Make the Crowdfunders Work
- An explorative study of knowledge transfer in equity crowdfunding

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Anna Särhammar
Olivia Dosé
Supervisor: Leon Caesarius
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Anna Särhammar                                                  Olivia Dosé

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Abstract

Equity crowdfunding is a financing tool argued to be the future of small business financing. Beside financial benefits it is argued to be several non-financial benefits, one being the ability to use the crowdfunders for knowledge. Knowledge transfer has been widely researched, but little has been done to investigate how knowledge is transferred between firms and crowdfunders in an equity crowdfunding context. This study aims to address this research gap by using Szulanski’s (1996) model for the knowledge transfer process and four influencing factors: knowledge, absorptive capacity, motivation and relationship.

This study qualitatively investigates five equity crowdfunded firms by conducting semi-structured interviews and reviewing secondary data. The findings indicate that a majority of the firms consider crowdfunders as a potential source of explicit knowledge regarding consumer insights. Knowledge was found to be transferred via social media, email, surveys and social interaction. The crowdfunders need encouragement in order to share knowledge and social interaction was the most effective way to acquire and transfer knowledge. The large number of crowdfunders creates a weak relationship that is difficult to manage, but it does not impede the transfer of explicit knowledge. The desire to use the crowdfunders as a source of knowledge is high yet limited by time and resources as well as experience and ideas for how to best transfer knowledge from the crowdfunders.

Keywords: Equity crowdfunding, crowdsourcing, knowledge transfer, crowdfunders, knowledge, absorptive capacity, motivation, relationship.
# Table of Content

1. Introduction .................................................................................................................. 1  
   1.1 Background ............................................................................................................. 2  
   1.2 Research Gap ....................................................................................................... 4  
   1.3 Aim and Research Question .................................................................................. 5  

2. Theory .......................................................................................................................... 6  
   2.1 Knowledge Transfer .............................................................................................. 6  
   2.2 Factors Influencing the Knowledge Transfer Process .......................................... 8  
      2.2.1 Attributes of Knowledge ............................................................................... 8  
      2.2.2 Absorptive Capacity ..................................................................................... 10  
      2.2.3 Motivation ................................................................................................... 12  
      2.2.4 Relationship ................................................................................................. 13  
   2.3 Theoretical Framework .......................................................................................... 15  

3. Method .......................................................................................................................... 16  
   3.1 Research Strategy – Qualitative ............................................................................. 16  
      3.1.1 Research Design - Case Study ....................................................................... 17  
   3.2 Data Collection ....................................................................................................... 17  
      3.2.1 Empirical Setting - Platform ......................................................................... 17  
      3.2.2 Pre-study ..................................................................................................... 18  
      3.2.3 Sample Selection .......................................................................................... 18  
      3.2.4 Primary Data – Interviews ......................................................................... 20  
      3.2.5 Secondary Data - Websites ......................................................................... 22  
   3.3 Operationalization ................................................................................................. 22  
   3.4 Data Analysis ......................................................................................................... 23  
   3.5 Ethics and Credibility ............................................................................................. 24  

4. Empirical Findings ....................................................................................................... 25  
   4.1 Initiation ................................................................................................................ 25  
   4.2 Implementation ...................................................................................................... 28  
   4.3 Ramp-up & Integration ......................................................................................... 31  

5. Analysis ........................................................................................................................ 33  
   5.1 Initiation ................................................................................................................ 33  
   5.2 Implementation ...................................................................................................... 37  
   5.3 Ramp-up & Integration ......................................................................................... 40  

6. Discussion ..................................................................................................................... 41  
   6.1 Why Combine Equity Crowdfunding with Knowledge Transfer? ....................... 44  
   6.2 Contribution .......................................................................................................... 45  
   6.3 Managerial Implications ....................................................................................... 45
1. Introduction

“No one knows everything, everyone knows something”

Pierre Lévy, 1997

More and more firms are shifting towards more open and collaborative business models where crowdsourcing is used to acquire external knowledge, ideas or labour. A driving force behind this shift is the technological development, which has facilitated the development of online communities (O’Leary, 2016; Dimitrova & Scarso, 2017). Crowdsourcing used for business purposes can be defined as: a firm’s use of an enthusiastic crowd or loosely bound public to voluntarily provide solutions via online technology to a problem, or to identify innovations and market opportunities (Gassenheimer, Siguaw & Hunter, 2013). It is basically about a firm’s ability to acquire knowledge, recognize the value of this knowledge, assimilate the knowledge into the firm, and apply the knowledge commercially. Firms are consumers of knowledge, a strategically significant resource for sustainable competitive advantage (Grant, 1996; Nonaka et al., 2000), that can be both time consuming and costly to develop internally. The capability to transfer knowledge from partners, stakeholders, or shareholders via crowdsourcing provides an opportunity for firms to gain diverse knowledge that can create economic, innovative, and competitive value (Van Wijk, Jensen & Lyles, 2008; Gassenheimer et al., 2013).

Crowdfunding, the ability to turn to the crowd for capital, can be viewed as an element of crowdsourcing, which has grown during the last decade much due to the development of online platforms (Wilson & Testoni, 2014). Crowdfunding is not only a financial tool, it can also provide non-financial benefits (Mollick, 2014) and easily be combined with crowdsourcing for purposes such as product design, problem solving, or idea generation (Lambert & Schwienbacher, 2010). Firms can test market demand and involve their crowd in product/service development to gain consumer insights. Studies have found that crowdfunded firms that can leverage the crowd can become more efficient in creating a competitive advantage (Di Pietro, Prencipe & Majchrzak, 2018; Stanko & Hernard, 2017). However, despite the potential source of knowledge the crowd possesses, the challenge lies in how firms manage the knowledge transfer process (Di Pietro et al., 2018; Kohler & Nickel, 2017).
1.1 Background

Crowdfunding, built on similar principles as crowdsourcing, is considered part of the overarching “sharing economy” (Lamphere, 2018; Langley & Leyshon, 2017). The sharing economy lacks a clear definition in literature but refers to forms of exchange facilitated through online platforms with the aim of taking underutilised assets and making them accessible online to a community (Richardson, 2015). Crowdfunding is argued to have the capacity to disrupt established funding practices in banking, finance and venture capital (Mollick & Robb, 2016). It is a way to democratize access of capital to entrepreneurs and open up the door for amateur investors to be part of the capital market, which historically has been dominated by banks and professional investors such as venture capitalists (VC) and business angels (BA) (Langley & Leyshon, 2017).

Recent expansion of crowdfunding has evolved the concept from predominantly being a donation and reward-based crowdfunding model utilized in the social and artistic arena, into a financial mechanism offering debt and equity investments in more business-focused ventures (Stanko & Hernard, 2017). Donation-based crowdfunding amasses donations without any requirement of value in return except gratitude. Reward-based crowdfunding will on the other hand grant the crowdfunder with some kind of reward corresponding to his or her contribution (Belleflamme et al., 2014; Wilson & Testoni, 2014). Equity crowdfunding distinguishes itself from these types of crowdfunding as it offers the crowd ownership in form of shares, with or without voting rights that match their investment (Lukkarinen et al., 2016; Moritz et al., 2015).

From a legal standpoint, equity crowdfunding is a challenge with unique legislations in each country (Ahlers et al., 2015; Lukkarinen et al., 2016). In 2012, president Obama signed the Jumpstart Our Business Startups (JOBS) Act, which legislated start-ups to use equity crowdfunding in the United States (Stemler, 2013; Lukkarinen et al., 2016). The JOBS Act combined with an increased number of crowdfunding platforms in Europe have been two main drivers of recent years' rapid growth of equity crowdfunding. Today, crowdfunding is a small part of the capital market but its perceived potential is anticipated to be the future for how most small businesses will be financed (Wiens, 2014; Freedman & Nutting, 2015). The global market scope increases each year and 2015 it reached 34 billion, which was close to a 200% increase compared to previous year (Massolution, 2015). Compared to other crowdfunding tools, equity crowdfunding is a financial tool that through legislations such as the JOBS Act and its ability to offer shares for future trade should be viewed as more professional and financially focused.
Firms can access capital from different sources such as FFF (founder, family and friends), professional investors and debt. Equity crowdfunding, which is mostly employed by start-ups and small-medium sized enterprises (SMEs\(^1\)) is often compared with BA and VC (Hornuf & Schwienbacher, 2014; Vulkan, Åstebro, & Sierra, 2016). However, equity crowdfunding, should be seen more as a complement than a substitute to professional investors (Lehner, 2013). Professional investors are important partners for SMEs despite their rather large claim for control and ownership. Besides financial support, professional investors can provide non-financial benefits such as experience in running a business, market knowledge and relevant network connections that are vital for SMEs (Di Pietro et al., 2018).

The investors or “crowdfunders” in equity crowdfunding differ in comparison to professional investors as the crowd consist of a large heterogeneous group of people with limited investment experience (Moritz & Block, 2015). However, due to their diversity the crowd may prove to be more efficient in solving problems than individuals or small teams (Schwienbacher & Larralde, 2010). In a similar fashion that traditional investors add non-financial benefits, the crowd is argued to add non-financial benefits as well (Mollick, 2014). Some of the non-financial benefits are according to Macht & Weatherston (2014) value-added involvement in terms of feedback, inputs and marketing aspects such as raising awareness of the firm. A firm’s crowdfunders are potential consumers whose insights are important knowledge that is provided to the firm “for free” compared to costly market research provided by external actors (Wilson & Testoni, 2014).

A firm’s crowdfunders can provide insights regarding market demand and product/service development (Di Pietro et al., 2018). According to Agrawal et al. (2011) “the ability to gain information about the market and the product” is an incentive to use equity crowdfunding. Knowledge from the crowdfunders is more related to the day-to-day operations whereas knowledge provided by professional investors is of more strategic nature (Di Pietro et al., 2018).

In order for a firm to take advantage of crowdfunders’ potential knowledge, the relationship between a firm and its crowd needs to be actively managed (Gerber & Hui, 2013; Agrawal et al., 2011). An actively managed relationship can create a win-win scenario for both parties where the firm gains knowledge and the crowd gains a sense of belonging that might encourage them to get involved in the firm (Schwienbacher & Larralde, 2010). Moreover, according to Lukkarinen et al. (2016) the primary reason for crowdfunders to invest in equity crowdfunding

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\(^1\) With “SME” this study applies the EU definition of SMEs: a staff count fewer than 250 employees and an annual turnover of up to €50m or a balance sheet total of up to €43m (European Commission, 2003).
is to reap financial return on their investment (ROI). In the same fashion as BA and VC are actively involved in the firm in order to increase ROI, crowdfunders have financial incentives to be involved in the company as they own shares (Wilson & Testoni, 2014). However, Agrawal et al. (2014) argue that given the typical small level of investment, crowdfunders have less incentives to provide support as the return for their actions are low. Furthermore, interacting with many investors can be challenging for small firms as they lack resources and time to actively manage this relationship (Stanko & Henard, 2017; Di Pietro et al., 2018). Firms need a dedicated person or team who is engaged in activities that capture the potential knowledge of the crowd (Di Pietro et al., 2018). The benefit of crowd involvement can be of interest for firms, as studies have found that firms that exploit the crowd for product, market and strategic knowledge are more likely to succeed compared to firms that disregard the crowd (Di Pietro et al., 2018). Therefore, it is of interest to examine how equity crowdfunded firms use their crowdfunders for knowledge.

1.2 Research Gap

Research regarding knowledge acquisition and transfer has for long been of interest within academia (Van Wijk et al., 2008). Despite the importance for firms of all sizes much of the literature has focused on knowledge transfer involving large developed firms, disregarding smaller firms (Szulanski, 1996; Easterby-Smith et al., 2008; Van Wijk et al., 2008; Valentim, Lisboa & Franco, 2015). Research has for long suggested that consumers can be a source of knowledge (Gassenheimer et al., 2013). Existing studies within crowdfunding have found that knowledge from crowdfunders are valuable for firm’s future performance (Di Pietro et al., 2018; Stanko & Henard, 2017). However, how knowledge is transferred in an equity crowdfunding context involving a large diverse group of crowdfunders is less researched. This study aim to do this by relying on research from the two areas, equity crowdfunding and knowledge transfer.

More firms turn to their external environment for knowledge to develop new products, solve problems, or to market their brands (Dimitrova & Scarso, 2017; Gassenheimer et al., 2013). As potential consumers, crowdfunders can provide valuable feedback and insights (Paschen, 2017). Existing studies in equity crowdfunding have noticed that the crowd’s concern regarding ROI can increase its willingness to keep a pledge to a project (Cholakova & Clarysse, 2014). However, ROI is not the only motive for investing, there are also social benefits in terms of
belongingness that can increase crowdfunders motives to help companies grow by sharing knowledge (Schwienbacher & Larralde, 2010). Hence, equity crowdfunded firms, who have established a crowd of investors, have the opportunity to tap the collective knowledge of their crowdfunders in order to obtain ideas, feedback, solutions and develop corporate activities at reduced costs (Ley & Weaven, 2011; Belleflame et al., 2014). Despite the benefits of knowledge transfer, both from the crowdfunders’ side and the firm’s side, little research has explored the knowledge transfer process in the post crowdfunding phase. An interesting aspect is therefore to explore how equity crowdfunding, which has become a popular financing tool, can further be used outside its natural environment to gather and transfer knowledge.

1.3 Aim and Research Question

The aim of this thesis is to examine the process of knowledge transfer in an equity crowdfunding context. To do this, established theories regarding the process of knowledge transfer will be applied to understand how knowledge is transferred in an equity crowdfunding context. More explicitly this thesis aim to answer the following research question:

- *How is knowledge transferred from the crowdfunders to the equity crowdfunded firm?*
2. Theory

This chapter provides the theoretical foundation for this study. First, knowledge transfer is described followed by a short description of the four phases of the knowledge transfer process. Thereafter, four factors that influence the ease of knowledge transfer are discussed.

2.1 Knowledge Transfer

Knowledge transfer can be labelled in different but similar ways such as knowledge acquisition, knowledge sharing or knowledge flow (Van Wijk et al., 2008). Despite the different labels they all refer to the process through which knowledge is transferred between a sender and a receiver (Argote & Fahrenkopf, 2016). It can occur at various levels within the firm but also externally between a firm and its environment (Alavi & Leidner, 2001) and manifest itself in changes or performance in the receiver’s unit (Argote & Ingram, 2000). Knowledge can be transferred through various means such as training, documents, communication channels, software or hardware in which knowledge is embedded (Argote, 2013). Hence, knowledge can be transferred by moving or modify people, technology or routines.

One of the most widely used models regarding the knowledge transfer process is developed by Szulanski (1996) with the aim to investigate best practice within a firm’s internal environment. Szulanski (2000) highlights the importance to recognize knowledge transfer more like a process than an act as it allows for a closer inspection for how the transfer develops during different phases. By viewing the knowledge transfer as a process it allows for a closer examination of what goes into knowledge transfer as well as how difficulties evolve. It can provide insights into different organizational practices that can be used to design mechanisms that support knowledge transfer.

Szulanski (1996) breaks down the transfer process into four distinct phases: *initiation*, *implementation*, *ramp-up* and *integration*. The first two phases involve all events that have led to the decision to transfer knowledge and the actual flow of knowledge from the sender to the receiver. The last two phases are related to usage of the knowledge at the receiver’s end. Despite the fact that the process is labelled knowledge transfer the pure transmission of knowledge has no value if the receiver does not use the new knowledge, which is why it is included in the model (Minbaeva et al., 2003). The four phases of the knowledge transfer process according to Szulanski (1996) are described below.
Initiation phase

During this phase the recognition of a knowledge gap and relevant knowledge to address the gap is identified. The challenge lies in how difficult it is to find an opportunity to transfer relevant knowledge and decide whether or not to complete the transfer. This becomes more demanding when a firm is unable to clearly see what knowledge is required to bridge a gap, which require extensive pre-work in order to determine the scope of the transfer (Ounjian & Carne, 1987). Even when a knowledge source is found it can be difficult to judge its reliability which can further complicate the transfer (Szulanski, 1996).

Implementation phase

The implementation phase begins with the decision to proceed to transfer knowledge. Relationships are built between the sender and the receiver, and an increased flow of information and resources will follow. Planning is vital to make the transfer as smooth as possible. The challenge lies in potential communication and technical gaps between sender and receiver. Language, coding schemes, and cultural differences have to be communicated in a mutual fashion. To bridge technical gaps may involve activities that disrupt the daily work for both parties. This could involve activities where the sender has to generate additional documents or lend out skilled personnel and the receiver has to reassign personnel or upgrade infrastructure.

Ramp-up phase

In the ramp-up phase the receiver starts to use the transferred knowledge. This phase is characterized by identifying and resolving unexpected problems that might arise from inefficient use of the new knowledge. The new knowledge might react differently than expected, and training of staff might prove insufficient or incomplete. The challenge depends on the number of unexpected problems that arise and the effort needed to solve them. The receiver’s absorptive capacity is put to test during this phase as the ability to utilize new knowledge depends on the existing stock of knowledge and skills within the firm.
Integration phase

Once the firm achieves the perceived results with the transferred knowledge, the use of the knowledge becomes inch by inch routinized. If there were no challenges during the ramp-up phase the transferred knowledge is by now incorporated and taken for granted (Berger & Luckman, 1966; Zucker, 1977). If there are any challenges the new knowledge may be abandoned and the firm goes back to status quo. The integration phase is affected by the firm’s ability to remove holdbacks and obstacles identified in the ramp-up phase.

2.2 Factors Influencing the Knowledge Transfer Process

Knowledge transfer is a complex and difficult process (Szulanski, 1996). Literature suggests that there are mainly four factors that influence the ease of knowledge transfer: attributes of knowledge, absorptive capacity, motivation and relationship (Szulanski, 1996; Levinthal & Cohen, 1990; Hansen, 1999; Osterloh & Frey, 2000; Grant 1996). These factors are not attributed to a specific phase as they can influence the knowledge transfer process through all of the four phases.

2.2.1 Attributes of Knowledge

Knowledge is a complex concept for which there is a fragmentation in research regarding the different perspectives on the subject. Two popular perspectives on organizational knowledge are the knowledge-based view (KBV) and the situated perspective. The KBV is focused on a managerial perspective whereas the situated perspective focus on organizational learning and communities of practice.

The KBV, an outgrowth of the resource-based view, conceptualizes knowledge as an intangible asset or commodity (Kogut & Zander, 1992; Nonaka & Takeuchi, 1995; Grant, 1996). The distinctive trait of the KBV lies in how the firm is conceptualized as a body of knowledge itself, and knowledge is the most strategically important resource underlying a firm’s ability to create competitive advantage. The knowledge-base underlying a firm’s performance includes resources, routines, competencies, capabilities and intellectual capital (Patriotta, 2003).

The KBV is influenced by the distinction between two dimensions of knowledge: tacit and explicit (Kogut & Zander, 1992; Nonaka, 1994). However, according to Tsoukas (1996) tacit
and explicit knowledge should be considered integrated and not viewed as two separate types of knowledge. Tacit knowledge is often referred to as know-how, and is highly personal and deeply rooted in actions, routines, ideals, values and emotions, which makes it much more difficult to communicate and share (Nonaka et al., 2000; Grant, 1996). Explicit or “codified” knowledge is often referred to as know-that, and is expressed in words and numbers, which can easily be communicated and shared in manuals, data or specifications (Kogut & Zander, 1995). Codifiability is the ability to structure and easily communicate knowledge. Kogut and Zander (1995) think of tacit knowledge as something that varies in complexity and is not easily codified. Nonaka and Takeuchi (1995) argue that knowledge is created and expanded from the continuous interaction between tacit and explicit knowledge, which centres on a social process between individuals. They emphasize that knowledge is created by individuals and that individuals are carriers of knowledge. Nelson and Winter (1982) view organizations as knowledge repositories where knowledge, particularly tacit knowledge, is found in the organization’s memory and is stored in organizational routines.

The situated perspective view knowledge neither as an asset nor a commodity as KBV does. Knowledge is considered as something social, emergent, processual and constant in flux. The situated perspective emphasizes organizational practice where knowledge is conceptualized as a social construct (Lave & Wenger, 1991). Orlikowski (2002) view knowledge as something that emerge from the situated and ongoing interrelationships of context (time and place), activity stream, agency (intentions and actions), and structure (normative, authoritative and interpretive). The focus on communities of practice that the situated perspective has refers to groups of people informally bound together by shared expertise and passion for a joint enterprise (Wenger & Snyder, 2000). In communities of practice individuals share their experiences and knowledge in order to create new ways to address problems. Communities of practice draw upon the collective experience with knowledge as an outcome (Wenger, 1998; Wenger & Snyder, 2000). The situated approach offers a pragmatic definition of knowledge that highlights the relational and collective aspects of learning and knowing, which is contextually embedded (Patriotta, 2003).

The distinction between tacit and explicit knowledge is important due to the difference in ease of transferability (Osterloh & Frey, 2000). According to Kogut and Zander (1995) the transferability of knowledge is influenced by the degree to which it can be codified. Van Wijk et al.’s (2008) meta-analytic review supports the assertion that causal ambiguity of knowledge hinder the ease of knowledge transfer. They further found that causal ambiguity has less of a
negative effect on knowledge transfer within an organization as individuals are likely to collaborate more closely, which facilitate mutual understanding. Increased tacitness or complexity of knowledge is negatively related to ease of knowledge transfer. Tacit knowledge is more dependent on the right person with the right connections at the right place. Tacit knowledge is more easily transferred through rich communication such as observation (Argote, McEvily & Reagans, 2003), hence it requires more time and the number of people who can and are willing to contribute is limited. On the other hand, explicit or codified knowledge does not require as much effort to transfer, hence a larger number of people can and are willing to contribute with knowledge (Reagans & McEvily, 2003). Knowledge useful for an organization can be classified as pragmatic knowledge which can be knowledge about products, customers, competitors, business process or tools (Alavi & Leidner, 2001).

2.2.2 Absorptive Capacity

Absorptive capacity (ACAP) is a central concept when it comes to interorganizational knowledge transfer and is argued to be the most important determinant of knowledge transfer (Szulanski, 1996; Schildt et al., 2012; Yeoh, 2009; Lane & Lubatkin, 1998). Cohen and Levinthal (1990), who laid the foundation for the ACAP concept, define it as the “ability to recognise the value of new information, assimilate it, and apply it to commercial ends”. Scholars have since Cohen and Levinthal’s (1990) paper expanded the theory, developed conceptual models and performed various empirical studies (Volberda et al., 2010).

Zahra and George (2002), who extended Cohen and Levinthal (1990) concept, reconceptualise ACAP as a set of “dynamic capabilities” and define ACAP as “a set of organizational routines and processes by which firms acquire, assimilate, transform and exploit knowledge to produce a dynamic organizational capability”. They distinguish between four complementary capabilities: *acquisition*, *assimilation*, *transformation* and *exploitation* that constitute potential and realized ACAP. Potential ACAP involves a firm’s capabilities to acquire and assimilate new external knowledge. *Acquisition* refers to a firm’s capability to identify critical knowledge needed and *assimilation* refers to a firm’s routines and processes that make it possible to understand external information. Experience and social integration can influence and determine how firms acquire and assimilate external knowledge (Zahra & George, 2002). Realized ACAP involves capabilities to transform and exploit new external knowledge. *Transform* refers to capabilities to develop and refine routines so that new and existing knowledge can be combined.
Exploitation refers to routines that makes it possible to harvest new knowledge with creation of new products, processes or knowledge as an outcome (Zahra & George, 2002). Todorova and Durisin (2007) argue that Zahra and George’s (2002) attempt to provide a better understanding of ACAP omit some important insights from Cohen and Levinthal’s (1990) original concept. Todorova and Durisin (2007) want to reintroduce the component “recognizing the value” found in Cohen and Levinthal’s (1990) definition of ACAP before the first step “acquisition” used by Zahra and George (2002). Furthermore, Todorova and Durisin (2007) argue that the distinction between potential ACAP and realized ACAP is too ambiguous and needs an empirically meaningful definition.

The ability to exploit external knowledge is to a large extent dependent on the level of prior knowledge and the ACAP embedded in an organization’s employees (Cohen & Levinthal, 1990). A firm’s ACAP is not resident in a single individual, it depends on the links across a mosaic of individuals’ capabilities (Cohen & Levinthal, 1990). Factors that influence a firm’s ACAP can be both internal and external. Internal factors refer to prior knowledge base, individual ACAP, level of education of employees, diversity of their backgrounds, organizational structures, company size or investment in research and development (Cohen & Levinthal, 1990; Noblet et al., 2011; Van Wijk et al., 2008). External factors are a combination of the external environment and the firm’s position within a knowledge network (Noblet et al., 2011). To further boost ACAP, firms need to focus on communication and social interaction, which build connectedness and shared meaning with the external environment (Cohen & Levinthal, 1990; Zahra & George, 2002; Todorova & Durisin, 2007). Organizational culture and coordination capabilities embedded in relations between members are two other factors that can boost ACAP as it can facilitate learning and change (Noblet et al., 2011; Yeoh, 2009).

ACAP can be viewed as a path-dependent capability as it is influenced by past experiences (Zahra & George, 2002; Cohen & Levinthal, 1990). A firm’s future knowledge absorption is determined by current absorption of firm’s routines and processes. Research has found that similarities in technological knowledge, culture and language help firms exploit external knowledge (Schildt et al., 2012; Cohen & Levinthal, 1990). Knowledge absorption depends on the receiver’s ability to add new knowledge to existing knowledge, which is easier done when knowledge can be expressed in a common language both in regards to tongue and conceptually (Grant, 1996). Through crowdfunding, firms can attract globally dispersed funders, which can make communication in a common language challenging (Harzing & Feely, 2008). The sender
is also in need of ACAP, or what Minbaeva (2007) calls “disseminative capacity” (DCAP). DCAP of the sender refers to the ability to appreciate the value of knowledge transferred, willingness to share knowledge and ability to articulate and communicate knowledge to efficiently make it available to the receiver (Minbaeva, 2007).

2.2.3 Motivation

Motivation is an important factor in determining individuals’ decision to transfer knowledge (Arazy et al., 2016). The sender needs to be motivated to transfer knowledge and the receiver needs to be motivated to accept and learn external knowledge.

Self-determination theory (SDT) provides two types of motivation: autonomous motivation (intrinsic) and controlled motivation (extrinsic) (Deci & Ryan, 2000; Gagné, 2009). Intrinsic motivation is internally developed and satisfaction lies in the activity itself. Extrinsic motivation is when one’s satisfaction does not lie in the activity itself but in a compensation, hence the activity is more of a means to an end. Cruz et al. (2009) found that intrinsic motivation has a positive effect on the willingness to actively transfer knowledge while extrinsic motivation does not have a significant impact. Osterloh and Frey’s (2000) study on what motivates the transfer of tacit and explicit knowledge found that intrinsic motivation is related to the need of transferring tacit knowledge.

To understand the knowledge transfer process between a firm and its crowdfunders in an equity crowdfunding context one needs to understand the firm’s and the crowdfunders’ motives for transferring knowledge. From the firm’s perspective there is a need to understand the crowd’s motives so they can engage them in knowledge transfer activities. According to SDT there are three needs that all individuals strive to satisfy, which underlie intrinsic and extrinsic motivation (Deci & Ryan, 2000). Autonomy, which is one of the needs, refers to individuals’ belief that their actions are self-determined. Another need is competence, the ability to influence and obtain value from an environment, and the need of relatedness refers to feeling connected.

An intrinsically motivated crowd must be nurtured in regards to the three needs. The use of a platform for interaction and sharing provides the crowd with value, a feeling of relatedness to a community and autonomy as they feel free to share what they want (Gassenheimer et al., 2013). An internalized extrinsic motivated crowd contribute for reasons such as to influence the outcome of a process, teach others or enhance its own reputation. To engage an internally
extrinsic crowd a firm could allow the crowd to provide inputs regarding product development in order to take advantage of its knowledge. An extrinsically motivated crowd is more possessive of its knowledge; hence a firm could provide incentives for an extrinsically motivated crowd to share knowledge.

The general assumption when it comes to equity crowdfunding is that the opportunity for financial return increase individuals’ interest to pledge. Cholakova and Clarysse (2015) found that crowds’ decision to invest in equity crowdfunding was positively predicted by financial return motivation more than non-financial motivation such as helping projects, support ideas or belonging to a community. Hence, the crowds’ motivation is mainly extrinsic, but it can also be a combination of intrinsic and extrinsic motivation (Hemer, 2011).

2.2.4 Relationship

The quality of the relationship between sender and receiver is one of the most critical factors that influence the ease of knowledge transfer (Szulanski, 1996). Mollick (2014) found that commercial enterprises perceived that a large number of crowdfunders led to anonymous relationships. This is further supported by Van Wijk et al. (2008), who argue that an increased number of relations negatively impacts knowledge acquisition and the ability to identify knowledge available to them.

Several studies have looked at relationships’ effect on the ease of knowledge transfer. Hansen (1999) looked at the effects of tie strength. Reagans and McEvily (2003) studied the effects of network structure in terms of social cohesion and network range. The strength of a tie is related to the frequency of communication and the level of individuals’ emotional attachment, which proportionally increase individuals’ motivation to transfer knowledge (Hansen, 1999; Reagans & McEvily, 2003). Hansen’s (1999) study on intra-organizational network ties found that strong network ties were beneficial in situations when complex knowledge was transferred. Weak ties were beneficial for explicit knowledge and searching for knowledge, especially in uncertain environments where organizations need to broaden their horizons to keep up with rapidly changing market environments. In contrast to Hansen (1999), Reagans and McEvily (2003) did not find a contingent effect of tie strength on knowledge transfer. Their result showed that all kinds of knowledge were easier to transfer in a strong tie. Furthermore, Levin and Cross (2004) argue that trust in a relationship leads to greater knowledge exchange as people's willingness to
share increase. Trust reflects the belief that a partner’s word or promise is reliable and that a partner will fulfill its obligations in the relationship (Van Wijk et al., 2008 cited in Inkpen, 2000, p. 1027). In contrast, Chiu et al. (2006) found that in virtual communities, trust does not have an effect on knowledge sharing. Social interaction, reciprocity and identification on the other hand did increase knowledge sharing but not necessarily the quality of knowledge.

Reagans and McEvily (2003) found that network range and cohesion, two aspects of network structure, have a positive effect on the ease of knowledge transfer. Cohesion refers to the extent a relationship is surrounded by a strong mutual third-party. A third-party connection such as a mutual supplier or manufacturer indicate reputation and cooperative behaviour of a receiver, which increase a sender’s motivation to transfer knowledge. Network range refers to ties that cross institutional, organizational or social boundaries. Knowledge transfer across boundaries can be complicated due to potential lack of common knowledge, which has a negative impact on both sender’s DCAP and receiver’s ACAP. The ability to frame and communicate knowledge is important for successful transfer across boundaries. The positive effect of network range on the ease of knowledge transfer is that it gives individuals the opportunity to learn how to convey complex knowledge.
2.3 Theoretical Framework

The theories presented in the literature review provide the theoretical foundation for this study. Limited research has been done with focus on knowledge transfer in an equity crowdfunding context. Therefore, literature regarding knowledge transfer and factors that influence ease of knowledge transfer were reviewed to gain an understanding of the knowledge transfer process. There seems to be a consensus among scholars that knowledge is a vital resource for firms, which can be generated internally or extracted externally. This study will address the latter and more specifically how an equity crowdfunded firm can transfer knowledge from its crowdfunders.

This study will use Szulanski’s (1996) model of the knowledge transfer process and its four phases: *initiation, implementation, ramp-up* and *integration*, as a foundation to explore the knowledge transfer process in an interorganizational setting between the crowdfunders and the firm. The factors that influence knowledge transfer will be taken into consideration when analysing each phase of the process. The factors that will be investigated along with Szulanski’s model are *knowledge, absorptive capacity, motivation, and relationship*. These factors can facilitate the transfer but also make it more difficult. To explain the relationship between the reviewed theories, a theoretical framework has been developed and is presented in Figure 1 below. The box presenting the factors is dotted as the knowledge transfer is filtered through them.

![Figure 1. Model of theoretical framework (authors’ own creation)]
3. Method

This chapter will outline the methodological choices for this study. A discussion regarding the data collection process is outlined followed by a presentation of how the theoretical concepts are operationalized in the interview guide.

3.1 Research Strategy – Qualitative

The aim of this study is to investigate the process of knowledge transfer in an equity crowdfunding context. While knowledge transfer has been widely researched (Van Wijk et al., 2008), it has received less attention in the context of equity crowdfunding. Therefore, new insights regarding knowledge transfer in equity crowdfunding was needed to be explored in order to answer the stated research question (Saunders et al., 2016). The qualitative strategy of this study was considered appropriate as the purpose is to explore a fairly unknown area by using established theories in a contemporary setting (Saunders et al., 2016; Bryman & Bell, 2011).

A multimethod qualitative approach was chosen (Saunders et al., 2016). Both semi-structured interviews and web-based data were collected to provide a greater scope of data and help overcome potential weaknesses with data collected from only one source (Saunders et al., 2016). Semi-structured interviews were the primary mean to collect data and were conducted with firms that had undergone an equity crowdfunding campaign. The crowdfunding platforms’ websites, the firms’ websites and social media were examined to complement the interviews. Collecting data from multiple sources is known as triangulation and was used to strengthen the qualitative findings (Bryman & Bell, 2011).

This study applies an abductive approach as it followed an interactive process with constant transition between theory and empirical findings (Bryman & Bell, 2011; Dubois & Gadde, 2002). The theoretical framework presented in the end of chapter 2 was developed from elaboration of previous theories on knowledge transfer. Moreover, the interviews were operationalized by the guidance of the theoretical framework that was used to explore the equity crowdfunded firms’ opinions and experiences (Bryman & Bell, 2011).
3.1.1 Research Design - Case Study

In order to shed new light on equity crowdfunding in regards to knowledge transfer a case study design was considered appropriate. This study has investigated several firms, which is an extension of the case study design that allows the researcher to compare and contrast the findings derived from the different cases (Bryman & Bell, 2011). Furthermore, a multiple case study design is suitable as the focus is not on the individual equity crowdfunded firm but on the sample of cases in order to produce some general findings (ibid).

3.2 Data Collection
3.2.1 Empirical Setting - Platform

Equity crowdfunding is the most popular form of crowdfunding in Sweden and there are currently around 15-20 online platforms providing this service (Fleming & Sorenson, 2016; eurocrowd.org). It was considered appropriate to only focus on the Swedish market in order to avoid potential differences in regulations in other countries. An equity crowdfunding platform is a two-sided platform managed by a neutral third party. Any entrepreneur can join and share a business plan, provided that they are approved by the platform (Di Pietro et al., 2018). Some platforms play a more active role in evaluating the firms than others (Wilson & Testoni, 2014). The platforms are connected to a network of potential crowdfunders, who all actively have registered on the platform. A firm can launch its campaign (business plan) on the platform in order to attract crowdfunders. The platforms generally employ one of two different funding models: all or nothing or all or more. If the target amount in the first model is not reached the crowdfunders will get their contributions back while the all or more platforms grant the founder all money collected despite not reaching the target (Gerber & Hui, 2013). Pepins and FundedByMe, the two platforms used for this study, use the first model, which means that a campaign is successful only if the firm has reached the target amount for its campaign. Below follows a short description of the two platforms.

**Pepins** is a Swedish equity crowdfunding platform that believes in the power of many and strives to democratize venture capital investments and entrepreneurship. Pepins is the only Swedish equity crowdfunding platform under the supervision of the Financial Inspection, since it offers a marketplace for stock trading that allows for liquidation of non-publicly traded shares (Pepins Årsredovisning, 2016). The stock trading is conducted via Alternativa Listan,
Mäklarlistan, Interna Listan and Pepins Market. Furthermore, Pepins offers a communication tool called Stakeholder’s Club where firms and crowdfunders can communicate.

**FundedByMe** is the first Swedish online crowdfunding platform established year 2011. The site is a “full-service crowdfunding platform” offering capital through equity, loan and reward-based crowdfunding but does not offer a secondary market for stock liquidations (fundedbyme.com). FundedByMe wants to help individuals to act as BA and VC by investing in small start-ups. Since the start FundedByMe has helped around 500 companies from more than 25 countries to raise a total amount of SEK 500 million. In the beginning of 2018 the site had over 107,000 registered investor members from almost 200 countries. FundedByMe has jointly owned partner companies in Dubai, Finland, Malaysia, Mexico, Poland and Singapore.

### 3.2.2 Pre-study

A smaller pre-study was conducted with the purpose to find out if knowledge transfer within crowdfunding was a case worth digging deeper into. The pre-study involved both an interview and questions sent out by email to equity crowdfunded firms. The interview was carried out with the investment manager Latif Andersson at the equity crowdfunding platform Pepins. Pepins was appropriate to interview as the firm has developed a communication tool known as Stakeholder’s Club, which is designed to facilitate the communication between equity crowdfunded firms and crowdfunders. The intention is to help crowdfunders follow the development of their investment but also to enable them to engage in discussions and provide feedback beneficial for the equity crowdfunded firm. The interview concluded that there was an interest both from crowdfunders to provide feedback and engage in discussions and for the firms to engage their crowdfunders for knowledge utilization. An email was then sent out to firms that had used FundedByMe’s platform for their equity crowdfunding campaign to ask if they considered their crowdfunders as a source of knowledge. Consequently, the pre-study helped identify and confirm that there was a phenomenon to be investigated.

### 3.2.3 Sample Selection

When the sample selection was made, three main criteria were established for the participants in this study. Firstly, the firms must have done an equity crowdfunding campaign in Sweden. Secondly, the firms must have succeeded in raising the target amount for their equity
crowdfunding campaign. Lastly, the firms have to correspond to the EU Commission's definition of SMEs. This research was thereby narrowed down to investigate SMEs that had successfully gathered a crowd of investor using a third-party platform in Sweden.

In order to identify firms that have done successful equity crowdfunding campaigns, the crowdfunding platforms Pepins and FundedByMe were chosen as mediators. Pepins was selected for two reasons. First for convenience reason as the authors already had an established contact at Pepins and because the platform only focus on equity crowdfunding. Due to the low response rate from firms at Pepins platform, FundedByMe was also used in order to identify firms.

In order to contact firms, an interview enquiry (see Appendix 1) was sent out by email to firms who had used Pepins and FundedByMe. The participants could choose whether or not to participate in the research, which is known as self-selection sampling and is appropriate for exploratory research (Saunders et al., 2009). It allowed individuals with experience and interest in equity crowdfunding to devote their time to be interviewed. Moreover, as this study does not aim to generalize the data collected on a wider population this method of targeting firms was deemed appropriate (Bryman & Bell, 2011).

The self-selection sampling technique generated a number of five interviews at five firms, which was considered adequate to generate enough empirical data to answer the stated research question (Bryman & Bell, 2011). After the fifth interview it became clear that an additional interview would not contribute with any new insights that would help to answer the research question. The number of five firms was further considered adequate as it allowed for variation in regards to industry and firm size. Common themes, features and aspects were identified across the sample. At the same time, differences or variations were identified across the sample, which made it possible to explore knowledge transfer from different angles but still within the equity crowdfunding context. Altogether this provided a better understanding of knowledge transfer in equity crowdfunding. The different industries were not predetermined but in fact determined along the process of targeting firms from the two equity crowdfunding platforms. The different industries that the target firms operate within are: HiFi, finance, food, sports and interior design.
3.2.4 Primary Data – Interviews

The primary data for this study was collected through semi-structured interviews with the aim to generate rich and detailed answers (Bryman & Bell, 2011). The semi-structured interviews followed an interview guide (see Appendix 2) derived from the theoretical framework with fairly specific topics. The questions were open-ended, which facilitated follow-up questions. This allowed the respondents and the interviewers to speak more freely, which gave insights regarding what the respondents considered relevant and important.

Face-to-face interviews were preferred as respondents are more likely to share and discuss sensitive topics, and the physical closeness can create a sense of trust (Jacobsen, 2002). However, due to distance and time restraints among the respondents, a majority of the interviews were conducted via either telephone, Skype or Google Hangout. The interviews varied between 30-60 minutes in length. All interviews were audio recorded with the respondent’s approval. To record interviews allows the interviewers to be more engaged and alert, which facilitates follow-up questions on interesting points made by the respondent. The recording is a vital backup that correct natural limitations of our memories as it is possible to hear exactly what have been said (Bryman & Bell, 2011). The recordings were transcribed within 24 hours after the interviews. The transcripts made it possible to analyse the data in order to gain greater understanding for how firms utilize the crowdfunders’ knowledge. If more clarity was needed regarding any answers, a follow-up email was sent no later than 48 hours to the respondent. The close time frame was set so that the respondents could have the interview rather fresh in their memory.

Altogether, five interviews were conducted. More information regarding the respondents and the interviews is presented in Table 1. Moreover, Table 2 provides an overview over the investigated firms. Due to anonymous concerns, the names of the respondents are not outlined and one of the firms is referred to as the pseudonym Food Company. The position of the respondents and the industry the firms operate within is stated.
<table>
<thead>
<tr>
<th>Respondent</th>
<th>Company/Industry</th>
<th>Title</th>
<th>Type</th>
<th>Duration</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GolfStar/ Sports</td>
<td>Investor relations</td>
<td>Face-to-face</td>
<td>1h 15 min</td>
<td>Pepins</td>
</tr>
<tr>
<td>2</td>
<td>Frilans Finans/ Finance</td>
<td>Founder/ CEO</td>
<td>Google hangout</td>
<td>30 min</td>
<td>Pepins</td>
</tr>
<tr>
<td>3</td>
<td>XTZ/ HiFi</td>
<td>CEO</td>
<td>Skype</td>
<td>1h</td>
<td>Pepins</td>
</tr>
<tr>
<td>4</td>
<td>Food Company/ Food</td>
<td>Founder/ CEO</td>
<td>Phone</td>
<td>1h</td>
<td>FundedByMe</td>
</tr>
<tr>
<td>5</td>
<td>Naava/ Interior design</td>
<td>Marketing Manager</td>
<td>Google Hangout</td>
<td>30 min</td>
<td>Pepins</td>
</tr>
</tbody>
</table>

Table 1. Interview respondents

<table>
<thead>
<tr>
<th>Company</th>
<th>GolfStar</th>
<th>XTZ Sound Balance</th>
<th>Naava</th>
<th>Frilans Finans</th>
<th>Food Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Sport</td>
<td>HiFi</td>
<td>Interior design</td>
<td>Finance</td>
<td>Food</td>
</tr>
<tr>
<td><strong>What they do</strong></td>
<td>Offer the opportunity to play at 23 golf courses and 12 golf clubs in Stockholm through different membership subscriptions.</td>
<td>Offer headphones, measuring systems, amplifiers, stereos and home theatre speakers to a global market.</td>
<td>Offer smart green walls that provide pure and fresh air. They combine science with nature in order to develop the most efficient air purification walls that provide pure indoor air.</td>
<td>Help self-employed within all type of industries to invoice without having their own company.</td>
<td>Offer fresh and ecological alternatives with the vision to challenge the existing industry players by providing food free from preservatives.</td>
</tr>
<tr>
<td><strong>Established</strong></td>
<td>1993</td>
<td>1995</td>
<td>2011</td>
<td>2010</td>
<td>2010</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td>73</td>
<td>4</td>
<td>48</td>
<td>36</td>
<td>3</td>
</tr>
<tr>
<td><strong>Turnover in 2016</strong></td>
<td>98, 7 million SEK</td>
<td>17, 4 million SEK</td>
<td>100, 8 million EUR</td>
<td>993 million SEK</td>
<td>2.8 million SEK</td>
</tr>
<tr>
<td><strong>Number of crowdfunders</strong></td>
<td>938</td>
<td>390</td>
<td>1286</td>
<td>1011</td>
<td>~150</td>
</tr>
<tr>
<td><strong>First time using equity crowdfunding</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>yes</td>
</tr>
</tbody>
</table>

Table 2. Descriptions of investigated firms
3.2.5 Secondary Data - Websites

In order to gain a better understanding for how the firms use crowdfunding for knowledge, data was derived from websites. The firms’ websites as well as Pepins and FundedByMe’s websites were used to support the findings from the interviews and to give greater insights regarding the communication between firms and crowdfunders. The two platforms operate slightly different, yet both provide some kind of open communication forum. These forums allow crowdfunders and the firms to keep an open dialogue (see Appendix 3 for screenshots from both platforms). By reviewing each platform, in particular the communication forums together with the investigated firms’ social media pages (facebook), generated a better understanding for how communication between firms and crowdfunders occur. The data obtained from these sources was not collected for the purpose to be used as empirical material in the analysis, it was used as supportive data to the interviews (Bryman & Bell, 2011).

3.3 Operationalization

An interview guide (see Appendix 2) was prepared with the theoretical framework in consideration. The overarching theory used as a foundation for the theoretical framework was Szulanski’s (1996) model of the knowledge transfer process. This model consists of four phases: *initiation, implementation, ramp-up and integration*.

Each interview started with some general background questions. The respondents were asked to briefly explain their professional careers, experiences with equity crowdfunding and their present role at the firm. The interview guide was then structured according to the four phases in Szulanski’s (1996) model. Questions were designed in accordance with the description of each phase and the factors that can influence knowledge transfer. Potential challenges identified in the ramp-up phase determine whether or not the knowledge transfer process will proceed to the integration phase where knowledge is routinized. The ramp-up phase and integration phase were therefore grouped together. Table 3 provides an overview of the operationalization.
<table>
<thead>
<tr>
<th>Phase</th>
<th>Features of phase</th>
<th>Factors</th>
<th>Interview guide- example of questions</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiation</td>
<td>Recognition of knowledge gap</td>
<td>Knowledge</td>
<td>Do you think there are other resources to be gained from equity crowdfunding besides capital?</td>
<td>Mollick (2014)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ACAP</td>
<td></td>
<td>Di Pietro et al. (2018)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Motivation</td>
<td></td>
<td>Cohen &amp; Levinthal (1990)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relationship</td>
<td>What are your thoughts regarding the crowd as a source of knowledge?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communication management</td>
<td>ACAP</td>
<td></td>
<td>Hansen (1999)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Motivation</td>
<td>How often do you communicate with your crowd?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relationship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ramp-up &amp;</td>
<td>Usage of knowledge</td>
<td>Knowledge</td>
<td>Can you describe a situation where you have changed something or made a decision based on the crowds’ knowledge?</td>
<td>Cohen &amp; Levinthal (1990)</td>
</tr>
<tr>
<td>Integration</td>
<td></td>
<td>ACAP</td>
<td></td>
<td>Zahra &amp; George (2002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Motivation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relationship</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Operationalization

### 3.4 Data Analysis

The qualitative data, collected through semi-structured interviews, was recorded with the permission of the respondents and thereafter transcribed. Transcribing the interviews facilitated the collection of accurate quotes and comparability between the respondents during the analysis process (Bryman & Bell, 2011). The theoretical framework operated as the backbone during the analysis of the qualitative data. The unstructured data generated from the transcripts was structured with the help of the theoretical framework. Key quotes and words from the interviews were identified and grouped together into similar categories. These categories were later matched with representing factors and phases identified in the theoretical framework. This made it easier to comprehend and analyse the data. Furthermore, it made it possible to identify to what extent each factor influenced the knowledge transfer process (Saunders et al., 2015). See Appendix 4 for an overview of the data structure.
3.5 Ethics and Credibility

Before conducting any interviews, the respondents were informed about the purpose of the study, how the data would be used, the themes of the interview questions and for how long the interview was estimated to take. In line with the consent requirement, participants could cancel the interview and choose which questions to answer. To ensure confidentiality, the respondents had to give their approval for the interview to be recorded and anonymity of the respondent and firm was assured if the respondent wanted this. In line with the ethical guidelines, the interview material was not spread and used for any other purpose than for this study (Vetenskapsrådet, 2002).

To ensure reliability and overcome interviewer bias, both authors participated during the interviews and the transcribed material was carefully discussed. To ensure that a mutual understanding was established between interviewer and interviewee, the interviews were summarized at the end so the respondents could correct any potential misinterpretations. To avoid interviewee bias, which can occur when the respondent does not trust the interviewer or the value of the information provided is limited (Saunders et al., 2016), the respondents were provided with relevant information and the purpose of the study prior to the interview. To ensure validity, triangulation was used as a mean to strengthen the qualitative findings (Bryman & Bell, 2011). Triangulation was applied by combining data generated from both semi-structured interviews and secondary data derived from websites.
4. Empirical Findings

This chapter presents the empirical findings derived from the interviews. The findings are presented according to the four phases presented in the theoretical framework.

4.1 Initiation

All of the investigated firms stated that it was their first time using equity crowdfunding to raise capital. In terms of why the firms chose equity crowdfunding as a financing tool, a majority of the firms stated that the main intention was to raise capital. It was only GolfStar that chose equity crowdfunding with the main intention to gain followers and build a customer base. For GolfStar it was all about gaining loyal crowdfunders that would market the brand as reflected in the following quote:

“The whole idea with crowdfunding is to gain followers and build a customer base. If you own part of a company you will recommend it, and that builds loyalty. This was our thought to get to the users and that is why we chose equity crowdfunding.”

Respondent 1, GolfStar

It was clear that all of the firms saw some non-financial benefits besides the financial gains such as gaining ambassadors, which further strengthened their choice of using equity crowdfunding as a financing tool. Another non-financial motive was to raise awareness, which is reflected by the following quote:

“We killed two birds with one stone. We needed more capital but also a way to launch our products on the Swedish market, therefore we chose equity crowdfunding”

Respondent 5, Naava

Instead of financing expensive marketing campaigns, Naava saw the marketing opportunity that equity crowdfunding facilitates. Furthermore, through equity crowdfunding the firms could raise capital without giving up too much control to one or few investors, engage potential and existing consumers and market their products. However, there was a disagreement among the firms whether or not to have a few influential investors. XTZ turned to equity crowdfunding in order to bypass having investors that are too influential whereas the Food Company took in a
few lead investors just before its crowdfunding campaign in order to communicate a stronger value of the firm.

“We wanted an investor but not a single one as they will get a high influence and maybe steer the company in the wrong direction”

Respondent 3, XTZ

Whether or not the investigated firms considered the crowdfunders as a potential source of knowledge varied, as well as the motive to engage them in knowledge transfer. The majority of the firms believed that they could to some extent use the crowdfunders for knowledge. However, GolfStar believed that large firms in its size do not need to turn to crowdfunders for knowledge. Except for GolfStar, the firms believed that the crowdfunders could provide valuable insights regarding consumer needs more so than business insights. However, Frilans Finans did find use of experienced crowdfunders within merger and acquisitions. In general, a few of the firms struggled to identify what kind of knowledge they could find within their crowdfunders. However, if they had an inquiry regarding specific knowledge in mind it was easier to approach the crowdfunders and acquire the knowledge needed.

“On paper they [crowdfunders] feel like a potential, but it is latent competence that is difficult to see. So, you need to ask questions.”

Respondents 4, Food Company

Furthermore, a few firms mentioned that regarding the crowdfunders as a source of knowledge is a difficult point due to the specialized knowledge needed for their particular industry. Due to this, the belief was that people's advice often are useless but the firms still believed that there could be benefits gained from using the crowdfunders. As potential consumers the crowdfunders possess valuable consumer insights as explained by one of the firms:

“As developers and producers, we get inhibited by some sort of blindness towards our own products. The crowdfunders do not suffer from this blindness, they are an independent source. We therefore look for the crowdfunders' feedback, information about what products are interesting in the future, what their needs are, what they expect from a HiFi product or what they would like to have”

Respondent 3, XTZ
Overall, the firms believed that they could have use for the crowdfunders mainly in terms of marketing, feedback or inputs regarding consumer usage of products/services. Frilans Finans further explained that it needs knowledge about its self-employed and their professional groups. Frilans Finans needs knowledge about the self-employeds’ routines and how they work in order to offer better services that serves the self-employeds’ needs. The firms saw equity crowdfunding as much more than just raising capital, it was a way for the firms to tap the crowd for other resources.

“Crowdfunding is really about the communication, dialogue, idea exchange, getting inputs, engage them to become ambassadors, spread our brand and what we stand for in their own internal networks”

Respondent 4, Food Company

Reasons for why the firms would turn to the crowdfunders for knowledge were both financial and non-financial. Most firms aimed for knowledge regarding consumer insights, feedback or marketing that could generate better product/service offerings or greater brand awareness that in turn could lower internal costs and generate better business. It is clear that many of the firms that identified knowledge gaps regarding consumer insights were to a large extent financially motivated, which is reflected in the following quote:

“If we get our crowdfunders to realize that if they share our content and give feedback we do not have to spend a lot of money on marketing and marketing research. In that way we can save money and the investors’ money”

Respondent 5, Naava

The willingness to share and contribute with knowledge that might be beneficial for the firm was not something that happened on the crowdfunders own initiative. All responding firms stated that the initiative to start a dialogue or receive feedback of some sort always came from the firm’s side. Frilans Finans wants its crowdfunders to be engaged in the firm’s activities as it is part of its vision of being a sharing firm. At the same time as Frilans Finans states that it has a non-financial motive to engage its crowd there is also a business perspective to it. Meaning that long-term relationships generate more business in the long-term. Furthermore, a few firms mentioned that they have many ideas and thoughts for how to use the crowd in order to ask questions, get opinions or thoughts regarding product/service features instead of hiring a firm
to conduct a market research. To use the crowd as a focus group to brainstorm ideas is mirrored in the quote below:

“I do believe that to physically gather our crowdfunders will open up the communication regarding idea exchange and express their likes and dislikes towards our products”

Respondent 4, Food Company

A common thought among most of the firms was that the process of initiating knowledge transfer was not considered a straightforward activity. Motivation to initiate activities in order to generate knowledge transfer was many times inhibited due to lack of time and resources. As equity crowdfunding is such a young financial tool, especially in terms of knowledge transfer, a few of the firms struggled to find support and suggestions for how to properly motivate the crowdfunders to share thoughts and feedback. The Food Company mentioned that it had hoped for more support from the crowdfunding platform yet was disappointed as it experienced a very low engagement from the platform’s side.

4.2 Implementation

All of the firms explained that they consider the relationship with the crowdfunders as an arm’s length relationship. As the crowd constitutes of many small investors it becomes more impersonal. Many of the firms classified the relationships as an arm’s length relationship based on whether or not they knew the crowdfunders personally or by face, and to what extent they communicated with them. Naava believed that its relationship with the crowdfunders might be stronger compared to other firms as it is the most active participant on Stakeholder’s Club. Furthermore, a majority of the firms mentioned that they only have had the crowdfunders for a short period of time, which is why they have not yet established some sort of relationship or fully utilized the potential of having crowdfunders. However, despite the short period of time a few firms had been able to establish a relationship and to some extent utilize the crowdfunders.

“We have only had our crowdfunders for a short period of time, so we are not really there yet but we aim to create a stronger engagement”

Respondent 2, Frilans Finans

Naava was the only firm that used a different terminology when referring to its crowdfunders. Naava referred to its co-workers and crowdfunders as its “tribe” with the belief that its tribe is
a strong network of missionaries that all work in the same way to spread the word of Naava. In terms of relationship, GolfStar and Frilans Finans had another ambition regarding the relationship with the crowdfunders. Both firms wanted the “users” of their services to be crowdfunders as a way to create stronger relationships and loyalty. Frilans Finans wants its members to be the owners, which is part of the vision of being a sharing firm. How Frilans Finans aim to create involvement with its members is explained in the following quote:

“Involvement has to be built in different channels and more on a daily basis. That will happen through our ordinary communication channels such as websites and when they meet us face-to-face”

Respondent 2, Frilans Finans

A majority of the firms believed that the crowdfunders are to some extent motivated to share knowledge as they own shares in the firm and therefore want to see the firm succeed. Naava further explained that the willingness to contribute might reflect the amount invested. If a crowdfunder has invested a small amount he or she might not put down as much energy to push the company compared to someone who has invested more or really believes in the company. GolfStar explained that the crowdfunders engagement is all about whether or not they will get a good offer combined with the investment, it is not as much about the ROI. Furthermore, a few of the firms explained that most of the crowdfunders neither show engagement nor share knowledge spontaneously when they are asked, they need encouragement. A few firms arranged small competitions to increase the crowdfunders participation and get them to share the firm’s material. Others directly contacted crowdfunders to specifically ask for information.

“The spontaneous answer is often no. But we do not settle for a no, so we usually phone them and most of the time we get them to share valuable insights“

Respondent 5, Naava

When it comes to how knowledge is transferred, the firms mainly use social media, email, surveys or face-to-face meetings. Facebook and the firms’ websites are two other popular channels used by the firms both to share and receive knowledge. A majority of the firms use Stakeholder’s Club as a communication tool. At Stakeholder’s Club the firms communicate significant events regarding the investment. The crowdfunders can also discuss the business and give comments, which creates an open dialogue between firm and crowdfunders as reflected in the following quote:
“We use Facebook to communicate new products etcetera and on Stakeholder’s Club we communicate all sort of news but mostly news regarding the investment. Here [Stakeholder’s Club] the crowdfunders usually communicate with us”

Respondent 3, XTZ

Naava used blogs created by its customers to share their experience, find new sales leads and gain feedback. Furthermore, a few firms mentioned that they and the crowdfunders use email or telephone to directly contact each other and get faster response. Surveys was another way to gain direct feedback and insights regarding product features. However, several of the firms found that face-to-face meetings either in a meet-and-greet, workshop or annual meeting context was more effective in terms of sharing and transferring knowledge compared to social media. During face-to-face meetings the firms could illustrate what they do, engage the crowdfunders and distinguish interesting people that could be of use in terms of knowledge.

“We have arranged face-to-face meetings that often help increase the crowdfunders’ willingness to contribute. They often get a lot of new ideas when they meet us or get to see the products itself”

Respondent 5, Naava

The face-to-face meetings facilitate for a more open dialogue that invites the crowdfunders to participate, give instant feedback, learn and share knowledge. A few of the firms had found that the crowdfunders lack some basic knowledge regarding their products/services, which hindered the crowdfunders’ ability and willingness to share knowledge. The face-to-face meetings were therefore considered as an opportunity for the firms to educate the crowdfunders regarding products/services, which helped the crowdfunders gain greater understanding and ability to contribute with insights and feedback. The Food Company explained that if it would not have had any face-to-face meetings it would have missed out on valuable insights that the crowdfunders possess.

“We invited all the crowdfunders and had a workshop. Thanks to that meeting we found a few interesting people that we otherwise could have missed”

Respondent 4, Food Company

Another concern, which a few of the firms shared, was the issue that information might reach competitors. The challenge is to decide what or how much to share with the crowdfunders. Majority of the firms only share information that affects the investment and significant news
regarding the business. Several of the respondents believed that face-to-face meetings were an appropriate way to share a little more information in a more intimate setting where the firms can control who listens and receives the information. However, the respondents stated that there is always a trade-off regarding how much to share.

“Someone can be a ghost and ruin for you or maybe even work for a competitor”

Respondent 4, Food Company

All of the firms, except for the Food Company, followed some sort of publication plan where they sent out newsletters, published quarterly and annually reports and in between some lighter news. How the firms handled the communication was dependent on time and resources. A few firms had the resources to have a person or a team dedicated to handle the communication with the crowdfunders. Whereas a few other firms divided the responsibility after type of communication, as for example one person would handle more sensitive financial information and another person would handle more general information. Due to limited time and resources a few firms struggled to engage in knowledge sharing activities or sort out important feedback and information given by the crowdfunders.

“We have a few ideas, but we currently have a small team that handles the communication so we do not have enough time.”

Respondent 5, Naava

Furthermore, the Food Company explained that it has a reactive relationship where it simply answers the crowdfunders’ questions, but the firm does not reach out to them. A proactive relationship was further complicated as the firm had gained crowdfunders in other countries, which creates language barriers. XTZ had created its own internal system for how to handle external knowledge. The firm had a task system where ideas, feedback or insights were collected. This was later discussed during a meeting where decisions are made regarding whether or not there are any good ideas and if so how to implement them.

4.3 Ramp-up & Integration

Majority of the firms explained that for them it was quite easy to make use of the knowledge transferred from the crowdfunders. Most of the knowledge transferred concerned marketing inputs, feedback regarding product/service features, insights regarding sales leads or work routines. XTZ explained that it is knowledge that is quite easy to use as it does not require any
special skills or knowledge in order for the firm to utilize it. XTZ further explained that in the end, every decision is based on some numbers, facts and feeling and the crowdfunders influence the feeling aspect. If the firm has any new ideas it can simply ask the crowdfunders and if there is a clear trend it can basically be turned into a product right away. However, XTZ did mention some struggles when it had gained new insights from a survey sent out to its crowdfunders. The firm was sure about certain features regarding a product but realized through its survey that the crowdfunders and the consumers wanted something different as stated in the following quote:

“We expected that most people wanted the big amplifier, but most people wanted the small one so we had to rethink and go for the small one”

Respondent 3, XTZ

As mentioned earlier, GolfStar was the only company that did not see any use in turning to the crowdfunders for knowledge. Despite receiving feedback from its users and the golf clubs active on the courses run by GolfStar the firm chose to not act on it. GolfStar stated that it does not need any knowledge from the crowdfunders and therefore chose to not make use of the external feedback.

“We are a large company that does not need to look for competencies within our crowdfunders. They are only interested in getting the best deals and the golf clubs should not be involved in any questions regarding the courses, instead they should focus on their own businesses.”

Respondent 1, GolfStar

A majority of the firms mentioned that they do not need knowledge regarding how to run their businesses. They search for knowledge relevant for how products/services can be improved or how to market their brands. However, Naava and Frilans Finans mentioned that they aim to involve and let the crowdfunders be a bigger part of the business development but are not there yet. This was a common theme for most of the firms. A majority of the firms mentioned that they wish to engage and make better use the crowdfunders but due to limited resources and the short period of time they have had their crowdfunders they have not yet been able to develop routines and activities that makes it possible.
5. Analysis

This chapter will present the analysis of the empirical findings through the lens of the theoretical model. First, a short description of which factors were of particular importance during the different phases is provided. The chapter is thereafter structured according to the four phases and within each phases are the different factors used to analyse the findings.

At the conclusion of the interviews, it was possible to identify which factors influenced the different phases of the knowledge transfer more than others. During the initiation phase three factors were found to be of importance. The firms’ motivation to use the crowdfunders for knowledge, the ability to identify a knowledge gap (potential ACAP) and what knowledge is needed to bridge the gap. During the implementation phase the crowdfunders’ motivation to share knowledge and how to best acquire and assimilate knowledge (potential ACAP) were found to be two factors of particular importance. The arm’s length relationship and the fact that knowledge transferred was explicit had a positive effect on the ease of knowledge transfer. Realized ACAP and the fact that knowledge transferred was of explicit nature were found to be the two most influencing factors during the ramp-up and integration phase.

5.1 Initiation

The main idea with equity crowdfunding is to use it as a tool to raise capital, however Lambert and Schwienbacher (2010), argue that it can also be combined with other sorts of crowdsourcing as a way to harness knowledge from the crowdfunders. From the interviews it was made clear that the firms chose equity crowdfunding for different reasons. To raise capital was the main motive for the majority of the firms but they also saw non-financial benefits with gaining crowdfunders via equity crowdfunding, which is in accordance with Mollick (2014). In contrast to Agrawal et al. (2011), none of the firms saw the ability to gain information about the market and the product as an incentive to use equity crowdfunding. However, as suggested by Match and Weatherston (2014), it was evident that the firms found a built-in marketing opportunity with crowdfunding both in terms of raising awareness during the equity crowdfunding campaign and by treating the crowdfunders as ambassadors of their brands.
The Crowd as a Potential Source of Knowledge - Potential ACAP

The findings indicate that the large number of crowdfunders made it difficult for the firms to understand what potential knowledge the crowdfunders possess. This is in line with Van Wijk et al. (2008) who argue that an increased number of relations makes it difficult to identify knowledge available to them. However, it was found that if the firms had identified a knowledge gap it was easier for them to approach the crowdfunders and ask for the knowledge required as suggested by Szulanski (1996).

The ability to consider the crowdfunders as a knowledge source is according to Di Pietro et al. (2018) the first step in order for there to be a knowledge transfer process. To be able to recognize the value of a crowd as a source of knowledge is in line with Cohen and Levinthal’s (1990) definition of ACAP. From the empirical findings it can be emphasized that several of the firms did identify the crowdfunders as potential senders of knowledge. Most of the firms identified knowledge gaps in terms of consumer needs, product features or marketing that they believed the crowdfunders could help to bridge. It was found that those firms that did identify the crowdfunders as senders believed that their insights as potential consumers are important for the firms. This goes in lines with Wilson and Testoni (2014) who further argue that as potential consumers the crowd can provide valuable insights “for free”. Even though most of the firms did see potential knowledge to be found within the crowdfunders there was still some resistance towards turning to the crowdfunders. The resistance was either due to the belief that the crowdfunders were not a reliable source or that the firm can generate the knowledge itself. Judging the reliability of a knowledge source is according to Szulanski (1996) a difficult task as it can complicate the transfer of the knowledge. For a few firms this was evident as the industries they operate within require a lot of specialised knowledge, which was considered a shortcoming among their crowdfunders. The ability to identify and acquire external knowledge is part of what Zahra and George (2002) call potential ACAP. As stated, several of the firms did value the crowdfunders’ knowledge, which demonstrate potential ACAP. However, due to past experiences of invaluable knowledge gained from external knowledge sources a few of the firms were sceptic towards the value of the crowdfunders, which negatively affects potential ACAP (Zahra & George, 2002).
**What Kind of Knowledge**

Several of the firms stated that they turn to the crowdfunders for knowledge regarding product/service features, trends, sales leads and customer needs, which can be classified as pragmatic knowledge (Alavi & Leidner, 2001). This can be argued to be knowledge of more explicit or codified nature, that is more easily structured and communicated and according to Kogut and Zander (1995) easier to transfer. Most of the firms searched for explicit knowledge that the majority of the crowdfunders could contribute with. This can be connected to parts of Reagans and McEvily (2003) theory, that explicit knowledge does not require as much effort to transfer and therefore can and might more people be willing to contribute.

Frilans Finans stated that in order to improve its services it needs knowledge oriented more towards traits (features) of its actual “users”. This includes knowledge concerning routines, values, feelings and commitments that would help generate a better understanding regarding its members´ professional groups. This can be argued to be personal knowledge embedded within individuals that Nonaka et al. (2000) and Grant (1996) refer to as tacit knowledge. Theoretically, this type of knowledge is more of a challenge to transfer as it is more complex and difficult to codify (Kogut & Zander, 1995; Osterloh & Frey, 2000). According to a few scholars, knowledge does not have to be separated into explicit or tacit but are in fact integrated (Tsoukas, 1996; Nonaka et al. 1996). This can be argued to be the case for knowledge regarding sales leads. Even if the knowledge itself easily can be communicated, which characterizes explicit knowledge, it is still dependent on the right person, at the right time with the relevant connection, which is more connected to knowledge of tacit nature.

**Motivation for Firm to Initiate Knowledge Transfer**

From the interviews it was clear that the initiation phase is characterized by the firm’s motivation to use its crowd for knowledge, which according to Arazy et al. (2016) is vital in order for knowledge transfer to take place. The motivation to initiate knowledge transfer involves accepting and learning new knowledge, which varied among the responding firms even though the majority were motivated to use the crowdfunders and encourage them to share knowledge. From the interviews it was evident that several of the firms were financially motivated to engage the crowdfunders. Being financially motivated is according to SDT a controlled motivation known as extrinsic motivation (Deci & Ryan, 2000; Gagné, 2009). Instead of hiring an external actor to conduct market research the firms could utilize the crowdfunders as potential consumers in order to generate consumer insights “for free”. This
goes in line with Wilson & Testoni’s (2014) theory regarding utilizing the crowdfunders to gain consumer insights compared to costly market research provided by external actors. This can further be connected to SDT as the motivation does not lie in the activity itself but operates more as a means to an end and in this case to save money (Deci & Ryan, 2000; Gagné, 2009). In line with SDT and Deci and Ryan (2000) it can be argued that several of the investigated firms were extrinsically motivated to engage their crowdfunders as it is a way to generate better business. However, Frilans Finans can be argued to be intrinsically motivated as the firm aims to better serve the needs of its self-employed. Hence, the satisfaction lies in the activity to engage its self-employed who are also crowdfunders (Deci & Ryan, 2000).

Part of a firm’s motivation can be argued to lie in the perceived reliability of crowdfunders as a source of knowledge (Szulanski, 1996). While all of the responding firms did consider the crowdfunders as potential consumers, it was evident that a few firms considered them as consumers only motivated by getting the best deals. Perceived lack of interest in the business itself can be argued to lower the crowdfunders reliability and as suggested by Szulanski (1996) complicate the process of initiating knowledge transfer. Furthermore, as suggested by Arazy et al. (2016) this can lower the firms’ motivation to turn to the crowdfunders for knowledge. It was further evident that the firms that are in industries that require specialized knowledge, which the crowdfunders are proposed to lack, had low reliability in their crowdfunders as mentioned by XTZ. The experience of receiving useless knowledge from crowdfunders, can be argued to negatively influence a firm’s ACAP. This is in line with research, which suggest that ACAP can be viewed as path-dependent as it is influenced by past experiences (Zahra & George, 2002; Cohen & Levinthal, 1990).

In line with Nobelt et al. (2011), it was found that the firms’ ACAP was influenced by external factors, in this case the equity crowdfunding platforms. The two equity crowdfunding platforms, Pepins and FundedByMe, influenced the firms’ knowledge transfer processes in regards to the support and communication tools they provided. Pepins encouraged the firms to utilize the crowdfunders and provided a communication tool in order to facilitate a dialogue between them two. This was appreciated by the firms and helped increase the firms’ motivation, communication and ability to engage the crowdfunders in knowledge transfer. This can according to Noblet et al. (2011) and Yeoh (2009) boost the firms’ ACAP as it facilitate the firms’ coordination capabilities. On the other hand, FundedByMe was perceived to lack both support and post-crowdfunding communication tools, which was expressed as a disappointment.
5.2 Implementation

The Crowdfunder’s Motivation to Transfer Knowledge

Arazy et al. (2016) state that the sender’s, in this case the crowdfunder, decision to transfer knowledge lies in his or her motivation to do so. Cholakova and Clarysse (2015) argue that crowdfunders are mainly extrinsically motivated when they invest in equity crowdfunding, which several of the firms confirmed. The firms stated that the crowdfunders’ motivation to contribute lies in their interest of getting good deals and see the firm succeed as they own shares, which can be argued to be extrinsic motivation. Furthermore, it was found that the crowdfunders needed some encouragement in order to increase their willingness to share knowledge. In accordance with SDT (Gassenheim et al., 2013), it can be argued that the crowdfunders are internally extrinsically motivated. It was only Naava that mentioned that some of its crowdfunders shared knowledge without being asked, which can be argued to be intrinsic motivation. Cruz et al. (2009) argue that intrinsic motivation has a positive effect on the willingness to transfer knowledge.

Manage the Relationship

Quality of the relationship between sender and receiver is one of the most critical factors in regards to knowledge transfer according to Szulanski (1996). According to Szulanski’s (1996), the implementation phase is characterised by building relationships in order to bridge the knowledge gap identified in the initiation phase. It was found that, as the firms already have a crowd of investors, a relationship already exists meaning that the firms do not need to build a new relationship. However, it was found that even though the firms had an established relationship with the crowdfunders the large number of crowdfunders made the relationship quite impersonal, which is in line with Mollick’s (2014) findings. The firms described the relationship with the crowdfunders as an arm’s length relationship. This can be explained by Hansen’s (1999) theory, that the strength of a relationship is related to frequency of communication and level of emotional attachment. Overall, financial reports, newsletters, and updates on social media platforms were communicated with a rather low frequency. This communication was also found to be a one way communication that to a large extent left out the opportunity for dialogue, altogether this has a negative effect on a tie strength according to Hansen, (1999). Furthermore, the crowdfunders’ emotional attachment can be argued as low, with a few exceptions, as the majority are extrinsically motivated (Hansen, 1999; Reagans &
McEvily, 2003). However, none of the firms expressed any specific challenges with the distant relationships in regards to knowledge transfer. In contrast to Van Wijk et al. (2008) the large number of crowdfunders was not considered an obstacle to acquire knowledge. This can be explained by Hansen’s (1999) theory, that there is no need for close relationships when explicit knowledge is transferred, weak ties can even prove to be beneficial when explicit knowledge is transferred. However, despite the weak relationships, the relationships still need to be managed, which is in line with Gerber and Hui (2013) and Agrawal et al. (2011), who argue that a firm needs to actively manage the relationship in order to acquire the crowdfunders’ knowledge.

Knowledge can be transferred via different means such as documents, training or communication channels (Argote, 2013). Explicit knowledge that is easily codified (Kogut & Zander, 1995) was found to be mainly transferred via social media and email. Face-to-face meetings were found to be an opportunity for the firms to initiate informal contact with individuals of interest for the firms. Several firms mentioned that meeting face-to-face was important for knowledge sharing as it facilitated for rich communication, which can further strengthen the relationship. This goes in line with Chiu et al. (2006), who argue that social interaction increases knowledge sharing. Through social interaction the firms can ask for certain knowledge and obtain more complete insights from the crowdfunders, which enable the firms to take better advantage of the crowdfunders and their knowledge. Through social interaction the firms can influence what knowledge is acquired, which makes it easier to recognize the value of it (Cohen & Levinthal, 1990; Zahra & George, 2002; Todorova & Durisin, 2007). However, as stated by several firms, activities that facilitate social interaction was hindered by limited time and resources. It can further be argued that the low level of tacit knowledge transferred was due to the weak relationships as well as limited social interaction (Chiu et al., 2006; Hansen, 1999; Reagans & McEvily, 2003).

It was found that Naava tried to strengthen its relationship with the crowdfunders by including them in its “Naava tribe”. The firm also used blogs created by its consumers as a way to create more personal communication. In line with Chiu et al. (2016) it can be argued that the Naava tribe and the personal blogs are ways that increase the emotional attachment as it creates a community where everyone feel belongingness and want to share knowledge. This can further be linked to Wenger and Snyder (2000) and the concept communities of practice where people are bound together by shared expertise and passion for a joint enterprise. The concept communities of practice can also be linked to Frilans Finans and its vision of being a sharing firm where all members are owners. Together with its self-employed, Frilans Finans wants to
create communities of practice where knowledge and experiences are shared in order to address problems and develop new services (Wenger, 1998; Wenger & Snyder, 2000).

**Acquire and Assimilate Knowledge - Potential ACAP**

A firm’s potential ACAP, ability to acquire and assimilate external knowledge, is central for knowledge transfer (Zahra & George, 2002). XTZ stated that a decision is partly based on some feelings, numbers and fact, and the crowdfunders influence the feeling point. Social interaction provide opportunities for exposure to external knowledge that can influence the feeling point of firm’s decision making. During face-to-face meetings the firms could illustrate what they do, educate the crowdfunders, present products/services and ask for knowledge. The firms could influence what knowledge to acquire and easier recognize the value of the crowdfunders’ knowledge. In line with prior research, social interaction was found to be an important mechanism that helped the firms acquire knowledge and combine it with existing knowledge, which boost firms’ potential ACAP (Cohen & Levinthal, 1990; Zahra & George; 2002; Todorova & Durisin; 2007). In addition, it was found that the crowdfunders’ willingness to share knowledge increased during face-to-face meetings. A few of the firms found that if they were good at communicating, encouraging, and educating the crowdfunders they could raise awareness and an interest among the crowdfunders, which increased the likelihood of receiving valuable insights. This can be explained by what Minbaeva (2007) calls DCAP: the crowdfunders willingness and ability to share and communicate knowledge. The crowdfunders’ DCAP is boosted by social interaction and by the fact that potential communication gaps are bridged by educating the crowdfunders (Schildt et al., 2012; Cohen & Levinthal, 1990; Grant, 1996).

Opportunities for social interaction was limited by time and resources, which affected the communication and relationship with crowdfunders. This is in line with Stanko and Henard’s (2017) argument that small firms with limited resources struggle to manage relationships and communication with many small investors. Di Pietro et al. (2018) further argue that there is a need for a dedicated person to manage the relationship and communication in order to acquire the crowdfunders’ knowledge. A few of the firms had dedicated teams or individuals that coordinated the knowledge sharing activities such as face-to-face meetings or social media. These people were also in charge of filtering the knowledge received and disseminate it within the firms. These structures and routines can according to Zahra and George (2002) boost a firm’s potential ACAP.
Communication and technical gaps are challenges that can affect both ACAP and DCAP (Schildt et al., 2012; Cohen & Levinthal, 1990). The Food Company faced some challenges with foreign crowdfunders, which made it difficult to create a common language and required extra time and resources to handle (Harzing & Feely, 2008). As stated, a few of the firms were in industries that require specialized knowledge. This created technical gaps between firm and crowdfunders, which required extra activities such as education in order to bridge the gaps. Naava stated that it conducted activities to inform and educate its crowdfunders regarding the products and their benefits in order to create a common language and bridge technical gaps. As a result, Naava found an increased flow of ideas and inputs. It can be argued that these educational activities helped boost the crowdfunders DCAP as technical gaps were bridged and the crowdfunders could articulate and communicate knowledge efficiently in a common language (Minbaeva, 2007).

5.3 Ramp-up & Integration

ACAP or more specifically realized ACAP, the ability to transform and exploit knowledge, is needed within the firms in order to make use of the transferred knowledge (Zahra & George, 2002). The ramp-up phase is characterized by unexpected challenges that can arise when new knowledge is used and is influenced by how willing the receiver is to make use of the new knowledge (Szulanski, 1996). All of the firms, except for GolfStar, turned to the crowdfunders for knowledge. None of the firms acknowledged any specific challenges when making use of the transferred knowledge. This can be explained by the fact that majority of the transferred knowledge was found to be general and of more explicit nature (Van Wijk et al., 2008; Kogut & Zander, 1995), meaning that it was not deep specialized knowledge that requires any special skills or experiences for the firms to integrate. However, XTZ mentioned that due to its blindness there have been situations where it had to stop and rethink as the crowdfunders’ feedback had been totally different from its own opinions. During these situations the firm’s realized ACAP was put to test. The firm had routines for discussing feedback and new ideas during specific meetings, which helped the firm to rethink and apply the new insights into the development of new products or features (Cohen & Levinthal, 1990; Noblet et al., 2011). The designated meetings where feedback and ideas were discussed made it possible to combine existing and newly acquired and assimilated knowledge, which illustrate realized ACAP according to Zahra and George (2002).
It was found that none of the firms, except for XTZ, faced any significant challenges during what Szulanski (1996) refers to as the ramp-up phase. In line with Szulanski (1996), who argues that if there are no challenges during the ramp-up phase the firms can move on to the integration phase and exploit the new knowledge.

6. Discussion

This chapter will first present the concluding findings and answer the stated research question. This is followed by a discussion regarding the future importance of knowledge transfer in equity crowdfunding. Thereafter, this study’s contributions and managerial implications are presented. Finally, limitations in regards to this study are discussed followed by suggestions for future research.

The aim of this study was to explore how knowledge is transferred between equity crowdfunded firms and their crowd of investors and more specifically answer the research question:

- **How is knowledge transferred from the crowdfunders to the equity crowdfunded firm?**

To answer the stated question this study applied Szulanski’s (1996) model of the knowledge transfer process and four influencing factors identified in literature: *attributes of knowledge, absorptive capacity, motivation and relationship*, that were used to analyse the knowledge transfer process. The findings suggest that motivation, attributes of knowledge and absorptive capacity are of particular importance during the knowledge transfer process. This will be further explained as the research question is answered below.

In conclusions we have seen that a prerequisite to transfer knowledge is that the firms must be open to external influences, as in the crowdfunders. In contrast to what Szulanski (1996) suggests, we found that the initiation phase does not need to start with the identification of a knowledge gap. Instead the crowdfunders can bring inspiration to new ideas that will motivate the firms to initiate knowledge transfer. As for motivation, an interesting finding is that all of the investigated firms saw future potential in using crowdfunders for knowledge, but it does not mean that the firms will initiate a knowledge transfer process. Despite seeing future potential in using the crowdfunders for knowledge the firms are somewhat hesitant regarding what sort of knowledge they can contribute with, which altogether lower the firms’ motivation. In addition, as many of the crowdfunders are potential consumers that can provide consumer
insights, which otherwise is provided by an external actor at a cost, the firms have a financial motive to engage the crowdfunders. Yet, engaging crowdfunders was not done to the extent that we would have thought. We think the lack of time and resources that all firms stated as a challenge during the whole knowledge transfer process, affect their motivation to even initiate a knowledge transfer process. Hence, we see firms’ motivation as barrier for the initiation of knowledge transfer. In addition, we saw indications that firms that have a dedicated person or a team that handles the communication with the crowdfunders can easier initiate knowledge transfer activities.

As for the implementation phase, the crowdfunders need encouragement in order to increase their motivation to share knowledge, which can be facilitated through means and activities from the firms’ side. We saw that the crowdfunders’ lack of motivation acts as a barrier during the implementation phase. In regards to knowledge, it was mainly product/service and marketing knowledge of explicit nature that was transferred or searched for. This can be explained by the fact that explicit knowledge is easier to transfer via social media, email or telephone, which was found to be the most popular means to transfer knowledge. As a result, the firms can acquire and exploit the knowledge efficiently and explicitly, which facilitate the actual transfer.

In regards to ACAP during the implementation phase, capabilities to initiate social interaction and create opportunities for free flow of knowledge such as workshops or brainstorm sessions are of particular importance in order to boost the firms’ ACAP. Activities that involve social interaction was preferred by the firms. Social interaction intensify the knowledge transfer further, as it fosters an environment that creates opportunities for firms to educate, identify crowdfunders of interest and build a stronger relationship that help to ease the knowledge transfer process. We saw indications that through social interaction the firms can influence what knowledge is acquired, but more importantly easier recognize the value of the crowdfunders’ knowledge. However, the ability to create opportunities for social interaction and other activities that involve the crowdfunders in knowledge transfer activities is limited by time and resources as well as experience and ideas, which is interpreted to lower firms’ ACAP. Lack of experience and ideas can be explained by the short period of time the firms have had crowdfunders. In addition, the lack of tacit knowledge transferred can be explained by the limited opportunities for social interaction, which Argote, McEvily and Reagans (2003) argue is a main prerequisite, as well as the arm’s length relationship with the crowdfunders, which Hansen (1999) and Reagans and McEvily (2003) argue has a negative influence on tacit knowledge transfer. However, we cannot conclude that limited social interaction and the arm’s
length relationship are the main reasons for the lack of tacit knowledge transferred as it can be other factors involved, which this thesis has not addressed. Furthermore, to have a dedicated person or team that handle the communication with the crowdfunders facilitate the assimilation of new knowledge and can spread it within the firm as it boosts a firm’s ACAP.

As for the ramp-up phase, when it is mainly explicit knowledge that is transferred there are no significant challenges with transforming the knowledge meaning that a firm can move on to integrate and exploit the knowledge. We saw that this was due to the fact that the explicit knowledge transferred does not need any specialized knowledge or previous experience to exploit. However, we saw indications that to have internal routines that involves evaluations of new knowledge and how to act on it, facilitate the ramp-up and integration phase if challenges occur. We believe that by discussing new knowledge and its potential makes it easier to combine new and existing knowledge as it enhance the firms’ ACAP.

Overall, it was evident that the knowledge transfer process identified in this study had a larger emphasis on the first two phases in Szulanski’s (1996) model. We draw the conclusion that this is due to (i) that it was mainly explicit knowledge transferred and (ii) the short period of time the firms have had their crowdfunders. First, explicit knowledge did not cause any significant challenges during the ramp-up phase nor required any specific knowledge or experience to exploit, thus less time and effort was needed in the last two phases. Instead more time and effort went into motivation in the initiation phase and to transfer knowledge in the implementation phase. Secondly, the lack of experience with having crowdfunders as well as how to manage knowledge transfer processes initially creates many challenges. However, the more the firms engage in knowledge transfer the more experience they gain and the more knowledge is extracted from crowdfunders. On a more aggregated level, this will contribute to a larger pool of knowledge transferred, that will require more time and effort for the firm to evaluate and integrate. Thus, more emphasis is put into the two last phases, ramp-up and integration.
6.1 Why Combine Equity Crowdfunding with Knowledge Transfer?

After concluding that equity crowdfunding can be combined with knowledge transfer from the crowdfunders, it is of interest to discuss why this is of relevance. As stated earlier knowledge is an important resource in order for firms to create competitive advantage (Grant, 1996; Nonaka et al., 2000). The ability to extract knowledge from external sources provide firms with an opportunity to gain diverse knowledge that can create economic, innovative and competitive value (Van Wijk et al., 2008; Gassenheimer et al., 2013). Professional investors are important partners for SMEs not only due to their financial support but also their experience. They possess experience in running a business, market knowledge and relevant network connection that are vital for SMEs (Di Petro et al., 2018). However, this support is often restricted to a few lucky firms as professional investors are in a position to decide who will receive funding, hence leaving out potential firms.

We live in a fragmented economy where established funding practices act as gatekeepers, deciding which start-ups should receive funding. As a result, ownership is limited to a few strong investors. Driven by digitalization, the sharing economy has made it possible to make use of underutilized assets. By operating under the same principle as the sharing economy, equity crowdfunding opens up the door for amateur investors, meaning everyday people, to be part of and decide which start-ups should be funded. As argued in literature (Langley & Leyshon, 2017) crowdfunding can democratize both ownership and access to capital as it has the capacity to disrupt today’s financial system. Equity crowdfunding gives amateur investors the opportunity to invest in promising start-ups, which traditionally has been limited to a few. Equity crowdfunding also has the capacity to change the preconditions for entrepreneurship, as more can gain access to capital and instant feedback to “how does the market perceive my product/service?” as consumers can become owners. In comparison to traditional investors who contribute with strategic knowledge, crowdfunders can contribute with knowledge related more to the operation by sharing product/service, marketing, trends and sales knowledge.

When more people can be part of the funding arena and decide which start-ups should receive funding, more companies will get the opportunity to grow and more jobs can be created. By inviting amateur investors, a wider spread of values can control what ideas and innovations should be funded. Consumers can become owners that can provide consumer knowledge, which can inspire to the creation of new business models and products/services that benefit everyone.
6.2 Contribution

Knowledge transfer is a widely researched area but less so in an equity crowdfunding context, which in itself is an under-researched area. Thus, we aim to contribute with more insights in equity crowdfunding and provide more research within the knowledge transfer field. This thesis extends earlier research within knowledge transfer by providing insights into how a knowledge transfer process is initiated, implemented and integrated in an equity crowdfunded firm. As well as what influencing factors are of particular importance during the knowledge transfer process.

Despite variation across the sample firms, common themes were identified regarding the influencing factors examined in this study. This study provide evidence that motivation, attributes of knowledge and ACAP are of particular importance throughout the whole knowledge transfer process between crowdfunders and firms. The study provides evidence that despite seeing potential in turning to crowdfunders for knowledge, motivation to initiate knowledge transfer does not necessarily follow. The explicit nature of knowledge transferred facilitate firm’s efficient acquisitions and exploitation of knowledge. Our evidence highlights the importance of social interaction in favouring firms’ ACAP. Finally, this study further strengthens the evidence that equity crowdfunding can be combined with crowdsourcing activities to extract knowledge from the crowdfunders beneficial for the firms.

6.3 Managerial Implications

This study has been an attempt to investigate how knowledge is transferred in an equity crowdfunding context. The findings of this study provide implications for how firms that consider to raise capital or already have done so through equity crowdfunding can transfer knowledge from their crowd of investors. As potential consumers a firm can further utilize its crowdfunders for knowledge regarding consumer insights and knowledge regarding product/service features.

A firm must engage its crowdfunders in activities in order to encourage them to share knowledge. Depending on what knowledge is needed, knowledge can be transferred via different means such as surveys, social media or social interaction. However, as the study suggests, activities such as meet-and-greet or brainstorming that facilitate social interaction is recommended as it can increase crowdfunders’ motivation and willingness to share knowledge.
Social interaction can also provide a firm with the opportunity to strengthen the relationship with crowdfunders and gain additional knowledge by asking specific questions and receive instant feedback, but it requires more time and resources.

In addition, the choice of equity crowdfunding platform can influence the ease of knowledge transfer. For example, in contrast to FundedByMe, Pepins provides support and a communication tool that enables direct dialogue with the crowdfunders. It is therefore recommended that the firm investigates the possibilities for support after the crowdfunding campaign if that is wished for. Furthermore, it is beneficial for the firm if there is a dedicated person/team that can handle the communication with the crowdfunders as well as assimilate the new knowledge. The firm should establish routines that can ease the implementation and integration of new knowledge. The routine can be as simple as having a frequent meeting to discuss new knowledge and how to best exploit it. Finally, the transfer of knowledge will provide positive contributions, but the firm need to be open to the idea of using the crowdfunders for knowledge.

6.4 Limitations

This study has some limitations that should be addressed. The findings are based on the respondents’ subjective perception of how their firms exploit crowdfunders for knowledge. As the respondents held different positions in the firms they might value the crowdfunders differently, which can affect the answers. In addition, as the study only includes one side, the receiver, of the knowledge transfer process it excludes parts of the senders’ view of the transfer process. This can create a biased view of the knowledge transfer process. Furthermore, the findings from this study should be carefully generalized beyond the scope of this research due to the small sample of firms investigated. Even though the small sample contributed to a desired variation, the investigated firms bear limitations regarding features such as origin, industry and platform, which complicate the transition of the findings to a greater population. A larger sample would increase the generalizability regarding the knowledge transfer process between crowdfunders and equity crowdfunded firms. Although, generalizability was never the intention with this study, if generalizability is aimed for, this study can operate as a pilot study for future research.
The investigated firms had only had their crowdfunders for a short period of time. This can be seen as an limitation, as the respondents found it difficult to provide empirical evidence for how knowledge is integrated in the long run due to the limited period of time they have had their crowdfunders. The integration phase was further difficult to examine as integration of knowledge can take longer than the time given for this study. As this study have qualitatively investigated knowledge transfer the issue concerning subjectivity during the analysis process can be considered as much of a challenge as a limitation. The analysis of the empirical findings was encountered with some difficulties as the factors occasionally could be considered more as interlinked than as two separate factors. For example; to recognize a knowledge gap and identify the crowdfunders as a source of knowledge that can bridge the gap is attributed to a firm’s ACAP. However, without motivation the firm will not even consider the crowdfunders as a source of knowledge, which means that the firm’s ACAP is interlinked with its motivation to do so. Hence, due to this the findings might be ordered and interpreted differently depending on who analyse it.

6.5 Future Research

The findings and limitations presented in this study merit considerations as an illustration of areas for further research. Taking the stated limitation into consideration, future research should include a broader sample to be able to draw more grounded conclusions. As our study has departed from one individual from each firm and their perceptions of the firm’s knowledge transfer processes the findings could be further verified by including several respondents from each investigated firm. Furthermore, in regards to time it would be of interest to study firms that have had their crowdfunders for a longer period of time to see if that would generate different findings. It would be of further interest to conduct a similar research but over a longer time aspect, in order to generate an understanding on how knowledge is actually integrated within firms.

To add more value and a nuanced view of the knowledge transfer process it would be favourable to include crowdfunders in the study. This would generate a better understanding of the knowledge transfer process in equity crowdfunding as it would include both receivers and senders. Furthermore, it was noticed that the equity crowdfunding platform influenced the firms’ knowledge transfer processes to some extent. It would therefore be of interest to investigate what role the platforms play in order to boost firms’ knowledge transfer activities.
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Appendix 1 - Interview Enquiry

Hej XXXX!

Vi är två studenter vid Uppsala universitet som just nu skriver vår D-uppsats rörande Crowdfunding samt hur investerare i en sådan kontext kan bidra med extern kunskap till företaget. Vi har stort intresse för ämnet och har insett att just investerarnas involvering i crowdfunding inte har blivit så vida utforskad och har därför valt att kolla närmare på just detta.

Vi har genom FundedByMe’s/ Pepins hemsida sett att ni har använt er utav crowdfunding och undrar nu om ni skulle vilja ställa upp på en kortare intervju där vi kan få ta del av just era erfarenheter. Vi kommer givetvis leda samtalet och frågorna kommer vara tydliga så ni behöver inte göra något stort förarbete inför intervjun.

Frågor vi kommer ställa är exempelvis; Varför ni valde just crowdfunding som kapitalkälla, hur ni handskas med era investerare, samt om/hur ni använder era investerare som kunskapskälla.

Vi är flexibla med tider och bor ni inte i Stockholm så ett fysiskt möte skulle vara möjligt så gör vi det gärna över Skype.

Om ni kan hjälpa oss med detta skulle vi vara otroligt tacksamma och ni skulle bidra enorm till vår forskning. Vi nås på både mejl och via telefon om ni kan tänka er att ställa upp.

Har vi inte mejlat rätt kontakt får ni gärna vidarebefordra detta till lämplig kontakt.

Med vänliga hälsningar,

Anna Särhammar & Olivia Dosé
Appendix 2 - Interview Guide

Background questions
• What is your position?
• How long have you worked for the firm?
• Briefly explain your professional working experience up until today.
• How would you define the industry your firm operates within?
• Is this the first time your firm use crowdfunding?
• Why did your firm choose equity-crowdfunding, what was the reasoning behind the decision?

Knowledge transfer (based on parts of Szulanski’s model of knowledge transfer)

Initiation phase - recognition of knowledge gap
• Do you think there are other resources to be gained from equity crowdfunding besides capital?
• What are your thoughts regarding the crowd as a source of knowledge?
• What kind of knowledge do you think you could gain from the crowd?
• Have you used the crowd to gain knowledge? If no, why?
  If yes, can you in your own words describe in what way? “Was it for a specific problem or question?”
• Under what circumstances would you use the crowd for knowledge?
  Elaborate Follow up question: Is it of general quality or of more specific?
• If you have gained knowledge from the crowd (marketing, product), how easy is it to turn it into actionable knowledge meaning to actually use that knowledge?
• For the firm, how easy or difficult is it to acquire knowledge from the crowd?
• What are your perception regarding the crowds’ interest to contribute with knowledge?
• How do you encourage the crowd to share knowledge with you?

Implementation phases - relationship, communication
• Can you describe the relationship with your crowd? For example is it a close tie or more of an arms-length relationship?
• How often do you communicate with your crowd?
• Can you describe what type of communication tools do you use? (E.g. platforms, website, customer service, email, meet and greet etc.)
• What do you communicate with your crowd? How does the crowd communicate with you?
• Who handles the communication with your crowd, or is there a breakdown for who handles what?
• How does your firm handle the communication, meaning how relevant knowledge/input is sorted/highlighted/stored?

Ramp-up and Integration phase - Utilization of knowledge
• Can you describe a situation where you have changed something or made a decision based on the crowds’ knowledge?
• How do you use the crowds’ knowledge?
• How open are you to make use of the knowledge provided by the crowd?
• Do you offer your investor voting rights? Are they used?
Appendix 3a - Screenshot from Pepins’ Stakeholder’s Club

Appendix 3b - Screenshot from FundedByMe’s Communication
### Appendix 4 - Data Structure

<table>
<thead>
<tr>
<th>Representative Quotes</th>
<th>Influencing factor</th>
<th>Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;We haven't used them much yet but have many thoughts and ideas&quot; Naava</td>
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<td></td>
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<tr>
<td>&quot;(…) on paper this feels like a potential source to exploit&quot; Food Company</td>
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<tr>
<td>“The crowd is definitely an interesting point to get inputs from” XTZ</td>
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<tr>
<td>“Crowdfunding is really about the communication, dialogue, idea exchange and getting inputs (…)” Food Company</td>
<td>Motivation (firm)</td>
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<tr>
<td>“The vision is to have active owners. We aren’t there yet but that is where we wish to be soon” Frilans Finans</td>
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<tr>
<td>“A smaller firm might look for knowledge but not when you’re in the size we’re in” GolfStar</td>
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<tr>
<td>“If we get our crowdfunders to share our content and give feedback we don’t have to spend a lot of money on marketing and marketing research” Naava</td>
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</tr>
<tr>
<td>“(…) we look for the crowd’s feedback, information about what products are interesting in the future, what their needs are, what they expect from a HiFi product, or what they would like to have” XTZ</td>
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</tr>
<tr>
<td>“If you have a lot of people, there are a lot of people who will spread your word that can be used for marketing or feedback” XTZ</td>
<td>Knowledge</td>
<td></td>
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<tr>
<td>“(…) engaging them to become ambassadors, and spreading our brand and what we stand for in their own internal networks” Food Company</td>
<td></td>
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<tr>
<td>&quot;(…) to ask or receive feedback and opinions regarding new products and features” Naava</td>
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<tr>
<td>“We need knowledge about our self-employed and their professional groups to understand their work lives” Frilans Finans</td>
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<tr>
<td>“There is an ability for them to be ambassadors and for us to use their skills (…)” Food Company</td>
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</tr>
<tr>
<td>“As developers and producers we get inhibited by some sort of blindness towards our own products. The crowd doesn’t suffer from this blindness, they are an independent source” XTZ</td>
<td>ACAP</td>
<td></td>
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<tr>
<td>“I want to say that we let the crowdfunders be a part of influencing the business development but we’re not really there yet” Naava</td>
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<tr>
<td>“Instead of having a third party conducting marketing research we can use our crowdfunders” Naava</td>
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<tr>
<td>“You can never base a decision fully on facts and numbers you need that feeling part and the crowd can influence that by giving us their feedback” XTZ</td>
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<td></td>
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<tr>
<td>“The engagement from the crowd is all about golf, the facilities and getting the best deals” GolfStar</td>
<td>Motivation (crowdfunder)</td>
<td></td>
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<tr>
<td>“The crowdfunders’ interest to share knowledge is definitely high as they have shares in the company and want it to be successful” XTZ</td>
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<tr>
<td>“We have arranged face-to-face meetings that often increase the crowdfunders’ willingness to contribute” Naava</td>
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<tr>
<td>“The crowdfunders have a monetary perspective. They have invested money and want to see the money grow” Frilans Finans</td>
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<tr>
<td>“() so, it’s not a very close relationship were you know everyone” Naava</td>
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<tr>
<td>“I would say the relationship is more distant. It is not very close since the crowd is so large” XTZ</td>
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<tr>
<td>“We’ve only had our crowdfunders for six months. It requires time and resources to engage and manage the relationship with them” Frilans Finans</td>
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<tr>
<td>“Our tribe creates a strong network of missionaries (…)” Naava</td>
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<tr>
<td>“There is a marketing department that handles all the communication” Frilans Finans</td>
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<tr>
<td>“My wife and I handle the communication with our crowdfunders, and unfortunately is not enough time spent on managing the communication properly” Food Company</td>
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<tr>
<td>“We have a task system where we collect ideas and feedback. This is later discussed and decisions are made whether or not to implement them and if so how” XTZ</td>
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<tr>
<td>“We work a lot with educating our crowdfunders about our products and why they are important” Naava</td>
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<tr>
<td>“Crowdfunders often get a lot of new ideas when they meet us or get to see the products itself” Naava</td>
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<tr>
<td>“(…) and if there is a clear trend we can basically directly turn it into a product. So for us it is quite easy to make use of the crowdfunders’ knowledge” XTZ</td>
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<tr>
<td>”(…) if there is a clear trend we can basically directly turn it into a product. So for us it is quite easy to make use of the crowdfunders’ knowledge” XTZ</td>
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<tr>
<td>“We have meeting where we discuss if the ideas are an option or how to handle new insights that we’re not prepared for (…)” XTZ</td>
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<tr>
<td>“() we expected that people always want the big one but they wanted the small one. So we had to change and go for the small one” XTZ</td>
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<tr>
<td>“We have gained valuable contacts within sales” Naava</td>
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</tr>
<tr>
<td>“(…) a crowdfunder had inputs regarding the design of one of our products, which we picked up on and now this is the design that is out on the market” Food Company</td>
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</tr>
<tr>
<td>“We have a few that we use for their experience in M&amp;A” Frilans Finans</td>
<td></td>
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</tbody>
</table>

Table 4. Quotes, influencing factors and phases are presented.