledge (and resources) as the drivers of innovation (Bogers & West 2012; 2014). Distributed models of innovation thus also imply a

¹ Crowdfunders are typically asked to donate, pre-purchase, lend or invest in a product idea or service based on a provided profile of how the given product or service is expected to look. The paper thus refers to this state an imagined good or service.

greater co-dependence between actors since important organizational competences are licensed out to external actors (Chesbrough et al. 2014). As will be detailed in Chapter 4 this is especially prevalent within crowdfunding as the campaign founders provide the content for the framework set out by the platform and the users (crowdfunders) enable this content through their support.

3 THEORY

In recent years there has been a budding debate about what constitutes an organization. Among other things, this debate has resulted in the emergence of new forms of organizations; conceptualizations which challenge the existing notions of ‘fixed’ organizations with terms such as ‘fluid’ (Schreyögg & Sydow 2010) or ‘liquid’ (Kostera & Kociatkiewicz 2014) organizations. The recent literature on hacker collectives (Dobusch & Schoeneborn 2015) and online communities (Puranam et al. 2014) explore, for instance, how these organizational forms are able to exist without closed boundaries or clear memberships. As a result of these and other studies, some scholars suggest (e.g. Ashkenas et al. 2002) that we ought to broaden our understanding of what constitutes an ‘organization’ to also include loose ‘boundaryless’ social constellations. Yet other scholars assume a more critical position towards this broadened – and arguably less clear – definition of organizations and argue that this conceptualization fails to differentiate between social collectives (e.g. communities and networks) and organizations (Sillince 2010). However and in line with the observations by Dobusch & Schoeneborn (2015), this paper argues that a split or binary classification of social collectives has emerged within the existing literature in which these social collectives are either viewed as an organization or non-organization. Similar to the academic literature focusing on new and emerging forms of organizing (e.g. Schreyögg & Sydow 2010; Kostera & Kociatkiewicz 2014) this paper argues that while conceptually useful, this dichotomy – organization versus non-organization – creates significant issues when one seeks to understand the organizational nature of crowdfunding. In order overcome this dichotomy, the paper instead proposes to apply the literature on “partial organizations” (Ahrne et al. 2016; Ahrne & Brunsson 2011), which allows for the conceptualization of organizational activities that occur beyond the realm of “complete” organizations.

3.1 Complete and partial organizations

In seeking to better understand the new and emerging forms of organizational activities, a number of scholars are increasingly working towards a broader understanding of

organizations, which may allow for a more versatile use of the existing organisational theories (Ahrne et al. 2016). In line with this literature, organization is within this paper defined as a “decided order” which in its complete state consists of five elements: Membership, hierarchy, rules, monitoring, and sanctions (Ahrne & Brunsson 2011). Building on the work of Luhmann (2003), a complete organization may therefore be regarded as a collection of elements, which – if present – create the necessary conditions for “interconnected communications of decision-making that take place on behalf of a collective” (Dobusch & Schoeneborn 2015). Ahrne and Brunsson (2011) propose that the presence of five aforementioned elements (see also below) are necessary if a “decided order” is to be conceived of as a complete organization (Ahrne et al. 2016):

- i. *Decisions on Membership* define who is and is not a member of the organization and thus demarks the interaction between participants as they now recognize the involved and uninvolved parties.
- ii. *Decisions on Hierarchy* define the roles of the individual members in terms of who has the initiative and power within an organization (through decisions about which decisions are binding).
- iii. *Decisions on Rules* are the organizationally created parameters for the members, their actions and behaviors in effort to create a shared understanding about goals, means, and decisions.
- iv. *Decisions on Monitoring* include e.g. financial and management accounting systems that insure compliance with the organizational commands and rules but also measure how well members perform.
- v. *Decisions on Sanctions* are enforced to reward and punish member’s behaviors through e.g. promotions or salary cuts.

Partial organizations are ‘decided orders’ similarly to complete organizations but the important distinguishing feature is that partial organizations lack one or more of these five elements. Hence, a partial organization is organized but cannot be defined as a “complete” organization. An everyday example of a partial organization is, for instance, customer clubs, which are membership driven but otherwise lacks the elements that define complete organizations. Partial organizations are typically organized activities which have been initiated by a (complete) organization in order to establish networks and thereby “obtain better control over and predictability in their contacts with people in these networks” (Ahrne & Brunsson 2011). Partial organizations thus emerge in various contexts as this

organizational form does not require all five elements of complete organizations in order to function and therefore demand less effort to maintain the organization as compared to complete organizations (Ahrne et al. 2016).

4 CROWDFUNDING: NETWORK, COMMUNITY, MARKET AND ORGANIZATION

While theorizing on the organization of crowdfunding remains rare, the emergent crowdfunding literature has nonetheless sought to place crowdfunding within a number of organizational molds. The most pronounced examples hereof include the reference to crowdfunding as a network, a community, a market, and – in rarer cases – as an organization. The following section will analyze each of these examples with particular attention to their respective strengths and weaknesses. Similar to the earlier work on terrorism by Comas et al. (2015), the paper proposes that crowdfunding can inhabit various organizational molds. In contrast to their analyses, however, this paper holds that these forms of organizing only explain aspects of the overall process. Where Comas et al. (2015) find that terrorism is polymorphic in nature and can consequently inhabit a diversity of organizational molds, this paper finds if either of the noted forms of organizing were applied individually this would lead to reductionist interpretation of the crowdfunding process. Table 2 provides an initial overview of the major strengths and weaknesses of each of four respective forms of organization.

Table 2. Crowdfunding as a network, community, market or organization

	Definition	Strengths	Weaknesses
Network	The crowdfunding process is conceived of as a network of interacting actors.	Effective at explaining the respective interactions between the platform/campaign founders and the crowdfunders.	Fails to account for the organization at the heart of the crowdfunding process that enables the process e.g. through the established infrastructure.
Community	The crowdfunding process is conceived of as a community of users.	Effective for understanding the motivations of crowdfunders, which go beyond extrinsic rewards.	Fails to account for the explicit rules of conduct and membership structures between platform and campaign founders. Overstates intrinsic sense of community of some crowdfunders.

Market	The crowdfunding process is conceived of as a market where the platform serves as a middleman facilitating the contact between buyers and sellers.	Offers insights into both the demand and supply mechanics, which happen between campaign founders and crowdfunders. It moreover provides a means for characterizing and understanding the roles of the various actors of the process.	Ignores the role that formal organization(s) – i.e. the platform – plays in defining the parameters of exchange and interaction as well as ignores the active role played by the crowdfunders in the campaign founders’ innovation process.
Organization	The crowdfunding process is conceived of as the exchange between semi-autonomous organizations.	Offers insights into how variations in organizational structure and capacity affect the crowdfunding infrastructure and framework, which are defining parameters for the interaction between the various actors of the process.	Ignores the role of the crowdfunders in the process and overstates the role of social relationships and repetitive interactions as a means of explaining the interactions between actors. Finally, it understates the co-dependence between that various actors of the process.

4.1 Crowdfunding as a Network

Within this particular branch of literature, the process of crowdfunding is often depicted as a form of network that is enabled through peer-to-peer social networks (see Bruton et al. 2015; Hörisch 2015) in which “set[s] of actors are connected by a set of ties” (Borgatti & Foster 2003, p.992). The network mold is useful in explaining how campaign founders and platforms mobilize and organize support from a range of individuals and further harness those individuals’ social network to disseminate and fund the given campaigns (Schwienbacher & Larralde 2012). In addition, the social networks of the supporting individuals serve to enable peer-screening and thus prevent fraudulent campaigns (Sun & Im 2015). However, while network as a form of organising effectively explains these interactions, it accounts for neither the organizations (platform and campaign founders) at the heart of the process nor the blurred boundaries that arise between the organization and its users. In effect, the network organizational mold explains the interaction between actors of the crowdfunding process but fails to adequately account for the actors themselves.

This paper argues that while collective action is enabled via ‘fluid social networks’ (e.g. Bennett & Segerberg 2012), it also holds that the “infrastructure[s] that allow for the emergence of similarly oriented individual actions and resulting collective behaviour” (Dolata & Schrape 2016, p.5) depends on the infrastructure provided by the given organisation. Hence in the case of crowdfunding, the platform defines the parameters for the

collective behaviour through its implemented infrastructure. For example, the ability to share, comment, support, and finance a given crowdfunding campaign requires an infrastructure that is highly complex and costly and thus requires a degree of organizing that goes beyond what we could reasonably call a network. The success of platforms in enabling crowdfunding is based on their organizational capacities to create mechanisms for insuring the successful interaction between campaign founders and crowdfunders. Similarly, the success of a campaign founders relies on its ability to deliver on promised products or services, which requires a high degree of coordination and organization that goes beyond those of a network. This is also reflected in practice by the fact that the majority of campaign founders consists small entrepreneurial teams and not individual persons (Mollick 2014).

4.2 Crowdfunding as a Community

Both within the literature (see Mollick 2016) and especially in practice, crowdfunding platforms often refer to themselves as communities (IndieGoGo 2016; Kickstarter 2016). The prevalence of this organizational mold within the crowdfunding research is often based on observations that crowdfunders support a diversity of campaigns for reasons that go beyond extrinsic rewards and instead relate to a sense of belonging (Belleflamme et al. 2014; Gerber & Hui 2013). In practice, this is exemplified by the fact that individual crowdfunders often share details regarding the campaign in social media – thus actively promoting it – and even engage with the founders of the campaign.

The notion of community is also reflected in the idea that crowdfunders enable or co-create ideas; as exemplified by IndieGoGo's mission to “empower people to unite around ideas that matter to them and together make those ideas come to life” (IndieGoGo 2017a). Crowdfunders themselves also often express this notion of community and thus hold campaign founders to a high standard; a standard which is especially expressed if they feel unfairly treated by campaign founders. The following quote by a crowdfunder exemplifies this: He is upset that the campaign founders appear to favour delivering their products to a newly established business partnership over the original backers.

“Your 1st responsibility is towards your INVESTORS!!!! You would not exist without our funding. Show proof that [anonymized business] was a ground level

investor. If they were not you have used us for your own gain. I purchased my mugs over a year ago and we still wait.”

(IndieGoGo 2017b)

Crowdfunding has thus been proposed to represent a community wherein groups of people deliberately connect through a shared purpose or objective rather than e.g. geographical or friendship ties (Adler 1992; Dolata & Schrape 2016). However, while crowdfunding for some is certainly founded upon notions that go beyond simple seller/buyer interactions, a sense of community is not a necessity for predicting a person's willingness to support a given campaign (Colombo et al. 2014). Hence communities may to some degree exist but for a diversity of crowdfunders and campaign founders the reasons for supporting and hosting campaigns are driven by extrinsic motivations (financial or other) rather than an intrinsic sense of community. In addition and similar to networks, communities denote a lack of permanent organization and instead emerge through the coordination and collaboration of a number of individuals who are brought together by common interests. Examples hereof are e.g. communities of practice (Wegner 1998) organised around similar (professional) tasks or brand communities (Fournier & Lee 2009) organised around a brand. As opposed to this, campaign founders – while seeking to engage crowdfunder support – arguably do not reach the same level of engagement or reciprocity as seen within for example open source communities. Most crowdfunders support campaigns through monetary means and some through sharing, marketing, and feedback-based actions. However, a crowdfunder would rarely actively, for instance, code for a given campaign nor would founders freely reveal that code. Finally, the interaction between campaign founders and platform can hardly be regarded as based on a sense of community as there are explicit rules of conduct and membership structures set forth by the platforms.

4.3 Crowdfunding as a Market

A third common way of approaching the organization of the crowdfunding process is to view it through the lens of a market in which the crowdfunding platform acts a middleman between ‘buyers’ (funders) and ‘sellers’ (campaign founders) by minimizing the transaction costs between them (Agrawal et al. 2015; Lin & Viswanathan 2015). crowdfunding platforms may therefore be conceived of as ‘profiteers’ who “participate in market organization in order to further their own economic interests [...] though the organization of the primary market”

(Ahrne et al. 2015, p.14). Online auction houses and other platforms for organized e-commerce (e.g. eBay) are all examples of such profiteers. The notion of a market effectively explains both the demand and supply mechanics that happen between campaign founders and crowdfunders in addition to providing a means through which we can understand the motivations of the platforms for hosting the campaigns: The platform is driven by an economic logic of maximising the number of successful campaigns so that it can increase its revenue obtained through the fees on successful funding by the respective campaigns (such fees are typically between 4 – 5 pct. of the total amount raised). Hence the crowdfunding platform and its respective campaigns (sellers) and crowdfunders (buyers) could be conceived of as a market microcosm with the total number of sellers and buyers representing its boundaries. The price, value, and costs of items traded are thus guided by the supply and demand within that market. In addition, the concept of market also helps to explain the non-recurring nature of the interaction between crowdfunding campaigns and the respective platform that appears to lack consistent and stable patterns of interaction associated with, for example, organizations.

However, in conceiving the crowdfunding process as purely or even primarily a market we diminish both the role that formal organization(s) play in defining the parameters for how that market is shaped as well as the roles, which buyers (crowdfunders) play in enabling sellers (campaign founders). Firstly and as previously noted, in creating the infrastructures which dictate the interactions between campaign founders and crowdfunders the platforms also – to a degree at least – dictate the shape and size of the given market. And while all markets are certainly defined by the organizations and individuals that inhabit them, the crowdfunding process has a singular organization that defines the rules of interaction (i.e. the platform), which renders it quite ill-advised to ignore the role of these formal organizations in defining both practice and organization. A change in policy by a platform may thus affect the whole market unequivocally and while there may be push-back and campaign founders who seek out alternative platforms, the power of a single organization to shape the interaction between campaign founders and crowdfunders make the formal organization of this process difficult to ignore. Secondly, the crowdfunding process in representing a distributed innovation model that blurs the boundaries between buyers and sellers. While a traditional market is one characterized by the passive involvement of buyers in purchasing already existing products or services (see Bogers et al. 2010), the crowdfunding process requires active and early buyer involvement already in the ideation phase of the sellers' innovation process. The crowdfunder

is thus actively engaged in enabling product or service innovation rather than taking on the more passive role of purchasing existing products or services. This active role requires both an interest in the given product or service but also a willingness to trust that campaign founders can and will deliver on their promises. From a business cycle perspective, the buyer is therefore active in and fundamental to the development of the product or service, while within traditional business models the products or services come into existence without direct buyer engagement. The active participation of crowdfunders often leads to groups and even communities emerging around certain campaigns or platforms (Mollick 2016) and therefore, while labeling the crowdfunding process a community may overstate the intrinsic motivations of participation, the labeling of crowdfunding as a market arguably overstates the extrinsic motivations while ignoring other aspects of the process.

4.4 Crowdfunding as an organization

The fourth and final organizational mold - which is also the least employed by the literature - is crowdfunding as an organization. Within this perspective, crowdfunding platforms and campaign founders are viewed as organizations that together work in what can most closely be described as an exchange between semi-autonomous organizations (Bruton et al. 2015; Corazzini et al. 2015; Vasileiadou et al. 2016). Of much relevance hereto is the notion of network organizations (Baker & Faulkner 2002; Provan et al. 2007), which are “characterized by repetitive exchanges among semi-autonomous organizations that rely on trust and embedded social relationships to protect transactions and reduce costs” (Borgatti & Foster 2003, p.995).

In focusing on the respective organization(s) within the crowdfunding process, studies are able to reveal how variations in organizational capabilities affect the way in which the crowdfunding process is organized. An example hereof is, for instance, how crowdfunding platforms increasingly “reconfigure their activities to use social media to solicit contributions and match investors with entrepreneurs” (Bruton et al. 2015, p.11). In doing so, these organizational capacities are able to manipulate the types of individuals attracted to the respective platforms. While a focus on individual organizations remains fairly uncommon within the crowdfunding literature, it may nevertheless provide significant insights into how different organizational designs yield different results. Drawing on the crowdsourcing literature, Füller et al. (2012) found, for instance, that differences in the incentives offered for partaking in crowdsourcing resulted in significantly different contribution behavior. Hence

while it remains rare to focus on organizations like Kickstarter or IndieGoGo and how, for example, their respective provided infrastructure shapes the crowdfunding process the potential affect nonetheless seems relevant to explore.

However unavoidable the organization of the crowdfunding process appears to be, there are also aspects hereof that go beyond organization. Firstly, the crowdfunders themselves are individuals who coordinate and cluster but cannot be said to form an actual organization. In applying the concept of organization to explain crowdfunding, we thus run the risk of losing sight of the actors and how they organize. Furthermore, the interaction between platform and campaign founders is typically neither repetitive nor based on a social relationship between the two. Rather, interactions between platform and campaign founders rely on legal Terms of Use contracts (see for example Kickstarter 2017) and peer-screening performed by crowdfunders are used in efforts to minimize the occurrence of fraudulence (Ibrahim & Verliyantina 2012; Sun & Im 2015). Finally, the paper proposes that the exchange between platforms and campaign founders is not akin to semi-autonomous organizations but is rather a relationship of co-dependence. While interactions between autonomous organizations can end without compromising the respective organizations, the crowdfunding process is reliant on the continuous and embedded interactions between the three actors; platform, founders, and funders. This blurs the boundaries between the organization and its users, as exemplified by the platforms' reliance on crowdfunders to peer-screen campaigns (Sun & Im 2015), the campaign founders' reliance on platform infrastructure to facilitate interaction and trust in the process (Scott 2015), and the platforms' reliance on campaign founders to provide its content (Gerber & Hui 2013).

5 CROWDFUNDING AS A DECIDED SOCIAL ORDER

As illustrated above, the literature on crowdfunding reveals a tendency – intentionally or not – towards conceiving the crowdfunding process as examples of an (or even multiple) organizational mold(s). In the previous chapter the paper thus sought to highlight the respective strengths and weakness in applying these respective forms of organizing to the crowdfunding process. Contrary to this tendency within the scholarly field of placing crowdfunding within certain organizational molds, this paper argues that we would be better served if we focused on the particular decisions that are necessary for maintaining the decided social order of the crowdfunding processes. That is: To focus on the decisions carried

out by all of the respective actors within the process, which help maintain the symbiotic and argued co-dependent structure that characterizes the crowdfunding process. In doing so, crowdfunding may be regarded as a relationship of co-dependent actors with various degrees of organization who come together to form “common patterns of behaviour [...] with some stability over time creating predictability and facilitating interaction among people and organizations” (Ahrne & Brunsson 2011, p.89). Hence while the campaign founders and crowdfunders may change their respective roles and the decisions they make remain the same.

In order to illustrate this, the following subsection will draw on the crowdfunding platform Kickstarter in efforts to exemplify how the respective decisions of these actors help maintain the crowdfunding process. The paper will note the decisions that the respective actors make on behalf of themselves when relevant but will primarily focus on decisions that cross boundaries and create the argued co-dependent structure of the crowdfunding process.

5.1 Platform

The crowdfunding platform is an increasingly common actor and is often conceived of as the facilitating agent of the process by linking founder campaigns with a diverse group of potential funders (Mollick 2014). While crowdfunding can take place outside these platforms – via e.g. independent websites or e-mail investment calls – it is increasingly managed by platforms such as Kickstarter, Indiegogo, or Prosper (Castillo et al. 2014). As mentioned, this particular section will focus on the platform Kickstarter, which is a reward-based platform and currently the largest crowdfunding platform in existence (Mollick 2014; Vasileiadou et al. 2016).

Kickstarter represents the gravitational center, which the various founder campaigns and crowdfunders cluster around. Located in Brooklyn, New York, with 127 employees Kickstarter thus represents a complete organization with clear decisions on membership, hierarchy, rules, monitoring, and sanctions (Ahrne & Brunsson 2011). Kickstarter has a distinct office space with a clearly demarcated boundary in which membership (i.e. employment) is defined by legal contracts. This includes a clear hierarchy with both junior and senior positions, defined rules on goals and means, as well as parameters for individual decision-making and appropriate conduct. Finally, platforms such as Kickstarter have mechanisms in place that enables the monitoring of a range of employee specificities (e.g.

performance and employee satisfaction) as well as a range of sanctioning possibilities. However, despite the platform's complete organizational nature it is functionally co-dependent on its ability to facilitate a critical amount of interaction between crowdfunders and campaign founders. In other words: Platforms require founder campaigns in order to deliver the "inventive ideas" and "creative projects", which are essentially the cornerstones of their enterprise (Kickstarter 2016). This may explain why Kickstarter refers to itself as a community and perceives its role as one of helping "artists, musicians, filmmakers, designers, and other creators find the resources and support they need to make their ideas a reality" (Kickstarter 2016). The subsequent boundaries for membership – defined by Ahrne (1994) as those who are allowed to join an organization as either employee, citizen, or member of an association – thus becomes tiered as the various actors (both internal and external) contribute to the functioning of the crowdfunding process and thereby the platform. Kickstarter provides the framework and necessary infrastructure to facilitate the process but it is the campaign founders who are responsible for providing the actual content. In the case of crowdfunding, there are therefore both formal organizational boundaries – defined by the platform's internal operations – and partial boundaries – which encompass the campaigns hosted by the platform – at play.

In order to maintain this co-dependence and partial boundary between platform and campaign founders, Kickstarter makes a number of decisions regarding the nature of this interaction; namely decisions regarding membership, rules, sanctions, and small degree monitoring. Firstly, membership is dependent on the campaign founders' acceptance of a number of binding rules including e.g. Terms of Use, Privacy Policy, and "any other rules on the site, like our Community Guidelines and rules for starting projects" (Kickstarter 2017c). Kickstarter further reserves the "right to reject, cancel, interrupt, remove, or suspend any project at any time and for any reason" (ibid). Through – and beyond – its rules, Kickstarter therefore define the parameters of membership. This ability to reject, cancel, interrupt, remove, and suspend campaigns also represents Kickstarter's primary means of enforcing negative sanctions, while positive sanctions include promoting certain campaigns. In terms of monitoring campaigns, Kickstarter relies firstly on preventive measures such as verifying the ID's of campaign founders; secondly on algorithms designed to detect fraud; and thirdly and primarily on peer-screening by the crowd (Barasinska & Schäfer 2014). Peer screening refers to the use of both potential funders and founders to check, critique, and even report campaigns whom they identify as or suspect of being fraudulent (Sun & Im 2015). Hence,

while Kickstarter employs a number of preventative measures, the core monitoring task is arguably left to the crowd with little involvement from Kickstarter other than to review the cases, which are brought to their attention. In addition, Kickstarter expressly has no hierarchical powers in terms of dictating campaign founders and therefore have no initiative or power to affect changes within its hosted campaigns (Kickstarter 2017e). In order to maintain the partial boundary between Kickstarter and its hosted campaigns, the platform thus exercises decisions regarding membership, rules, and sanctioning but deliberately chooses not to implement hierarchical decisions. It likewise refrains from monitoring campaigns; aside from the aforementioned fraud preventive efforts. The absence of these two decisions is most likely in place so that Kickstarter can deny responsibility for the failure of any given campaign and may thus avoid any legal ramifications; as illustrated by Kickstarter's own policy that the campaign “creators are responsible for their projects. When you back a project, you're trusting the creator to do a good job, so if you don't know them personally or by reputation, do a little research first. Kickstarter doesn't evaluate a project's claims, resolve disputes, or offer refunds -*backers* decide what's worth funding and what's not” (Kickstarter 2017e).

Finally, there is the diffuse “crowd” of funders which the platform engages through what can be likened to a communal approach to consumption, in which users are encouraged to participate in the digital interactions of a given brand or platform (see Cova & Pace 2006; Miller et al. 2009). Funders thus engage in the crowdfunding process for various reasons, including supporting the projects of their friends, people whom they've long admired, or simply just a new idea. Others are inspired to support projects for their perspective product idea advertised. Furthermore, Kickstarter aims to engage crowdfunders to support the campaign projects in other ways that purely monetary: They want the crowd to fund campaigns as they in doing so are “supporting their dream to create something that they want to see exist in the world” (Kickstarter 2017b). Firstly, in order to become a member of Kickstarter, users follow a sign-up process similar to many other websites including details regarding name, email, and password, and if pledging towards campaigns: bank account details. Crowdfunders are subsequently asked to follow three “rules”: i.) Don't spam, ii.) Don't be a jerk, iii.) If you see something, say something. Kickstarter also rely on its users to report any violations of these rules and the consequences of rule breach include written warnings and – in certain circumstances – exclusion from the platform (Kickstarter 2017a).

Table 3 provides an overview of the decisions, which the platform makes in relation to maintaining the crowdfunding process.

Table 3. Platform decisions for maintaining the crowdfunding process

	Campaign founders	Crowdfunders
Membership	Strict Membership Membership of Kickstarter is defined by their expressed rules but also goes beyond them as Kickstarter reserves the right to retract membership at any time for any reason.	Open membership Open membership of the Kickstarter “community” with only loosely defined rulesets.
Hierarchy	No decisions on hierarchy Kickstarter expressly notes that they have no initiative or power to affect changes within a campaign.	No decisions on hierarchy Kickstarter have no initiative or power to affect changes over individual crowdfunders.
Rules	Strict ruleset Terms of Use, Privacy Policy, Community Guidelines, and any other legal rules on the Kickstarter site.	Loose rules Three loosely defined rules: i.) Don’t spam, ii.) Don’t be a jerk, iii.) If you see something, say something.
Monitoring	Limited monitoring Preventative screening in the form of user verification and algorithms to detect fraud. Otherwise the platform is wholly dependent on peer screening by its “community”.	Limited monitoring Dependent on peer screening by the Kickstarter “community”.
Sanction	Strict sanctions Negative: Reject, cancel, interrupt, remove, and suspend campaigns. Positive: Promote certain campaigns.	Limited sanctions Negative: Written warnings and in worst case exclusion from the platform.

5.2 Campaign founders

The campaign founders represent a mix of both established business seeking to create new business opportunities, small groups of entrepreneurs wanting to launch their idea, and individuals seeking money for small – and often artistic – projects (Belleflamme et al. 2014). Although founder campaigns are often treated as a relatively homogenous actor by the crowdfunding platform – in terms of the previously noted rules, membership, and sanctions – they actually represent a quite diverse group of actors from complete organizations to partial organizations and single individuals. While established businesses can generally be characterized as complete organizations, the diversity of entrepreneurial endeavours by small groups of individuals may be characterized as fluid organizations (see Schreyögg & Sydow 2010) with yet to be defined decisions on for example membership, hierarchy, and rules. For first time entrepreneurs, their ability to successfully achieve funding reflects the moment in which their idea or service goes from imagined to having to be executed. This moment also

necessitates a shift where decisions are needed in order to transition from a loosely or fluidly organised project to a clearly demarcated and accountable enterprise. Successful Kickstarter campaigns, for example, are those who supply continuous updates on the progress of their venture as well as quick responses to crowdfunder questions; both in efforts to maintain positive support and garner further financing (Xu et al. 2014). The paper therefore proposes that a significant number of crowdfunding campaigns constitute a unique empirical setting as they – if successful in achieving funding – must transition from partial organizations to complete organizations. The paper therefore argues that – if not already present – successful campaign founders must begin to institute decisions on membership, hierarchy, rules, monitoring, and sanctions in order to continue to operate successfully.

In relation to the platform, the campaign founders are functionally limited with regards to decisions that directly affect the overall crowdfunding process; given that the platform holds significant power as they control the very infrastructure that enables the process. Campaigns hosted by Kickstarter, for example, most conform to its established infrastructure and rules and hence type partial boundary is established around these hosted campaigns. However, the respective campaigns may still influence the shape and size of the partial boundary set by the respective platform; especially given the competition amongst platforms to attract campaigns and the fact that it is not uncommon for campaign founders to seek out multiple platforms in efforts to raise capital. This leads to pressures on the platforms boundaries as it relies on attracting and maintaining a large selection of campaigns. The recent easing of Kickstarters' rules regarding which projects can be placed on its site and the simplification of the screening process of those very projects can, for instance, be attributed to its need to compete with other platforms such as Indiegogo or GoGetFunding (Kelion 2014). Hence while on an aggregated scale the crowdfunding process is reliant on a co-dependent relationship between platform and campaign – each defining and shaping the other – there is also a degree of boundary making between platform and campaign founders: The platform aiming to define a framework for campaigns, while campaign founders select the platform(s) that best suit their needs and thereby putting an indirect pressure on that same partial boundary. The relationship between campaign founders and crowdfunding platform is, in other words, defined by both the partial boundary parameters set by the platform and the pressures placed on those boundaries by the campaign founders in their capacity as content providers. Given this co-dependence between platform and campaigns founders, multiple hierarchies emerge as both

platform and campaign founders exercise key decisions that relate to and affect the crowdfunding process.

As with the platform, founder campaigns also have a direct – if not closer – interaction with the crowdfunders as the support of the external “crowd” is paramount to the success of the individual campaign. This interaction between founder campaigns and (potential) funders is primarily communicative in nature (Lehner 2013; Schwienbacher & Larralde 2012): Firstly in terms of the campaign founders mobilizing their own networks to spread the word, secondly in harnessing support via updates during the crowdfunding process, and finally by supplying the investing funders with updates on the progress of the venture (Lin et al. 2012; Xu et al. 2014). Whereas the platform serves as an overall marketing and enabling facilitator by hosting and announcing (new) campaigns, the success of the individual founder campaign is dependent on the founders' abilities to tailor and execute on communication strategies to insure funder backing.

The communicative nature of the interaction between campaign founders and crowdfunders should not, however, be confused with a lack of organizational decisions. Founder campaigns define the individual rules of membership for their given campaign(s), for instance by setting specific funding targets which crowdfunders must comply to in order achieve different levels of membership and rewards. The perks or rewards for hitting the various levels of support thus represents positive sanctions, which the campaign founders themselves define and implement. Campaign founders make decisions on rules as they relate to what crowdfunders can expect from the campaign for example the perks that can be expected at different financing levels or procedures for refunds. Finally, certain campaigns also make efforts to engage with existing brand communities (Fournier & Lee 2009) or consumer tribes (Cova & Cova 2002) in order to mobilize funder support, promotion, and feedback (Mollick 2016). The movie *Veronica Mars*, for example, was realized because of its ability to harness significant fan-support for a movie adaptation of the TV-series. It received \$5,702,153 in financing (Kickstarter 2017d), which surpassed the funding goal of \$2 million with certain individual crowdfunders pledging more than \$8,000 (Meer 2014; Scott 2015).

Table 4 provides an overview of the decisions, which campaign founders make in relation to maintaining the crowdfunding process.

Table 4. Campaign founder decisions for maintaining the crowdfunding process

	Platform	Crowdfunders
Membership	Boundary pushing membership Campaign founders can indirectly pressure the membership boundaries set by the platform because of the competition amongst platforms to attract campaigns.	Contribution based membership Membership and level defined by scale of contribution.
	Shared hierarchy The platform has the initiative and power to define the framework on which the crowdfunding process is dependent, but the campaign founders define and generate the content. The result is multiple hierarchies.	No decisions on hierarchy Campaign founders have no initiative or power to affect changes over individual crowdfunders.
Rules	Boundary pushing rules Campaign founders can indirectly push for rule changes by the platform because of the competitive nature between platforms.	Limited rules Campaign founders define the rules for membership and rules in relation to their product or service, its purchase, and delivery.
	No monitoring Campaign founders do not systematically monitor the platform.	No monitoring Campaign founders do not monitor individual crowdfunders.
Sanctions	Boundary pushing sanctions Campaign founders can indirectly sanction platforms by refraining from utilizing a given platform.	Limited sanctions Campaign founders can positively sanction crowdfunders with various perks and benefits.

5.3 Crowdfunders

The aggregated sum of all crowdfunders who take part in the crowdfunding process can best be described as a non-organized collective of individuals. They thus constitute “a spontaneous and volatile form of collective behaviour” (Dolata & Schrape 2016, p.3) and can therefore not be said to conduct decisions on behalf of a collective whole. Nonetheless and as will be illustrated in this section, the crowd is still asked to carry out key decisions on behalf of the platform by playing a primary role in monitoring and sanctioning campaign founders. Decisions are thus carried out by individuals but aggregate to form what resembles a collective decision-making capacity, which is often referred to as “the wisdom of the crowd” (Mollick & Nanda 2015).

While we cannot conceive the crowd at large as carrying out decisions on behalf of itself in a collective manner, the crowdfunding literature nevertheless suggests that in supporting

certain campaigns some crowdfunders can take on a supporter identity and coordinate action (Gerber & Hui 2013; Ordanini et al. 2011; Scott 2015). Certain founder campaigns are able to gain a particularly high degree of interaction between their founders and their backers; not only in terms of monetary contributions but also with crowdfunders seeking to shape the direction of the given campaign (Hahn & Lee 2013). The Kickstarter campaign for the aforementioned Veronica Mars movie is a good example hereof: The writer Rob Thomas notes that the movie moved in different direction than originally intended because it was financed through crowdfunding. *“I had some desire, as a filmmaker, to take Veronica in a slightly new direction and do something adventurous with her. Or, there’s the “give the people what they want” version. And I think partly because it’s crowd-sourced, I’m going with the “give the people what they want” version”* (Scott 2015, p.174). In these and similar circumstances in which campaign founders are able to tap into existing brand communities (Fournier & Lee 2009) or consumer tribes (Cova & Cova 2002), crowdfunders start to mimic collective actors with a distinct group identity as well as shared rules and goals (Dolata & Schrape 2016). However, examples hereof are relative few and thus represent rare subgroups within crowdfunders. Overall, the crowd is therefore best characterized as a non-organized collective of individuals.

In relation to the platform, the crowdfunders are therefore also very limited in their capacity to implement decisions that directly shape the framework and infrastructure of the platform. One could argue that crowdfunders hold a somewhat weak power in terms of their decision to (not) utilize the given platform and are thus able to push the boundaries of membership, rules, and sanctions in similar ways as the campaign founders. However, this paper holds that given the fact that crowdfunders represent a largely non-organized collective of individuals, such decisional power merely overstates the organized nature of the crowd. Given the very loose parameters for rules and membership as set by e.g. Kickstarter, it is moreover hard to conceive of a situation that would mobilize a sudden collective kickback from the funders.

The role of this non-organized collective of individuals becomes especially interesting when related to the campaign founders. As mentioned previously, the platform relies almost exclusively on the crowd to ensure that its content providers – the campaign founders – uphold its commands and rules (Sun & Im 2015). This is done through a monitoring process in which crowdfunders request updates, ask questions, and even investigating the truthfulness of the given product or service campaign. In doing so, platforms such as Kickstarter therefore

not only delegate core decisions onto an external actor but an actor who in fact represents a fluid and volatile crowd of individuals beyond its boundaries. The respective power on the crowdfunders decisions are further strengthened by the fact that that they can also positively and negatively sanction campaign founders. Positive sanctions include, as mentioned, pledging towards the specific campaign and promoting it in one's network while negative sanctions include targeted negative comments, which question the campaign. Examples of negative sanction are also the creation and posting of Youtube videos that question the feasibility of the idea or even websites such as Kickscammed.com where users post, share, discuss, and ultimately report campaigns, which they consider fraudulent. Hence despite the fact that the crowdfunders are largely non-organized, they still carry out decisions that affect the crowdfunding process and its organization. Table 5 provides an overview of the decisions, which crowdfunders make in relation to maintaining the crowdfunding process.

Table 5. Crowdfunder decisions for maintaining the crowdfunding process

	Platform	Campaign founders
Membership	No decisions on membership	No decisions on membership
	Crowdfunders make no decisions on membership as they relate to the platform and the overall crowdfunding process.	Crowdfunders make no decisions on membership as they relate to the campaign founders and the overall crowdfunding process.
Hierarchy	No decisions on hierarchy	No decisions on hierarchy
	Crowdfunders make no decisions on hierarchy as they relate to the platform and the overall crowdfunding process.	Crowdfunders make no decisions on hierarchy as they relate to the campaign founders and the overall crowdfunding process.
Rules	No decisions on rules	No decisions on rules
	Crowdfunders make no decisions on rules as they relate to the platform and the overall crowdfunding process.	Crowdfunders make no decisions on rules as they relate to the campaign founders and the overall crowdfunding process.
Monitoring	No monitoring	Strict monitoring (peer screening)
	Crowdfunders do no monitor platform compliance with the organizational commands.	Crowdfunders comment, question and call for updates from campaign founders.
Sanctions	No sanctions	Strict sanctions
	Crowdfunders do not sanction platform compliance with the organizational commands.	Positive sanctions: Monetary contribution, active promotion, sharing, and discussing the given campaign. Negative sanctions: Not supporting with momentary contribution, critiquing, and reporting campaign as fraudulent.

5.4 Summary

The crowdfunding process represents – as illustrated in Figure 1 – a complex symbiotic interaction between a range of actors: A fully organized platform, a diversity of campaign founders with different degrees of organization, and finally a non-organized collective of individuals commonly labelled as crowdfunders or the crowd. These actors each contribute to the crowdfunding process and rely on each other in order to maintain “common patterns of behaviour [...] with some stability over time creating predictability and facilitating interaction among people and organizations” (Ahrne & Brunsson 2011, p.89). Figure 1 summarizes the various decisions that the respective actors make, which are necessary for maintaining the decided social order of the crowdfunding processes. These decisions cross boundaries and thus create the co-dependent structure argued in this paper as characteristic of the crowdfunding process.

Figure 1. Decisions by platform, campaign founders and crowdfunders

PLATFORM	Decision by platform towards campaigns founders <ul style="list-style-type: none"> - Strict Membership - No decisions on hierarchy - Strict ruleset - Limited screening - Strict sanctions 	Decision by platform towards crowdfunders <ul style="list-style-type: none"> - Open membership - No decisions on hierarchy - Loose rules - Limited screening - Limited sanctions
CAMPAIGN FOUNDERS	Decision by campaign founders towards platform <ul style="list-style-type: none"> - Boundary pushing membership - Shared hierarchy - Boundary pushing rules - No monitoring - Boundary pushing sanctions 	Decision by campaign founders towards crowdfunders <ul style="list-style-type: none"> - Contribution based membership - No decisions on hierarchy - Limited rules - No monitoring - Limited sanctions
CROWDFUNDERS	Decision by crowdfunders towards campaign founders <ul style="list-style-type: none"> - No direct decisions on membership - No decisions on hierarchy - No decisions on rules - Strict monitoring - Strict sanctions 	Decision by crowdfunders towards platform <ul style="list-style-type: none"> - No decisions on membership - No decisions on hierarchy - No decisions on rules - No monitoring - No sanctions

In seeking to map the respective decisions that enable the crowdfunding process, the paper further observes that there is a need to flesh out the five respective decisions so differences in degree and implementation become visible and open to analysis. In efforts to account for how the crowdfunding process is organized, it is clear that membership, for example, is not a simple proposition of present or absent. The paper proposes instead that decisions on

membership, hierarchy, rules, monitoring, and sanctions can happen in degrees; something that to best of my knowledge has not yet been dealt with by the literature on partial organizations. These degrees in decisions may thus be seen as reflecting the level of organized interaction between the respective actors of the process. The platform, for instance, sets strict legal rules for the campaign founders with similarly strict sanctioning options but places only loosely set rules and limited sanctions for the crowdfunders. This diversity of decisions – as implemented by the respective actors in order to organize their respective interactions – create the argued co-dependent structure that characterizes the crowdfunding process and blurs the boundaries between the various actors in the process.

6 THE CROWDFUNDIGN PROCESS AS CO-DEPENDENT ORGANIZATION

When reviewing the literature on crowdfunding, the phenomenon appears to be polymorphic as it seems to inhabit multiple organizational molds simultaneously: Network, community, market, and organization. In seeking to explore the strengths and weaknesses of each of these organizational molds, the paper identifies that while the respective molds succeed in explaining organizational aspects of the crowdfunding process, they each fail to explain important facets of the process. In the best case this leads to a reductionist understanding of crowdfunding process, but at worst it may lead to a misrepresentation of what it is. Therefore and rather than attempting to create a new term to describe this form of organising, the paper instead proposes that we – in line with the concept of the partial organization – look to the decisions that make up the decided social order of the crowdfunding process (Ahrne et al. 2017; Ahrne & Brunsson 2011).

As a form of organizing, crowdfunding represents a circumstance where the central organizing actor (the platform) is so dependent on what would otherwise be considered external actors (campaign founders and crowdfunders), that the boundary between them becomes blurred. This is exemplified by the fact that key decisions on membership, rules, hierarchy, monitoring, and sanctioning have in different capacities and in different degrees been consigned to these actors. With this delegation of decisions, these previously external actors become contributors to establishing and organizing a co-dependent organizational structure. As opposed to other circumstances in which an organization may draw upon external forms of organizing – such as stakeholder involvement, commitments to an agreed

upon standards (see Brunsson et al. 2012), or the utilization of external knowledge sources (see Afuah & Tucci 2012) – the organization and maintenance of the crowdfunding platform is impossible without these external actors. In other words: Whereas other organizations may decide to discontinue the relationship with such external actors and instead carry out the tasks internally, this is not an option for the crowdfunding platform.

Finally, the reliance of the platform on a non-organized collective of individuals to carry out key decisions (i.e. on sanctioning) represents another factor that sets the crowdfunding process apart from the ways in which other organizations engage with external actors: The utilization of partial organizations by established organizations is in itself not a novel idea within the organization literature, as prior examples hereof include standards, meta-organizations (e.g. industry associations and international governmental organizations), stakeholders, and even families (Ahrne et al. 2016; Freeman et al. 2010). However, the key uniting quality of these partial organizations – as related to the crowdfunding process – is that they are much more stable compared to the stability of the crowd. The use of a decidedly non-organized and unstable group of individuals to carry out key organizational decisions presents an interesting but arguably challenging notion for the scholarly organizational field.

As shown in the paper, each of the various actors of the crowdfunding process contributes to the maintenance of the process' co-dependent structure: The platform organizes the campaigns with strict decisions on membership, rules, sanctions, and – to lesser degree – monitoring. The campaigns organize the crowdfunders through decisions on membership, limited rules, and positive sanctions. In return, in relying on campaign founders for its content these founders can put pressure on the platform. The campaign founders negotiate hierarchy, rules, and membership with the platform and the crowdfunders monitor and sanction the campaigns founders. What appears to be a relinquishing of organizational control by the platform is instead a strengthening of the organization as it through this co-dependent relationship is able to achieve more than it would had if it had sought to bring these external actors within its complete organizational structure.

7 CONCLUSION

The aim of this paper was to contribute to the scholarly fields of both crowdfunding and organization by illustrating the applicability of the partial organization literature on this emergent form of organising and financing. Firstly, the paper reveals that the crowdfunding process appears to inhabit multiple organizational molds simultaneously – network, community, market, and organization – each of which explains aspects of the crowdfunding process but fails to explain it in its entirety. Consequently, the paper suggests that the concept of partial organizations provides an alternative and superior approach to understanding the crowdfunding process; both as it does not require the creation of new or adaptation of existing organizational molds, but more importantly because it is able to capture the complex, boundary crossing, and co-dependent nature that characterizes the process. Secondly, the paper contributes directly to the crowdfunding literature by proposing a conceptualised understanding of how organisational theory may offer new insights into the organization of the crowdfunding process while providing a vocabulary for understanding the diversity of ways in which the respective actors within the process decide, navigate, and coordinate. In doing so, the paper sheds light on the co-dependent nature of the crowdfunding process and subsequently its fluid and boundary crossing nature. Thirdly, the paper demonstrates the value of the concept of partial organisations in understanding the crowdfunding process and thus the relevance of organization studies in understanding emergent forms of organising; something it has otherwise been criticized for failing to do (Miller et al. 2009). Finally, the paper contributes to concept of partial organization by illustrating the need to account for how decisions on for example membership can happen in degrees.

Acknowledgement: This work was supported by the EU-InnovatE project - FP7 project [grant agreement no 613194].

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