

Expanded abstract

Financing social entrepreneurship: a study of communication and the use of social networks in the "Goteo" crowdfunding platform

Crowdfunding is a collective and participative way to obtain funding. It is generally used to finance projects with positive social or environmental impacts. Participative financing would be impossible nowadays without social networks and crowdfunding campaigns. Collective financing has used the strengths inherent in social networks to facilitate communication and exchanges between project promoters and potential contributors. Through the use of information and communication systems, an extensive, virtual community of people with the ability to disseminate an organization's mission or the value of a project is created. The collective financing model called crowdfunding has become a real and effective (or at least complimentary) alternative to traditional methods of funding in the area of social entrepreneurship. Crowdfunding has become a solution (at least partially) to the difficulty many social economy organizations face when it comes to financing their projects.

Objectives

The objective of this article is to identify the keys to effective communication, demonstrating how platforms like crowdfunding are a source of funding for social economy projects. In this time of health, economic, and social crisis, we explore the use of communication as a strategy to obtain funds through crowdfunding. Another of our objectives is to analyze how social networks can help social economy organizations finance their projects through citizen participation.

Design and methodology

This study is divided into four parts that develop the theoretical and empirical research. A case study (of the "Goteo" platform) is presented, which is standard procedure when there is little knowledge or consensus in the literature about a topic. First of all, some definitions of social entrepreneurship are presented, and a revision of the mission of this type of entity is explained. Second, we describe crowdfunding and its types, platforms, and campaigns. These campaigns promote projects that aim to improve social cohesion, inclusion, and solidarity and that often require funding due to a lack of resources. Third, we pay special attention to the communication strategies that successful collective financing campaigns use. Finally, a case study of the "Goteo" crowdfunding platform is presented. This platform has been chosen because it involves citizen participation through social networks to help fund social projects.

Results

The factors that lead to success in attracting donations to crowdfunding campaigns are identified. They are: (1) an appropriate communication strategy focusing on social impact and implementing social networks and traditional communication methods; (2) segmenting communication according to different groups of interest, where the message and language play important roles; and (3) dissemination of credible, accessible information that is updated to maintain influence and support for the project.

Conclusions and practical implications

Crowdfunding is a potentially creative and innovative system of financing that has become an important way for social economy entities to fund their activities. The practical implications of this article involve helping organizations develop successful communication strategies and marketing plans that are appropriate for crowdfunding. These are based on the elements that lead to successful funding through participative processes. These elements are: (1) communication strategy, (2) network effect, (3) leadership, and (4) rationality and sustainability. Our conclusions can provide guidelines for social economy entities to help them fund their projects.

Limitations and future lines of research

One limitation of this article is that it is based on a single case. Consequently, the qualitative study of this case can only provide the information pertaining to it. It is not possible to generalize the results. In the future, it would be interesting to carry out an empirical analysis on a model of the factors that lead to successful communication in a social entrepreneurship project. We could thereby discover the keys to the use of communication and social networks as determining factors of success in crowdfunding efforts to finance social economy projects.

Original value

This article indicates the keys to designing a strategy using effective communication and social networks to carry out a successful crowdfunding campaign. A theoretical focus involving the revision of bibliographic sources related to social entrepreneurship, financing, crowdfunding, communication, and social networks is followed. The digital revolution has brought better, diverse, and rapid access to information, eliminating asymmetries, inequality, and geographic and social barriers. Transaction costs have been reduced, and users now interact and collaborate. It is simple to exchange information and create virtual groups of followers and supporters with the ability to generate positive effects. The generalization of means of communication and socialization are definitely linked to the internet.