IS CROWDFUNDING AN APPROPRIATE FINANCIAL MODEL FOR SOCIAL ENTREPRENEURSHIP?

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ABSTRACT

The principal characteristic of social entrepreneurship is the creation of businesses with the objectives of solving social issues and generating positive impacts in the community. In recent years there has been an increase in the literature addressing these types of businesses, although the number of works dealing specifically with how they are funded is quite limited, and even more so in the case of those which focus on alternative financing options such as crowdfunding. Therefore, the main objective of this paper is to assess the use of crowdfunding as a source of finance for social enterprises. Specifically, the paper analyzes social entrepreneurs' perceptions of crowdfunding, the reasons that drive or impede its use, the different information available, and its suitability for social enterprises. A study is carried out on social entrepreneurs in Spain using the Delphi method, especially recommended as a methodology for exploratory studies such as this. The results show that crowdfunding as a means of financing is still relatively unknown and little used by social entrepreneurs, and the analysis explains why this is so.

Keywords: Crowdfunding, source of financing, Delphi method, social enterprise.
JEL O35, G20, M13

INTRODUCTION

A social entrepreneur is someone who identifies a business opportunity based on solving a social problem (examples would include the integration of people at risk of exclusion, or initiatives aimed at reducing ecological damage) through the development of a business project. Not to be confused with charity or altruism (Kroeger & Weber, 2014), this consists of creating a business model, based on the implementation of an innovative and creative solution, and motivated by a desire to help others and implement positive social change. The social entrepreneur, therefore, aims to provide an effective and efficient responses in order to create financial, social and environmental wealth (Zahra & Wright, 2016), as a starting point for the creation and strengthening of a consolidated and more equitable social and economic order (Hilliard et al., 2014; Priede et al., 2014a, b).

Due to the growth of social enterprises around the world in many different sectors of the economy (Short et al., 2009; Santos, 2012; Zahra & Wright, 2016), research and article publication has grown substantially in recent years (Noruzi et al., 2010; Huybrechts & Nicholls, 2012; Santos, 2013). However, little has been written regarding the financing of this type of entrepreneurship (López-Cózar & Priede, 2015). Similarly, the topic of crowdfunding has received limited attention in academic literature (Belleflamme et al., 2013; Ahlers et al., 2015), and its use in financing social entrepreneurship even less (Lehner, 2013; Lehner & Nicholls, 2014; Calic & Mosakowski, 2016). Therefore, this paper helps to fill this gap in the literature by analyzing social entrepreneurs' use of crowdfunding and its appropriateness to meet their funding needs.

This issue is clearly of some importance, as these social entrepreneurship ventures may vary in their business models, ownership structures and financing (Zahra & Wright, 2016), and access to funding is one of the main problems they have to face (Melián et al., 2011; Valcárcel, 2012; Calic & Mosakowski, 2016). In a study conducted in France, Ducci et al. (2002) confirmed the increase of social enterprises in that country, but identified several obstacles they face, among which figure prominently the difficulty of obtaining financing. In this context, the European Commission launched in 2011 the Social Business Initiative (COM 2011) with the aim of promoting the development of social enterprises, and focused on a number of key areas for action, among which are a series of measures to improve access to finance.

Additionally, this work is particularly timely as different countries are developing initiatives along the same line. One example of which is the Spanish Law on the Promotion of Corporate Finance (*Ley 5/2015, de 27 de abril, de fomento de la financiación empresarial)*. This legislation includes mechanisms to improve business financing, and regulates for the first time in this country equity crowdfunding as an alternative financing system.

Therefore, the broad objective of this article is to analyze the perception social entrepreneurs have of crowdfunding, and its level of usage in social enterprises. In particular, the article will analyze the main reasons that drive or impede the use of crowdfunding, the availability and accessibility of relevant information, the suitability of crowdfunding to finance social projects, and how best to improve promotion of crowdfunding in order to encourage greater use in the future. For these objectives, the Delphi method is employed, a methodology that is recommended in these type of cases, as due to the lack of previous studies on the subject, it is considered appropriate to use qualitative techniques of this nature (Dubois & Gadde, 2002; Seguí-Mas & Server, 2010).

The article begins with a brief review of the concept and importance of social entrepreneurship, and an assessment of the different sources of funding available to social entrepreneurs. The appropriateness of crowdfunding as an alternative to corporate finance is also looked at. Following this, the survey and research methodology are described, and the main results of the study are presented. The principal conclusions are then presented and a series of recommendations offered for further research.

THE EVOLUTION OF SOCIAL ENTREPRENEURSHIP

Dees (1998) was the first to define clearly the concept of social entrepreneurship, proposing a definition based on the complex role of the entrepreneur as an agent of social change, highlighting innovativeness, level of commitment, and responsibility. Mair & Noboa (2003) consider a social entrepreneur as someone who uses different combinations of resources in innovative ways with the desire to help others and achieve social benefits. Bornstein (2004) defines social entrepreneurs as pioneers with a powerful idea, capable of combining vision and creativity to problem solving, with a strong ethical character, a strong commitment to change, and something of a hero of modern times. To Mair & Martí (2004), the social entrepreneur is a creator of an innovative model capable of providing goods and services through an efficient and self-sufficient business solution to resolve social and environmental problems.

Alvord et al. (2004) considers that these entrepreneurs innovate in three different ways: firstly by developing local capabilities; secondly by attacking a social problem affecting a large group; and thirdly by creating partnerships to prevent abuses of power. Meanwhile, Light (2006) highlights how the term social entrepreneur may be applied broadly, suggesting that it is any individual, group, network, organization or alliance that seeks sustainable and large-scale change, developed through innovative ideas on how to address major social problems, while highlighting the possibility of being a collective rather than individual act. Zahra et al. (2009) considers that social entrepreneurship encompasses all activities carried out in order to discover, define and seize opportunities to increase social wealth by creating new businesses or managing existing organizations in an innovative way.

It is clear from the above that there is no unanimously accepted definition (Dacin et al., 2011; Sanchis-Palacio et al., 2013) and there are some clear differences of opinions in how the idea is understood in different countries (Defourny & Nyssens, 2010). However, there also exists a broad consensus regarding underlying concepts, with most definitions revolve around the search for a social purpose beyond the pursuit of personal wealth, and the adoption of new, innovative and creative ways to address problems.

It should be clarified that social entrepreneurship is not the same as philanthropy or charity (Kroeger & Weber, 2014). Indeed, the idea of solving social problems through private initiative does not necessarily share the religious and philosophical base of charity (Dees, 2012) One way in which social entrepreneurship differs from other concepts of entrepreneurship is in the prioritizing of objectives, with the social impact of the business emphasized over economic gain, although the business does need to consider issues of financial sustainability, market orientation, and the effectiveness and efficiency of its commercial activities (Mair & Marti, 2006; Defourny & Nyssens, 2008, 2010; Choi & Majumdar, 2014; Priede et al., 2014b).

A report by the OECD (Noya, 2010) contains the main ideas that are considered implicit in the concept of social entrepreneurship. Firstly, it notes that it can refer to both individuals and groups; secondly, that it combines economic activity with social values; thirdly, that it may belong to the public, private or social sectors; fourthly, that it can achieve an incremental or radical impact; and finally, that the scope of its impacts can be local or global. Given the difficult economic situation facing many countries in recent years and the consequent worsening of social and environmental problems, support of social entrepreneurs and improved cooperation between different societal actors (public sector, private enterprises, third sector organizations, and citizens in general) has grown as a way to create synergies to facilitate and encourage social improvement (Zahra & Wright, 2016).

MARKET FUNDING OPTIONS AVAILABLE FOR SOCIAL ENTREPRENEURSHIP

In general, to start-up a social enterprise, an entrepreneur`s own savings are the most common source of finance. Additionally, funds from family and friends, known as the 3Fs (family, friends and fools) are often employed, being people who, motivated by their personal relationship with the entrepreneur, agree to contribute funds to the project, with the idea of supporting the initiative, rather than achieving high financial returns. This is in line with the theoretical basis of social enterprises in which self-financing is used to fund growth and development, profit-sharing is limited, and earnings are used to enhance the achievement of objectives and create social value (Defourny & Nyssens, 2008, 2010; Choi & Majumdar, 2014;

Priede et al., 2014b). In any case, both options (self-financing and the 3f's) are feasible in the early stages of the creation process, but the proceeds are usually quite limited and, therefore, rarely sufficient to cover the amount of capital necessary for the consolidation and growth of the company (Lehner, 2013).

Social entrepreneurs can also count on funding from other sources, such as state aid in the form of repayable grants or aid from private companies. Certain institutions aimed at promoting social entrepreneurship provide funds for the best projects submitted, providing the winners with financial backing, technical support and know-how. Access to credit from private banks is often an unsuitable option, due to the social entrepreneur's inability to provide sufficient guarantees or collateral. As it is common for financial institutions to ask for personal or real guarantees, companies with limited financial resources and low bargaining power have less chance of receiving funding, a situation which has worsened in recent years due to the global financial crisis. In order to improve the conditions for access to the credit market for companies with limited resources, so-called lines of preferential financing and mutual guarantee schemes are increasingly available in many countries (López-Cózar & Priede, 2015).

Another possible vehicle for financing social enterprises is through venture capital and business angels, which have become one of the main instruments of corporate finance in advanced economies. They provide a minority time-limited investment in the equity of a company by an independent investor (a company in the case of risk capital and an individual in the case of business angels) who may also participate in management decision-making, at medium or low level of risk. The ultimate goal of the investor is to obtain capital gains from the sale of the stake after the success and development of the funded project. It is a stable source of funding, and therefore is a very interesting tool whatever the life cycle stage of the project. Additionally, these investors can offer expertise, knowledge and professional contacts. However, given that the objective is a return on investment, they are often very demanding in terms of the entrepreneurs' skill levels and expectation of business growth, presenting in many cases difficulties for start-ups with little experience and a social focus.

In recent years, a range of other financing options for entrepreneurial start-ups have emerged. These alternatives have grown in use and popularity since the 2008 global financial crisis and are expected to grow even faster in the future, driven by the need of innovative solutions for financing new ventures and the availability of internet as a common and widely accessible operational platform (Bruton, el al., 2015).

Following on from Wardrop et al. (2015) the diversity of these new alternatives offered in the European financial market could be summarized as follows:

Peer-to-peer consumer lending: debt transactions between individuals involving non-secure or semi-secure personal loans.

Peer-to-peer business lending: debt transactions between individuals/institutional investors and existing businesses who are mostly SMEs.

Debt-based securities: non–collateralized lending, typically paid back over an extended period of time; a process similar in structure to purchasing a bond, but with different rights and obligations.

Invoice trading: the selling of invoices or receivables to a pool of individual or institutional investors.

Pension-led funding: the use of pension funds in order to invest in their own businesses, with intellectual properties often used as collateral.

Microfinance: the lending of small sums to entrepreneurs who are often economically disadvantaged and financially marginalized. A debt obligation is incurred, but the amounts lent are very small.

Community shares: the sale of withdrawable share capital in cooperative and community benefit societies.

Donation-based crowdfunding: where no financial or material returns are expected by the donor and no legally binding financial obligation is incurred by recipient.

Reward-based crowdfunding: where backers have an expectation that recipients will provide a tangible (but non–financial) reward or product in exchange for their contribution.

Equity-based crowdfunding: the sale of registered security by mostly early–stage firms to investors.

At the institutional level, in 2011 the European Commission (COM 2011) approved a number of measures to promote social enterprises, including the creation of a financial fund. In addition, the Commission proposed the inclusion of social enterprise investment through the European Social Fund (ESF) and the European Regional Development Fund (ERDF), with the intention that between 2014 and 2020, member states could implement specific actions using some or all of the measures outlined (Enciso et al., 2012).

CROWDFUNDING AS A FINANCIAL OPTION FOR SOCIAL ENTERPRISES

Crowdfunding, also known as collective or mass-financing, is a new method for financing a range of initiatives such as businesses, cultural activities, social projects, etc. Allowing the founders to request funds from a large number of people each who usually provides a relatively limited sum (Bellefamme et al., 2014; Mollick, 2014). It is an open offer, usually raised through a website, and can be presented with or without a counterparty offer (Kleemann et al., 2008; Schwienbachery & Larralde, 2010). Thus, these contributions can have the character of grants or, conversely, provide some financial compensation for the risk taken (Morales et al., 2012).

A crowdfunding process will normally involve three types of participants: the entrepreneur, the group of individuals who choose to contribute funds to support the initiative, and technological platforms that allow contact between them (Ordiniani et al., 2011; Quero & Ventura, 2014; Ahlers et al., 2015; Bruton et al., 2015). Projects can be very different, both in purpose as in magnitude, ranging from small artistic projects to larger operations requiring large sums of money, and crowdfunding may provide a very interesting alternative to traditional venture capital (Schwienbachery & Larralde, 2010).

Depending on the objective pursued by those who participate in the financing of the project, there are two types of crowdfunding (Wardrop et al., 2015). One type, called reward-based or donation-based crowdfunding, is when participation is motivated by the desire for an expected social outcome, as may be the case in humanitarian or solidarity projects, as well as cultural, sporting and other community initiatives. Participants may or may not receive a symbolic compensation such as a copy of the future product, some sort of promotional gift or public recognition, and perhaps the return of the initial investment after a certain period of time (Lambert & Schwienbacher, 2010; Morales et al., 2012). The second type is equity crowdfunding, characterized by the involvement of agents with a strict investment behavior and motivated by the expectation of a financial return (Bellefamme et al., 2013, 2014; Quero & Ventura, 2014; Ahlers et al., 2015). For example, participants may be offered shares or units of the company funded, or a certain percentage of benefits. However, there is also the possibility of receiving interest on the amount provided and the recuperation of the quantity invested at after a certain time period.

The development of this financing alternative in Spain has led in recent years to the approval of new business finance legislation as cited above. The specific bill presented aims to improve the availability of finance from traditional sources such as credit institutions and also newer sources such as crowdfunding (or participatory financing platforms, as they are called in the legislation). The bill also sets out rules to ensure proper operation and promote a development framework. However, for now, the standard regulates only the equity crowdfunding mentioned above, i.e. Those operations that provide performance for funds either by issuing shares or through interest-based lending.

In order to clarify and enhance crowdfunding activity, yet at the same time provide an adequate level of investor protection, the legislation provides a legal framework for entities that mange crowdfunding initiatives and bring potential entrepreneurs and investors together. It also regulates and limits this activity to authorized entities only. At the same time, it specifies that the high risk nature of the investment as the entrepreneur may be unable to return the funds or compensate the investor, and the entity's platform is merely an intermediary which does not guarantee the solvency of the project. Thus, in order to protect investors, the law establishes a series of limits on the amounts that can be captured for each project, and the maximum investment allowed by non-professional investors, as well as certain disclosure requirements intended to ensure that investors are well informed of both potential risks, and economical and social yields.

In other European countries (COM, 2014) and in the United States (Securities and Exchange Commission, SEC), where equity crowdfunding has gained a certain level of popular recognition and public trust, this service has also been regulated, thus attempting to protect the unaccredited investor and at the same time promote access to finance for small businesses that find it difficult working through traditional channels.

This financing model is therefore a new mechanism for financial disintermediation, which was developed on the basis of new technologies and which has experienced significant growth recently, adapting appropriately to the financing needs of companies in general, and entrepreneurs in particular (Lehner & Nicholls, 2014). In the second part of this paper, the focus is on the particular case of crowdfunding as a way of financing projects with a strong social character, whereby both entrepreneurs and investors seek advances in the common good before private profit.

ANALYSIS DESIGN AND METHODOLOGY

To study the use of crowdfunding amongst social entrepreneurs, the Delphi method was used, being a prospective analysis technique based on the judgment given by a panel of experts. This methodology was developed in the 1950's by the Rand Corporation, becoming popular in the 1970's. It has been widely used in business and academia, and is accepted as a method of obtaining information on a specific topic, especially when there is little or no historical data available (Dalkey & Helmer, 1963; Gupta & Clarke, 1996; Dubois & Gadde, 2002; Hsu & Sandford, 2007; Segui-Mas & Server 2010). Its use in studying entrepreneurship can be seen in the work of Morris et al. (2013); and in social behavior in Hatak et al. (2015). In the case of the social enterprise, its use can be seen in the work of Melian et al. (2011), Campos et al. (2014), López-Cózar & Priede (2015), and Kavoura & Andersson (2016).

This group technique seeks to obtain a reliable opinion from an expert panel, and therefore the constitution of the panel must include people who have concise knowledge of the topic under analysis (Konow & Perez, 1990). One of its main features is interactivity, as at least two rounds of consultation are carried out in order to enable experts to reconsider their response on the basis of the views expressed by the rest of the panel (Hsu & Sandford, 2007). It should be noted that another of the fundamental characteristics of the Delphi method is its guarantee of anonymity for each participant; each of the group members do not know the identity of the others, nor their individual responses. This confidentiality is guaranteed by the geographical spread of the experts and the use of tools such as email or online applications to obtain the answers. This helps to eliminate any bias that direct interaction between participants could create (Dalkey, 1969).

Regarding the optimal number of participants, there is no consensus in the literature (Hsu & Sandford, 2007); however, the number usually ranges between a minimum of 7 and a maximum of 30 (tending to the lower end of the range if the group is heterogeneous in composition and the upper end when homogeneous). For example, Dalkey & Helmer (1963) and Zornoza et al. (2009) consider appropriate a group of between nine and twenty-one experts. It should be noted that the suitability of the team members is much more important than their number, as the group size is not dependent on a statistical sample claiming to be representative of the population.

In carrying out this research two types of expert profiles were included: academics and practitioners. Regarding the former, Spanish researchers and academics linked to the field of social entrepreneurship were selected; while the professional profile group included a number of Spanish social entrepreneurs from different sectors; specifically company founders as these were considered the most capable of providing the information required. The final number of participants was 15, of which 34% are academic and 66% are entrepreneurs; this number is statistically significant and minimizes errors of qualitative studies, since greater participation would not reduce the error margin, and therefore results and conclusions can be reliably inferred (Seguí-Mas & Server, 2010). The participation level is similar to that achieved in previous studies related to social enterprises: Hatak et al. (2015) dealt with 13 responses, Melian et al. (2011) with 19 responses, and Campos et al. (2014) with 21.

To develop this work a quantitative survey was used. A structured questionnaire using google drive was created, reviewed and validated by three experts outside of the research team, and then mailed to the study's participants. None of the three experts were associated with any of the study participants. Questions referred to the degree of use, crowdfunding's suitability for financing purposes, the difficulty of finding relevant information, and the different access routes. Responses were ranged on a Likert scale from 1 (lowest) to 5 (highest). After carrying out the survey, a quantitative methodology using descriptive statistical techniques allowed for an analysis of the results. Using the Delphi method permitted a quantitative and impartial treatment of the collected data, enabling an identification of the group response through the median of individual answers, and an assessment of consensus level through the interquartile range (Hsu & Sandford, 2007).

As indicated, this method´s interactivity involves performing at least two rounds of consultation. Indeed, in the first round of the survey questions were raised and participants were offered the opportunity to propose the inclusion of other points not included in the initial questionnaire, but which the participants deemed relevant. In the second round of the study, the new options proposed were included, and the responses obtained in the first round were validated and included. Subsequently, a third round was developed with the purpose of validating the responses relating to new issues raised in the second round. This feature of interactivity and feedback is the basis of any Delphi analysis (Hsu & Sandford, 2007).

RESULTS OF THE STUDY

The results of the study can be grouped into three categories: firstly, on the current use and difficulty of access to crowdfunding, both at the time of the constitution of the company and during its period of consolidation; secondly, the reasons for not using crowdfunding; and thirdly, the different alternatives to access relevant information, the suitability of crowdfunding to finance social projects and the need to improve general awareness of this financing alternative.

Following the approach taken by Dalkey & Helmer (1963), Zornoza et al. (2009), Melian et al. (2011), and Campos et al. (2014), the responses from the two types of experts have been considered as equally valid. Using statistical indicators of centrality the mean (μ), median (m) and mode (md), for the analysis of the results the median was chosen as the measure that best represents the group's opinion by representing the central tendency of the issues raised. To measure the dispersion the interquartile range was used (k), and its inverse value to the consensus of the group, meaning that the lower the value of k, the greater was the consensus demonstrated (Zornoza et al., 2009; Campos et al., 2014).

Table 1 shows the use of crowdfunding today, both in the constitution and consolidation stages of social enterprises, and the difficulty of accessing this source of funding.

Table 1
EXTENT OF USE AND DIFFICULTY OF ACCESS TO CROWDFUNDING

		MEAN	MEDIAN	MODE	INT. RANGE	CONSENSUS
CONSTITUTION	Use	2.11	1	1	3	No
	Difficulty	4	4	4	0	Total
CONSOLIDATION	Use	2,44	3	3	2	No
	Difficulty	2,78	3	3	1	Acceptable

Source: author compiled.

According to experts, crowdfunding is a funding source rarely used at the time of the creation of a social enterprise (1 out of 5) and moderately used in its consolidation phase (3 out of 5). However, it should be noted that in neither of these points is there consensus amongst the experts ($K > 1$). With regard to the difficulty of access to this source of funding, experts consider high difficulty at the creation phase (4 out of 5 and a total consensus, $k = 0$), and average difficulty at consolidation phase (3 out of 5) and an acceptable degree of consensus, $k \leq 1$).

Secondly, the experts were asked about the reasons for using crowdfunding as well as the reasons for not using it (Table 2).

Table 2
REASONS FOR USING OR NOT USING CROWDFUNDING

	MEAN	MEDIAN	MODE	INT. RANGE	CONSENSUS
Using					
Absence of other types of finance	4.8	5	5	0	Total
To promote the project	4.2	4	5	1	Acceptable
Knowing other initiatives that have been successful	3.3	4	4	1	Acceptable
Allow for continued	4.8	5	5	0	Total

management control and company autonomy					
Not using					
Lack of information (unaware of existence of this financial product)	2	2	1	1	Acceptable
Uncertainty of how it works (lack of faith in the system)	2.7	3	1	3	No
Lack of confidence (doubts about its ability to provide the needed finance)	2.6	3	4	3	No
Has weaknesses (other financial products also provide experience and knowledge)	2.1	2	1	2	No

Source: author compiled.

Experts agree that the two main reasons for using crowdfunding are the absence of other sources of financing and the guarantee of maintaining control and autonomy of the company (5 out of 5 and a total consensus, K = 0). Second, experts believe that the possibility of publicizing the project and the fact of knowing other initiatives financed by crowdfunding that have been successful, are major reasons for adopting this form of financing (4 out of 5), both with an acceptable degree of consensus (K ≤ 1).

As regards the arguments for not using crowdfunding, distrust in the system itself and low expectations of actually getting the resources needed are given as the main reasons for not seeking this funding (3 out of 5). However, there is no consensus among experts on this point. A lack of awareness of crowdfunding is also an issue (2 out of 5) with an acceptable consensus level (K≤ 1); as is the fact that crowdfunding has certain shortcomings compared with other sources which besides providing financial resources, can also provide expertise, (2 out of 5) but in this case with no consensus (K > 1).

Having identified the major reasons why social entrepreneurs use or don't use crowdfunding to finance their activities, the experts were asked their views on different means of accessing crowdfunding information, whether they consider it advisable to use this alternative to finance social projects, and the need to improve general awareness about its existence and functioning (Table 3).

Table 3
FORM OF ACCESS, INFORMATION AND SUITABILITY

	MEAN	MEDIAN	MODE	INT. RANGE	CONSENSUS
Most common ways to access crowdfunding					
Own platform	4.7	5	5	1	Acceptable
Third-party recommendations	3.3	4	3	1	Acceptable
Public institutions recommendations	1.7	1	1	1	Acceptable
Social networks	3.1	3	3	1	Acceptable
Other opinions					
Recommend using this finance method?	4.2	4	5	1	Acceptable

Need for more information?	4.3	4	5	1	Acceptable

Source: author compiled.

According to experts, the technology platform itself is the principal gateway to information on crowdfunding (5 out of 5) with a degree of acceptable consensus (K ≤ 1). This make sense given that the basis of crowdfunding operations is the existence of the platform to bring together entrepreneurs and investors, so technological development is essential for its effective functioning. Additionally, third-party recommendations and social networks are important access routes identified by experts (4 out of 5 and 3 out of 5, respectively), also with an acceptable degree of consensus (K ≤ 1). Note that the recommendation by public institutions has not been considered by experts as a means of information for access (1 out of 5), with an acceptable degree of consensus (K≤ 1).

As for the experts' opinion regarding the suitability of crowdfunding to finance social projects, they considered it to be a very suitable alternative (4 out of 5, with acceptable consensus (K≤ 1). Finally, the results show that it is necessary to increase the available information to encourage its development (4 out of 5), also with acceptable consensus level (K≤ 1).

CONCLUSIONS AND MAIN CONTRIBUTIONS

Crowdfunding has become in recent years a major source of funding for different initiatives, and since the beginning of the 21st century has experienced a breakthrough of sorts, due both to the economic crisis, and the development of telecommunications and information technology. However, despite this progress, in most countries there is still no specifically defined regulatory framework.

Precisely because of its emerging nature, the academic literature on crowdfunding is just emerging (Belleflamme et al., 2013). Therefore, in this paper we have tried to contribute to this by offering a diagnosis of the perceptions social entrepreneurs have of crowdfunding. A qualitative Delphi technique has been applied to analyze social entrepreneurs' use of crowdfunding, the main reasons that drive or hinder its use, its suitability as a source of funding for social projects, and the need for better information to promote its development.

In view of the results of the study, we can conclude that this is a very interesting and suitable form of alternative financing for social enterprises, which due to their particular characteristics, often have more difficulties than others in accessing traditional funding mechanisms. For these social innovation initiatives, which are aimed at solving a problem that affects the community, crowdfunding clearly responds to the needs of suppliers and receivers of funds, allowing the former to get involved and participate in the project with an amount commensurate to their particular circumstances, and the latter, access to the required resources without complying with the restrictions imposed by traditional systems of corporate finance.

Thus, if the type of crowdfunding used by the social enterprise is the donation, it may raise awareness of the project in the community to which it belongs and get the funds necessary to achieve the goals without return. Meanwhile, if the crowdfunding has an investment character, several people may contribute different amounts to the project, received by the enterprise as a single loan, thus providing greater flexibility to the system. However, it should be noted that in this second case, providing the funding is a high risk investment, since the social project may not perform as expected. In this regard, in order to protect these investors, different legislation now regulates this type of crowdfunding by clarifying its operation and establishing a series of limits on the amounts that can be captured by each project.

However, despite its advantages, because it is a relatively new phenomenon, crowdfunding as a way of financing is still little known and little used by social entrepreneurs, who also consider it difficult to access. The main reasons given for not using the crowdfunding option are the lack of information, both with respect to the instrument itself, its use, and the low expectations they have of actually getting the necessary funds. Meanwhile, the two main motivations for social entrepreneurs to use crowdfunding are the absence of other sources of funding that suits their needs, and the guarantee of maintaining control and autonomy of the company. The possibility of publicizing the project in the community and the knowledge of other successful initiatives funded in this way are also considered important reasons.

In line with Kleemann et al. (2008), technological development constitutes one of the key elements for effective system operation. This research confirms that the path to the information used to learn about this source of funding is the technology platform itself, followed by the information gathered through social networks and the recommendations of others.

This work has important practical contributions for social entrepreneurs, crowdfunding platforms, and policy makers. For social entrepreneurs, the results suggest the desirability of organizing and managing crowdfunding networks that allow them to present their initiatives and contact investors in a more comprehensive and consistent way. For crowdfunding platforms, it seems clear that the improvement of technological platforms will allow for greater ease of use and increased awareness of the service they offer. Meanwhile, for public administrations, the results show a lack of awareness of this financial model and the need to encourage specific measures to promote its use in the future. As shown throughout this article, crowdfunding offers an effective and efficient alternative method to capture financial resources, and so this instrument should be promoted and supported to better help entrepreneurs implement social innovation projects.

If this paper presents some limitations, they arise mainly from the methodology used. The Delphi method has some weaknesses related mostly to the subjective nature of the responses, since they are based on personal opinions and judgments. The means of selecting participants in the study and the sample size likewise introduce a certain level of subjectivity. Nevertheless, despite these limitations, being a group of experts that know the issue and the actual context, the results are qualitatively valuable and allow accurate approximations. In relation to future research lines, while this paper is limited to Spanish experts, it would be interesting to expand the analysis to different countries in order to compare results. Other qualitative techniques could be introduced, such as interviews, while substantially increasing the size of the sample. It could also be interesting to perform a quantitative analysis using databases that include information about the use of various sources of financing employed by social entrepreneurs.

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