



Conference Abstract

Crowdfunding Campaign Influences on Market Pricing Decisions

Peter Konhaeusner[‡], Sharon-Maria Semmerau[§]

[‡] Gisma University of Applied Sciences, Potsdam, Germany

[§] Hochschule für Technik und Wirtschaft University of Applied Sciences Berlin, Berlin, Germany

Corresponding author: Peter Konhaeusner (peter.konhaeusner@gisma.com)

Received: 10 Jun 2024 | Published: 04 Jul 2024

Citation: Konhaeusner P, Semmerau S-M (2024) Crowdfunding Campaign Influences on Market Pricing Decisions. ARPHA Conference Abstracts 7: e129356. <https://doi.org/10.3897/aca.7.e129356>

Abstract

As an integral part of the marketing mix, pricing is related to the expected value of the products it supports (Feng et al. 2019, Zhang and Chiang 2020). The adequately set price will therefore result in a higher demand on the market and in maximizing the profit of the firm constrained by the quantity of products or services offered (Feng et al. 2019). Identifying, projecting, and influencing the price sensitivity of customers represents an important strategic marketing task (Graciola et al. 2018, Zhang and Tian 2021). Crowdfunding might be used as a preselling method as it supports the identification of target groups and future demand (Brown et al. 2017).

This article explores the possibility to use crowdfunding as a method to set the price for a subsequent market entry (Popp and Woratschek 2017, Pater and Cristea 2018, Dowling et al. 2019). Recent research highlighted how the pricing mechanisms in crowdfunding campaigns work, leaving out the managerial implications for the time after the campaign (Roma et al. 2018, Peng et al. 2020, Tseng 2021, Konhäusner et al. 2021). Furthermore, the right pricing for shares in an equity-based crowdfunding campaign has been analyzed, but the view has not been expanded outside of the campaign timeline (Krämer and Kalka 2016, Feng et al. 2019).

Therefore, this work discusses theoretically the use of crowdfunding campaigns as a pre-sale method to set the right price when launching the product on the market (Sayedi and Baghaie 2017). By means of case studies focusing on Kickstarter campaigns supported by

data from Amazon using the online Tool Keepa, the article highlights the differences between the pricing strategy of the offered products in the crowdfunding campaigns and in the market after the successful ending of the campaign. It is discussed how crowdfunding campaigns can point customers towards new products and help marketers to set the right price based on the feedback from the crowd.

With the help of the different analyzed use cases, it became evident that the feedback from the crowdfunding users can help the campaign runners to set the pricing of a product. Furthermore, most of the campaign runners used the feedback of the successful campaigns to set even a higher price on the market.

Further research could evaluate unsuccessful crowdfunding campaigns which sell their products. Given more available data the analysis could be broadened to directly observe the difference in pricing between the last day of the campaign and the first day of the product on the market. Additionally, the adapted approach analyzing use cases in this study should be further applied and evaluated.

Keywords

Crowdfunding, Marketing, Pricing, Cowdfunding
Crowdfunding Platforms, Financing

Platforms, Fundraising, Online

Presenting author

Peter Konhaeusner

Presented at

The Art and Science of Managing Performance International Symposium 2024

Hosting institution

The Art and Science of Managing Performance" symposium, held on February 29th 2024, co-organized by Ascencia Center for Applied Business & Management Research (CABMR - France) and Gisma University for Applied Sciences (Germany), in collaboration with the Association for University Business & Economic Research (AUBER, United States).

Conflicts of interest

The authors have declared that no competing interests exist.

References

- Brown T, Boon E, Pitt L (2017) Seeking funding in order to sell: Crowdfunding as a marketing tool. *Business Horizons* 60 (2): 189-195. <https://doi.org/10.1016/j.bushor.2016.11.004>
- Dowling M, O'Gorman C, Puncheva P, Vanwalleghem D (2019) Trust and SME attitudes towards equity financing across Europe. *Journal of World Business* 54 (6). <https://doi.org/10.1016/j.jwb.2019.101003>
- Feng S, Hu X, Yang A, Liu J (2019) Pricing Strategy for New Products with Presales. *Mathematical Problems in Engineering* 2019: 1-13. <https://doi.org/10.1155/2019/1287968>
- Graciola AP, De Toni D, de Lima VZ, Milan GS (2018) Does price sensitivity and price level influence store price image and repurchase intention in retail markets? *Journal of Retailing and Consumer Services* 44: 201-213. <https://doi.org/10.1016/j.jretconser.2018.06.014>
- Konhäusner P, Shang B, Dabija D (2021) Application of the 4Es in Online Crowdfunding Platforms: A Comparative Perspective of Germany and China. *Journal of Risk and Financial Management* 14 (2). <https://doi.org/10.3390/jrfm14020049>
- Krämer A, Kalka R (2016) How Digital Disruption Changes Pricing Strategies and Price Models. *Phantom Ex Machina* 87-103. https://doi.org/10.1007/978-3-319-44468-0_6
- Pater LR, Cristea SL (2018) A Systemic Characterization of Organizational Marketing. *Procedia - Social and Behavioral Sciences* 238: 414-423. <https://doi.org/10.1016/j.sbspro.2018.04.019>
- Peng J, Zhang J, Nie T, Zhu Y, Du S (2020) Pricing and package size decisions in crowdfunding. *Transportation Research Part E: Logistics and Transportation Review* 143 <https://doi.org/10.1016/j.tre.2020.102091>
- Popp B, Woratschek H (2017) Consumer–brand identification revisited: An integrative framework of brand identification, customer satisfaction, and price image and their role for brand loyalty and word of mouth. *Journal of Brand Management* 24 (3): 250-270. <https://doi.org/10.1057/s41262-017-0033-9>
- Roma P, Gal-Or E, Chen R (2018) Reward-Based Crowdfunding Campaigns: Informational Value and Access to Venture Capital. *Information Systems Research* 29 (3): 679-697. <https://doi.org/10.1287/isre.2018.0777>
- Sayedi A, Baghaie M (2017) Crowdfunding as a Marketing Tool. *SSRN Electronic Journal* <https://doi.org/10.2139/ssrn.2938183>
- Tseng F (2021) Product Commercialization through Crowdfunding Websites: A Consumer-Centric Approach. *Journal of Internet Commerce* 20 (2): 195-214. <https://doi.org/10.1080/15332861.2020.1870341>
- Zhang J, Chiang WK (2020) Durable goods pricing with reference price effects. *Omega* 91 <https://doi.org/10.1016/j.omega.2018.12.007>
- Zhang Y, Tian Y (2021) Choice of pricing and marketing strategies in reward-based crowdfunding campaigns. *Decision Support Systems* 144 <https://doi.org/10.1016/j.dss.2021.113520>