

Institut für Wirtschaftsinformatik



Universität St.Gallen



Competence
Center
Crowdsourcing



4th Crowdfunding Symposium

How Do Crowdfunding Platforms Perform Financial Intermediation? Mechanisms and Archetypes

Philipp Haas, Ivo Blohm & Jan Marco Leimeister

November 4th 2016, Munich, Germany

**Banking is
necessary.**

Banks are

not.

(Bill Gates, 1994)

Research Question:

How do crowdfunding intermediaries perform financial intermediation?

At a Glance:

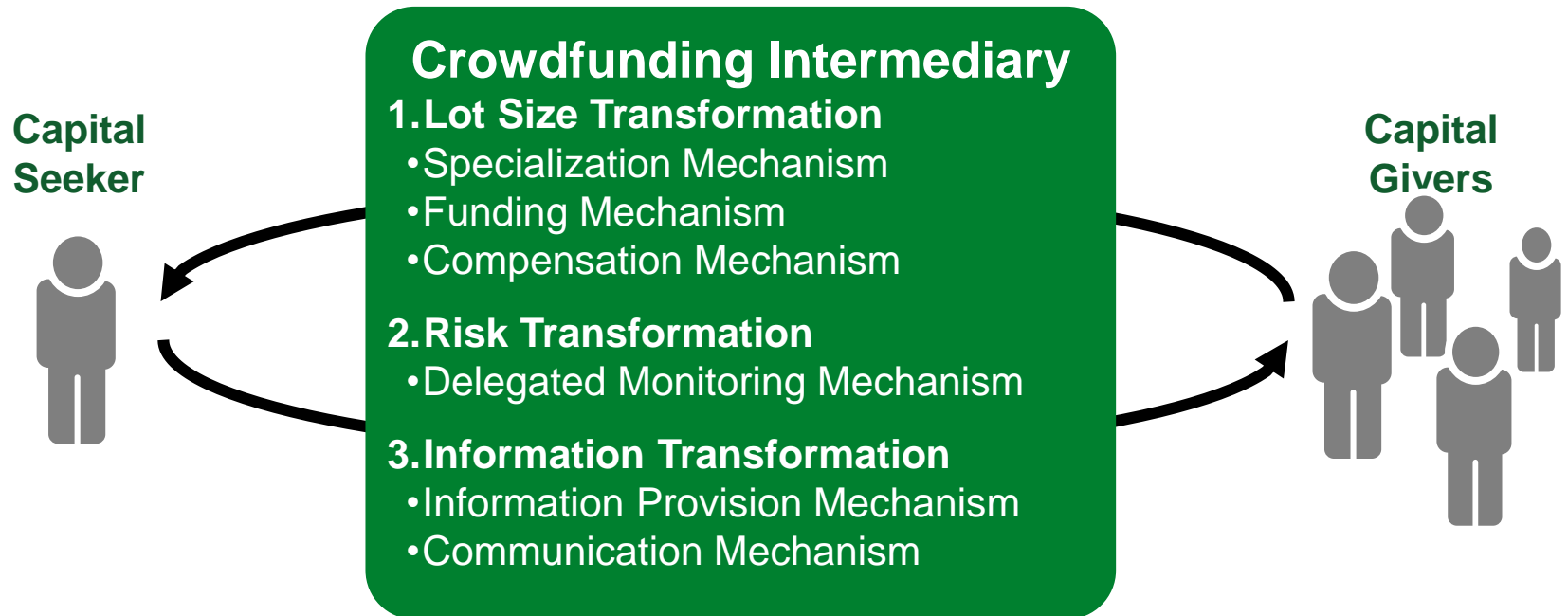
1. Developing a system theory of crowdfunding intermediation

- Based on Theory of Financial Intermediation
- Transformation Functions, Mechanisms & Instantiations

2. Identifying three dominant patterns of crowdfunding intermediation

- Unsupervised (Cluster analysis) and Supervised Machine Learning (Classification Analysis based on Decision Trees)
- N=160 crowdfunding intermediaries
- Hedonistic, Altruistic & Profit-Oriented Intermediation

A System Theory of Crowdfunding Intermediation



Crowdfunding Intermediation:

- fulfils the **transformation functions** of financial intermediation
- by performing **6 Mechanisms** with in total **19 Instantiations**

Dominant Patterns of Crowdfunding Intermediation

**Altruistic
Crowdfunding
Intermediation**

**Hedonistic
Crowdfunding
Intermediation**

**For Profit
Crowdfunding
Intermediation**

Rigorousness of Crowdfunding Intermediation:

relaxed

moderate

rigid

Most differentiating mechanism:

Compensation:
Donations

Compensation:
Rewards

Delegated Monitoring:
Due Diligence

Examples:

Benevolent, 100Days

Kickstarter, Startnext

Companisto, Lendico

Theory Building: Crowdfunding Intermediation Theory

- Insights in how crowdfunding performs financial intermediation
- Illustration of inner workings of the crowdfunding system
- New classification approach for crowdfunding

Theory Extension: Financial Intermediation Theory

- Insights in how innovative IT affects traditional financial intermediation

Practical Implications

- Overview over design choices on a functional level
- Supports systematic development of new crowdfunding offerings

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