

Making the World a Better Place: How Crowdfunding Shifts Consumer Preferences Toward Social-Good Products

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Abstract

Crowdfunding has emerged as an alternative means of financing wherein a large number of individuals collectively back a venture. This work asks the novel question of whether consumers make different product choices when considering contributing their money to crowdfund versus purchase a given product. Five studies demonstrate that, compared to a traditional purchase, crowdfunding more strongly activates an interdependent mindset shifting consumer preferences away from products providing superior self-benefits (e.g., product quality) and toward social-good products. The research further highlights two important boundary conditions. First, being able to “make-the-product-happen” matters: in case a crowdfunded product is already on the shelf or in case an ongoing crowdfunding project has already raised enough funds, the effects are attenuated. Further, collective-efficacy is key (one’s belief in the efficacy of the crowd to bring change): the lower this belief the weaker the focal effect.

Keywords: *crowdfunding; decision-making process; social-good products*

Track: Social Responsibility & Ethics