Chapter 9

The Crowdfunding Communities and the Value of Identification for Sustainability of Co-Creation

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ABSTRACT

For a sustainable future, the actors of the market need a change in spirit that will elevate the life-chances of people by being an “empowered part” of the economic system. A participative, open knowledge economic and market system that will ensure the material well-being, the social visibility, the happiness and the consciousness of the individual is essential. Crowdfunding, as a recent online social community network market model is to be a new socio-technical system of co-creation through self “making and funding”. The aim of this study is to discuss the role of identification in co-creation for sustainability of newly rising crowdfunding communities. In line with this objective, the following two aspects are clarified: the key characteristics of crowdfunding platforms as online communities and the role of identification for co-creation in online crowdfunding communities.

INTRODUCTION

The crowdfunding as a civic co-creation of innovation network system is a promising paradigm for a sustainable future, thus promotion of it requires a theoretical understanding of its organisational challenges. The motivation to participate in such civic networks derives from a number of sources; the sense of responsibility, the satisfaction of participating for a common purpose; the identification of a public problem, and the belief that the involvement will make a difference (Carpini, 2000). Studies claim that being a part of a project could be one of the main motivations in crowdfunding community
Crowdfunding Communities and the Value of Identification for Sustainability of Co-Creation

(Ordanini, Miceli, Pizzetti, & Parasuraman, 2011; Gerber, Hui, & Kuo, 2013), that can be the driver of the sustainability of this funding system. The aim of this chapter is to discuss the role of identification for sustainability of crowdfunding communities. In line with this objective, the following two aspects are clarified: the key characteristics of crowdfunding platforms as civic online communities and the role of identification for co-creation of innovation in online crowdfunding communities.

In this theoretical paper, social identity provides a conceptual framework for discussing identification within crowdfunding communities. The authors employ Ellemers, Kortekaas, and Ouwerkerk (1999)’s social identity framework, three components of social identity including cognitive, evaluative and emotional. Through analysis of articles / literature, this theoretical framework will be used to discuss how components of social identity affect actors’ in-group favouritisms and behaviour in a crowdfunding community.

Aiming to understand the role of identification for co-creation of innovation in crowdfunding communities, this study is in the quest of answering the below questions;

- What kind of social identity concept is salient in a crowdfunding community?
- What is the nature of identification for creators and funders associated with different crowdfunding models?

The study lastly discusses whether it is required to strengthen identification in the community to pursue a sustainable co-creation through crowdfunding system?

CO-CREATION OF INNOVATION THROUGH ONLINE CROWDFUNDING COMMUNITIES

Crowdfunding platforms are recently launched innovation basis that are likely to give way to significant changes upon the individuals’ roles in markets in the near future. This development will not only allow individuals to be creators in the innovation systems along with big corporations but will also let them design and even manufacture at home, or own laboratories and small scale production places. Individuals will also be active investors by using their small amounts of capital to be a part of new project or venture. Generation Y and Z, who seem to be the major actors of this system, are expected to build up a new social output that they themselves will innovate, contribute, produce, share, consume and be influenced by. This is a new socio-technical system of co-creation of innovation through self “making and funding”.

Through mass production period under Fordism in the first half of the twentieth century, the individuals as consumers implicitly have accepted to be passive receivers of standardized goods supplied to the market. In mid 1980s the CAD / CAM processes brought flexibility to production runs, hence customers gained control for customization of the products they are offered. Meanwhile, the diffusion of the Internet into homes for personal use widened the communication channels between individuals and producers, which built up the basis for open co-creation of innovation platforms. Through these communication bases backed up by digital information systems, the consumers were able to put their ideas at the centre of innovation process of producers. In these platforms, technology made ideas easier to visualize by the sharing of designs and creating physical representations of concepts. This improved the efficiency of communication among suppliers, designers, engineers, producers, and most importantly prospective customers demanding products.