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University
of Glasgow

School of Social and Political Sciences

**How do I get your money? An analysis
of the use of crowdfunding in electoral
campaigns**

September 2017

Presented in partial fulfilment of the
requirements for the Degree of M.Sc. in
Political Communication

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Abstract

So far, empirical research focused on the functioning of crowdfunding and how it can be used to collect the desired amounts. However, little attention has been paid to the drivers behind politicians' success in reaching their projected fund raising targets. This dissertation aims to address that void by combining theories on campaign financing, digital campaigning and crowdfunding. This study compares 100 crowdfunding projects launched by UK politicians during the 2017 general election campaign and seeks to understand what factors brought crowdfunding closer to the projected target. It combines primary and secondary data and uses both qualitative content analysis and bivariate and multivariate (OLS regression) statistical analysis to identify the main determinants. The main findings are that incumbency status, the use of negative and competitor frames and constituency size have positive effects on the funds raised during campaigns

Introduction

The internet has revolutionised political campaigning in a way that not many had foreseen. Online tools are currently used to tap into a new voter public and to mobilise the electorate and they offer a much cheaper alternative to traditional methods of campaigning (Johnston & Pattie, 2014; Boulianne, 2009). Yet, digital campaigning demands strategic thinking and a consideration of what the effect might be on the electorate. Specialised campaign staff is necessary to respond to this demand and to guard a politician's online image. One of the ways in which the internet has revolutionised politics, has been the ability for politicians to raise money online. Many campaign websites (e.g. of the Scottish Greens and the Scottish Liberal Democrats) nowadays include a donation button, but there are also other ways. Very recently, crowdfunding has started making its way into politics as a method of raising money for political causes as well as for electoral campaigns. Despite the fact that it is a fairly new concept, crowdfunding now is a widely used and popular way of financing all sorts of projects, including art projects, humanitarian projects and entrepreneurial projects. Anyone with access to the internet can start their own crowdfunding campaign and donate money to support a campaign. The power of crowdfunding is the ability to finance a project with the help of many small donors. The small dollar democracy, as it is called in the United States (U.S.), is spreading all across the world where it breaks the old patterns of campaign financing (Anstead, 2009; Bennett, 2016). Crowdfunding allows for politicians to be more independent of big donors and other parties that could potentially exchange money for influence. Instead, with crowdfunding it is the citizens who invest in something they find worth investing in, in this case a political candidate.

This dissertation looks at the use of crowdfunding by political candidates and tries to explain the variation between the candidates' ability to reach the target. Although the importance of the Internet for politics seems undeniable, pundits have found it difficult to prove this empirically (Wagner & Gainous, 2009). Much of the research on political

fundraising focuses on the U.S. Therefore, this study seeks, amongst others, to explore the use of online political fundraising in a European context. A combination of academic literature on crowdfunding, political fundraising and (digital) campaigning will help to identify factors that could explain why some politicians raised more money than others. The only study that, to my knowledge, has also looked at political crowdfunding was conducted by Sokolov (2015), who looked at several Russian case studies. In contrast, this study on political crowdfunding focuses solely on the use of crowdfunding in electoral campaigns. No existing research has been dedicated solely to political crowdfunding, or connected the crowdfunding literature to academic theories on political campaigning and fundraising. Moreover, most of the existing research on crowdfunding comes from different disciplines and takes a quantitative approach.

By making use of a mixed-method approach, the question this dissertation seeks to answer is what the determinants are for a successful political crowdfunding campaign. The aim of the study is to find out if a certain set of variables can predict the outcome of the campaign. The data that I will use to test this are 100 crowdfunding projects by politicians from the United Kingdom (UK) during the general election campaign in June 2017. The UK was chosen because, within Europe, that is the country where crowdfunding is being used most extensively by politicians. The political context of the UK provides an attractive environment for political crowdfunding, as most parties depend on individual donors to finance their campaigns. In practice, this has meant that the largest parties receive financial support from companies, trade unions and rich individual donors. For the small parties, who do not have this type of support, it has proven to be difficult to compete with the larger ones who run well-funded campaigns. This is where crowdfunding comes into play. As there are very low costs involved in maintaining a crowdfunding project and the main method of promotion is social media, it has proven to be a good way for the less affluent political candidates to raise money for their campaign. Political crowdfunding is an

interesting new addition to the online tools that are available to politicians, as it allows citizens to be directly involved in the democratic process by helping to increase the chances of their preferred candidates in an electoral race. I will use both primary and secondary data, which include the crowdfunding projects, campaign websites and social media pages of the candidates. The analysis is conducted in two steps. First, I use qualitative content analysis to scrutinise the project descriptions on the crowdfunding projects. This will allow me to observe the type of language candidates used to persuade people to donate. Second, I run two statistical tests to see if there are causal links between variables and the funds raised by the candidates.

There are different reasons why the study of political crowdfunding is relevant. By looking at possible determinants of crowdfunding success, I am able to test if existing theories on determinants of fundraising success can also be applied to crowdfunding. On top of that, this focus allows me to draw conclusions about differences in crowdfunding success. This study will also contribute to the existing knowledge on how to run a successful crowdfunding campaign. More broadly, by looking at the way in which politicians use crowdfunding, I can explore how politicians use online tools and the internet, thereby tapping into the research on the internet and political participation. Finally, this study will contribute to the literature on negative campaigning, by exploring the use of language in political crowdfunding. This dissertation is structured as follows. Chapter 1 of this dissertation starts with an overview of the relevant literature on crowdfunding. The literature review after that examines the most relevant studies on political fundraising, digital campaigning and fundraising in the UK. The final part of the theoretical section lays out the analytical framework and the hypotheses. Chapter 2 explains the methodological approach, variable operationalisation and the data that will be used. In Chapter 3 the findings will be described. Finally, the conclusion will outline the most important findings, the limitations and it will talk about how future research could build on the foundations that are laid in this study about political crowdfunding.

Chapter 1: The theoretical and analytical frameworks

The conceptual framework

The popularity of crowdfunding today should not be underestimated. A recent report called crowdfunding “potentially the most disruptive of all of the new models in finance (Goldman Sachs, 2015). In 2015, worldwide \$34 Billion was raised through crowdfunding (Massolution, 2015). This number, however, covers all types of crowdfunding. According to Mollick (2014), crowdfunding is a category of fundraising in itself. Crowdfunding grew out of the concept of crowdsourcing (Zheng et al, 2014). The idea behind crowdsourcing is to get feedback and ideas from a large group of people (Belleflamme et al., 2010). Howe (2006) was the first to define crowdsourcing as “the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call.” Put simply, the objective behind crowdfunding is to gather small amounts of money for a particular investment. An often-quoted definition of the concept is the one by Belleflamme et al. (2010). They define crowdfunding as “an open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights” (p.5). However, there is no real consensus yet on one particular definition of crowdfunding. The UK Crowdfunding Association, for example, defines crowdfunding as “a way of raising finance by asking a large number of people each for a small amount of money” (UKFCA, 2017).

Further definitions of crowdfunding do seem to have a couple of things in common. Firstly, they speak of an open call, thereby highlighting the voluntary, as well as the transparent aspect of crowdfunding. Secondly, contributions come in the form of a financial investment. Thirdly, donations normally constitute small amounts of money. Mollick (2014) argues that most definitions of crowdfunding are too broad and therefore stresses it is necessary to narrow down the definition when speaking about the use across several disciplines. He proposes a distinct definition

of crowdfunding that would highlight the entrepreneurial aspect: “crowdfunding refers to the efforts by entrepreneurial individuals and groups – cultural, social, and for-profit – to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries” (Mollick, p.2). In practice, crowdfunding websites generally use the same basic model (Trusiak, 2016). The campaigner adds a funding goal and a project description. The fundraising is limited to a specific amount of time and the page demonstrates how many days there are left before the project closes, how much money is raised and everyone can see the amount of supporters and who has donated already. Kappel (2009) distinguishes two types of crowdfunding: *ex post facto* and *ex ante* crowdfunding. With *ex post facto* crowdfunding, donations are requested once something has already been created. *Ex ante* crowdfunding, on the other hand, is used to (hopefully) achieve a particular funding goal. Kappel refers to the way crowdfunding was used during Barack Obama’s 2009 presidential campaign to explain this latter type of funding. When you search online you will find that different types of crowdfunding are broadly grouped into four categories: equity-based, lending-based, reward-based and donation-based crowdfunding (Song et al, 2015). Different crowdfunding platforms have also dedicated themselves to a particular type of funding. To my knowledge, political crowdfunding has not yet been grouped into one of the four categories. I would, however, suggest that political crowdfunding falls into the latter. The other three categories require a mutual dependency between giver and receiver, as the donor will receive something back in return for their investment; a part of the product or service, interest, or a reward. With donation-based crowdfunding, backers decide to invest because they want to support a particular cause, in this case a political one.

Some exploratory research on crowdfunding has been done about, among others, the existence of social capital in crowdfunding (Zheng et al, 2014), reasons why people donate (Gerber & Hui, 2013; Song et al., 2015) specific case studies (Gehring, 2016), crowdfunding for non-

profits (Song et al., 2015), the impact of social media (Lu et al., 2014), civic crowdfunding (Stiver et al., 2015), cross-country crowdfunding platforms (Dushnitsky et al., 2016) and the role of gender in crowdfunding (Greenberg & Mollick, 2014). Despite the academic interest for the subject, various researchers argue that crowdfunding does not yet enjoy a clear theoretical foundation (Zheng et al., 2014; Mollick, 2014). According to Belleflamme et al. (2010), this can be explained by the fact that it is still a fairly new phenomenon. Lu et al. (2014) state that, although much research has been done on crowdfunding, most of it comes from the business discipline. To my knowledge, no previous research has yet focused on explaining what makes up for a successful political crowdfunding campaign. The only definition of political crowdfunding that I have encountered was the one by Sokolov (2015, p.117), who defines it as: “public funding or collective cooperation among large numbers of people who consolidate their money or other resources, usually via the Internet, for political projects”. However, as this definition seems a bit lengthy and confusing to me, I suggest a slight adjustment of the definition by Mollick (2014, p.2). In this dissertation, political crowdfunding refers to the efforts by political actors to fund their campaigns or projects by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries.

Political crowdfunding

Donating through crowdfunding is in a way similar to making a regular purchase. Just like when purchasing goods or services, the potential donor evaluates the strengths and weaknesses of the campaign (Trusiak, 2016). Nonetheless, there are several features that make crowdfunding different from other types of online fundraising. According to Belleflamme et al. (2013), one aspect that is unique to crowdfunding is the involvement of the crowd in the “production process”. As Byrnes et al. (2014, p.1) put it: “public engagement is the key to crowdfunding success”. Sponsors become investors of a particular good or service. This investment is a motivation to further promote the project in their social

networks. Social media is acknowledged to be vital for a successful crowdfunding campaign (Lu et al., 2014; Mollick, 2014, Ordanini et al., 2011; Belleflamme et al., 2010). Zheng et al. (2014), however, stress that the relevance of the crowdfunding platform itself should not be overlooked; the crowdfunding website and other online networks that are used to promote the campaign are independent channels that are necessary for establishing a successful campaign. They identify two types of social networks within crowdfunding. The first social network is the crowdfunding platform itself, Crowdfunder or Kickstarter for example. The second networks are the Social Networking Sites (SNS) through which the platform is promoted, such as Facebook, YouTube and Twitter. These networks appear to be well-suitable for establishing social capital.

Moreover, beyond funding, there are other purposes of a crowdfunding campaign. The campaign in itself suggests, and can demonstrate to outsiders, that there is a certain demand for a product or service. In this way, donations can be seen as an endorsement and this can potentially attract more traditional donors (Mollick, 2014). In addition to this, crowdfunding offers the opportunity for testing popularity and increasing the understanding of donors' opinions and attitudes (Belleflamme et al., 2010). Greenberg & Mollick (2016) argue that crowdfunding eliminates certain social and geographical constraints fundraisers normally have to deal with, such as traditional gatekeepers. Fundraisers have the opportunity to tap into a new public in other geographical areas or socioeconomic strata. In a study (2016) the scholars found that, although men are historically better in gaining venture funding, women are better at crowdfunding than men. They explain this phenomenon by activist choice homophily. Other than more traditional types of fundraising, crowdfunding has the advantage of not having to deal with formal gatekeepers. Furthermore, research by Stiver et al. (2015) has found that in terms of offline activism, geographical proximity is an important indicator of support. Their research concluded

that in the case of civic projects, online support is heavily dependent on offline support and vice versa.

Previous works suggest that different types of crowdfunding might require a different strategy (Stiver et al., 2015). A fair body of literature on fundraising has focused on the financing of non-profits. To quote Stauch (2011, p. 193) “political fundraising is very much the same and also very different from your average, run of the mill non-profit fundraising.” According to Stauch, political fundraising differs from non-profit fundraising in a number of ways: it is more transparent as the donors have to be documented, donors will have a certain expectation with regard to the final product, it often goes much quicker than non-profit donations, there is the incumbent advantage vs. the challenger’s disadvantage and because a win for one candidate means his/her competitor loses, there is a stronger competition between campaigners. However, as most of the existing research on crowdfunding focuses on business literature, the literature review in the next section will examine a set of different pieces of literature, ranging from campaign financing, digital campaigning and its history and political campaigning in a UK context, which will altogether provide us with a framework for understanding the dynamics of political crowdfunding.

Literature review

The conceptual framework has helped us to identify the bases of empirical research on crowdfunding. The literature review bridges three types of existing research on campaigning: the role of money in political campaigns, explanations about the role played by the Internet in fundraising and political campaigning, and campaigning and the Internet in the UK. All these theories combined will give us an overview of the existing theoretical knowledge there is about online fundraising by politicians and the methods that are used to mobilise the electorate.

Money is an essential element of a political campaign. Campaigns are expensive; they require staff, printing, money for transport and so on. To

be able to campaign, money needs to be available up front. Sufficient funds help to ensure the spread of the message (Hassell, 2011). Research has shown that there is a correlation between campaign spending and voter share (Milligan & Rekkas, 2008). The internet is playing an increasingly important role in political campaigning. Although online channels are not expensive to use, it takes a lot of effort and a clear strategy to reach out to voters in an effective manner (Johnston & Pattie, 2014). Online campaigning is therefore pricey and a large part of the communication budget will go to the social media campaign. One of the sources of income for parties are the revenues they receive from party memberships. Over the past decades however, it has become increasingly difficult for parties to recruit new members, to mobilise and to gather sufficient funds to launch a good campaign (Johnston & Pattie, 2014). This has left some worried. There is, however, possibly also another explanation for the trend of declining party memberships across Western democracies. Maybe parties are not dying, as is claimed so often nowadays, but they are going through a transformation during which they adapt to the post-modern campaign era. The digital media may also be making party affiliation more fluid. The modern campaign era allows parties, on the condition that there is enough support, to become movements in itself. A good example of this is the campaign of Bernie Sanders during the 2016 U.S. elections. His campaign was primarily focused on social media targeting and gathering small donations. He did not have a special finance department, as the fundraising department was incorporated into the digital strategies department (Chadwick & Stromer-Galley, 2016).

Similar to other types of political donations, past research has shown that those who donate to crowdfunding are generally also wealthier than others. A study by Jacquet & Reuchamps (2016), who did research on the crowdfunding supporters for a project in deliberative democracy in Belgium, found that most donors were high educated, more often male than female and are already somehow politically active. A study by Hill & Huber (2016) shows that political donors have stronger political

viewpoints. Moreover, they demonstrate that those who donate are generally richer, older and higher educated than those who do not. Hassell & Monson (2014) in turn, found that these groups of people also receive more requests for donations. According to other research, liberalism can predict the extent to which people give money to political campaigns (Panagopoulos, 2009). Donating to a political campaign is different from making a regular purchase, as the outcome is always uncertain. Therefore, donating money to a political cause is comparable to a gamble. Wealthy donors will make a critical evaluation before they decide to support a cause to make sure the cause is worth the investment (Johnston & Pattie, 2014). A few existing studies have been identified that align with my research topic. One of the few existing studies that looked at factors that lead to success in crowdfunding was done by Mitra & Gilbert (2014). This quantitative study examined 45K projects on Kickstarter and checked whether the language that was used in the projects predicted the success of the project. They found that language is indeed a very important predictor of a successfully funded crowdfunding campaign. Similarly, a long-term study by Chung & Lee (2015) looked at predictors of success of projects on Kickstarter. Applying a statistical analysis, they concluded that static, temporal and Twitter features significantly influence how successful a project will be. In addition to these quantitative studies, there have also been qualitative studies on the use of language and digital tools in political campaigns. A couple of these studies have made use of content analysis to analyse secondary data. Druckman et al. (Panagopoulos, 2009) analysed the use of congressional campaign websites during two election cycles. The scholars combined the information on the websites with information on the candidates and the elections to test how the candidates used web technologies. As the data that was used in this study stems from 2002 and 2004, much has possibly changed about the level of interactivity and the way in which campaign websites are used.

Digital campaigning and fundraising

The internet has profoundly changed our lives as well as the way in which we practice politics. Much past research on the relationship between the internet and political participation has found that there is a significant positive relationship between the two (Boulianne, 2009). Academic literature has tried to keep up with the technological changes, but theoretical foundations still lag behind because of the speed in which these changes take place. It is still difficult for scholars to find empirical evidence for the importance of the internet on campaigning. It is important to note that, although the internet has had a significant impact on political campaigns, the essence of politics and the way in which people make choices have remained the same (Wagner & Gainous, 2009). As Wagner & Gainous (2009) state in their paper, past experiences have given reasons to believe the importance of the internet is likely to grow. An example was the initial believe by pundits that the internet did not have the potential to revolutionise fundraising. Ward, et al. (2003) argued in beginning 2000s that it can be tricky to make predictions about the importance of the internet for politics and participation, as technology is changing rapidly. A brief look at the history of digital campaigning in the past ten years shows that they were right, and that technological changes can rapidly change our daily lives, as well as political campaigning.

Margolis et al. (cited in Gibson & McAllister, 2006) claim that the first real cyber campaign was launched in 1996 by American presidential candidates Bob Dole and Bill Clinton. Both used their websites to promote their campaigns. Europe followed suit from the mid-1990s, with the 1997 general election in the UK being seen as the first internet election (Gibson & McAllister, 2006). In the 2004 U.S. presidential elections, candidate Howard Dean used a sophisticated set of online tools to increase his following. Dean was the first candidate to effectively incorporate online fundraising in his core campaign strategy. Not only did he significantly increase his campaign funds, he also managed to get more publicity and tap into new groups of voters. Four years later, during

the federal elections in 2008, Barack Obama refined Dean's fundraising strategy (Panagopoulos, 2009, p.95). He used multiple online platforms to build his support, with great success (Carpenter, 2010).

Despite some clear evidence, scholars still differ in their opinions of the revolutionising effect of the internet on political fundraising. According to Anstead (2009), internet fundraising, also referred to as "small dollar democracy", has hugely transformed the political landscape in the U.S. Hassell (2011), on the other hand, has argued that small donations do not make a massive difference for political campaigns. Yet, when looking at the most recent U.S. elections, Bernie Sanders managed to fund a highly successful campaign with the help of very small (The Atlantic, 2016). This is, however, in a U.S. context and the success of small dollar democracy can probably not be copied in all other cultural contexts, as electoral systems alter how political campaigns are financed. However, Panagopoulos (2009) predicts that the use of the internet for fundraising will likely remain an important feature of postmodern campaigns. Bennett (2016) argues that trends in digital campaigning in the U.S. are likely to be copied by the larger European countries, a trend that can already be observed now. As this dissertation focuses on the use of crowdfunding in the UK, the next section will guide us through political campaigning and fundraising situation in that country.

The internet and electoral campaigns in the UK

In Britain, parties receive fairly little financial support from the central government. Political candidates running for office during a general election receive money to send one piece of election material to every voter in their constituency. Parties with more than fifty candidates get free air time on one TV show at least, plus one on the radio (Johnston & Pattie, 2014). The rest of the money for the campaign has to be gathered by the parties themselves. Research has shown that donations and money gathered by British parties through fundraising have increased each year (Johnston & Pattie, 2014). Nonetheless, declining party membership numbers have forced parties to rethink their strategies (Bennett, 2016).

The two main parties, Labour and the Conservatives, have been dominating the British political landscape since the 1970s. During the same time period, the SNP and Plaid Cymru, the Scottish and Welsh nationalist party respectively have become increasingly popular.

Traditionally, all major parties could rely on a loyal group of financial backers. For the Tories, these were wealthy donors, for Labour, these were the trade unions and for the Liberal Democrats these were their own party members. However, as the economy changed in the end of the 20th century, the extent to which these groups were able and willing to fund the parties declined. This meant that the parties had to look for more creative ways to replenish their income. The parties now rely on a couple of very generous donors, as well as smaller donations from members and supporters (Johnston & Pattie, 2014). Johnston & Pattie (2014) state that the first-past-the-post system, which ensures that the candidate that wins the most votes in each constituency wins, makes it difficult for smaller parties to win elections. Just the fact that each party has to have at least fifty candidates running for office in order to appear on television or in radio broadcasts shows that it will be hard for smaller parties to get attention.

In practice, this has meant that over the past few years the Conservatives and Labour have dominated not only Westminster, but also the media channels. This can explain the attention deficit of the smaller parties, such as the Green party. Moreover, the dominating parties have tried to increase their electorate by reaching out to and trying to appeal to a larger group of voters. However, with the changes in technology starting mid-20th century, the parties also had to change their communication strategies. The internet has made it easier than ever to narrowcast a message. There seems to be large differences between parties and candidates when it comes to campaign spending. Moreover, spending decisions depend on the type of election. Candidates in national elections that run in a constituency's that has a high likelihood of winning will receive more funding than others where the likelihood is smaller. Past

experiences have shown that this is a good strategy and that intensive campaigning on local levels pays off (Johnston & Pattie, 2014).

The 2015 UK general election and Britain's 2016 referendum have made clear that social media and especially Facebook are important channels to influence the electorate. Although Twitter has shown to be an important platform for politicians and journalists, Facebook offers the opportunity to send targeted messages to voters (The Register, 2017). Despite the fact that political advertising is not allowed in the UK, Facebook does allow for the large-scale spread of campaign videos. The British Electoral Commission made an estimation that during the general election in 2015, 99% of all parties' social media budget was spend on Facebook (The Register, 2017). As for fundraising, Anstead (2009) argues that the small dollar democracy as it exists in the U.S. can hardly be compared to the situation in the UK. Times are changing quickly however; crowdfunding was widely used by British politicians during the 2015 general election campaign. Although the larger British parties have made use of the internet as a fundraising tool, the political and legal climate prevents it from turning into a more American "small democracy-scenario". In the UK, subscribers to political parties are still an important source of income for these parties. Despite all this, parties still remain to be chronically underfunded.

In 2000, the Political Parties, Elections and Referendums Act (PPERA) came into being. The act puts a limit on the amount political actors can spend during their campaigns. In reality however, candidates will almost never spend the maximum amount they are allowed to spend (Johnston & Pattie, 2014). Anstead (2009) argues that the reasons why the small dollar democracy managed to flourish as it did in the U.S. and far less in the UK, is because PPERA did not give the same incentive to parties to seek funding from small donors. He also argues that the fact that the UK has spending limits instead of donation caps reduces the need to compete against others for gaining large amounts of funds. Past polls have suggested that the British electorate gets uncomfortable of the idea that parties are dependent on gifts from large interest groups (Johnston &

Pattie, 2014). Research by van Heerde-Hudson & Fisher (2013) examined attitudes of the British electorate towards party finance in the UK and demonstrated that the public generally has negative views about the way in which the parties are financed. This phenomenon can also be explained by the fact that they seemed to know little about party finance regulations. Not only is the public afraid of corruption, they also feel like money is too much of a dominant factor in politics. In 2009, the scholars showed that, despite the reforms that came with PPERA, there was still a public desire to reform the system. However, it should be noted that this research was conducted right before political crowdfunding became widespread in the UK. Given these findings, one would expect the public to welcome the use of crowdfunding to fund political campaigns.

Narrowcasting (strategic targeting) has become an important component of digital campaigning. Chadwick & Stromer-Galley (2016) use the term 'analytics turn' to describe the way in which campaign managers make use of experimental online methods to test and reach out to the electorate. The first time Facebook was used for campaigning is not that long ago, namely during the 2008 U.S. elections. The platform offers great opportunities for involvement and interactivity, a characteristic which differentiates it from the traditional media (Vesnic-Alujevicl, 2012). In the UK, the major political parties have databases with information about their voters. They use advanced software to find out whom to target (Bennett, 2016). During the 2015 UK general election, the analytics turn was used by the Conservatives to target specific audiences online. They hired a notorious American and Australian campaign manager to set out a smart online campaigning strategy. The party used Facebook data to reach out to people in swing constituencies. This was only done in a small amount of constituencies, where the probability of winning was larger (Bennett, 2016). Labour admitted not to have sufficient funds to pursue the same aggressive online strategy, and therefore focused instead on creating interesting online content that can be shared amongst their followers. The 2015 general election resulted in a huge victory for the Tories (Cowley & Kavanagh, 2016).

There are some drawbacks to digital campaigning and the extensive use of social media for reaching out to voters. One of them is the digital divide. In beginning 2000s, Ward et al. (2003) wrote that still a significant part of the British population did not have access to the internet. In 2017, this number has gone down, with about 9 out of 10 adults using the internet on a weekly basis (ONS, 2017). Yet, not all of the netizens will use the Web the same way. In addition to this, campaign managers outside the U.S. should also be cautious with copying the same methods into a different cultural context and system. Moreover, Panagopoulos (2009) argues that new technologies can function differently in different political systems. Furthermore, the use of social media and other online tools for voter targeting is not as straightforward as it may seem. For parties, it is important not to hurry the use of advanced data gathering methods as well as the use of social media. They must critically think how these methods will affect their campaign practically as well as politically. Technology alone does not convince people to vote in a certain way. It is the type of message that matters. Moreover, more money in a campaign means more opportunities to use new technologies and send out an attractive message (Panagopoulos, 2009). What is more, testing the effectiveness of a social media campaign is more than just counting followers and likes. It involves an in-depth analysis of data such as the type of followers and the type of posts that generates public interest (Bennett, 2016).

The analytical framework and hypotheses

The previous sections have laid out the theoretical background of crowdfunding and its use. Furthermore, the literature review has looked at political fundraising more specifically and at how the internet has revolutionised political fundraising. This section will lay out the analytical framework and hypotheses, with the help of which differences in funds raised among political crowdfunders during the 2017 UK general election could be explained.

According to Mollick (2014), little is known about what constitutes a successful crowdfunding campaign. Similar to political campaigns, a good communication strategy is very important (Trusiak, 2016). Campaign managers have to think critically about how they are communicating their messages to the public. Stauch (2011) found that simple messages are the most effective in electoral campaigns. Research by Hassell & Monson (2014) focused on messages and persuasion in political fundraising e-mail. They distinguished three types of appeals made by political actors to convince people to donate: solidary, material and ideological appeals. Solidary appeals referred to all the others who had already donated to a campaign. Material appeals were made if the donor received something in return for his or her donation. Lastly, ideological appeals addressed matters of ideology and party politics. The scholars found that 90% of all appeals contained an ideological argument. Mitra & Gilbert (2014, p.60), After applying a computerised content analysis on projects on Kickstarter, concluded that language was a “fundamental force” behind the success of a crowdfunding project. A small body of literature has focused on the type of language that is used by attracting donors to charities. For example, a study by Das et al. (2008) on the influence of messages on donations to charities claimed that the best way to attract donors to your campaign is to either combine factual, abstract information with a negative message or a story with a positive message. Moreover, the authors identified three factors that are important to convince the potential donor of the need to donate to a charity: message framing (positive or negative), evidence (abstract or anecdotal information) and the probability that the end goal will be achieved. However, the influence of fundraising messages on fundraising has not been investigated yet on a wide scale (Das et al., 2008).

Negative and competitive message frames

This study takes the research on the use of language in political fundraising one step further by looking at the effects of negative and competitor message frames on fundraising. Different scholars have

looked at the mobilisation effects of the use of negativity in political campaigns. Schuck & de Vreese (2009) looked at news frames used by the Dutch media during the referendum campaign for the EU constitution. They found that the media overwhelmingly adopted positive frames to discuss the constitution and that this resulted in mobilisation of those who opposed it. Similarly, Schuck et al. (2014) concluded that the framing that was used during the European elections in 2009 had a mobilising effect on voters. To the contrary, Lau et al. (2007) did a meta-analysis on studies on the effects of negative campaigning and found that going negative does not lead to any form of mobilisation, such as voter turnout. Negative and competitive message framing has been thoroughly investigated in several contexts already, such as in political advertising (King & McConnell, 2003), social media (Gross & Johnson, 2016), gender differences (Enns-Jedenastik et al., 2017) and campaign websites (Druckman et al., 2010).

Johnson (2009) argues that, specifically in the Anglo-American political context, it is important for candidates to depict themselves as competitors in order to draw the attention to their persona. In the case of the UK, Walter et al. (2014) found that the larger parties were more likely than the smaller ones to go negative. Barton et al. (2015) concluded from their field experiment on messages used in electoral campaigns that the use of competitive message frames can significantly alter amounts raised by the campaign. More money was donated when a competitive frame was used. Barton et al. (2016), to the contrary, found that negative messages were not more effective than positive messages when used in political fundraising, although they did have a positive effect on voter turnout. According to research by Peterson & Djupe (2005), challengers have a larger tendency for going negative. Furthermore, the larger the amount of candidates, the more negativity will be used. Likewise, Stauch (2011) recommends challengers highlight the advantage of the incumbent in their fundraising message, as a form of transparency and to motivate donors to give that little bit extra. Taking into account the large scholarly support that exists for the effectiveness of negative messages, I expect

that those candidates who apply a competitive or a negative frame to their crowdfunding project will run more successful campaigns.

H1: The use of negative and competitive message frames has a positive effect on the funds raised by political crowdfunders

(Audio)visuals

Zheng et al. (2014) found that in addition to text, other types of media are very important to crowdfunding. Various studies have shown that, especially when it comes to digital campaigning, visuals and interactive features are a vital element of an online platform. Research has shown that the use of images in fundraising significantly influences whether or not people donate (Burton & Strongman, 2004). Druckman et al. (Panagopoulos, 2009, p.23) did research on campaign websites and distinguished two types of features on these sites: presentation features and interactive features. Where presentation features, such as multimedia options, are more meant to be dealt with in a passive way, the interactive features such as the inclusion of links to external websites, social media, personalisation options and chats are meant to increase interaction between the visitor and the creator of the website. An example of a multimedia tool is a video. A video is a good opportunity for a political candidate to present him or herself and to highlight certain aspects of the campaign or their personal characteristics. The personalisation of content has the potential to higher the level of persuasion in a message.

Gulati & Williams (Panagopoulos, 2009, p.52) did a content analysis of U.S. Senate and House candidates' websites and grouped the content they found into four different areas: informational, involvement and engagement, mobilization, and interactivity. From this it can be concluded that the project description in crowdfunding could aim at persuading potential donors in various ways. Crowdfunding platforms themselves also do a lot to help their clients to fund their campaigns. Kickstarter for example, encourages their campaigners to add a campaign video. On their website, Kickstarter states that 80% of the

projects has a video and that it significantly increases the chances of getting your project fully funded (Kickstarter, 2017). Crowdfunder, in turn, has created a how-to guide with advice on how to make a project successful. As for the visuals and interactive features, tips include the incorporation of a short, attractive video, nice images and the possibility to share the project on other platforms (Crowdfunder, 2017).

Quite a few empirical studies that looked at successful crowdfunding have shown that the presence of a video on a crowdfunding platform indeed increases the probability of its success (Mollick, 2014; Marelli & Ordanini, 2011; Greenberg et al. 2013). Wheat et al. (2013, p.72) call a video the “most important part of a crowdfunding appeal”. Chung & Lee (2015) found that those who were successful in crowdfunding invested more time and effort into making the project look nice, by adding (audio)visuals and a good project description. Marelli & Ordanini (2011) state that a video is an important part of the campaign, as it allows for the fundraisers to give a lot of information in a small amount of time. Despite this reasoning, the scholars did not believe that having a video would lead to higher amounts raised, instead they expected that not incorporating a video would lead to less success. However, the results of their study showed that the video was an important indicator of a project’s success. Similarly, Lawton & Maron (2013, p.91) found that those projects that were fully funded often included a video, as opposed to those who did not. Considering the existing empirical evidence, I expect that those candidates who added videos and images to their project will be more successful crowdfunders.

H2: The use of (audio)visuals has a positive effect on the funds raised by political crowdfunders

Regular updates

A study by Druckman et al. (Panagopoulos, 2009, p.23), on campaign websites concluded that regular updates are vital. Moreover, their study showed that incumbents were far less likely than challengers to update their sites on a regular basis. Research on crowdfunding also suggests it

is important to keep the crowdfunding platform “alive” with regular updates (Mollick, 2014; Kuppuswamy & Bayus, 2013; Davies, 2003). The platforms themselves, including Crowdfunder.co.uk also recommend users to regularly update their project (Crowdfunder, 2017). Chung & Lee (2015) found that those who were successful in crowdfunding updated their projects more frequently. Regular updates were also among one of the four variables that Lu et al. (2014) identified for a successful crowdfunding campaign. The three other variables included: timing (most money is raised right at the start of the campaign and right before the deadline), an intensive social media campaign and offline campaigning (face-to-face contact). Xu et al. (2014) examined the types of updates crowdfunders used and how these different types could be linked to crowdfunding success. They found that social media was used for updates, but concluded that project updates are an important part of the campaign. In fact, most of the projects did not even include updates. Khut (2016, p.87) came to a similar conclusion with regard to updating through social media. Lastly, a study by Mitra & Gilbert (2014) focused on the factors that are important in determining the success of a crowdfunding project. It found that the incorporation of a video, the number of updates and a link to Facebook were significantly related to project success. In sum, I believe that updates could positively influence the funds raised.

H3: Regular updates have a positive effect on the funds raised by political crowdfunders

Incumbency status

A review of the literature on the incumbency advantage leads to the expectation that incumbency status will matter for the amount a candidate raises through crowdfunding. According to Gherghina (2015), incumbents have several advantages over non-incumbents. First of all, incumbents enjoy free publicity because of their familiarity with the press. Secondly, incumbents enjoy privileges that come with already being in office, such as practical resources and the possibility to travel to and within their constituency at the expense of the state. In addition to

these practical advantages, incumbents can use recognisability to their advantage. As they are already a familiar face within their constituency, they can use this to strengthen their credibility. Lastly, all of the above helps incumbents to ease their fundraising efforts. With their knowledge of what is going on in the political field, as well as their influence, they can persuade potential fundraisers to donate in exchange for political promises.

Abramowitz (1991) mentions other perks of being an incumbent, namely the fact that voters directly identify the candidate with the party. In addition, those who are already in office enjoy a level of seniority, which leads to influence within the political arena. Eckles et al. (2013) investigated reasons why people tend to vote for incumbents. They found that the practical advantages that come with being in office are not what make people vote again for an established politician. Instead, those citizens that are more risk averse are more likely to vote for an incumbent. Reversely, if challengers play it well, they have a large chance of winning over the hearts of the risk tolerant. A study by Benoit & Marsh (2008), which examined the campaign value of incumbents, confirms the findings by the abovementioned scholars. They found that incumbents very much benefit from being in office during the campaign, as it allows them to make use of practical features, such as staff members and work phones. Despite the evident advantages of being in office, studies have also shown that for fundraising, it can be advantageous to be a challenger. Because the expectations are lower for challengers, it is not difficult to come up with a new and innovative approach. This fresh approach can, if used well, lead to more successful fundraising and more media attention (Damore, 1997).

Krebs (2001) refers to political fundraising as an 'insider's game', in which the challenger only has a chance of being successful by developing ties with other powerful players in the political field. According to Stauch (2011, p.196) challengers are at a disadvantage in political fundraising, because they are seen as outsiders. Although

challengers can reach equal amounts of money during their campaign, they will have to work harder for it than the incumbent. Stauch (2011) encourages challengers to communicate their status of the underdog to mobilise voters. Bonneau (2007) concluded from an analysis of elections for the U.S. state supreme court of 1990-2000 that incumbents managed to raise more money, although it was the quality of the candidate that mattered most. There are advantages for political parties to renominating an incumbent, as familiar faces help to maintain ties with the electorate during a campaign (Gherghina, 2015). It has also been argued that campaign spending by incumbents has a far smaller effect than spending by challengers. Because of all the advantages the opponent enjoys, the challenger will have to pour much more money into the campaign. However, challengers with prior political experience and connections will make it much more difficult for incumbents to win than those who are completely new to politics (Abramowitz, 1991). Similarly, another study by Benoit & Marsh (2010) found that challengers benefit more from spending money during elections than do incumbents. Challengers have to campaign more intensively, as they do not have the free publicity incumbents have because of their past work. The fact that challenger spending seems to be more efficient than spending by incumbents can possibly be explained by the fact that challengers have a much bigger gap to bridge between them and the electorate. Therefore, every action they take could have a larger effect. In sum, although being a challenger comes with the newbie-advantage, I expect the following of an incumbent to be bigger. Not only are incumbents already familiar faces in the media and within their own constituencies, they also enjoy some practical benefits from being in office, such as having campaign staff and being able to make use of their office perquisites.

H4: Incumbency status has a positive effect on the funds raised by political crowd funders

Use of social media and a campaign website

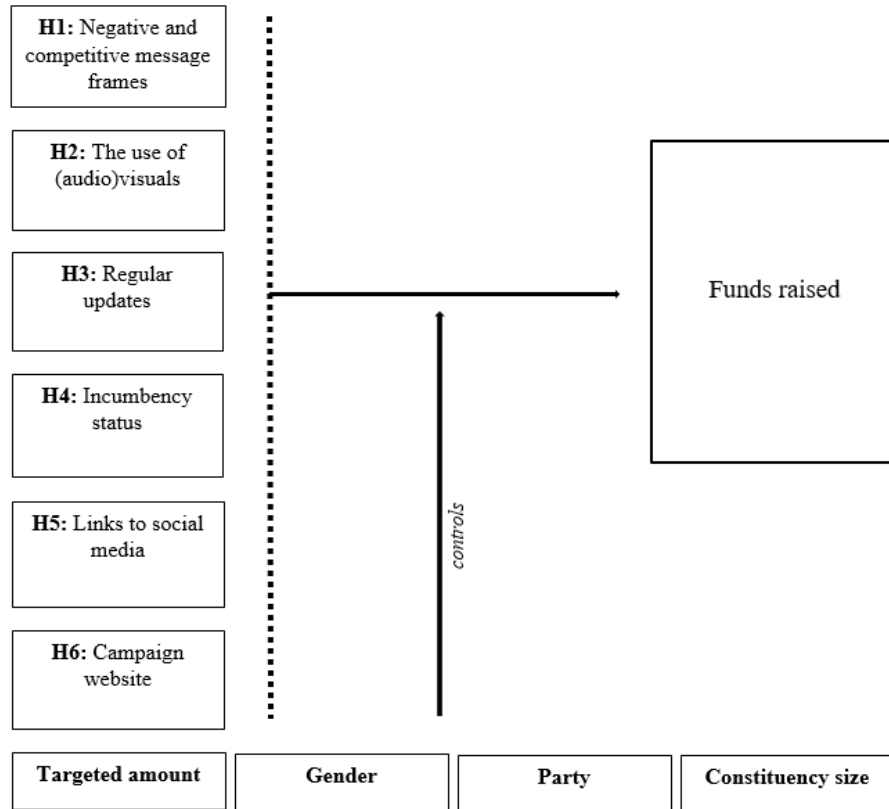
Various research suggests that social networks are vital for a successful crowdfunding campaign (Mollick; 2014; Agrawal et al., 2010; Zheng et al., 2014, Belleflamme et al., 2014; Ordanini et al., 2011). Mollick (2014) goes one step further than that by saying that one's personal network is a predictor and main source of crowdfunding success. Therefore, the size of the network would be a good indicator of a project's success. Lu et al. (2014) conducted their own research on crowdfunding projects and did not find evidence to support the claim by Mollick et al. (2014) that the size of the funder's social network is positively correlated with the amount of donors. According to Rosenstone & Hansen (as quoted in Sandovici & Davis, 2010), those who are well-connected and affluent will find it easier to participate in politics. It can therefore be assumed that those who donate to political causes are generally also wealthier on average. Existing studies suggest that crowdfunders use different types of social media differently, depending on the fundraising goal (Stiver et al., 2015). Lu et al. (2014) outline a strategy that can help secure the success of a crowdfunding campaign. They stress the importance of the promotion of the project both inside and outside social media. Furthermore, they found that early promotion of the crowdfunding campaign is a predictor of its success. Waddingham (2013), who did research on fundraising efforts of JustGiving via Facebook, found that the use of Facebook in online fundraising can have a strong impact on the money that is raised. In his research, the sharing of just one post resulted in an increase of revenue between £1 and £18. This research indicates that Facebook and social media more generally is a very important part of a successful fundraising campaign. Similarly, Chung & Lee (2015) have shown that the use of Twitter to promote your crowdfunding campaign has a significant positive effect on the success rate of a campaign. Another study by Wagner & Gainous (2009) concluded that within the U.S. context, strong online presence has become an inevitable part of a political race. Furthermore, according to Stiver et al. (2015), the funding goal matters for the social media campaign.

As for the use of party campaign websites, there is enough proof for its important role in the communication cycle (Norris, 2003). A study by Gibson & McAllister (2004) on web campaigning in Australia found that having a campaign website is important for increasing electoral support. Research by Wagner & Gainous (2009) came to the same conclusion, and recalls the relatively low costs of web campaigning as a great advantage, as opposed to traditional methods. Web users can be redirected to the campaign website through the candidate's social media channels. This method allows candidates and political strategists to reach a new public. In addition to this, a campaign website is also a way to communicate to the media (Panagopoulos, 2009). A different study by Gibson & McAllister (2006) found that those political candidates in the 2004 Federal Election in Australia who had a campaign website had a greater voter share of 2% as opposed to those candidates who did not. The literature on the promotion of crowdfunding projects gives us reasons to assume that online social networks are important for the success of a project, and so is the campaign website.

H5: A link to social media on the platform has a positive effect on the funds raised by political crowdfunders

H6: The existence of a campaign website has a positive effect on the funds raised by political crowdfunders

Figure 1: A Schematic View of the Analytical Framework



Control variables

By applying a combination of theories of campaign financing and crowdfunding, some variables have been identified that could affect the success of a political crowdfunding project. The first control variable is the targeted amount. We need to know what the targeted amount was and how much money the campaign raised to be able to assess the effectiveness of the way in which the project was promoted. The second variable is gender. Jenkins (2007) found that women candidates spent more time and effort in trying to raise funds for their campaign than their male competitors. Although they raise the same amounts of money, they have to invest more heavily into their fundraising campaign. In turn, a study by Greenberg & Mollick (2014) found that women were more successful at crowdfunding than men.

The third variable that I will be looking at is partisanship. I would like to see if parties have different fundraising abilities. Kitchens & Swers (2016) found that gender and partisanship are significant influencers of fundraising success. According to Johnston & Pattie (2007), British parties tend to spend more money in constituencies where they have a larger chance of winning, and lesser campaign money in places where the chances of winning were marginal. If candidates from certain constituencies receive lesser money from their party to campaign than others, I expect them to be looking for other ways to fund their campaign. Lastly, I expect that constituency size will matter for the amount of funding candidates receive. Mollick (2014) found that geographical proximity of a crowdfunder to an entrepreneur increases chances for funding a project. Agrawal et al. (2011) looked at crowdfunding by musicians and geographic proximity. They hypothesised that, as crowdfunding happens online, this should break geographical boundaries fundraisers normally experience when looking for investors. The results of the study showed two things. Firstly, crowdfunding does indeed seem to break with theories of spacial proximity of entrepreneurs and investors. Secondly, despite the previous fact, offline and pre-existing online networks still seem to be an important factor as to the funding of a project.

Chapter 2: Methodology and data

To test the hypotheses, I use individual-level data from the website www.crowdfunder.co.uk, a British platform that covers all sorts of crowdfunding. The platform has included a special category for political projects and has been used extensively during the past two general elections. I am looking at 100 of those crowdfunding projects by individual candidates running for office during the general election in June 2017. The decision to look at the UK was made after a careful examination of existing political crowdfunding projects in Europe. The conclusion of this examination was that there were not enough cross-country level data available in European countries outside the UK to compare them. In view of the large availability of data on the UK, I chose to focus on that country only.

The choice to look at crowdfunding for the general election was easily made, because of the large amount of projects that focused on gathering funds for that specific election. Political crowdfunding does seem to be a useful tool for UK politics, as the countries' first-past-the-post system lends itself very well for candidate centred campaigns. One explanation for this phenomenon is that this political system increases competition between local areas. Furthermore, the UK's campaigning fundraising regulations also encourage candidates to look for funds from the public, as opposed to many other West European countries, e.g. Germany, the Netherlands. I focus on one particular crowdfunding platform as this would make it easier to compare the different cases. Although the data includes only crowdfunding projects from the UK, the aim of this study is to explore the use of crowdfunding by politicians more broadly, to see what types of messages they use to convince people to donate money to their campaign and to see which variables can predict the success of a crowdfunding strategy. The patterns that are uncovered in this study should be observable in other settings where political crowdfunding is used.

Data and sampling

My attempt to identify the candidates who were the most successful in collecting money involves collection of primary data from the crowdfunding platform, Facebook and Twitter accounts and the candidate's campaign website. As the research objective of this study is to discover the relationship between the funded amount and different variables, I deem it important to define success. In this study, a project is deemed to have been successful when the political candidate managed to reach his or her funding target, and beyond.

A relatively large sample is needed to be able to make a fair judgement of the factors that make up for a successful crowdfunding campaign. I used random sampling and sought to ensure fair geographic distribution (i.e. politicians from all parts of the UK) and political coverage (i.e. from most of the parties running in election). The candidates included in the analysis (Appendix 1) belong to the following parties: The Conservatives, Green Party, Labour, the Liberal Democrats, the NHA, Plaid Cymru, Sinn Fein, the SNP, as well as some independent candidates. The dataset includes candidates from England, Scotland, Wales and Northern Ireland and also took into account candidates who compete against each other in the same district. I analyse those crowdfunding projects where money was gathered for one politician, so no projects that sought to fundraise for an entire local party or political party in general. This decision to focus solely on candidates, instead of on parties arose mainly from practical considerations. There were simply not enough parties to look at. In sum, looking at individual candidates was more practical and I could make sure I would have a representative sample. Furthermore, besides practical reasons, there was also another reason why I chose to look at individual candidates only. An important part of the analysis would be the project description on the platform itself. I had the expectation that it would be more interesting to look at projects by individual candidates, instead of parties because I expect

there to be more room for negative or competitive framing as well as personalisation in the individual campaigns.

Variable operationalisation

The dependent variable of this study is the extent to which the candidates collected through crowdfunding their targeted amount. It is measured through an interval-ratio variable that calculates the percentage from the targeted amount according to the following formula:

$$\text{Where } \begin{matrix} Ac = \text{amount collected} \\ At = \text{amount targeted} \end{matrix} \quad DV = \frac{Ac}{At} * 100$$

Table 1 gives an overview of the way in which the targeted amounts were distributed, as well as the extent to which they were fully funded. As can be observed in the third column, there is variation in the extent to which the projects were funded, depending on the targeted amount. One would expect that setting a higher target would lead to a lower success rate, but the table shows that this does not have to be necessarily true.

Table 1: Distribution of the targeted and funded amount

Targeted amount (£)	Distribution	Of which fully funded
500 - 1000	8	100%
1000 – 1500	23	78.8%
1500 - 2000	13	76.9%
2000 - 2500	16	56.3%
2500 - 3000	5	60%
3000 - 3500	17	76.5%
3500 - 4000	1	100%
4000 - 4500	2	50%
4500 – 5000	-	-
>5000	15	13.3%

Crowdfunder offers the possibility to include links to Facebook and Twitter on the project. Links to social media pages (H1) is coded as a no, one link or two links. After conducting the analysis, the choice was made to exclude the data I had gathered from the social media pages from the candidates. The reason not to include the amounts of social media posts

in the analysis was made after practical considerations, resulting from the fact that not all candidates provided links to their pages on Crowdfunder. Therefore, if only those who provided links were incorporated in the analysis, there would have been an inconsistency because there would only have been data available for those candidates.

The second hypothesis, message framing (H2) requires a qualitative content analysis. Project descriptions on the crowdfunding pages were read to identify whether they use competitor or negative message frames. I allowed for the categories to emerge during the coding process. The occurrence of each frame is a dichotomous variable coded 0 if the frame is positive or neutral, and 1 if they can be identified and when the frame is negative. A description was labelled as having a competitor frame when, within the description, a reference is made to another candidate. For example: “Conservative David Nuttall, is an embarrassment to the constituency of Bury North. Our town deserves better, we need an MP who is open and will talk to the people he works for - you!” (Crowdfunder, 2017). A description is said to include a negative message frame, when a negative reference was made to another party, like in this example: “At this election, Labour values are once again at stake – threatened by a Conservative Party intent on driving through a hard Brexit and doubling down on austerity, and a Scottish Nationalist Party that will always place their pursuit of independence above the needs and aspirations of the people of Scotland” (Crowdfunder, 2017). The author makes a reference to two of the largest competing parties - the Scottish National Party and the Conservatives to strengthen their own credibility. Pictures and videos (H3) make the crowdfunding project look more attractive. This variable accounts for the amount of visuals that are used. For each picture or image that is incorporated in the project, the candidate will receive one point (1). The incorporation of a video will be coded two points (2) as there are clues that suggest that videos have a higher ability to persuade (Kickstarter, 2017). The number of updates (H4) on Crowdfunder is a straightforward count that ranges between 0 and 8 (the maximum number of updates performed by a candidate). The

use of personal campaign websites (H5) is a cumulative index that takes values from 0 to 2. As Crowdfunder did not provide links to candidates' websites on the project itself, data was collected from web search engines. The two items in the index are whether the candidate has a personal website and if the candidate promoted the crowdfunding project on their website; each item receives 1 point (1). The incumbency status of the candidate (H6) is a dichotomous variable where 1 stands for incumbent and 0 for challenger. As for the control variables, these were coded as follows. For gender, females received a 1 and males a 2. The constituency size is the number of inhabitants of each constituency. Lastly, the political party was coded from large to small, resulting in nine different categories.

Method

This study on political crowdfunding makes use of a mixed-method approach. A qualitative content analysis was performed on the project descriptions on the crowdfunding projects of each candidate. The concept of qualitative content analysis is still relatively new. It appeared to have been developed by Mayring in 2010 (Drisko, 2015). The difference between basic content analysis and qualitative content analysis is that the former tries to identify frequencies and numbers, whereas the latter seeks to uncover the meaning and context behind the data. Through this type of analysis, I was able to identify the negative and competitor frames. However, this study is for the largest part based on a quantitative approach. For the second part of the analysis, I made use of SPSS software to run a statistical analysis. The empirical analysis, which looks at correlations and regressions, aims to find bivariate relationships between the dependent and independent variables. After that, a regression analysis (OLS) is used to test the findings in the bivariate analysis, and to be able to make some final conclusions about the hypotheses.

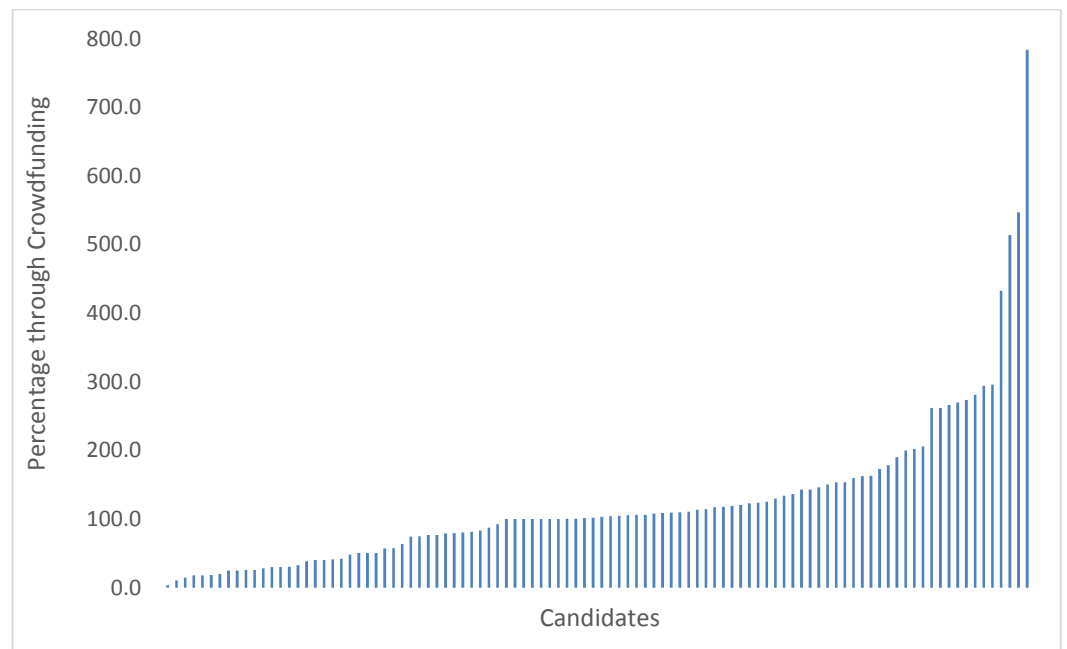
Chapter 3: Findings

This final chapter is divided into two sections. The first section presents the results of a bivariate correlation analysis, demonstrating the empirical relationship between the dependent and independent variables. These results give a first indication of the support for the hypotheses. The second section explains the results of the ordinary least squares regression analysis (OLS) for the percentage of funds collected. By testing the causal relationship between my independent variable (funds collected) and independent variables, OLS tested the strength of the effect the independent variables have on the dependent variable, as well as the extent to which the dependent variable changes when I change the independent variables. In this second phase, I created three different models to see what which effects the independent and control variables would have on the percentage of funds collected.

Figure 2 presents the distribution of revenues, expressed in percentages, for each candidate. The horizontal axis reflects the percentages, while the bars on the horizontal axis stand for candidates. The percentages point out the extent to which candidates managed to collect the targeted amount. As can be seen in Figure 2, some lines are thicker than others. When a line is thicker, this means that that more candidates achieved the same percentage of revenue, relative to the targeted amount. For example, there are six candidates who raised 100% of how much they initially planned to collect and the thicker bar in the figure reflects this overlap. The percentage of funds raised through Crowdfunder ranges from 3.4% in the case of Claire Edwards (Labour), who planned for £20,000 and raised only £685, to 783.9% in the case of Blair McDougall (Labour) who targeted £1,000 and collected £7,839. More than one third of all projects did not manage to get fully funded, more than half of all projects were fully funded and managed to receive a far larger amount of funding. About a fifth of all projects received double the amount of funding they had aimed for. As it seems, setting a realistic target can affect the degree to which the candidates reach it. The targets set by each

candidate varied greatly, from £500 to £20,000, and the correlation coefficient between the target and the percentage collected relative to the target is not very high: -0.23, which is statistically significant at the 0.05 level. This number indicates that those who initially set a low target were more likely to perform better than those who started with a high target. However, because of the small value of the coefficient, it can be said that the targeted amount is not a good indicator of the potential success a political crowdfunding campaign could have. For that explanation, one has to look at the other variables.

Figure 2: The Distribution of Crowdfunding Revenues per Candidate %)



Hypotheses testing

Table 2 (next page) shows the result of the bivariate analysis, where each individual independent variable is tested against the percentage of funds collected. Despite the fact that the results show that a majority of the hypothesized relationships is either not very strong, there is also evidence that some of the variables do matter. The first coefficient of 0.32 for the use of frames (H1) indicates a positive correlation between the use of negative and competitor frames in the project descriptions and the amounts candidates raised. It is statistically significant at the 0.01 level, and therefore it can be said with a large certainty that these results

are credible and most probably generalisable to a broader population. Put differently, these results show that those candidates who used negative and competitor frames in their project descriptions have a significantly larger chance to reach a large sum of money through crowdfunding. The results of this study therefore have a broader implication for theories of the use of negative frames in politics, as they provide evidence for their success. Because of its focus on political fundraising, this study provides some preliminary evidence for the efficacy of negative speech as a method to attract funding, not just voters.

By looking at examples of projects where a high amount of frames was identified, one can find some nuances regarding the added value of negative and competitor frames for political crowdfunding. Those who scored highest on the use of frames did not always manage to reach their target. Labour candidate James Frith, for example, motivates the importance of his election almost solely by referring to his competitor and by summing up the latter's track record: "Rather than host surgeries, helping those in Bury North who need it most during the week, David Nuttall instead is often found in Westminster, speaking verbosely at length, talking down decent policies (usually on social justice) put forward by other elected representatives" (Crowdfunder, 2017). Remarkably, despite the high amount of negative and competitor frames used, Frith only managed to fund his campaign with 50.6%. However, in comparison to the other projects, he did not do badly; the £2528 he raised just below £2781, the amount candidates raised altogether on average. In contrast, Labour candidate Blair McDougall multiplied his initial target of £1000 with 793,9%, which makes his project the most successful of them all. McDougall used a mix of positive and competitive language, such as in this paragraph: "I want to be a campaigning local MP focussed on making our home better rather than on dividing us from our neighbours. I won't go to Westminster to back a hard brexit or to cheerlead for independence" (Crowdfunder, 2017). Another example is Tommy Sheppard, candidate for the SNP. Despite the fact that he used an average amount of negative and competitor frames, he managed to

multiply his initial target by 270%. By looking at other factors, such as the fact that he is an incumbent, a member of one of the larger parties and the fact that he promoted his Crowdfunder extensively on social media, his success could be explained as well. This shows that one cannot rely on just one variable, such as the use of frames, to judge the effectiveness of the campaign.

Table 2: The Correlations with the Percentage of Funds Collected (N=100)

Variables	Correlation coefficient
Use of frames (negative + competitor)	0.32***
Use of visual elements	-0.01
Number of updates	0.10
Incumbency status	0.19*
Use of social media	0.10
Existence of a campaign website	0.14
Political party	-0.20*
Size of constituency	-0.19*
Gender	-0.06

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

The second coefficient of -0.01 refers to the use of visual elements on the project. The coefficient points out that there is a weak relationship between the use of visuals and funds raised. In other words, the use of visuals did not significantly influence the amount of money candidates raised. In order to explain this result, it is important to note that there was generally not much variety in the amount of visuals that were used on the projects. An explanation for this phenomenon could be that, whilst visuals can increase the attractiveness of the project, there are other factors that are more decisive in reaching a target, such as the incumbency status or the size of one's constituency. In a future study, one could analyse the content of the videos that are posted, especially because the crowdfunding platforms themselves all suggest that a 2-minute video is an important element of a crowdfunding project.

The correlation between the number of updates and the funds collected is positive (0.10 and significant), although weak. According to this value,

a higher number of updates has a slight positive effect on the funds raised, although the effect is almost negligible. Therefore, there is no strong evidence to support the hypothesis (H3), which said that the number of updates on a crowdfunding platform matter for crowdfunding success. One way in which this result could be explained is that the candidates in this sample did not make much use of the option to update their projects and therefore, there was little variety in the amount of updates overall. The number of updates varied between 0 and 8, with a majority of candidates not providing any updates whatsoever. Sally Calverley of the Green Party was one of the candidates who scored well on the amount of updates. Despite of this, her project was only funded by 19,8%. Similarly, within the group of candidates who raised most money, out of the top five of most successful projects, only one candidate updated his project once, and the rest zero times. In practice, I found that social media was used to provide updates about the success of the crowdfunding. Many candidates used Facebook and Twitter for a countdown of the project, providing updates on the funded amount. One example is Labour candidate Amjal Masroor. In total, he mentioned Crowdfunder 27 times on his social media pages to keep his supporters updated on its progress. For example, on May 22, he tweeted the following: “Just £285 to will help us reach £3000 towards my electoral campaign. Please donate whatever you can today to help us reach this target. Jzk” (Twitter, 2017).

As can be seen in table 2, incumbency status (H4) correlates positively with the funds raised (0.19). In this study, this means that incumbents managed to raise higher funds than challengers. Although the correlation is not very strong, it does show support for the so-called incumbency advantage, as discussed in the theoretical section of this work. Of all 37 incumbents that were represented in the sample, 78.4% reached their funding target. For all of the 63 challengers, this number was considerably lower; just 50.8%. The coefficient is significant at the 0.01 level, making this finding applicable to similar contexts. The coefficient for the use of social media (H5) refers to whether or not candidates added

links to Facebook and Twitter on the crowdfunding platform, so not how or how much they used it. The coefficient of 0.10 shows that there is a positive, yet weak correlation between the incorporation of links to social media platforms and the funds raised. Put differently, those candidates who did include links to their personal pages raised slightly more funds on average. Similarly, the value of 0.14 for campaign website (H6) shows that those who have a campaign website had a slight advantage in collecting funds. Therefore, H6 is supported, although the proof is not terribly strong, and would still require some testing. It is interesting to see that having a campaign website had a slightly higher effect than adding links to social media pages on the project. The scope of this research does not allow us to dive deeper into this explanation, although one reason could be the fact that voters are more likely to look for information on the candidate's campaign website, than on his or her social media pages.

Control variables

The coefficient of -0.20 for political party has a level of significance of $p < 0.1$, which indicates that those candidates belonging to the larger parties significantly collected more money. This result is most probably driven by high amount of candidates from the Scottish National Party (SNP) and Labour. Altogether, the SNP and Labour make up for 58% of all candidates in the sample. Nevertheless, another explanation could be the use of frames by the candidates from these parties. As it seems, the SNP members made much more use of competitor and negative frames than the second largest group who used crowdfunding in this sample, the Greens. Another reason could also be the way in which the project was promoted through social media, especially because the SNP are known for their sophisticated social media strategies. A future study could investigate these propositions further. This study has also shown that there is a small but significant relationship between constituency size and success in political fundraising. The correlation coefficient of 0.19 indicates that, on average, candidates in smaller constituencies collected more money in comparison to candidates in larger constituencies. Lastly,

I tested if there were considerable differences in success of political crowdfunding between men and women. The correlation between gender and funds raised is negative (0.06, not statistically significant). The coefficient indicates that men were slightly more successful in funding their project, although the difference is almost non-existent. To conclude, the bivariate statistical analyses shows strong empirical evidence for hypotheses 1 (use of frames) and 3 (incumbency status).

Regression analysis

Underneath in Table 3 the results can be found from the multivariate regression analysis. Here, all variables are put into one common model. The analysis measures cause-effect and the coefficients in this table tell us how much the dependent variable (funds raised) is expected to increase or decrease when the independent variable increases by one unit. The first model in the table includes the hypothesized effects (H1-H6), the second model adds the controls, while the third model includes only those variables (two from the hypotheses and one from the controls) that had the highest effect in the previous two models.

Table 3: The Regression Analysis (OLS) for the Percentage of Funds Collected (N=100)

Variables	Model 1	Model 2	Model 3
Use of frames (negative + competitor)	0.31*** (3.17)	0.28*** (3.42)	0.31*** (3.02)
Use of visual elements	0.01 (9.70)	0.01 (9.94)	
Number of updates	0.04 (11.13)	0.04 (11.82)	
Incumbency status	0.17 (26.44)	0.13 (30.96)	0.16 (23.90)
Use of social media	0.02 (13.61)	0.02 (13.80)	
Existence of a campaign website	0.05 (26.43)	0.06 (26.91)	
Political party		-0.03 (6.28)	
Size of constituency		-0.08 (0.01)	-0.09 (23.90)
Gender		-0.04 (23.83)	
R ²	0.14	0.15	0.15

Note: Presented coefficients are standardized (beta). Standard errors in parentheses.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

The explained variance of the first model is 14%. When the effect of every separate variable is compared to one another, the variables with the highest coefficients increase in relevance, whereas those variables with a lower coefficient become less relevant. The coefficient of 0.31 (significance level of 0.01) for the use of frames stands out as the strongest predictor of funds raised. This finding indicates that, the more frames one uses, the higher the amount of money there is to be collected. Another strong positive effect was found by the status of the incumbent. As an incumbent, one has a significantly larger chance of raising sufficient funds. The other independent variables seem to become less relevant after running the regression analysis. A probable explanation for this effect is that, in comparison to the stronger variables, the effects of the other variables are not as strong. For example, the effect of being incumbent overrules the effect of having a campaign website or frequent updates.

The second model shows the effects on the dependent variable when the control variables are added. As can be observed in the table, not much changes. The second model rather confirms the findings from model 1, where the use of frames and the incumbency status variables correlated highly. From the control variables, the size of constituency stands out as, although with a coefficient of -0.08, the effect is not very high. The explained variance of this model, in which the three controls are added, is 15%. Model 3 is what you get when the strongest predictors of model 2 are put together in a new model. As a matter of fact, when removing the six weaker variables, the variance of 0.15 remains the same. The variance tells us that the hundred cases vary greatly among each other.

Out of all projects, 15 of them can be explained very well with my model. Despite the fact that the variance is not very high, it can be said with confidence that the use of frames, incumbency status and size of constituency are important predictors of the success of a political crowdfunding campaign. Put differently, from these results, it can be concluded that the profile of the candidate that has the largest chance of raising much money, is an incumbent from a small constituency who uses a lot of negative and competitor frames. Especially the finding that negative and competitor frames are effective is valuable, as the coefficient indicates it is generalisable to a larger population. Whether this would also be the case in another cultural context, could be tested by a future study.

By looking at Figure 3 on the next page, the positive effect of the incorporation of frames can be quickly observed. The amount of funds goes up when the use of frames increases. The opposite is true for constituency size (figure 4); the larger the size of the constituency, the lower the number of funds raised.

Figure 3: The Effect of Frames on Percentage of the Percentage of Funds Collected

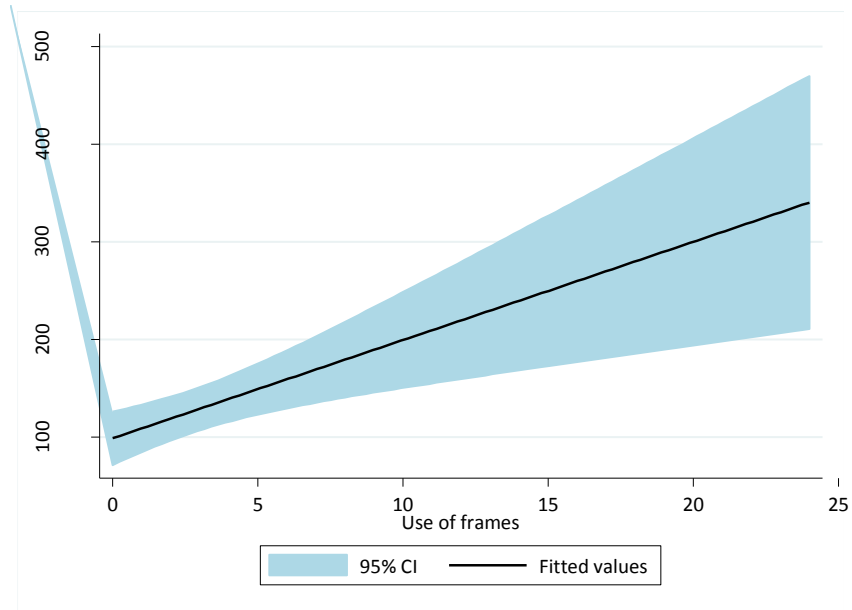
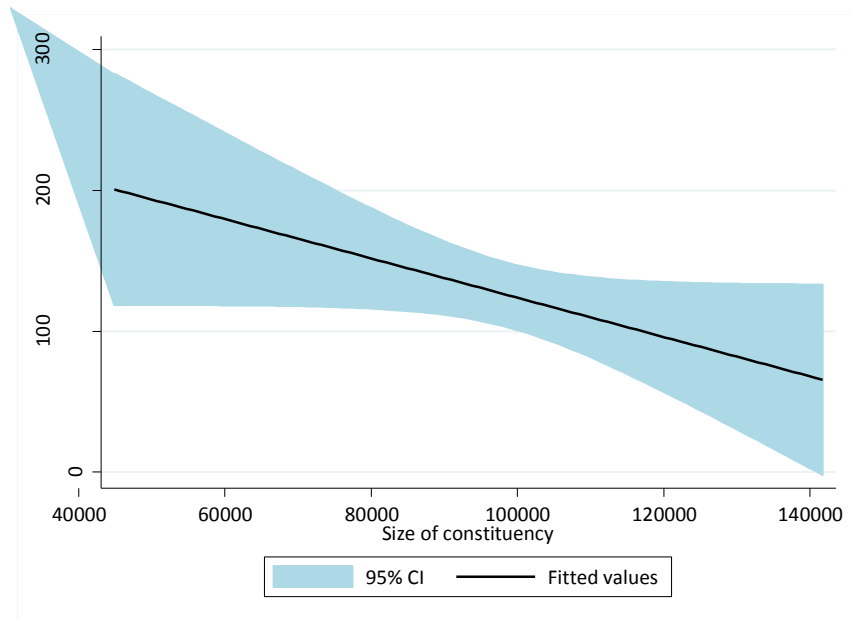


Figure 4: The Effect of Constituency Size on the Percentage of Funds Collected



Conclusion

This dissertation analysed 100 political crowdfunding projects during the 2017 UK general election campaign to test the variation between the projects. Although those candidates who set higher targets were slightly more successful, the difference is not very large. Furthermore, similar to previous studies, this one found that incumbency status can be a good indicator of success. Generally, incumbents were able to raise higher amount of money than challengers. This finding coincides with what in academia is known as the ‘incumbency advantage’. Because of, amongst others, familiarity with the press and their constituents, access to office perquisites and their past victories, incumbents have a small advantage over challengers when it comes to campaigning. This study has found that the incumbency advantage is also applicable to political crowdfunding. Within academia, there does not yet seem to be an agreement on whether or not “going negative” has a positive effect on the campaign.

The most important finding of this study is that negative and competitive message frames can have a positive effect on the funds political candidates raise. Through a qualitative content analysis, I was able to identify differences in the language that was used on the project descriptions on Crowdfunder. The analysis revealed that whereas some candidates had decided to keep the information neutral and practical, others made much more emotional appeals. Some of the candidates referred directly to their opponent in the constituency, whereas others referred to one of the most serious competing parties, or both. Where negative references were made to the parties, the Tories were often linked to austerity measures and Brexit and the SNP to fighting independence. I found that the emotional appeal must have resonated much more with potential donors, as those politicians who went for the emotional approach were significantly more successful fundraisers. The implications of this finding are that negative campaigning has a larger impact than positive campaigning and furthermore, it shows

support for theories advocating the use of negative campaigning. It also demonstrates that negative campaigning can be used successfully in political fundraising.

This study has also found that there were differences in fundraising success between the different parties. Of the two largest parties in the sample, the SNP and the Greens, the SNP was a considerably more successful fundraiser. Due to the scope of this research, it has not been possible to look more into reasons why this is the case. However, I do expect that the SNP overall led a more successful campaign. Possibly, looking at the party's online presence would give more clarity, although the political situation during this general election should also not be overlooked. In many constituencies in Scotland, the parties that had the largest chance of winning were the Conservatives, Labour or the SNP. Hence, a win for the SNP would mean a loss for the Conservatives. Therefore, voters possibly placed their bets on SNP candidates, instead of Green candidates.

Furthermore, this study showed that candidates running in smaller constituency managed to raise significantly more money. Although I have not encountered prior studies that explain this phenomenon, theories on geographical proximity could possibly explain why this was the case. These theories have shown that, despite the fact that crowdfunding breaks with traditional gatekeepers and other constraints, pre-existent online and offline social networks are important determinants for crowdfunding success. This line of reasoning would assume that voters in smaller constituencies are more familiar with their representatives than those who live in larger ones. This study also sought to explore if updates and the incorporation of links to Facebook and Twitter can be directly related to higher funds raised. Although there is a slight positive relationship between the two, the results showed that it does not make much of a difference for funding a project. However, the use of social media by political crowdfunders could be researched more thoroughly. One of the other conclusions that derived from this research

is the importance of having a campaign website. This result is consistent with conclusions on political candidate's online presence and it proves that online campaigning matters. Lastly, this study has not been able to prove that gender matters for political crowdfunding. The fact that males were slightly more successful in reaching their targets could as well be explained by the fact that the sample included more males than females (62% against 38%).

The fact that this study focused only on the UK and took a sample of 100 candidates could be considered a limitation. As electoral circumstances differ everywhere, the results may as well vary slightly between different cultural contexts. However, as most of the results in this study do seem to confirm earlier findings by previous empirical research, this possibility seems small. Nevertheless, I do not expect to find large differences between crowdfunding websites, as they all tend to have the same format. Besides, unless crowdfunding become more widely used in other countries, it might also prove to be challenging to do a cross-country analysis. From my observation, the widespread adoption of crowdfunding in Europe in electoral contexts seems unlikely for now, as most of the countries have financial systems in place that do not encourage it. We could see an increase in crowdfunding for political causes though, as the use of crowdfunding is still growing. Concerning my methodological approach, this research has made use of both quantitative and qualitative methods. A future qualitative study could investigate more in-depth how and why political candidates make use of crowdfunding and, more broadly, how this fits into certain political fundraising systems. This could also potentially inspire political movements outside the Western context to try crowdfunding.

Regarding future research, other studies could expand upon some of the findings in this study. As this is one of the first studies to show that negative framing can have a positive effect on political fundraising, it would be worth further elaborating on this finding. Because of the fact that the scope of this research did not allow it, I have not been able to

look more into the use of social media by political crowdfunders. Nonetheless, as past research has continuously highlighted the importance of social media in crowdfunding, I do believe this aspect of political crowdfunding deserves more attention. Furthermore, as mentioned earlier, future studies on political crowdfunding could make use of a larger sample and look at different electoral contexts. More broadly, it would be interesting to validate what the exact role of crowdfunding in politics is nowadays, especially outside the North-American context.

This study has two major theoretical and empirical implications. First of all, it has built upon existing knowledge of the use of crowdfunding to test which variables influence the outcome of a crowdfunding campaign. This has taught us that both online and offline social networks matter and that the project description is an important element of a project. Secondly, it taught us about the way in which politicians communicate their wishes and try to win over their constituents. In fact, politicians use the same methods of persuasion online as offline. Above all else, this study underlines that, regardless of innovative campaigning methods and strategies that aim to mobilise their followers, voters' political behaviour does not change and political strategists should take this into account.

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Appendix I

Candidate	Party	Funding target (£)	Amount funded (£)
Ahmed-Sheikh, Tasmina	SNP	1000	2961
Antoniazzi, Tonia	Labour	3000	2630
Bardell, Hannah	SNP	5000	1915
Belfitt, Nick	LibDem	1800	1863
Bennett, Natalie	Greens	10000	6362
Black, Mhairi	SNP	3000	7980
Blackford, Ian	SNP	3000	4395
Blackman, Kirsty	SNP	2000	2505
Boswell, Philip	SNP	3000	1450
Brett, Miriam	SNP	3000	5355
Brock, Deidre	SNP	3000	4610
Brown, Alan	SNP	2000	2008
Calverley, Sally	Greens	8000	1580
Cameron, Lisa	SNP	2000	841
Chapman, Douglas	SNP	1000	1363
Cherry, Joana	SNP	1500	8208
Chilvers, Jonathan	Greens	1500	1589
Choudhury, Foysol	Labour	5000	1260
Chowns, Ellie	Greens	500	1310
Clark, April	Greens	750	885
Coevorden van, Adam	Greens	1000	415
Cooper, Andrew	Greens	2000	600
Cowan, Ronnie	SNP	2000	2000
Davidson, Dehenna	Conservatives	5000	520
De Whalley, Michael	Greens	1000	1096
Dixon, Andy	Indep	2500	750
Dodd, Philip	Greens	500	555
Donaldson, Stuart	SNP	2000	4045
Eadie, Jim	SNP	1500	1845
Easton, Fay	Indep	1500	1500
Edwards, Claire	Labour	20,000	685
Essex, Jonathan	Greens	1400	430
Field, Eleanor	Greens	3000	3050
Fletcher, Ben	Greens	1000	2060
Francis, Jarelle	Greens	2000	660
Frith, James	Labour	5000	2528
Gethins, Stephen	SNP	3000	3620
Gibson, Patricia	SNP	2500	1265
Gill, Preet	Labour	5000	2530
Giugliano, Toni	SNP	1500	3930

Grady, Patrick	SNP	3000	3188
Griffiths, Nicole	Greens	1000	835
Harper, Carrie	Plaid Cymru	500	500
Harvie, Patrick	Greens	4000	7604
Hasnain, Gulnar	Greens	1000	1300
Hendry, Drew	SNP	3000	3140
Hill, Alasdair	LibDem	1000	575
Hilland, Andrew	Labour	3000	4029
Irvine, Louise	NHA	12,000	35,295
Johannessen, Kizzi	Greens	500	815
Katz, Mike	Labour	3000	2390
Keeble, Sally	Labour	1000	1190
Kerevan, George	SNP	1500	1620
Kerr, Calum	SNP	3000	4520
Knight, Ricky	Greens	1000	1060
Lasko, Claire	Greens	1000	770
Lawson, Doug	Greens	500	715
Leicester, Philip	Greens	2000	520
Linden, David	SNP	2000	2090
Loryman, Ben	Greens	1500	425
Lury, Rebecca	Labour	2000	520
Marshall, Peter	Indep	8000	1440
Masroor, Amjal	Indep	16,000	2955
McAllan, Mairi	SNP	2500	6845
McCaig, Callum	SNP	3000	5180
McCluskey, Martin	Labour	2000	3250
McDonald, Stewart	SNP	2000	2291
McDougall, Blair	Labour	1000	7839
Monaghan, Carol	SNP	1500	1762
Murray, Ian	Labour	2000	8655
Newlands, Gavin	SNP	3500	3570
Nicolson, John	SNP	10,000	7905
Nix, Rashid	Greens	1000	1000
O'Dowd, John	Sinn Féin	1000	405
O'Hara, Brendan	SNP	4000	3079
Oswald, Kirsten	SNP	2500	3990
Paterson, Steven	SNP	2100	3000
Rennie, Morvern	Greens	1200	965
Robertson, Angus	SNP	1500	7710
Rowley, Danielle	Labour	500	550
Russell, Caroline	Greens	1000	1002
Saggers, Simon	Greens	500	620
Salmond, Alex	SNP	5000	5445
Sanderson, Paul	Indep	14,000	2080
Shanks, Michael	Labour	1000	1000

Sheppard, Tommy	SNP	1500	4050
Slater, Lorna	Greens	1000	2000
Snedker, Matthew	Greens	2000	805
Stephens, Chris	SNP	1500	1120
Sweeney, Paul	Labour	3000	750
Taylor, Alison	Labour	1000	750
Thewliss, Alison	SNP	2500	2840
Thompson, Owen	SNP	1000	1000
Tuckwood, Stuart	Greens	3000	2441
Walker, Carl	NHA	1000	925
Warman, Matt	Conservatives	5000	910
Watson, Kate	Labour	1000	2810
Whitfield, Martin	Labour	2000	3071
Whitford, Philippa	SNP	3000	3020
Wolfson, Rhea	Labour	1500	860