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Expanding financial communication: Investor relations, crowdfunding, and democracy in the time of fintech

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ABSTRACT

This thesis studied financial communication in the context of a globalised, technologized, and financialised world. It arose from two seemingly opposite trends in practice and in academia. In practice, not only are technology and finance becoming more pervasive on their own, they are also merging as fintech, which is further disrupting financial and social practices. In academia, financial communication, more commonly, if incorrectly, known as investor relations, does not connect with these realities. While the trends in practice hold the promise of making profound impacts in democratising finance and promoting egalitarianism, their neglect in academia not only does a disservice to the practice but also threatens to further segregate and lower the poor reputation of public relations, which is the umbrella discipline that contains financial communication.

Accordingly, the thesis attempted to bring financial communication closer to practice and to make an original contribution to knowledge by examining financial communication in the context of fintech. Specifically, it sought answers to the following two research questions: (1) What is the current state of academic research on investor relations and financial communication? and (2) In what ways could investor relations and financial communication integrate crowdfunding to their practice and research to further democratise finance and contribute to a fully functioning society?

The thesis with publication includes four publications – three published journal articles and one book chapter (in press) – and each arose from a research project relevant to the overall theme. These projects identified how financial communication continues to be academically insular and disconnected from technology. Their findings also suggested how individually and in concert, by incorporating fintech and crowdfunding, financial communication can open up ways that benefit both practice and research.

The thesis also found evidence that crowdfunding has the potential to improve financial democracy across the globe. For it to harness that potential, however, the thesis proposes that financial communicators become advocates for increasing financial literacy and inclusiveness for individuals and for the greater good of the society. The function should not only provide tangible results for businesses but also expand and re-focus on building communities and on re-balancing power. The thesis argues that the online environment of crowdfunding and fintech with new players and rules needs researchers to change.

The change means researchers need to re-examine the nature, characteristics, scope and impact of communication, to look outside of their own discipline to add resources, to diversify their approaches, and to go beyond the traditional organisation-centric orientation of investor relations and public relations. In so doing so, financial communication will also be advancing the movement for improving the academic and social reputation of public relations. The thesis concludes that what financial communication has not been able to accomplish today can also serve as a fertile ground for future research directions.

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CHAPTER ONE

INTRODUCTION AND OVERVIEW

“Why can’t I tell my Mom that I’m in public relations?” was the original title for the very first journal article my former colleague and I wrote before embarking on this PhD journey. While the title was changed to better represent the content of the article, my underlying concern that I still have, and it is one that is shared by many scholars and practitioners in the field, is the low status of public relations as an academic discipline. I shared the vision of my chief supervisor for a public relations in 2030, that relations would have followed the example of economics and transformed its poor reputation to achieve more positive public and academic recognition (McKie, 2010). While he was drawing from chaos theory and future studies, I could not figure out where exactly I could help public relations to make that transformation. However, this concern served as one of two pillars that shaped the direction of the thesis.

The second pillar emerged through the ubiquitous financialisation of ordinary life (i.e. the penetration of finance into almost every aspect of our everyday daily life). As pointed out by Economics Nobel Laureate Robert Shiller (2012), we are living in a world that is being increasingly financialised and technologised. In combination, as financial technology (commonly abbreviated to fintech), these two forces have powered innovations that hold promises for increasing democracy and quality in societies across the globe (Menat, 2016; World Bank, 2013). This thesis set out, somewhat naively in retrospect, to look at investor relations in this changing world. Its original title was in “the era of social networking,” to look at “communicating across cultural, financial, spatial and technological domains.” So how did that turn into this thesis?

For a start, investor relations, as it is currently practiced and studied, just lacked enough semantic capacity to engage the new realities so I broadened it to financial communication (see definitions below). Another

reason grew out of crowdfunding, which was one of the transformative innovations that I studied for the thesis. Crowdfunding is the online fundraising method designed to use the Internet to collect small amounts of money from people all over world to provide aggregated capital for businesses and community groups. The online setting and characteristics of crowdfunding make key differences in that they change the types of publics involved, the communication strategies, the virtual connections, and they have significant impacts on individuals, organisations and societies. Crowdfunding also took the thesis in unexpected directions.

It is in this context of crowdfunding that the thesis examines the widening role of investor relations into what might be more properly termed, financial communication. The thesis argues that crowdfunding offers an ideal space for financial communication to perform a role as an advocate for financial democracy and inclusiveness as part of aggregating capital. It further contends that, in doing so, financial communication could be the pioneering specialisation within public relations to champion the building of a fully functioning society and to increase the reputational capital of the field. In the literature review, I found that previous studies in financial communication had often been narrowly focused on corporate setting, as well as being insular and slow in catching up with technological advances. Therefore, in this thesis, I set out to demonstrate how financial communication could not only advance the field of public relations and business, but society in general. I suggested how financial communication could do this through communicating with wider publics and educating them about financial technology applications, crowdfunding, and crowdfunding's potential for promoting financial equality. Yet, I jump too far and too fast, as this is closer to the end of the thesis and quite a distance from my starting points.

Redefining investor relations and financial communication in the age of technology

In the literature, investor relations is often placed within the realm of public relations (Laskin, 2008) and considered a function that communicates primarily with the financial community. The most frequently quoted definition of investor relations is probably one by the American National Investor Relations Institute (NIRI) (see, for example, Becker, Einwiller, and Medjedovic (2014); Hong and Eyun-Jung (2007); Hutchins (2008); Laskin (2011)). NIRI (2003) defines investor relations as “a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation”.

Communication scholars welcome how this definition places communication in the centre of the process of coordinating and collaborating with other departmental functions and external publics. However, this definition is problematic for scholarly research in two aspects. First, according to the definition, investor relations is a function in a company whose shares are being traded on the stock market. This leaves out companies that have issued shares but not publicly traded, companies that are about to go public, and privately invested companies although they also need to communicate with relevant financial publics. It also excludes not-for-profit organisations whose operation often depends on financial sponsors. As a result, in theory, the definition significantly narrows the scope of research. In practice, as my literature review later shows, most communication research about investor relations focused on public companies.

Secondly, the goal of creating fair valuation of company securities does not align with the generally accepted purpose of public relations as a

relationship building function (Ledingham, 2003; Ledingham & Bruning, 2000). A study by Ragas, Laskin, and Bruschi (2014) found that investor relations officers did not think that share price reflected the value of their work and preferred using more qualitative measures such as senior management evaluation or relationship assessment. Using this definition, therefore, helps highlight the financial rather than communicative aspect of investor relations.

Other definitions might better reflect the nature of work of investor relations. Laskin (2017a), for example, attempted to better align investor relations with public relations by using Cutlip, Centre and Broom's (2000) definition of public relations but replacing their "general public" with investors. Investor relations, accordingly becomes, "a management function that establishes and maintains mutually beneficial relationships between an organization and the *investors* on whom its success or failure depends" [italics added to highlight the change of target public diverging from the Cutlip, Centre and Broom (2000) definition]. However, as the thesis will go on to illustrate, the term investor relations itself does not accurately and comprehensively reflect the scope of the function of communicating with internal and external financial publics, let alone some of the innovations in fintech. A better nomenclature, in terms of including key areas, and allowing the capacity to cover innovations in the future, is financial communication. Unfortunately, in practice the term is often used interchangeably with investor relations and acts more like a synonym than an enlargement. Indeed, different chapter authors in Laskin's (2017c) recently edited *Handbook of Investor Relations and Financial Communication*, use both terms, but no one provides a unifying definition of "financial communication" able to distinguish it from the term "investor relations".

In a more promisingly inclusive entry in the *International Encyclopedia of Communication*, Hutchins (2008) describes financial communication as a collection of "all of the strategies, tactics, and tools used to share financial data and recommendations with investors and other interested parties". His

definition, however, narrows the sector in a different way by focusing only on financial data at a time when even leading accounting theorists (Lev & Gu, 2016) acknowledge that non-financial data is becoming increasingly important for investor decisions and see it as what their subtitle calls “*The Path Forward for Investors and Managers*” (cover).

To date, Schoonraad, Grobler, and Gouws’ (2005) definition of financial communication as: “The establishment and maintenance of mutually beneficial relationships between an organisation and its relevant stakeholders, by exchanging information that is needed to facilitate optimal decisions regarding the allocation of scarce resources (financial and non-financial)” (p. 274) is an improvement. While less futureproof for fintech innovations, it still encompasses most of the term’s useful features. Their definition does enough as a placeholder for now, especially when finance is undergoing a technological revolution. Nevertheless, this thesis will use the term “financial communication” to better reflect the expanding scope of the practice and to help engage with contemporary conditions by expanding the research direction of the field beyond what investor relations traditionally covers. Financial communication encompasses a wider scope of work that goes beyond the traditional organisational boundary of investor relations to include broader target audiences. At the same time, financial communication also aligns better with the discipline’s expanding strategic communication approach (Hallahan, Holtzhausen, van Ruler, Verčič, & Sriramesh, 2007).

Surveying the terrain: Investor relations, public relations, and financial communication

Only dating back to 1994, when the first article on this topic, *Annual Reports: Earning Surprising Respect from Institutional Investors*, appeared in *Public Relations Review*, contemporary investor relations is a relatively young scholarly sector with few publications. Because of this relatively small body of work, the thesis was able to review the body of work in journal articles in

the field. Chapter Two will provide details of this review, however, two issues that shaped the direction of this thesis will be discussed in detail here.

First, many critics (e.g., Edwards (2012); Ihlen and Verhoeven (2012); McKie (2010)) have criticised public relations academic insularity but insularity in investor relations is even more evident. In a field where intersection is inherent, investor relations has not done a good job of integrating enough relevant knowledge, theory, and research methods, even from such closely related areas as finance, economics, management, and accounting. Communication scholars studying investor relations seem preoccupied with the need to justify its values to organisations and to examine the nitty gritty applications of investor relations tactics and strategy. This is visible in how their research tends to employ mainstream theories of public relations and traditional qualitative research methods to an area that was born in the interweaving of finance and communication. As a result, investor relations sits apart from the adjacent fields when two-way interchanges would benefit both sides. Moreover, investor relations still continues to suffer reputational damage from its proximity to the poor image of public relations and even some working the field call it “the dark side” (cited by Burt (2012, p. vii)).

The second outstanding issue is the lack of attention to the including considerations of technology in investor relations. In relation to public relations, McKie (2010) pointed out that the technological issues raised by public relations scholars in general were “distinctly contemporary rather than futuristic” (p. 88). I would argue that the problem is even more serious in investor relations. So far, research on technology and investor relations has been criticised for focusing mainly on analyses of websites as the key communication channel (Doan & McKie, 2017). It is also of concern that, despite its ubiquity, technology is not indexed at all in the first ever *Handbook of Financial Communication and Investor Relations* (Laskin, 2017c). In his latest publication about investor relations and new media, Laskin (2017b), one of the most prominent and well-published investor

relations scholars, briefly described the use of social media networks by some companies' investor relations function and brought up the application of the eXtensive Business Reporting Language (XBRL) in disclosure and interpreting business results. He does not address how this impacts, or might impact on, the purpose of investor relations in building relationship and engaging with stakeholders. Moreover, his chapter approached investor relations from within the usual organisational boundaries and shows no awareness of the growing critical public relations movement (L'Etang, McKie, Snow, & Xifra, 2017) nor of Heath's (2006) influential call for public relations to contribute to a fully functioning society, "to make society more fully functional" (p. 94) as the ultimate goal of the discipline. Overall, the investor relations field seems to overlook the rapid emergence and expansion of fintech and the prosocial moves in public relations.

The next section reviews the development of fintech and one specific fintech innovation – crowdfunding – and discusses its impact on the society.

Embracing fintech, crowdfunding and financial democracy

An overview of fintech

As is common with other areas formed around disruptive technology, approaches to, and definitions of, fintech vary. *The Economist* simply refers to fintech as internet-based banking and investment ("Chinese banks are not far removed", 2017), and Menat (2016) claims it changes the way we "pay, send money, borrow, lend, and invest" (p. 10). Williams (2016), on the other hand, calls fintech an "economic industry" that covers such diverse sectors as crowdfunding, peer-to-peer lending, algorithmic asset management, thematic investing, online payment, data collection, credit scoring, education lending, digital currency, exchanges, working capital management, cyber security, and even quantum computing. Williams (2016) also identifies the shared purpose of companies operating in these sectors as to "build and implement technology which is used to make financial markets and systems more efficient". What is not in dispute is

fintech's impressive and rapid financial growth. The total value of global fintech has grown, in just five years, from U\$1.8 billion in 2010 to U\$22.3 billion in 2015 (Accenture, 2016). Just one year on, the consultancy PwC (2017) estimated that this number had increased to U\$40 billion.

The impact of fintech goes beyond the impressive growth. Menat (2016) succinctly summarised one aspect in the four words: "power to the people". She argued that by increasing transparency, reducing the power of intermediaries, and opening up investment opportunities, fintech empowers individuals to be in charge with their own finance. In addition, people all over the world can support each other through crowdfunding and peer-to-peer lending, as Kiva, Kickstarter, Indiegogo and other platforms have illustrated. Chishti and Barberis (2016) collected a series of responses in *The Fintech Book* and dedicated a complete section to discussing the social impact of fintech on emerging markets and democracies. This sentiment is, to an extent, reflected in publications by international business/financial organisations such as the International Monetary Fund's discussion notes (He et al., 2017), The World Economic Forum's Beyond fintech report (2017) or the World Bank (2013) research.

To make this research manageable, I could not cover the wide range of sectors and services within fintech. Instead, I chose to focus crowdfunding as one of the most important and impactful innovations. Crowdfunding was also excellent for this research because it involves individual and institutional investment in a particular project and so requires communication of financial and non-financial information between project owners, investors, and potential investors. In addition, it is also bringing about significant changes.

Types of, and participants in, crowdfunding and equity crowdfunding

Prior to fintech, crowdfunding, as a form of fundraising, dated back to the 19th century and was well-known through the famous case of people in New York raising US\$102,000 to complete the pedestal of the Statue of Liberty

in 1884 (Freedman & Nutting, 2015). Contemporary crowdfunding, which takes place over the Internet, emerged about a decade ago. As it also brings about significant changes, this recent form is the main concern of the thesis.

Ahlers, Cumming, Günther, and Schweizer (2015) usefully describe contemporary crowdfunding as “an increasingly widespread form of fundraising, typically via the Internet, whereby groups of people pool money, usually (very) small individual contributions, to support a particular goal” (p. 955). The advance of technology has made calls for funding more widely available to anyone with an Internet connection. As such, it has been growing exponentially in many parts of the world. From just under U\$1 billion in 2009, crowdfunding has skyrocketed to U\$35 billion in 2015 (Fleming & Sorenson, 2016). The World Bank (2013) estimated that by 2025, crowdfunding amounts in developing countries alone will reach U\$93 billion. As of 2015, North America was the forerunner in terms of crowdfunding volume (\$9.46 billion), but Asia enjoyed the highest growth rate (320%) (Massolution, 2015).

Although this is important, crowdfunding is not just a matter of sheer volume and requires some finer distinctions. Belleflamme, Omrani, and Peitz (2015) categorised crowdfunding into four main types: donation, reward, equity and lending. Donation- and reward-based crowdfunding do not give out financial benefits to investors. In the case of donation crowdfunding, the reward could be altruistic. For reward-based crowdfunding, companies could offer investors such personal benefits as early product prototypes or company merchandise. For equity and lending crowdfunding, the reward is financial. In equity crowdfunding, investors get shares in the company they have funded while peer-to-peer lenders receive regular interest payments as returns on their loan. It is, however, increasingly difficult to definitively categorise crowdfunding as campaigns have become more hybrid (Belleflamme et al., 2015). According to statistics from Massolution (2015), lending was the leader of all types of crowdfunding, followed by equity-based crowdfunding. While this thesis includes a case study of civic

crowdfunding, which is a type of donation-based crowdfunding, its main focus will be on equity crowdfunding because it most resembles the investor relations process of communicating with investors at publicly traded companies.

Crowdfunding also involves different groups of participants, and three key players participate in the crowdfunding process (Macht & Weatherston, 2015). The first of these players are the funders. They are usually individuals who contribute, depending on the type of crowdfunding project, for diverse reasons. For example, contributors of donation-based crowdfunding can be seen as philanthropists who do not expect any monetary returns at all, but, perhaps, seek recognition and acknowledgement (Belleflamme et al., 2015). Meanwhile, equity crowdfunders, on the other hand, are interested in receiving financial rewards, and might have limited investment knowledge and experience (Baeck, Collins, & Zhang, 2014).

The second of these players are the fundraisers. Fundraisers can be individuals, or businesses, or organisations, who run a project or campaign to raise money for a purpose of their choice. Just like funders with diverse motivations, fundraisers also vary in their motives. Zhang, Baeck, Ziegler, Bone, and Garvey (2016) note that fundraisers in equity crowdfunding are usually start-up entrepreneurs and early stage companies seeking capital to finance business growth. Fundraisers on reward-based crowdfunding platform might want to launch a campaign to test market demand.

The third set of players, who lie in between these two groups, and who serve as intermediaries, are crowdfunding platforms. The platforms' primary function is to make money by promoting a project to the crowd in order to bring money from the crowd to the project owner. Tomczak and Brem (2013) summarised the funding and pay-out models for various types of crowdfunding platforms. Regardless of what model a platform follows, collectively they are becoming increasingly influential, and visibly influential,

under the name platform businesses (Choudary, 2015; Parker, Van Alstyne, & Choudary, 2016), or platform capitalism (Langley & Leyshon, 2016; Lobo, 2014; Srnicek, 2016). However, crowdfunding platforms often escape scholarly attention. In business studies, a literature review by McKenny, Allison, Ketchen, Short, and Ireland (2017) showed that entrepreneurship, management science, finance, innovation, and marketing scholars tend to examine this area from a macro and functional aspect. They focus, for example, on success factors of crowdfunding campaigns (Lukkarinen, Teich, Wallenius, & Wallenius, 2016), or investor behaviours (Agrawal, Catalini, & Goldfarb, 2016; Chen, Huang, & Liu, 2016; Mohammadi & Shafi, 2017). In communication, studies of crowdfunding platforms are rare but there is an emerging literature on critical studies of platforms, mostly social media platforms, with the works of Valentini (2015) and Van Dijck (2013).

Can equity crowdfunding bring about financial democracy?

Equity crowdfunding, the focus of this thesis, deals with “the offering and sale of equity-based private securities to all investors..., and an investor who purchases equity shares becomes a part owner in the company” (Freedman & Nutting, 2015, p. xxv). As such, equity crowdfunding falls within the authority of financial and securities regulators. Compared to other types of crowdfunding, equity crowdfunding is more tightly regulated as it involves risks for all participants (Hu, 2015), but it also holds great power. This section discusses the potential financial and social impacts of equity crowdfunding.

The first and most discussed benefit of equity crowdfunding is its capability to democratise finance. Equity crowdfunding opens up access to finance for both investors and entrepreneurs (Assenova et al., 2016). For entrepreneurs, equity crowdfunding presents the opportunity to raise capital at lower costs because it has wider global reach, provides easier access, can better match people of the same interests, and provides more information that could increase investor willingness to pay (Agrawal,

Catalini, & Goldfarb, 2013). The sometimes lucrative fruits of investing in successful start-ups is now less restricted or in the view of Best, Neiss, and Jones (2012): “Capital is no longer for the chosen few” (p. 18) but can be spread to developing and emerging economies and potential entrepreneurs with less resources. In addition, more types of business, especially socially conscious ones, are also more likely to be funded because of their social value and, sometimes, their community connection.

For investors, equity crowdfunding brings about investment opportunities previously unavailable to a large population. This could then open access to big, even revolutionary, ideas that could lead to something like the next Facebook or Apple (Freedman & Nutting, 2015) or at least an Airbnb or Uber, which investors like and therefore are more likely to fund. According to Best et al. (2012), equity crowdfunding diversifies the investor base geographically and socially by allowing people with little saving to participate. From a finance perspective, Ordanini, Miceli, Pizzetti, and Parasuraman (2011) argued that by bringing these two sides together, equity crowdfunding helps disintermediate the venture capital market and so makes the funding process more efficient.

Secondly, to an extent, this disintermediation affects the operation of such traditional financial intermediaries as banks and insurance companies, and is, therefore, gradually changing the financial landscape (Mead, 2016). Many emerging start-up financial service companies provide cheaper, faster, more innovative products and services than more cumbersome traditional banks (Terry, Schwartz, & Sun, 2015; Williams, 2016). Not only are businesses involved, but they are evolving as a result. Assenova et al. (2016) asserted that even regulators are finally catching up with the online world of living – a shift that could be “revolutionary” (p. 126).

At the broader societal level, as more companies get funded and expand, more jobs will be created and grow Gross Domestic Products (GDP) as productivity increases (Best et al., 2012). The World Bank (2013) went

further and stipulated such additional benefits as supporting access to export markets and facilitating capital movements among and between communities all over the globe.

Another benefit of equity crowdfunding and crowdfunding is the restoration of trust. Explaining why equity crowdfunding has been taking off and growing phenomenally in the last decade, Menat (2016) attributed it first and foremost to the global financial crisis and the mistrust it caused in traditional financial institutions. People were angry and upset with the loss of their own and collective money as governments spent an estimate of between U\$60 trillion and U\$200 trillion dollars (R.A., 2010) on bailing out failing financial institutions classed as too big to fail. More importantly, the dominance of these financial behemoths led to lack of competition in the sector which disadvantaged customers (Hally, 2016). This bred a fertile ground for fintech and equity crowdfunding to take off when relevant technologies and regulations concurred. Through technologies, equity crowdfunding platforms make interactions more user friendly and more transparent for investors to monitor the fundraising process as well as the business legitimacy and performance. Because all interactions happen online, trust plays an even more important role in connecting players. As Tang (2016) points out, trust in the quality of the fundraisers and in the independent due diligence performed by platform is the essence of equity crowdfunding.

For equity crowdfunding to grow sustainably, according to the World Bank (2013), all elements of the crowdfunding ecosystem – economic regulations, entrepreneurial culture, technology, and community engagement – need to work in conjunction to build trust. This trust usually flows through communities and their members. It is therefore crucial to form online and offline communities in crowdfunding. Equity crowdfunding does this in two ways: by rewarding people who have supported businesses and therefore creating community with both social and economic benefits; and by financing local-based businesses who are considered impactful to the community around them (Assenova et al., 2016). By rewarding investors,

equity crowdfunding makes them feel as if they belong to a community of entrepreneurial initiatives (Agrawal et al., 2013). The World Bank (2013) noticed that many specific communities, such as those around religious affiliation, industries, race-specific businesses, gender-based organisations, or around physical communities to fund community development projects, have emerged in equity crowdfunding. When members join such communities, they advocate for specific businesses, issues or causes close to their heart and support them with money, time, and resources (Macht & Weatherston, 2015).

Despite these clear areas of potential, research results have not been consistent in proving the actual impact of equity crowdfunding. Many scholars have started to question the value of equity crowdfunding. Langley and Leyshon (2017), for example, argued that crowdfunding is neither as disruptive nor as democratic as it claims. Instead, they see equity crowdfunding as more complementary, as mirroring the existing institutional financing, and as less egalitarian due to its uneven development over the world. Hornuf and Schvienbacher's (2018, forthcoming) empirical work reflected this argument and Galuszka and Brzozowska (2017) similarly found that the democratising influence of equity crowdfunding and crowdfunding was limited. The World Economic Forum (2017) echoed these views in concluding that fintech "has failed to disrupt the competitive landscape" (p. 12). The contradictory results might be attributed to research on equity crowdfunding and crowdfunding still being at its initial stage (Macht & Weatherston, 2015; McKenny et al., 2017). More empirical and theory building research is needed to understand and shape fintech and the financial communication for fintech.

Linking financial communication to crowdfunding and equity crowdfunding

Following Schoonraad et al.'s (2005) definition in the previous section, financial communication for crowdfunding and equity crowdfunding involves

building online and offline relationships mostly between investors, companies, platforms, and regulators. The aim is to achieve maximum resource allocation not only among individuals and institutions, but also across society as a whole. In doing so, financial communication can help realise the potential economic and social democracy of crowdfunding.

Within that overall approach to financial communication, key areas and concepts emerge: social media, trust, risk, community, engagement, democracy, advocacy, and fully functioning society. The public relations literature is replete with discussions of these concepts. Kruckeberg and Starck (1988), for example, presented a theoretical framework to organise and build up communities through public relations. Combining community-building theory with the changing context of globalisation and technology expansion, Valentini, Kruckeberg, and Starck (2012) argue for a more public-centric community shifting the power balance away from organisations and more towards members of community. In line with re-positioning public relations as a collective and community-based discipline, Heath (2006) called for public relations to focus more on the good of society rather than individuals or organisations, based on the premises that we are collectives living in high risk environments. We use community as a way to consolidate our conflicting and conjoined interests and expectations and to manage risks collectively. While Palenchar and Heath's (2007) review of risk in strategic communication revealed elements of good communication, it also showed how public relations often ignore financial risks.

Building on this body of knowledge and combining with research from the most adjacent fields of finance, economics and business studies, the thesis focuses on the three contributions that financial communication can make to the advancement of crowdfunding and equity crowdfunding (see also the published article in chapter 3 on collective action to "save" a New Zealand beach).

The first contribution would involve educating the public about the benefits and risks of crowdfunding, particularly in equity crowdfunding where investors commit for a longer term. While its benefits have been promoted by governments, media, and various organisations, the thesis will contend that it is equally important to communicate with and educate the crowd about risks. Equity crowdfunding is open to the mass, but not everyone is equally financially literate or very aware of the risks involved. As Hu (2015) and Sehra (2015) both point out, risks are prevalent and could come from all players in equity crowdfunding. With regards to equity crowdfunding investors, many of them are first timers, with little relevant financial knowledge or experience (Baeck et al., 2014). Their investment amount is often small, so they would not want to put much time and effort into investigating the deal (Ahlers et al., 2015). Coupled with herding behaviour often found in online investment, they run the risk of systematic inattention to due diligence (Agrawal et al., 2013; Zhang & Liu, 2012). As small investors, they often do not gather enough power to negotiate terms or monitor business operations (Hu, 2015; Wilson & Testoni, 2014).

A further possible disadvantage is that they cannot sell their shares so freely but have to hold on to their investment till the day the company chooses to make an exit (Freedman & Nutting, 2015). Adding the fact that there is a lack of face to face communication in equity crowdfunding which can lead investors to interpret, correctly and incorrectly, all the signals on the platforms (Ahlers et al., 2015), risks intensify as investors partake in groupthink or herding behaviour (Wilson & Testoni, 2014). These risks are likely to aggregate in the context of already low financial literacy witnessed all across the world (OECD, 2016).

Financial communication's second contribution could be building and engaging with investor communities. Members of crowdfunding communities are often involved in screening, sharing, and discussing potential offers (Heminway, 2014; Ibrahim, 2014). Following Surowiecki's (2004) four principles of an effective crowd – diversity, independence,

decentralisation and aggregation, Wroldsen (2013) argued that crowd investors may be diverse and dispersed enough to take on the role of deal assessors. Investors “may have had no physical contact with the issuer or each other apart from Internet solicitations and communications. But crowd members are connected” (Heminway, 2014, p. 833). For Belleflamme, Lambert, and Schwienbacher (2014), “crowdfunding is most often associated with community-based experiences generating ‘community benefits’ for participants” (p. 586). In the case of equity crowdfunding, these community benefits involve such matters as control rights and voting power aimed at generating profit for members. The ties among them, and between them and fundraisers, can help achieve more positive results than traditional financing (Belleflamme et al., 2014). Shared connections and information on social networks among community members can also assist in building a “constellation of trust” (World Bank, 2013, p. 8). This characteristic highlights the importance of building investor communities and maintaining good relationships with their members.

The third financial contribution could be to identify the power plays in crowdfunding. Perhaps one of the biggest differences between traditional financing methods and contemporary crowdfunding is the existence of crowdfunding platforms. All transactions need to go through these intermediaries, granting them enormous power in deciding who to include and exclude and in shaping how interactions take place (Langley & Leyshon, 2016; Taylor, 2014). Popular business books and some scholarly research have converged in increasing their attention on the operation of platforms (e.g., Chase (2015); Choudary (2015); Evans and Schmalensee (2016); Gillespie (2010); Langley and Leyshon (2016, 2017); McAfee and Brynjolfsson (2017); Parker et al. (2016)).

This enthusiasm is unfortunately not shared by business scholars who tend to focus more on the functional aspect of crowdfunding as indicated in the literature reviews by Macht and Weatherston (2015) and Drover et al. (2017). Financial communication could avoid this by paying early attention

to the dynamics of platforms in relation to investors and businesses. Since platform businesses research is still at the initial exploratory stage, financial communication, by identifying power plays, could not only assist the sustainable growth of crowdfunding, and increase the efficiency of the process, but also contribute to a fully functioning society.

Thesis overview

Up to this point, this introduction has outlined content, context, and preliminary direction. These led to the following objectives:

1. To expand the research scope of traditional investor relations and financial communication to include crowdfunding and equity crowdfunding.
2. To employ various theories and research methods from inside and outside of public relations with the aim of building up a theoretical base for crowdfunding and equity crowdfunding in financial communication.
3. To explore power plays in crowdfunding and equity crowdfunding by identifying the success factors and by examining the processes and regulations set by equity crowdfunding platforms.
4. To investigate and evaluate crowdfunding and equity crowdfunding's potential contributions to financial democracy and fully functioning society.

The thesis embeds these objectives in the following two research questions:

- (1) What is the current state of academic research on investor relations and financial communication?*
- (2) In what ways could investor relations and financial communication integrate crowdfunding to their practice and research to further democratise finance and contribute to a fully functioning society?*

Table 1 below outlines each research article and the specific areas of investigation for chapters two to five. Each of the chapters contains the research article or book chapter accompanied by a brief outline of its publication status and the role of collaborating researchers.

Table 1: Research projects and areas

Chapter	Title	Research area
Chapter Two	Financial investigations: Auditing research accounts of communication in business, investor relations, and public relations (1994-2016)	Investor relations, financial communication, public relations, interdisciplinarity
Chapter Three	Beyond organization-centred public relations: Collective action through a civic crowdfunding campaign	Civic crowdfunding, collective action, activism, organisation-centred public relations
Chapter Four	Crowdfunding: From global financial crisis to global financial communication	Crowdfunding, democracy, reputational capital, global public relations framework for financial communication
Chapter Five	Developing investor relations and strategic financial communication: Contemporary opportunities, risks, and tensions	Equity crowdfunding platform, financial risk communication

The thesis follows on from these chapters with a chapter discussing methodologies. It looks at the various research methods and designs used in each project, and assesses some as more successful than others. The thesis concludes with a discussion about limitations and future research directions.

CHAPTER TWO
FINANCIAL INVESTIGATIONS
Auditing research accounts of communication in
business, investor relations, and public relations
(1994-2016)¹

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Abstract

In this article, we investigate investor relations (IR) scholarship across business-centred and communication-centered fields of study from 1994 to 2016. This investigation's aims were to examine development almost a quarter of a century of IR scholarship and to use that to explore how to improve future IR practices and studies. We found that scholarly research in IR and public relations (PR) did not display many signs of interaction with each other, rarely intersected with other disciplines, allowing considerable potential by developing synergies from their existing differences. In conclusion, we argue that the current academic insularity also quarantines the practitioners. To address these issues we propose specific future collaborations to improve both IR's scholarly output and its practice.

Keywords: financial communication; interdisciplinarity; investor relations; public relations

Highlights:

- Offers the first comprehensive investigation of the development of investor relations through published articles on the field
- Compares and contrasts the approaches of communication-centered and business-centered research on investor relations
- Demonstrates how investor relations and public relations have limited interactions with each other and with other disciplines
- Draws on the investigation's findings to recommend five directions to reduce this academic insularity while improving the practice and research of investor relations

1. Introduction

Contemporary IR practice began with the establishment of the first official IR function in the U.S. by General Electric in 1953 (Laskin, 2010). Since then, IR has been growing quickly in the U.S., driven by strong shareholder activism movements (Rao & Sivakumar, 1999). Laskin and Koehler (2012) situate the European origins of IR in 1987 in the U.K. where it bore many similarities to the American IR practice. They claim that the function then spread to Continental Europe in the 1980s as a result of deregulation and privatization. There is little published material on the origin and early history of IR practice in other countries and regions.

As with PR, the most substantial IR research has been in the U.S. where Laskin's (2010) research divides IR practice into three phases: communication (1945 – 1970), finance (1970 – 2000) and synergy (early 2000s – now). In the first phase, IR started out as an extension of PR and was limited to publicity and tactical work, which did not meet the increasing information demands of financial publics. The failure of these early professionals prompted organizations to separate IR from PR and focus on financial data in the next phase. In this second phase, the goal was to maximize share price through building relationships with institutional investors. As this group of investors was highly literate in finance, the CFO or the finance department often managed the IR function (Laskin, 2010).

The focus on financial data lessened following the corporate scandals such as the collapse of Enron and WorldCom. Since 2000, IR has entered the third phase, the phase of synergy, where communication and finance professionals work together to improve understanding and create a fair valuation of the company (Laskin, 2010; NIRI, 2003). With stricter regulations and the rapid application of technology, the synergy phase in IR is accompanied by a more mobile investor base that seeks to understand both a company's financial performance and its vision (Laskin, 2010).

In reviewing IR research, we discovered that it has not adequately kept pace with this third phase of IR practice. Communication researchers continue to focus on improving the status of the profession from a largely PR perspective. Business scholars, on the other hand, are still under the strong influence of the financial approach to IR in Phase 2 and continue to research the quantitative impact of IR on market factors.

Even literature reviews of IR have so far looked at the field from a single discipline rather than adopting an interdisciplinary perspective. For example, Laskin and Koehler (2012) mainly reviewed IR research with a focus on communication, while Bassen, Basse Mama, and Ramaj (2010) covered IR studies with a financial emphasis (including corporate disclosure and market influences). There are very few academic studies that deploy both approaches in collaborative research reflecting current IR practice or the interdisciplinary essence of IR as the study of relationships between companies and financial communities, which encompass elements of communication, finance, marketing, securities law compliance (NIRI, 2003). As Shane McLaughlin notes, “IR and PR are once again converging” (Shane McLaughlin, cited in Hutchins, 2008) and we contend that the fluid and evolving nature of IR demands that it be studied holistically without too many disciplinary blinkers.

Drawing on Klein’s (2010) notion of interdisciplinarity as “a means of solving problems and answering questions that cannot be satisfactorily addressed using single methods or approaches” (p. 196), this article takes a major step towards providing a more integrated view. We do this by looking at what has been published on IR in both communication/PR and finance/business-related academic journals over the 23-year period from 1994 to 2016. An analysis of scholarly publications provides an objective measurement of research in the field which leads to the “discovery, dissemination, and verification of knowledge” (Soley & Reid, 1983, 1988, cited in Sallot et al., 2003). By bringing the communication/PR and finance/business research streams together, the article points out synergies as well as divergences

between them and also highlights the centrality of communication for IR practitioners and researchers regardless of their disciplinary origins or different training.

2. Scope and method of the analysis

IR scholars employ several terms to define IR. Some are more general, such as *financial communication* or *financial public relations* while others are business-specific such as “*investor communication*” (Healy & Palepu, 2001, p. 406), “*accounting communication*” or “*corporate financial communication*” (Smith, 2004, p. 201). However, three terms, *financial communication*, *financial public relations*, and *investor relations*, frequently appear in the literature of both business and communication streams and seem to be used interchangeably. Seeking a comprehensive coverage, we used all these terms in a keyword search for journal articles from 1994 to 2016 in three databases: Emerald, EBSCOHost, and ProQuest Central. Because of its centrality in the field, we also extended our search to include *Management Communication Quarterly* although it is hosted by the Sage database. We chose 1994 as the starting point because that was the year the first article on IR appeared in a communication journal.

This search provided an initial set of 56 articles in communication journals and 97 articles in business journals for examination. We then searched for the three core terms in every communication journal as well as in the most popular business journals researching IR (see Appendix A). This second search returned a total of 72 articles in communication journals and 336 articles in business journals. The combined data set was scrutinized carefully and articles that focused on business-specific practices such as accounting treatment of certain expenses, fraud investigation, and corporate reporting, were excluded. That left us a corpus of 72 communication articles and 199 business articles on IR. Each article was coded for year of publication, journal title, research topic, theoretical framework, research method, market location data, and findings. The entire

corpus of articles was then analyzed thematically to answer the following questions: What are areas of synergy between business IR and communication IR? What are the points of difference between these two streams? How can IR research from the two streams better support practice?

3. A descriptive overview of existing IR literature

The IR literature started with work by an American finance professor published in *Journal of Finance* in 1973 (see Farraghe, Kleiman, & Bazaz, 1994), so business IR scholarship is 20 years younger than its practice. The earliest research in a communication journal is by Cameron (1992) in the *Journal of Public Relations Research*, but this study used IR as memory cues for an information processing experiment, and did not examine the practice. The first communication article on the practice of IR is Hutchins' (1994) "Annual Reports: Earning Surprising Respect from Institutional Investors" published in *Public Relations Review* just over 20 years after the first article on IR was published by a finance scholar.

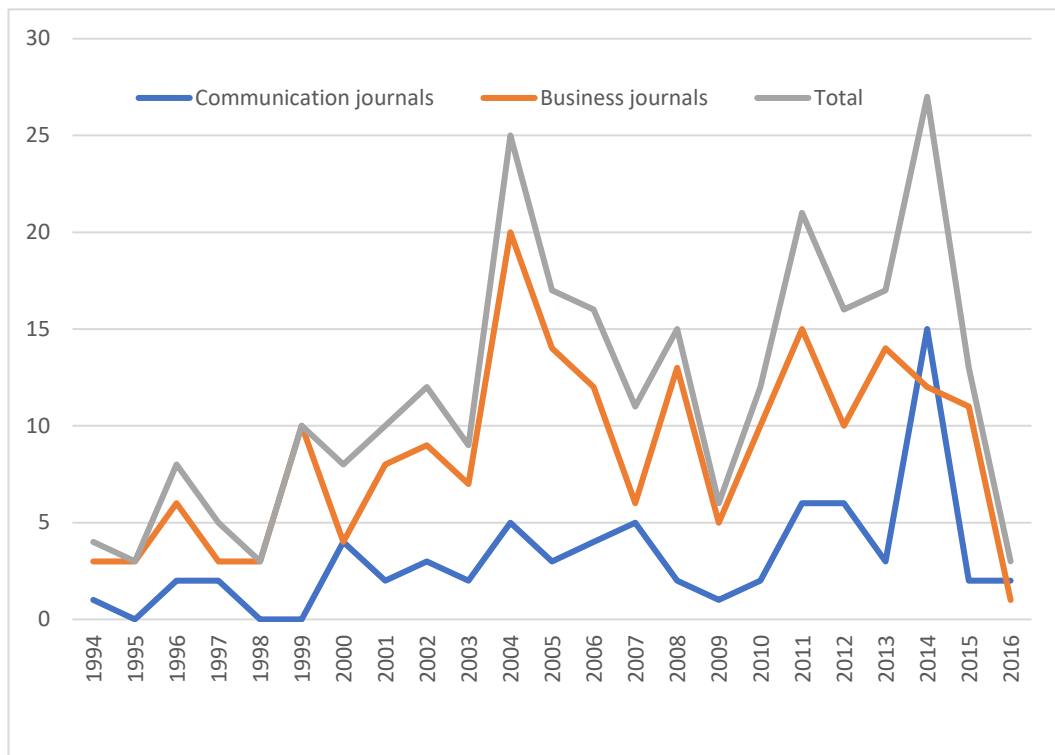


Figure 1: Number of IR articles from 1994 to 2016

The IR scholarship is skewed by source in that IR articles by communication scholars account for only about a quarter of all articles published. Articles in accounting journals dominate the business IR stream, highlighting the overwhelming tendency toward the accounting approach to IR by business scholars (Figure 1). Another potentially distorting factor is that most of the research conducted has been about developed markets, particularly the U.S., the U.K. and other European countries. Three quarters of articles investigate IR in developed markets. Cross-national comparison or studies about IR in developing markets are very limited (see Table 1).

Table 1: Research market location

	Communication journals	Business journals	Total
Studies on U.S market	(30) 41.7%	(77) 38.7%	(107) 39.5%
Studies on European markets	(24) 33.3%	(65) 32.7%	(89) 32.8%
Studies on other developed markets	(5) 6.9%	(8) 4.0%	(13) 4.8%
Studies on developing markets	(4) 5.6%	(9) 4.5%	(13) 4.8%
Cross-national comparison studies	(3) 4.2%	(20) 10.1%	(23) 8.5%
Data not available	(6) 8.3%	(20) 10.1%	(26) 9.6%
Total	(72) 100%	(199) 100%	(271) 100%

What is striking about the breadth of IR research is how communication and business scholars are distinctly different in their use of methodologies, units of analysis, and theoretical frameworks (see Table 2). The majority of communication researchers deploy largely qualitative methods such as interviews or content analysis of corporate and media materials. When they use quantitative methods, it is mostly descriptive statistics. Except in studies on internet use, investor relations officers (IROs) or other key stakeholders appear to be the primary sources of data. Some mixed methods research – Koehler’s (2014) use of content analysis of websites and corporate materials alongside analyses of trading volume and share performance, and Ditlevsen’s (2012) use of visual analysis – have started to appear but remain rare. On the other hand, quantitative methodologies and the use of mixed methods dominate IR research published in business journals. Business researchers formulate and test economic models, and collect data from existing databases. These researchers rely on quantitative data even for qualitative variables such as trust and IR quality (e.g., using data from World Values Surveys for trust rankings). The amount of data in these business-

focused studies is often massive (Bushee, Jung, & Miller, 2011; Dimitrov & Jain, 2011) and their most common analysis tools are correlation, regression, and factor analysis. These studies make limited use of surveys and interviews.

Table 2: Research methodologies

	Communication journals	Business journals
Qualitative methods	(37) 51.4%	(39) 19.6%
Quantitative methods	(21) 29.2%	(85) 42.7%
Mixed-methods	(5) 6.9%	(54) 27.1%
Editorials or discussion/opinion papers	(9) 12.5%	(21) 10.6%
Unit of analysis	Corporate materials; IROs/ chairmen/CEOs/CFOs; investors	Market variables such as earnings, stock price; corporate materials
Theoretical framework	Organisational communication; Two-way a/symmetry; Agenda building theory	Disclosure; Principal-Agency theory; Information asymmetry

Communication and business IR researchers share common interests in six different topics – reputation; ethics; disclosure as a practice of corporate reporting; application of technology in IR; contribution of IR; and IR activities and processes – though they assign varying degrees of importance to them (see Figure 2).

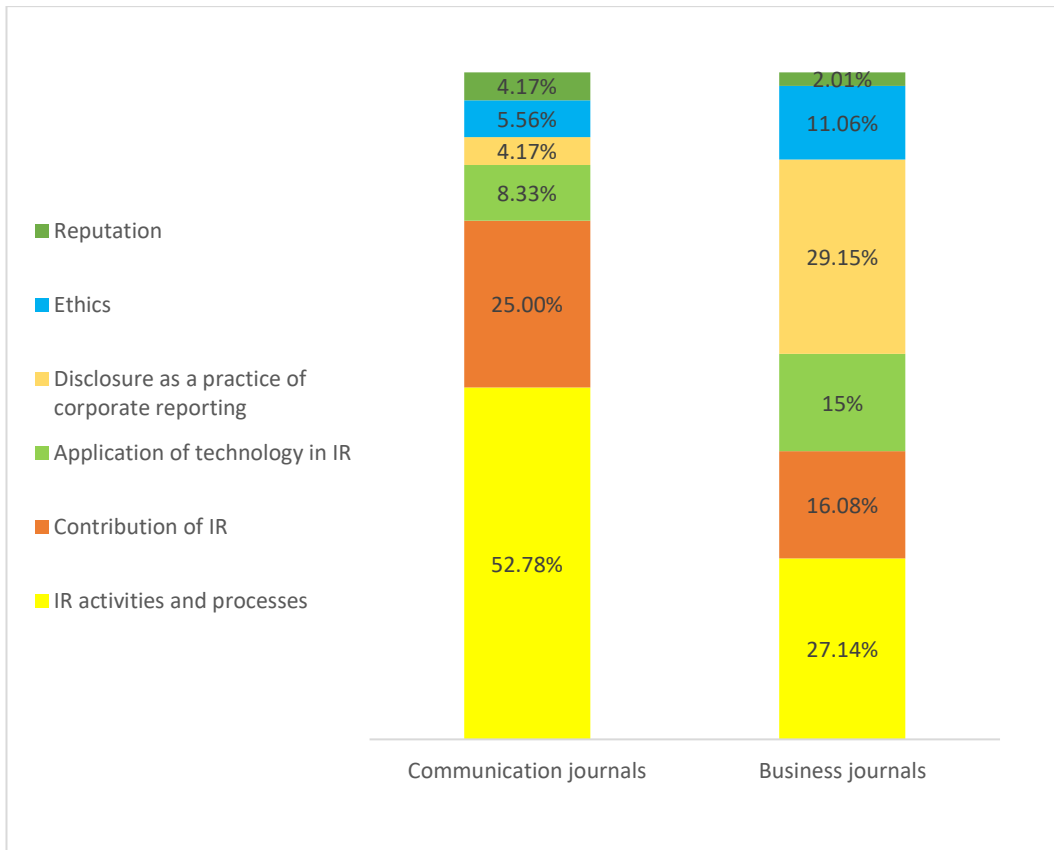


Figure 2: Common topics and their prevalence across two research streams

4. Findings and pathways for the future

4.1. The need to identify unified long-term values around relationship and reputation building in IR

It is important for IR research to identify long-term value addition around relationship and reputation building in practice. A longitudinal and large scale IR industry study has clearly indicated a shift in the goals of IR practice away from effective disclosure and information flows and toward maintaining relationships with existing investors (BNY Mellon, 2010, 2013, 2014). Such a research agenda would fit well in the scope of PR where relationship building and reputation management are two key research areas (Botan & Taylor, 2004; Renfro, Berger, & Pasadeos, 2010).

In fact, proving the value of IR is an important part of the communication IR literature. While earlier research sought to legitimize IR's strategic position within a firm, more recent studies emphasize relationship building. Kelly, Laskin, and Rosenstein (2010), and Chandler (2014), all discuss ways for IR to "win a seat at the table". Chandler (2014) finds that even CEOs are willing to engage with investors through IR. The CEO recognition of the contribution of IROs to the company gives IR an advantage compared to other PR specializations, and enables IR practitioners to bid for high status within their organizations.

Unlike communication IR's focus on relationships, business IR research examines the impact of IR on market variables and short-term movements. Researchers of the business IR stream, especially economics, finance and accountancy scholars, use largely mixed-methods analysis and economic models to justify the immediate values of IR on such elements as share price, earnings per share, trading volume, liquidity, bid-ask spread, and abnormal returns (Brennan & Tamarowski, 2000; Chang, D'Anna, Watson, & Wee, 2008; Kirk & Vincent, 2014). Most business IR researchers largely view IR as a pure cost-benefit exercise and an information-disclosure function. Some scholars (Bassen et al., 2010; Farraghe et al., 1994) converge around the idea that the IR function was born with the task of reducing information asymmetry between managers and shareholders in mind. Other scholars argue that the establishment and effectiveness of IR function depends on shareholder activism (Rao & Sivakumar, 1999), the size of the company (Kirk & Vincent, 2014; Marston, 1996), or the participation of senior management (Argenti, Howell, & Beck, 2005).

The literature between communication and business streams on the contribution of IR to organizations, economy, and society is therefore too disjointed for IR practice to outline specific objectives or goals. The overt focus of the business IR research stream on market variables and neglect of intangible assets of firms (e.g., brand equity, reputation, and trust) and interaction among key players go against the emerging practice of

acknowledging and including intangible and long-term benefits IR brings to the company (Agarwal, Taffler, Bellotti, & Nash, 2016; Solomon, 2012). Communication IR scholars could take the lead in this area by applying a general relationship-building framework in both offline and online worlds (Kent & Taylor, 1998; Ledingham, 2003) or a reputation management blueprint (Argenti et al., 2005; Fombrun & van Riel, 1997) to IR practice.

4.2. Understanding and catering for communication needs of a variety of stakeholders

There needs to be more research looking into the communication needs and behaviors of relevant stakeholders. The fragmented nature of existing research has not been able to clearly define who these stakeholders are in IR (Schoonraad et al., 2005). Studies have so far focused mainly on institutional investors, financial analysts, and financial media. By adapting and expanding Healy and Palepu's (2001) model of financial and communication flow, communication researchers could highlight some of the key stakeholders that business research has shown IR to have frequent contact with internally and externally. These include rating agencies, third party news providers, individual investors and other organizational departments.

Future researchers could build on existing studies on information-seeking behaviours. Communication IR scholars such as Penning (2011) found that individual investors differ in their preferences for information types and sources not because of demographic differences but because of their investment habits. Meanwhile, financial analysts prefer getting information from social media and direct meetings (Arvidsson, 2012) and some of their information needs are met by CEO presentations (Rogers, 2000). Similarly, business scholars, focusing on institutional investors also found that they are very diverse in their orientation. Shorter-term institutional investors prefer forward-looking information and "news events" while longer-term investors tend to value more historical data. This influences the type of IR

activities and publications the company produces (Bushee, 2004). Other business scholars (Hellman, 1996; Holland, 1998) find that investors do not rely on one particular event or publication to make decisions and advise IROs to focus on the whole IR strategy and process.

Business scholars also dwell on the use of various IR communication channels and output such as corporate presentations (Bushee et al., 2011; Francis, Douglas Hanna, & Philbrick, 1997), conference calls (Hollander, Pronk, & Roelofsen, 2010; Kimbrough & Louis, 2011), annual reports (Athanasakou & Hussainey, 2014; Clatworthy & Jones, 2003), emails (Hassink, Bollen, & de Vries, 2008), and press releases (Guillamón-Saorín, Osma, & Jones, 2012; Guillamón-Saorín & Sousa, 2014) to investigate either the factors influencing these venues or the impacts these venues have on investors and market movements. While these are well-researched studies, they still regard IR practice as reactive to changes rather than as a proactive and strategic function. Communication IR practitioners could gather these separate findings and build them into a proactive and long-term IR strategy that can build relationship between company and its financial publics.

In terms of the quality of interactions among key players, Desmond (2000) cites research by the Royal Society of Arts likening the communication process between institutional investors and senior executives of firms to the “dialogue of the deaf” (p. 168). Similarly, Gowthorpe (2004) describes companies’ assessment of stakeholders’ information requirements as “haphazard.” Understanding their communication needs and habits will potentially resolve some of this issue as well.

4.3. Pushing non-financial information to the front

The increasing importance of non-financial information to stakeholders demands more attention from researchers. Non-financial information is categorized as part of voluntary disclosure and considered an IR realm, to differentiate from financial information, which belongs to mandatory

disclosure and is under the management of the accounting department (Marston, 2008). Recent research has repeatedly found that investors rely more and more on non-financial data such as management quality, CSR efforts, employee-related information to make investment decisions (Arvidsson, 2011; Hoffmann & Fieseler, 2012). For example, Hoffmann and Fieseler (2012) found a set of eight non-financial information types, in which the quality of communication of the company plays a crucial role that equity analysts use when forming an impression of a company. Laskin (2014a) similarly found that information about company strategy, a non-financial indicator, is considered as important as other financial data (Laskin, 2014a).

However, unlike the diverse works evaluating the impact of mandatory disclosure on market movements by business IR scholars, studies on non-financial data are barely visible, and that absence creates a large space for future research. When researching non-financial data, communication IR researchers can build on existing studies about mandatory disclosure by scholars such as Bushee et al. (2011), and Holland (2005). Bushee et al. (2011), for example, analyzed the social and physical setting of conference presentations and found that they affect the audience, their interaction and market reaction. A similar study might want to specialize in the impacts of the non-financial information of conferences or any other channel and publication. In this way, communication IR scholars can also help reduce the academic insularity that inhibits the field's development.

4.4. Keeping abreast of technology development and application

As technology continues to have a profound impact on IR practice, IR research will need to stay in touch with development and generate research for present and future contexts. The American SEC's recent acceptance of the use of social media in disseminating information (Securities and Exchange Commission, 2013) makes this task particularly urgent. While many studies conducted by PR researchers examining the role, impact, tools of social media are still descriptive, they provide IR scholars a good

start for analyzing technology in IR (see, for example, DiStaso, McCorkindale, & Wright, 2011). In addition, Mangold and Faulds (2009) offer guidance on combining traditional and social media.

In addressing the topic of technology application, both research streams are able to expand their research scope to a wider geographical area outside the U.S and Europe (for example, see Bagnoli, Wang, & Watts, 2014; Bollen, Hassink, & Bozic, 2006). Early on, both communication and business IR studies were limited to descriptive accounts of the use of Internet in IR and corporate reporting. Examples included what percentage of surveyed firms owned a website, what type of information was provided, what data types were available (Deller, Stubenrath, & Weber, 1999; Hedlin, 1999); and what general benefits the Internet could bring to IR (Kuperman, 2000). As the area evolved, researchers (e.g., Encarna & Francisco, 2013; Ettredge & Gerdes, 2005) went beyond description and sharpened their focus on the specific impacts of the Internet on specific areas of IR practice.

However, researchers from the two streams diverge in their approach to Internet analysis. Communication IR scholars are more concerned with the target users of IR websites and the dynamic interaction between firms and investors. This is arguably driven by general communication and PR's huge interest in adapting social media and Internet to its practice (Eyrich, Padman, & Sweetser, 2008; Wright & Hinson, 2008). Many communication IR studies show that the communication between companies and investors remains one-way and asymmetric (Gowthorpe, 2004; Hassink, Bollen, & Steggink, 2007). On the other hand, business IR researchers are more interested in employing the Internet as another disclosure or reporting channel. This focus is obviously framed by the stream's perspective of IR as an information dissemination function. Some scholars categorize website items as belonging to either mandatory or voluntary disclosure and warn companies against the risk of tailoring mandatory information for websites (Ettredge & Gerdes, 2005; Ettredge, Richardson, & Scholz, 2001). Other researchers look for the determinants affecting the content as well as

presentation of IR websites (Bollen et al., 2006; Debreceeny, Gray, & Rahman, 2002).

Despite the rapid and pervasive development of technology, studies on technology applications in both IR research streams have been sporadic and generic. While analyses have become deeper over time, scholars still have not explored key issues sufficiently. First, the interactive feature of the Internet that allows real time feedback has neither been utilized by IROs nor studied by researchers. Koehler (2014) in particular finds that online dialogue for IR is “hardly possible” (p. 189) even in the large and advanced stock markets. Rowbottom and Lymer (2009) similarly find that the Internet has not been used as an enabler for dialogue with investors across the globe. Indeed, the prediction of Xiao, Jones, and Lymer (2002) that the Internet is “a medium for presentation, access and dissemination [rather] than as a system for user–provider interaction” (p. 267) still remains true in IR today. Second, research on the Internet in IR has so far centered around the website as the key online communication channel. The emergence of social media and its use in IR has largely escaped researcher attention. Research into Internet-based initiatives such as peer to peer lending or crowdfunding does not currently exist in IR literature and this is one of a number of directions for future research.

4.5. Expanding research approaches

In terms of research scope and methodologies, communication IR researchers have to date been quite limited in their approach. This is in line with Pfau (2008) claim that the weight of the scales came down too heavily on the side of isolationism with communications scholars sticking to their familiar tools and only writing for each “within specific narrow niches of our own discipline” (p. 595). As found in this investigation, most of the studies use qualitative methods for a small sample concentrated in developed markets. To be much more robust and relevant to the times, we recommend that IR research expand its reach beyond the U.S. to Europe and

encompass developing or transitional markets; diversify its research methods to include more mixed-methods projects (including lesser used methods such as experiment or visual analysis); and grow its research sample sizes for quantitative and mixed-methods studies.

To assist in breaking through the academic silos, we propose a number of substantially scaled-down versions of the Manhattan project to involve and integrate teams of researchers from both communication and business streams. We contend that such a bringing together of their various perspectives and strengths offers an effective way to work together on the issues identified in this article. This will not only enhance the richness of the analysis but also help deepen and broaden IR scholarship and make a small, but targeted, contribution to interdisciplinarity.

Concluding thoughts

Overall, we agree with Vorderer and Weinmann's (2016) wider claim that pluralism and multiplicity are still rare in communication scholarship in general. In tracking developments in IR since 1994 (especially in the establishment of its interdisciplinary origins), we found that IR research has not significantly increased interactions with other fields. Instead, our findings demonstrate how IR scholars in communication and business domains tend to work mainly, or only, with the familiar tools in their own fields and do so in relative isolation from each other. In conclusion, we argue that the currently restricted relations between IR and PR help isolate not just the two academic fields, but also the different sets of practitioners. To improve the scholarly output, we proposed shared research projects around a set of common themes; and to improve IR practice and theory, we recommended increasing interactions to open up productive future pathways through specific collaborations.

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Appendix A: Publication titles with IR articles 1994-2016

Communication IR (72 articles)	Business IR (199 articles)
<ul style="list-style-type: none"> • <i>Corporate Communications</i> (32) • <i>International Journal of Strategic Communication</i> (8) • <i>Public Relations Review</i> (7) • <i>Journal of Public Relations Research</i> (4) • <i>Journal of Communication Management</i> (4) • <i>Communicatio</i> (3) • <i>Journal of Business Communication</i> (3) • <i>Management Communication Quarterly</i> (2) • <i>Communications of the ACM</i> (2) • <i>Journalism and Mass Communication Quarterly</i> (2) • <i>Journal of Marketing Communication</i> (1) • <i>International Journal of Business Communication</i> (1) • <i>International Journal of Communication</i> (1) • <i>Public Relations Inquiry</i> (1) • <i>Strategic Communication Management</i> (1) 	<p>Accounting:</p> <ul style="list-style-type: none"> • <i>Journal of Accounting Research</i> • <i>Accounting and Business Research</i> • <i>Accounting and Finance</i> • <i>Accounting Review</i> • <i>Contemporary Accounting Research</i> • <i>European Accounting Review</i> • <i>Journal of Accounting and Public Policy</i> • <i>Review of Accounting Studies</i> • <i>Accounting Forum</i> • <i>International Journal of Accounting Information Systems</i> <p>Governance/Management:</p> <ul style="list-style-type: none"> • <i>Academy of Management Journal</i> • <i>Corporate Governance: An International Review</i> • <i>Journal of Business Strategy</i> <p>Economics and finance:</p> <ul style="list-style-type: none"> • <i>Journal of Applied Corporate Finance</i> • <i>Journal of Applied Finance and Banking</i> • <i>Journal of Finance</i> <p>Business ethics:</p> <ul style="list-style-type: none"> • <i>Journal of Business Ethics</i> <p>Other journals</p>

CHAPTER THREE

BEYOND ORGANIZATION-CENTRED PUBLIC RELATIONS:

Collective action through a civic crowdfunding campaign²

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Abstract

Public relations scholars have called for a shift from organization-centred approaches and practices to community, or collective-based ones. With the Internet, the latter have become more frequent although under-researched or not well understood. This article addresses those gaps by researching a community-based campaign in New Zealand and by underpinning the research with collective action theory. Methodologically, it combines netnography, thematic analysis, and interviews with major players, to analyze a civic crowdfunding campaign. It provides an account of how two amateur activists not only initiated and managed this campaign, but also raised US\$1.5 million (NZ\$2.27) within three weeks to buy a private beach and gift it back to the New Zealand public. The article seeks to add to both PR scholarship and practice. It adds to the former by analysing the campaign and identifying success factors for civic crowdfunding campaigns more generally; and to the latter by accounting for a different kind of activist and community-based PR that goes beyond organization-centred approaches to offer gratifying community-centered work that improves the reputation of PR for contributing to the common good.

Key words: civic crowdfunding; collective action; activism; organization-centered PR

Highlights:

- Illustrates how civic crowdfunding can effectively organize campaigns for the common good
- Identifies the general and specific success factors of one particular campaign
- Demonstrates how one grassroots campaign used civic crowdfunding to gain faster outcomes than institutions
- Shows the application of collective action theory in a civic crowdfunding campaign.

1. Introduction

This article analyzes the January - February 2016 Awaroa / Abel Tasman beach campaign in New Zealand. The campaign attracted international media attention when it succeeded in raising money to buy what was then a private beach in order to open it to perpetual public access. In the words of the campaign, its aim was to keep the beach “permanently off the property market and in the hands of all future generations of New Zealanders and visitors.” The aim was eventually taken up by almost 40,000 individuals, groups and institutions through the civic crowdfunding platform Givealittle.co.nz (Givealittle Able Tasman beach, 2016). The campaign raised NZ\$2,278,171.09 within 25 days. The success was unprecedented not only in the scale and variety of its communal operation, but also in benefiting the most people and, probably, raising the largest civic crowdfunded amount to date.

As a nation that went through neo-liberal reforms in the late 1980s and 90s, New Zealand’s case might shed light on other nations’ experiences in community action and fundraising. The selling of state-owned assets, and the scrapping of state control over wages, prices, rents etc., resulted in high income inequality and poverty that did not match New Zealanders’ previous egalitarian values. Historically, New Zealand’s “fundraising was informed by transnational precedents, but was also shaped by the early co-existence of state and voluntary welfare, and by its elaboration in a small-scale, egalitarian society” (Tennant, 2013, p. 47). This article investigates current community activists and donors’ motivations and identifies both the deeply rooted expectation for fairness, and the opposition to private ownership of a pristine beach, as major factors that enlisted masses of New Zealanders to participate in the huge civic crowdfunding campaign.

The article suggests that the campaign addresses a promising but neglected intersection in the PR literature, namely, the integration of online crowdfunding, collective action, and community activism. Crowdfunding, as

a digital form of the PR function of fundraising, deals and communicates with community, a foundational concept in PR; collective action explains human action in producing and achieving common goals; and activism tackles social issues. Combined together, they help PR scholars and practitioners understand how to mobilise financial and non-financial resources beyond organizational boundaries and contribute to society. As the campaign illustrates, individuals as well as PR practitioners can use crowdfunding as a tool that enables a shift from organizational goals to a focus on the promotion of social causes and to leading a fully functioning society (Heath, 2006).

The PR literature has paid little attention to the practice of crowdfunding in general and has not drawn lessons from recent developments in civic crowdfunding in particular. Neither has it incorporated collective action theory both to inspire studies of relevant PR practices and to provide significant insights in relation to activism. This article seeks to contribute to the field by looking at both topics in the light of PR practice and scholarship.

This article analyzes the factors that made the campaign successful and goes on to examine how civic crowdfunding could be used for pro-social activism and could be developed as a PR practice contributing to a fully functioning society. It suggests that civic crowdfunding is a great technological platform for resource-limited activists to gain more capabilities. It provides opportunities for PR practitioners to use and extend their skills as boundary spanners and fulfil their role as the go-between organizations and society who can contribute to the common good.

2. Literature review

2.1 Civic crowdfunding overview

Crowdfunding is a generic term describing “an increasingly widespread form of fundraising, typically via the Internet, whereby groups of people pool money, usually (very) small individual contributions, to support a particular

goal” (Ahlers et al., 2015, p. 955). By this definition, crowdfunding differs from fundraising in that it happens online and attracts smaller contributions from anyone with an Internet connection. People can donate financial and non-financial resources depending on the type of crowdfunding campaign.

Different types of crowdfunding are emerging and these include donation-based, reward-based, equity and lending (Mollick, 2014). The sub-genre called civic crowdfunding used in the New Zealand campaign was first conducted offline over a century ago. That was the famous example of the 1884 campaign to complete the pedestal of the New York Statue of Liberty that was organized by Pulitzer, the publisher of the New York World newspaper. Pulitzer used his newspaper to publish a public appeal to urge New Yorkers to contribute and managed to collect the US\$102,000 necessary to finish the project (Freedman & Nutting, 2015).

Civic crowdfunding is a sub-genre of crowdfunding where various stakeholders, including individuals, organizations and government agencies, come together to provide a community service or property (Davies, 2015; Stiver, Barroca, Minocha, Richards, & Roberts, 2015). Unlike other types of crowdfunding such as reward-based crowdfunding where funders often receive a tangible reward for their contribution, or equity-based and lending crowdfunding, where investors receive financial rewards, civic crowdfunding contributors come together to provide finance for a community service or property that “can be consumed equally by members of a community, regardless of their contribution” (Davies, 2015, p. 343). By those criteria, civic crowdfunding could be considered a collective action (Davies, 2014). Since its re-birth and exponential development a decade ago, there has not been much research on civic crowdfunding. Davies (2015) even argued that civic crowdfunding is an area “yet to be defined by academic researchers” (p.343).

2.2 Collective action and public relations

Collective action is a group theory investigating “actions undertaken by individuals or groups for a collective purpose” (Postmes & Brunsting, 2002, p. 290). The outcome of this collective endeavour is to create common goods and has such distinguishable features as non-exclusivity (i.e., enjoyed by all members regardless of their level of contribution to the common goods) and non-rivalry (the consumption of one member does not affect others) (Olsen, 1971). Collective action theory has long been used to explain various phenomenon in economics (i.e., Olsen, 1971), sociology (i.e., Marwell & Oliver, 1993), political studies (i.e., Bennett, Segerberg, & Walker, 2014) and other fields (Bimber, Flanagin, & Stohl, 2005; Fulk, Heino, Flanagin, Monge, & Bar, 2004) but has very limited visibility in PR studies.

All collective actions, according to Bimber et al. (2005), work on three basic conditions: (i) the ability to identify people with relevant interest and resource, (ii) the ability to communicate the message among members, and (iii) the ability to coordinate, integrate or synchronize members' contribution. This communicative approach to collective action is highly relevant for PR scholarship that discusses groups under different terms such as publics and communities (see, for example, Bruning & Ledingham, 1999; J. E. Grunig, 1992; Grunig & Hunt, 1984; Hallahan, 2004, 2013; Kent & Taylor, 2002). The PR discussions, while having contributed to the advancement of the body of knowledge, often treated groups (or publics, or communities) in relation to organizations. Collective action theory, on the other hand, can exist outside of the traditional organizational boundaries and can be more inclusive of other interest groups, cause-related advocacy communities and social movements (Schumann, 2015).

With the emergence of Internet-based technologies such as social media or crowdfunding platforms, collective action has become even more “theoretically and empirically intriguing” (Bimber et al., 2005, p. 365). The

Internet enables self-organizing groups to emerge and meet the three collective action functions in relatively low cost and short time. It undertakes crowd-enabled collective actions easily (Schumann, 2015). Firstly, it is easier to persuade non-engaged, peripheral members to participate in online collective activities as they have a lower participation threshold (Postmes & Brunsting, 2002; Schumann, 2015). Secondly, technologies have enabled the publication of information so that members of the collective can not only locate relevant information but also make their expression and action visible to others (Bimber et al., 2005) through simple clicks (e.g., like or share). Thirdly, Internet-based technologies have blurred the traditional organizational boundaries, allowing for fluidity of structure, resource, form and design (Bimber et al., 2005). In short, the Internet has facilitated empowerment and coordination and created new approaches for online collectives, including activists (Dolata & Schrape, 2016).

2.3 Online activism

Within the context of PR scholarship, activism is defined as “the process by which special interest groups of people exert pressure on corporations or other institutions to change policies, practices or conditions that activists find problematic” (Smith, 2013, p. 6). In many cases activism is a collective action. Traditionally, the PR literature on activism tended to focus on organizational perspectives and responses to activist group pressure (e.g., L. A. Grunig, 1992; Hon, 2006; Jaques, 2006) within the framework of the normative Excellence theory (J. E. Grunig, 1992). In this framework, activism is positioned as an obstacle or opposition to organizations (McKie & Munshi, 2007) and activist interests are being downplayed by organizations (Holtzhausen, 2007). More recent studies also examined PR practitioners as activists within their organizations or their role in the service of activist groups but from a more critical approach (Coombs & Holladay, 2012b; Demetrious, 2013; Holtzhausen, 2012; Smith & Ferguson, 2010; Toledano, 2016). This newer positive focus on the role of activists

corresponds to Dozier and Lauzen's (2000) call to use critical theory to extend PR beyond the dominant organization-centered approach.

This call came at about the same time as Internet-based technologies took off and opened up opportunities for researchers, practitioners and activists. The Internet and its applications are fruitful platforms for resource-constrained groups such as NGOs, activists or social movements to gather resources previously only available to corporations (Bimber et al., 2005; Postmes & Brunsting, 2002; Schumann, 2015). The Internet also grants movements and activists better access to the power of mass communication by spreading alternative views and news (Schumann, 2015). Coombs and Holladay (2012b) argue that activists managed to use the Internet effectively to their advantage long before for-profit organizations. Others observe how activists mainly use websites and other Internet-based platforms to disseminate information and mobilize resources (Kent, Taylor, & White, 2003; Sommerfeldt, 2013), and to organize, network, co-ordinate strategically, and train (Roper, 2002). However, different scholars (Lovejoy, Waters, & Saxton, 2012; Schumann, 2015; Waters, Burnett, Lamm, & Lucas, 2009) also found that NGOs have not fully utilized the built-in interactive features of Internet-based technologies. Instead, they mostly use the Internet for information dissemination purposes, not for resource mobilization or relationship building.

Another issue arising from the scholarship on activism as a collective action is the focus on the contentious or confrontational aspects (see, for example, Bennett et al., 2014; Gladwell, 2010; Segerberg & Bennett, 2011). This is despite research findings by Postmes and Brunsting (2002) indicating that persuasive actions, such as signing petitions and lobbying, are preferred among collective members over confrontational actions such as demonstrations and blockades in both online and offline settings.

The lack of research examining collective action in crowdfunding in general and from the PR perspective in particular prompted us to investigate the

successful 2016 Awaroa / Abel Tasman civic crowdfunding campaign in New Zealand and to focus on the following two research questions:

RQ1: What are the factors that enable a civic crowdfunding campaign to organize crowds for collective action and to mobilize resources for a social cause?

RQ2: Is civic crowdfunding an appropriate platform for PR practitioners and activists to advance their position beyond organizational boundaries and to contribute more to a fully functioning society?

3. Research methods

3.1 Netnography

Because the Awaroa beach fundraising campaign ran exclusively online, netnography was selected as the most appropriate research method. As a research method, netnography integrates “archival and online communication work, participation and observation with new forms of digital network data collection, analysis and research representation” (Kozinets, 2015, p. 1). It is still actually ethnographic research which, in Stacks’ (2011) definition, is an informal method “that relies on the tools and techniques of cultural anthropologists and sociologists to obtain a better understanding of how individuals and groups function in their natural settings” (p. 332).

The online resources included, first, the campaign Facebook page, with 127 messages posted by the campaign organizers and 1,435 comments posted by the public from January 22, 2016 - the launch day, to March 17, 2016 when the organizers received the certificate of change of the beach ownership. This source also included written and audio-visual materials such as video clips produced by the campaign organizers to provide updates and links to online media, radio and TV clips. Secondly, we examined the campaign’s Givealittle page which consisted of an overview, 36 updates, and 91 questions and answers. Thirdly, we drew a random

sample of 372 comments from 11,000 comments made by pledgers when they contributed on the platform Givealittle.co.nz. We used Qualtrics (2010) formula and Excel's random sampling function (confidence level of 95% and margin of error at 5%) to arrive at this sample size. Fourthly, we used 51 archival media articles about the campaign on New Zealand's most popular news sites, stuff.co.nz and nzherald.co.nz, and, finally included three blog posts specifically about the Awaroa beach by a protagonist in the campaign.

In addition to the online sources, we sought and got written permission to conduct and record five interviews with major players. These included two interviews with the campaign organizers and one interview each with the Givealittle platform's Chief Giving Officer (a title equivalent to the CEO of a for-profit organization), a media representative and the tender lawyer. The interviews each lasted from 31 minutes to 48 minutes. In addition, an email interview was conducted with a communication representative of the New Zealand government's Department of Conservation (DOC). We then transcribed and imported the data into NVivo for thematic analysis.

3.2 Thematic analysis of content

We used thematic analysis for this article. Thematic analysis is an acceptable method to identify and analyze themes "which are large, abstract categories of meaningful data segments" (Buetow, 2010, p. 123). Data was analyzed with the NVivo qualitative analysis software to code inductively. We followed the coding categories suggested by Bogdan and Biklen (2007). Our research questions and data allowed us to replicate the following coding categories: setting/context, definition of situation, activity, process, and strategy. Specifically, the *setting/context* category included codes about the New Zealand socio-political environment, land ownership and civic crowdfunding; the *definition of situation* category focused the coding on the view of key stakeholders on the campaign and their underlying values; the *activity* category contained actions undertaken by key stakeholders; the *process* category followed the campaign as it moved from the initial funding

to reaching funding goal to successful bidding; and the *strategy* category included communication planning, methods and techniques.

The coding was done by one researcher and cross-reviewed by two other academics who were both from different disciplines but neither was involved in this research. This was done on different occasions to ensure that the themes arising from the codes truly reflected the data. We went back and forth until the three researchers reached consensus. The researchers also cross tabulated written and audio-visual materials produced by the activists, media, individuals and the DOC to enrich the analysis.

4. Results

In December 2015, news of the sale of a privately owned beach, Awaroa, in the New Zealand's South Island Abel Tasman region appeared on New Zealand media channels. Two Christchurch brothers-in-law, Adam Gard'ner, a tennis coach, and Duane Major, a church community coordinator, came across this news on Christmas Day and started to banter about the beach which they and their families have visited several times before. A couple of weeks later, when Major saw breath-taking pictures of the Awaroa beach that his friend posted on Facebook, the pair decided to start a civic crowdfunding campaign to prevent it from going to private hands and to ensure free public access to this pristine beach ("Gift Abel Tasman beach," 2016).

4.1 Inclusiveness (1): Framing a cause that spoke for everyone

From the beginning, Major and Gard'ner articulated the purpose of the campaign very clearly on the campaign's crowdfunding page: "There is a pristine piece of beach and bush in the heart of the Abel Tasman up for private sale. Together we can buy it and gift it to NZ" (Givealittle Able Tasman beach, 2016). The instrumental purpose, to buy the beach and give it to the whole population, was framed in a straightforward (buy it), positive (to gift) and inclusive (together we can, New Zealand) statements. Any New

Zealander (nickname – Kiwi) could easily relate to the call, not just because they could become potential beneficiaries but also because it spoke to their values and beliefs of the passion for the land and its beauty ("Donations reveal what Kiwis value," 2016). In a more detailed description of the campaign down on the page, Major and Gard'ner explained the more deeply rooted cause to the public: to "tangibly express your [sic] some of your vision for New Zealand, and live out values many hold and want to pass on" (Givealittle Able Tasman beach, 2016). The organizers framed the cause in the context of long-term impact on the common future of the people, the expectation for fairness and egalitarian tradition, and the opposition to private ownership of land that every New Zealander should be entitled to access.

The call for action for the campaign was simple and built on the "I will if you will" challenge. People were asked to pledge instead of donate, which meant that only when the campaign reached its two-million-dollar target at the end date that money was actually withdrawn from their bank accounts. In other words, individuals could only do this with the support of and commitment from others. While this caused more administration tasks on the organizers' and platform's part, its non-risk, collective approach to mobilizing resources made it more appealing to join. However, New Zealanders also 'walked the walk' by honouring their commitment. The official default rate for the campaign was 1.5%, compared to the industry's average rate of 5%. In the end, people also sent in actual money and cheques directly to Major and Gard'ner via post, meaning the honouring rate was even higher (Gard'ner & Major, personal communication, April 07, 2016)

The unifying and positive message remained throughout the campaign's discourse, not just in the organizer-generated content via the campaign's website and Facebook posts but also on individual pledger's comments. 41% of the sampled comments on the Givealittle pledge page were used to praise Major and Gard'ner for their initiative. Over 50% of the pledgers

shared their reasons for participating. The main motivators behind their involvement were the determination to make it accessible to all (45.2%), the beauty of the beach, and the need to preserve it (38.2%) and wanting to keep it in New Zealanders' hands and not that of foreigners or greedy individuals (28.4%). The pledgers' discourse such as "Come on NZ! We can do it without any corporate help" or "I hope one day to sit on the beach, grab a handful of sand and say this is mine" indicated New Zealanders resentment around neo-liberal values that replaced previous egalitarian expectations.

4.2 Inclusiveness (2): Communicating in one consistent and unified voice

During the course of the campaign, Major and Gard'ner proactively communicated with the community via either social media platform (Facebook) or website (Givealittle page) or traditional media (radio, TV and news sites, local and international) all by themselves. They did enlist help from another friend who gave them some tips on technical issues such as choosing Facebook group or page, when to post, and filming for their daily news updates. However, the content of the message was crafted by the duo only. There was a time when it was almost too much to handle, they thought about hiring a "publicist" but decided against it "because that would completely change the style" (Gard'ner, personal communication, May 12, 2016).

The organizers' style, or strategy, focused on positivity, inclusiveness, Kiwi-ness and transparency. Throughout the campaign, the "can-do" attitude was prevalent. Major and Gard'ner refrained from responding to negative comments. For example, a Facebooker on January 26, 2016 raised concerns regarding the natural future survival of the beach in his/her comment "How high above sea level is it? Projected sea rises might mean it's not going to be there a lot longer anyway". Another comment posted on February 5, 2016 expressed doubt about the government involvement by saying that the "DOC can't be trusted", or "using taxpayers' money". Few

days later, on February 13, 2016 a group member typically reflected the free rider problem in collective action by reasoning their lack of participating in asking “why should I gift for an Abel Tasman beach that I would never use?” In fact, on the Facebook page, the campaign organizers seldom responded to members’ comments, except for technical glitch with the Givealittle platform when people’s pledge did not come through. The response to the negative comments were left mostly with other community members, who often reacted with positivity. It was not that these issues were not valid but because Major and Gard’ner did not want to get carried away by the negativity and instead wanted to get “involved for a purpose” (Gard’ner, personal communication, May 12, 2016).

Although Major and Gard’ner initiated the campaign, they made it clear that this was about the community. They encouraged pledgers to leave comments so that they could further inspire each other. And people responded. 11,000 pledgers, equivalent to a quarter of total pledgers, commented, called on each other to act and shared their personal story. “Every bit counts”, “every little helps”, “my small contribution will help add to a greater total”, “people power” etc. were the common phrases on the platform. A pledger wrote when he donated: “Happy 3rd birthday Cooper. I hope when you are bigger you will visit the beach on the Awaroa Inlet in Abel Tasman. Love, Gran”. Another said: "I've given my last \$7 till next pay day... Good thing is I'm buying a beach. Best 7 buxks [sic] ever" (Givealittle pledge comments page, 2016).

The fun and inspiring comments were then also shared in the series of Facebook video clips the pair made to update campaign progress. Their “Our News” clips, first appeared on February 03, about two weeks into the campaign, were used as an alternative to the usual text updates but in a more engaging way. It consisted of a quick number update, a sharing of pledger comments, a team talk where the organizers discussed their own experience of running the campaign, and a section called “he tangata, he tangata, he tangata”. *He tangata* means “the people” in the indigenous

Māori language, and the phrase is the second part of the Māori proverb answering the question posted in the first part “What is the most important thing in the world? It’s the people, the people, the people” (Tenants Protection Association, 2015). In this section, stories of how people from different walks of life and groups of different sizes contributed were told to further encourage the community spirit.

The acknowledgement and inclusion of New Zealand’s indigenous people, the Māori, and the use of Māori cultural symbols and heritage was one of many strategies used by Major and Gard’ner to express the inclusiveness of the campaign. They frequently used “we”, “our”, or common Kiwi slang such as “squizzy” and “shout out” in their discourse. They referred to well-known events such as the Treaty of Waitangi, or everyday activities like mufti days, coin trail etc. to relate to all Kiwis. The cardboard signs they used in the video clips to show funny charts later became a trademark of the campaign. People from all over the country sent in pictures of them holding similar cardboard signs with the phrase “Save Abel Tasman beach” to show their support. People saw the use of the cardboard as an expression of the environmental friendliness of New Zealanders and quickly replicated the action around the country.

Major and Gard’ner also built their credible voice through transparency. Given the huge amount of money required and their relatively anonymous identities before the campaign, they had to be upfront with campaign developments with their daily updates. Even during the waiting period before tender result was announced, they kept the community interested with fun and inspiring everyday stories.

4.3 Gathering momentum: Media, individual, communal, and platform support

The crowdfunding campaign was launched on Friday January 22, 2016 and got picked up by the media on Monday January 25, first by the national radio station RNZ and an independent station RadioLive. TVOne, the national TV

station, broadcast the news on the following day. Stuff, a popular New Zealand news site and a member of the media conglomerate Fairfax, was the first to cover the news on the beach sale and later on officially declared its financial and media coverage support (Crewdson, 2016). It leveraged the campaign on its website “to help the audience to achieve something,... to help Kiwis to connect and thrive in their community” (Crewdson, personal communication, August 03, 2016). Through the three-week campaign, Major and Gard’ner appeared on traditional media mostly at the start of the campaign to generate interests and elevate the issue on the public agenda. The campaign organizers were very appreciative of the media support, noting that they did not just report on the story, they were the story (Gard’ner & Major, personal communication, April 07, 2016).

With publicity on both the traditional and social media, the campaign quickly picked up the momentum. From symbolic action such as clicking Like and sharing links on the Facebook page, people started pledging and small sums pledged accumulated to a significant amount of money. They also called on each other to take action. As a Facebooker eloquently put it: “Shared, invited and pledged. Great idea, go hard” (Gift Abel Tasman Facebook page, January 26).

Most of the people that supported the campaign were New Zealanders who either lived there or migrated and lived in other parts of the world. There were also non-New Zealanders who felt connected with the campaign cause and the place. A French Facebooker left a comment: “I’m French and I did this for you” (Gift Abel Tasman Facebook page, January 26). A Spaniard said on February 10, 2016: “A splendid place... Good luck from Spain”.

Smaller communities were rapidly formed over New Zealand to show support for the campaign. Pictures on Facebook showed that friends, colleagues, sports clubs, schools etc. came up with innovative ideas to raise money for the campaign. Some people used their weekly coffee money to donate, a group of friends had a pizza night and everyone who showed up

had to chip in. Schools organized mufti days or coin trails. Allpress Café, a local business, joined the campaign by donating all proceeds from selling coffee on a Saturday morning on the beach; Liminal Apparel donated \$10 from every T-shirt they sold; Andris Apse Photographer provided high resolution pictures of the Awaroa beach for free to all pledgers. People understood that every small contribution counted and did their part to help.

The Givealittle platform also went out of its way to help. It “bent over backward for this project” (Gard'ner & Major, personal communication, April 07, 2016). They worked closely with Major and Gard'ner from the beginning to plan for scenarios and manage risks. The popularity of the campaign meant a surge in the number of pledgers which required huge attention from the platform's technological support team. Givealittle also hid the total pledge amount once the campaign reached the two million target to avoid close competition during the tender and was ready to provide additional pledge withdrawal rounds should it be necessary (Beyer, personal communication, March 31, 2016). According to Beyer (2016), the campaign was “unprecedented and certainly opens our eyes to what's possible”.

4.4 Institutional reluctance: Slow organizations and a cautious government

While people and some groups responded proactively to the call, there was less enthusiastic response from institutions, including non-profit organizations (NGOs), corporations and the government. Due to timing and governance structure, NGOs could not collaborate with Major and Gard'ner to launch the campaign (RNZ, 2016). The organizers had to form a new entity called Communistas to officialize its operations. Although there was some monetary contribution from big businesses such as Spark, the giant New Zealand telecom company and owner of the Givealittle platform, or in-kind support from top law firm Bell Gully and real estate agency Harcourts, response from corporations was slow. In their video clip (“Our News Feb 05,” 2016), Gard'ner politely updated their efforts in engaging with this stakeholder group: “We're still trying to make some progress with some

companies and corporates. We believe they are somewhere out there.” Although their response was less than ideal, Gard’ner was still very positive (“still, believe”) and inclusive (“we”). Later on, they acknowledged that “NGOs and corporations couldn’t keep up with the pace whereas persons acted like people. That was the only way this happened, that’s why credit goes to the people” (Gard'ner & Major, personal communication, April 07, 2016). Statistics from the Givealittle platform in fact showed that organizational pledges stayed at a low double digit number (Beyer, personal communication, March 31, 2016), making individual contribution the main source of capital for the campaign.

Communication from the government was even more ambiguous. Less than a week into the campaign, “seeing the huge response from Kiwis, who have pledged”, Member of the Parliament for the Abel Tasman area and the Environment Minister said that he would discuss with the Conservation Minister, but they had to be cautious not to drive up the price (Pullar & Moore, 2016). He also “hinted that there is a nature heritage fund “that might be able to provide some extra incentive” although previously the DOC have said no to contributing toward the campaign (Pullar & Moore, 2016). Previously, the DOC had been approached to buy the land but it refused quoting that the “biodiversity values don’t warrant DOC spending \$2 million on it” (Grant, March 14, 2016) and “the Government doesn’t have untold resources to buy beaches and pieces of bush. Every budget is under pressure” (Price, 2016). However, the “depth and extent” of public interest put pressure on the DOC to reconsider (Price, 2016). Two days before the crowdfunding campaign closed, the then New Zealand Prime Minister, John Key, was still ambivalent. “We do have, through this nature fund, the capacity to put in some contribution, but generally speaking our view is it’s going in the right direction with New Zealanders putting their own money in there” (Truebridge, 2016). In the end, the government contributed their part, but only during the tender negotiation process, with NZ\$350,000.

The government's cautious and market-driven discourse indicates that on the one hand the government acknowledged the people power but on the other hand, it was concerned about being criticised for spending taxpayers' money and for its free market principles (price goes up when the demand is high). Government officials actually avoided talking directly to the campaign organizers: "We were finding things out through the media rather than through normal human relations" (Gard'ner & Major, personal communication, April 07, 2016).

4.5 Challenging people power: Gareth Morgan and limited exclusivity

About a week before the crowdfunding campaign ended, Gareth Morgan, a New Zealand economist, businessman, and philanthropist, wrote on his blog offering that he would make up the difference between the crowd-funded amount (around NZ\$1.3 million at that time) and the tender offer in return for his family's use of the beach for unknown period of time before giving it to the DOC (Morgan, 2016c). In this first, out of three entries specifically relating to the Awaroa beach crowdfunding campaign, he highlighted the potential risks of government putting taxpayers' money toward the campaign, and the rising sea level issue before concluding that if he became the buyer, this would be a win-win situation for the government, public access and ownership. Clearly, Morgan's reason went against the egalitarian principle of civic crowdfunding and non-excludability of common goods. In the following post the next day, after his offer was rejected by the campaign organizers, he addressed the three most popular complaints against him. Unlike the previous entries, he tried in this post to side with the campaign purpose by being inclusive: "The fact is that *we all* want the same outcome – I don't want to see Kiwis excluded from this beach any more than the rest of *us*" (Morgan, 2016b). Also in this post he directed the attention to the potential risk of the campaign not raising enough money to buy the beach at a price that he anticipated would be much higher, thus used fear as discouraging appeal. He ended the post by saying that they could only win if "the vendor takes pity on the public" and calling the crowd "either mad

or innocently, naively frenzied” (Morgan, 2016b). In his third post, just before the day the campaign closed, Morgan (2016a) used the neoliberal market theory to explain the madness of the crowd and bitterly called this crowdfunding exercise and rejection of his involvement a case of jealousy. He returned to setting himself apart from the community by calling it “the public” and positioning himself arrogantly as the wiser and richer one.

Before Major and Gard’ner could formulate an answer to Morgan’s offer, the public posted angry comments on the campaign Facebook page. Some even threatened to withdraw their pledge if the offer was accepted. However, most New Zealanders responded to Morgan’s self-centred messages with a more positive twist by doubling their pledge and encouraging others to do the same. The “I will, if you will” spirit was reinforced. A community member said that he would double his pledge if he got 10 matching offers. 15 people responded to his challenge within two hours. The campaign statistics at the end showed 40,321 pledges from 39,239 donors, meaning that over 1,000 people have double pledged. The three days after Morgan’ offer saw the highest number of pledge amount (Givealittle Able Tasman beach, 2016).

At 5pm February 09, 2016 Major and Gard’ner posted a short 137-word Facebook status politely declining Morgan’s offer because it “contradicts the foundation of this campaign” in which people had pledged small or large amounts “without imposing conditions”. Instead of focusing on buying the beach, they emphasised the symbolic meaning of the campaign, “to send a strong message about what is important to New Zealand” and called out once again “We can do this New Zealand!” (Gift Abel Tasman Facebook page, 2016).

5. Discussion

5.1 Positive grassroots activism that empowered collective action

The first research question asked: What are the factors that enable a civic crowdfunding campaign to organize crowds for collective action and to mobilize resources for a social cause? The findings indicate that the key components of success for a civic crowdfunding campaign include high consensus on a community cause based on shared values and concerns among members; positive and inclusive discourse running consistently throughout the campaign; utilization of social media channels and features, amplified by support from traditional media to maintain campaign momentum; close collaboration between campaign organizers and civic crowdfunding platform; and people focus – no government, no organizational interest, nor reliance on institutional support.

Apart from the success factors that emerged from the above analysis, it was obvious that the discourse of the campaign played an important role. Campaign discourse was framed in a consistently positive and inclusive voice of the collective. The campaign was not explicitly against any organizations or pro-social movement. It was born, matured and successfully completed out of the “can do” attitude of the crowd aiming for positive change. They acted like people that were part of one community with shared values, not as taxpayers, not in their professional role, just people wanting a positive change. People understood that if they took small actions, even if it was just chipping in one dollar (campaign statistics showed that 345 people contributed \$1), that would make the final sum bigger. But more importantly, it would also invoke others’ involvement because of the commonly observed herd behaviour in the society (Pixley, 2002). The Awaroa beach campaign’s community members kept growing till it reached a critical mass when the government and other institutions could no longer ignore it.

Another campaign discourse concerned the building of a collective action. The campaign originated from existing communities of New Zealanders that are often characterised by an image of a clean, green and environmental friendly place (Henderson, 2005). However, in the last 30 years New Zealand has been pursuing “a right wing, neo-liberal economic agenda of privatization of central and local government services, market liberalization, and deregulation” with “promotion of foreign investment” (Motion & Weaver, 2007, p. 56). When a “pristine piece of beach and bush” in historical national park Abel Tasman was at risk of becoming private again, people started to share concerns and felt connected to each other with the same concern. They responded to the campaign discourses of positivity, environment preservation, accessibility, inclusiveness and egalitarianism. This connection among community members became probably stronger during the campaign period when New Zealand was about to sign the Trans-Pacific Partnership Agreement on February 4, 2016 and the fear for foreign profit-making corporations taking over small local businesses caused uneasiness among many New Zealanders (“The TPP protest - how it unfolded,” 2016). As planned, the campaign served as a venue for people to express their values with a unified voice in a non-violent but very effective way. A discourse that relates to the values and concerns of the collective helped this campaign to build a strong committed community of shared interests within three weeks.

5.2 Civic crowdfunding as an effective platform for collective action

The second research question asked: Is civic crowdfunding an appropriate platform for PR practitioners and activists to advance their position beyond organizational boundaries and to contribute more to a fully functioning society?

Previous PR research found that grassroots activism campaigns tend to use the Internet as a channel to mobilise resources and achieve change (Coombs, 1998; Sommerfeldt, 2013) but mostly focused on the use of

websites for information dissemination (Schumann, 2015). The sole focus on this tool missed out the potential crowdfunding platforms as an online tool for activism.

The Awaroa beach campaign demonstrated supportive relationships between campaign organizers, the Givealittle platform and the pledgers. Unlike websites, crowdfunding platforms such as Givealittle.co.nz involve more than dissemination of information. From the beginning, the platform worked like a “fraud scanner” to make sure that the purpose of the campaign was valid (Beyer, 2016). The supervisory role of the platform was maintained throughout the campaign as it needed to make sure that the target was reached before money changed hand. It also served as an interactive and formal platform where potential pledger’s questions got answered, their suggestions expressed and acknowledged, and as a springboard to further communication channels such as Facebook.

Crowdfunding platforms can also help build coalition with activists to further legitimize their existence (Coombs, 1998) as all platforms need to be licensed by financial authority to collect money (Viotto, 2015). Additionally, crowdfunding platforms are specialized in raising money and other types of resources and have created a reputation for themselves (Agrawal et al., 2013). Banking on Givealittle’s established name among New Zealanders, Major and Gard’ner saved time on creating their own web presence for the campaign, and focused more on the communication with community members. Given the lack of “high levels of professionalization” (Sommerfeldt, 2013, p. 351) among grassroots activists, the outsourcing of specific tasks to intermediaries other than the media proves helpful. As such, crowdfunding platforms serve as a crucial source of power in itself for activists to validate the cause, help communicate with the community, and raise financial resources.

The case demonstrates how activists become effective change agents by using technologies to bypass defined boundaries and established structure

of organizations and institutions and reduce the costs of organizing. It was only two months between the first news of the beach sale and the tender deadline, no established organization was flexible enough to accommodate an ad hoc fundraising campaign. Environmental NGOs had to have their board meeting to approve it if they were to take charge. The government was also unable to use their planned budget for a popular cause. The lack of hierarchy in Internet-based community (Gladwell, 2010), in this case, worked for the benefits of the campaign. As predicted by Bimber et al. (2005), this grassroots campaign has been able to take up the functions that traditionally belong to resource-rich organizations. Additionally, technologies reduce the cost of information, communication and coordination, making it more efficient for organizing. The crowdfunding platform with link to social media sites made it easy to gather people with the same interests and enable them to communicate with each other. Platforms also facilitate contributions, meeting all the three basic functions for effective collective action (Bimber et al., 2005).

6. Conclusion

The Awaroa beach campaign provided a unique opportunity to consider the significance of civic crowdfunding to PR. Although not organized by professional PR practitioners, the campaign did use PR strategies, skills, and tactics to ignite collective action, to influence people's behaviour, and to make prosocial change. The campaign achieved success through being authentic and community-based in a fashion that resonated with mainstream New Zealand discourse, expectations, and values. The campaign organizers did so by consistent use of positive, inclusive, and accessible language and images on social and traditional media. They were also innovative in how they took advantage of the opportunities made available by the collaborative features of civic crowdfunding platform to mobilise collective action for financial and non-financial support.

From the PR theory perspective, it provided additional insights into how grassroots activists, who are often seen as part of a “powerless public” (Coombs & Holladay, 2012a), can make use of alternative financing, collective action practices and theories, and technological advances to shift the balance of power towards greater democracy, both economically and politically. It reiterates Toledano’s (2016) argument that PR practitioners can meet the “dual obligation” to serve both organization and society as questioned by Coombs and Holladay (2012a). From a PR practitioner perspective, the campaign illustrates how civic crowdfunding can move away from an organization-centered focus and participate in gratifying community building, in improving PR’s reputation, and in contributing to a fully functioning society. It is important to note that this study is limited by its focus on one significant case in the specific environment of New Zealand. We could not draw conclusions from a comparative study of civic crowdfunding campaigns as we were not aware of other documented cases. We do hope that this study will inspire more research into the power of civic crowdfunding to open up opportunities for fundraising as a PR function as well as to increase scholarly insight into collective action and activism.

As Bannerman (2013) put it, “[t]he true significance of crowdsourcing and crowdfunding lies not just in their technological innovation, but also in the way they shift mindsets and realities around organizational possibility, potentially reinforcing and extending, or even altering, the traditional organization of cultural production”. The Awaroa beach campaign clearly exemplifies this shift in the context of PR and activism.

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CHAPTER FOUR

CROWDFUNDING: FROM GLOBAL FINANCIAL CRISIS TO GLOBAL FINANCIAL COMMUNICATION³

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That the 2008 Global Financial Crisis is now part of public discourse just through its GFC initials is one of many signs of the international financialization of life. Moreover, as Shiller (2012) observes, the “part played by the new financial technologies...has become a matter of public as well as intellectual concern” (p. vii). Despite these testaments to the ubiquity and

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importance of contemporary finance and financial technologies (or fintech), public relations scholars give them little attention. Financial public relations, sometimes called financial communication, or loosely covered by the more restricted term of investor relations, occupies a modest space in the public relations literature. At the same time, technologies, while being one of the most frequently researched topics in financial public relations, are often discussed at surface level and limited to website study (Doan & McKie, 2017).

At the level of society, and in many different academic fields, discussions of how technologies and social media are increasing, or could increase, democracy have taken place. These range from citizen journalism through India's iPaidABribe.com, which crowdsources evidence on government corruption, to healthcare, where consumers use technology to manage health-linked behaviors and to rebalance power differences between doctors and patients toward the latter. Yet the considerable potential of fintech to open economically egalitarian pathways has received little attention. To narrow that gap, this chapter considers two recent crowdfunding campaigns in New Zealand and reviews equity crowdfunding (ECF) possibilities in China.

In looking at democratic potentials in fintech, it opens up how they might contribute to improving the reputation of financial public relations in particular and public relations in general. It argues that the lack of attention to fintech in public relations divides the field from developing a range of desirable directions such as the suggestions by the then-Director General of UNESCO in his foreword to the *Global Public Relations Handbook* (Sriramesh & Verčič, 2009a). In this foreword, Matsuura (2009) encouraged public relations to use information and communication technologies to open up venues for exchange and discussions, especially ones about democracy. The absence also cuts fintech off from the trend of publics becoming more multinational and multicultural (Sriramesh, 2009) at a time when contemporary financial markets keep expanding their global reach.

Such trends pass relatively unnoticed in financial public relations, and so too do key issues of the age, notably, public awareness of the growth of economic inequality (Milanović, 2016; Piketty & Goldhammer, 2014; Stiglitz, 2013). This is neglect that hides possible pathways for financial public relations scholarship and practice to take the lead in fostering inclusions and decreasing inequality. This chapter suggests not only how crowdfunding can increase and promote greater financial democracy, but also illustrates how it can be an effective public relations tool for increasing financial equality through opening opportunities. These approaches align with recommendations that public relations learn about building reputation from economics. For example, even after the GFC, enough economists held to “a vision of a better world based on increasing resources and allocating them justly and rationally” to ensure that their “aspirations and successes have earned . . . reputational capital” (McKie, 2010, p. 92).

We contend that financial public relations offers economic openings to reduce inequality and gather similar reputational capital by aligning with economics Nobel Laureate Robert Shiller’s (2012) proposals for democratizing and humanizing finance through financial innovation. We argue for expanding Shiller’s ideas through financial public relations consciously adopting a more prosocial role to promote financial equality across the globe. By focussing less on, say, mergers and acquisitions, and more on educating ordinary investors, and people who want to invest, financial public relations can contribute to a more economically equitable society. We ground this argument, in recent studies of one financial innovation, crowdfunding, to highlight its potential for democratizing financial access and widening ownership. At the same time, we locate crowdfunding in relation to two other important coordinates: Sriramesh and Verčič (2009a) global public relations framework; and the World Bank (2013) crowdfunding investing ecosystem.

Crowdfunding and democracy

The World Bank (2013) usefully described crowdfunding as “an Internet-enabled way for businesses or other organizations to raise money in the form of either donations or investments from multiple individuals” (p. 8). As a fundraising method, crowdfunding has been around for over a century (Freedman & Nutting, 2015), but contemporary crowdfunding powered by the internet and technologies only emerged about a decade ago and is growing at an exponential rate. Fleming and Sorenson (2016) estimated that global crowdfunding reached over US\$34 billion in 2015 from less than one billion in 2009 and Turan (2015) observed that crowdfunding is often considered a forerunner in financial innovation and a game changer in the financial landscape. The World Bank’s (2013) report confirmed crowdfunding as “an innovation in entrepreneurial finance that can fuel ‘the Rise of the Rest’ globally” (p. 4) and so reduce inequalities internationally.

Shiller (2012) envisioned post-GFC finance as having the potential to democratise finance. Crowdfunding opens opportunities for everyday investors who have small savings but are looking out for better returns (Srnicsek, 2016). Heminway (2014) states that these investors are diverse in their genders, social groups, economic classes, motivation, and locations and so form a heterogeneous investment crowd. Because funders “meet” fundraisers and their project directly on crowdfunding platforms without having to go through another intermediary, they can reduce time, costs and the potential bias (e.g., against small investors) of the middlemen (Mollick & Robb, 2016).

Benefit sharing schemes work slightly differently in crowdfunding. Other platform businesses, particularly social media networks, are often criticized for self-interest. For example, as Taylor (2014) observes, they benefit from user participation and investment while returning only temporary entertainment, reputation and connections to the users. ECF, on the contrary, involves explicit calculations of future benefits for investors. ECF

investors participate primarily for these financial rewards (Cholakova & Clarysse, 2015; Ordanini et al., 2011). Some companies give investors voting rights to take part in company operations. As such, investors, the people who drive platform success, can receive tangible benefits from community participation, expertise exchange, and financial returns.

On the other side of the equation, crowdfunding enables access to capital for small and medium-sized enterprises (SMEs) who often struggle to find capital for their expansion (Agrawal et al., 2013). By providing a fresh source of funds, crowdfunding levels the investment playing field. Previously, SMEs could either go to financial institutions such as banks, or to angel investors and venture capitalists, or use what Agrawal, Catalini, and Goldfarb (2011) call the 3F (i.e., family, friends and fools). However, available funding from the 3F is often relatively small (Belleflamme, Lambert, & Schwienbacher, 2010) and, since the 2008 GFC, SMEs access to bank capital was limited by stricter lending requirements (R. Harrison, 2013). ECF can help by bypassing the usual financial intermediaries and connecting entrepreneurs directly to a wider public who might, as a group, hold substantial accumulated capital. More SMEs are likely to take up this opportunity because direct access to capital, and the reduction in time spent on preparing documentation and meeting collateral or listing requirements also means lower capital acquisition costs (Ibrahim, 2014).

At the broader societal level, online crowdfunding virtually eliminates geographic distances between participants, and so can facilitate engagement and idea development from different points on the globe (Agrawal, Catalini, & Goldfarb, 2015; Mollick & Robb, 2016). Greater participation can also generate jobs, greater productivity, and higher GDP (Best et al., 2012). While crowdfunding is still concentrated in developed markets, the World Bank (2013) argues for developing countries mobilizing existing resources to leapfrog ahead without going through the same length of transitions as in developed nations.

Crowdfunding is not without potential downsides. Risks are pervasive. Investors in crowdfunding often have low financial literacy, and/or can display herd behaviors, and/or do not have enough shareholder protection, and/or find it difficult to monitor business performance. The businesses involved are themselves usually start-ups or early stage companies who, typically, have high failure rates, provide limited exit options, and face information asymmetry. Even crowdfunding platforms can be biased (Hu, 2015) and, according to Galuszka and Brzozowska (2017), the democratizing impact of crowdfunding is limited. Langley and Leyshon (2017) similarly argue that the practice of crowdfunding might not be as open and egalitarian as others claim. For crowdfunding to fully realize its potential, the World Bank (2013) suggests a crowdfunding investing ecosystem that builds on economic regulations, entrepreneurial culture, community engagement and technology. To an extent, this ecology overlaps with the framework for global public relations proposed by Sriramesh and Verčič (2009a). The next section will shift from considering crowdfunding's theoretical possibilities to practical illustrations through actual campaigns before returning to these two frameworks.

Crowdfunding initiatives and financial public relations

Democratizing access

When a private beach in Awaroa in the South Island of New Zealand was advertised for sale through tender in December 2015, two brothers-in-law in Christchurch started a civic crowdfunding campaign to buy it back and gift it to the people of New Zealand. Within 25 days, the campaign gathered contributions from about 40,000 New Zealand individuals and institutions who, in concert, raised NZ\$2,278,171.09 (approximately US\$ 1.5 million). Together with some support from the New Zealand government and another charitable trust, the campaign won the bid. The beach now has permanent access for publics, including visitors to New Zealand (Givealittle Able Tasman beach, 2016).

This campaign illustrates crowdfunding being used as an effective tool for public relations to contribute to a fully functioning society in two aspects: by mobilizing resources and by efficient communication (Doan & Toledano, 2017). Unlike websites whose main function is to disseminate information, crowdfunding platforms are designed to help fundraisers succeed in fundraising. According to the campaign initiators, the Givealittle platform shared the campaign's egalitarian purpose and "bent over backward" (Gard'ner & Major, personal communication, April 07, 2016) by providing additional technical and professional support. Moreover, crowdfunding platforms, because of their legal status and business function, can, and do, gather both financial and non-financial resources (Heminway, 2013).

Choudary (2015) identified how crowdfunding platforms rely on a strongly developed community or network of users to encourage interactions. In the Awaroa beach case, Givealittle had a campaign page with an interactive Q&A section, and an update tab as well as space for pledgers to leave comments. Information on the platform page was easy to share with the campaign's Facebook page. This helped ensure message consistency while maximizing outreach. Since the platform has already built a name for itself, the campaign organizers could leverage its reputation rather than developing a new website from scratch. This meant that the organizers, as grassroots activists with limited resources, could focus on crafting engagement and message strategy. Doan and Toledano (2017) found that high consensus on a community cause – based on shared values and concerns among members – along with positive and inclusive discourses running consistently throughout the campaign, were among the main reasons for the campaign's success.

Keeping local (jobs) in the age of globalization

Demonstrations against globalization are often instigated by anger at overseas organizations reducing local employment. One recent record-breaking crowdfunding response, again from New Zealand, shows its high

social value. In early 2017, Mondelez, the multi-national owner of the confectionary brands Cadbury and Trident, decided to shut down its Cadbury chocolate factory in Dunedin as part of its global cost-cutting exercise (Stock, 2017). A local city councillor teamed up with others to launch an ECF campaign inviting the public to invest in the newly formed company, Dunedin Manufacturing Holdings (DMH). DMH was to partner with a local artisan chocolate factory, OCHO, to expand its operation and hire those made redundant by the Cadbury factory shutdown. In just 30 hours, the campaign reached NZ\$2 million, also the maximum limit allowed for a crowdfunding (Financial Market Authority, n.d.-a) in a year, with contributions from 3,570 investors (Anderson, 2017; Miller, 2017; Roy, 2017a).

The Awaroa beach example was a civic crowdfunding campaign where people contributed money for a greater cause without receiving specific individual rewards in return. In contrast, the Dunedin chocolate campaign was an ECF venture where, in addition to 20 per cent discount on their OCHO purchase, investors would also receive dividends should the company make a profit (Pledgeme, 2017), and have voting rights that give them a say in how the company is managed (Anderson, 2017). Since New Zealand does not yet have a secondary market for crowdfunded shares, this means that investors are in for the long term and will be directly impacted by company performance. However, the pragmatic benefits seemed to blend with a more altruistic investor purposes of bonding with the community, “to keep jobs local” (Roy, 2017a) and of maintaining chocolate-making as part of “a national identity” (Roy, 2017b).

In both campaigns, support poured in not just from New Zealand but from around the world. The global input testifies to the extensive reach of crowdfunding, although, in ECF, national regulatory requirements still apply and have a bearing on financial public relations. For instance, the New Zealand Financial Market Authority (n.d.-b) only permits wholesale, or accredited, investors with prior experience to invest from overseas. Other

countries also impose national restrictions for external capital through crowdfunding. The U.S., for example, does not allow crowdfunding investors to invest in foreign companies (J. D. Harrison, 2013) and Canada does not allow investment into non-Canadian ECFs platforms (Alois, 2017). Financial public relations needs both to communicate with and to educate investors about these differences. In addition, it is crucial that financial public relations advocates for the international dimension of rules (Shiller, 2012) act to further the egalitarian prospects of crowdfunding.

Could China lead the way?

At present, different prospects occur in different parts of the globe. For example, according to a recent *Economist* report: “By just about any measure of size, China is the world’s leader in fintech” (“Chinese banks are not far removed”, 2017, p. 55). Zhang, Deer, et al. (2016) attribute the drivers of robust alternative finance in China to the size of the national economy, the Internet user base of 668 million people, the mostly unregulated market, and the participation of institutional ownership of platforms. While the biggest segments of Chinese alternative finance market are various types of lending (peer-to-peer consumer and business and real estate loans), ECF in China is already a serious world player estimated to gain over half (US\$50 billion) of the World Bank’s (2013) developing world’s crowdfunding revenue, which is projected to be US\$96 billion in 2025. Unlike in other countries where ECF is often smaller than other types of crowdfunding, in China it is the mainstream crowdfunding practice (Li, 2016). The research thinktank Nesta (2017) estimated that the number of equity crowdfunding platforms in China skyrocketed from 32 in 2014 to 130 in 2015, with the total fundraised amount increasing fivefold in the same period.

From a macro perspective, the Program of 13th five-year-plan for national economic and social development approved by the 12th National People’s Congress in 2015, has acknowledged crowdfunding as an important tool for

promoting mass entrepreneurship and innovation (Xu & Ge, 2017). In addition, in 2015, China's national gross savings were at US\$5.3 trillion, accounting for 47.9% of GDP. This is one of the highest savings rates in the world (World Bank, 2017) but there are limited formal investment outlets for these monies. The official opening of ECF in China could therefore create an effective investment tool for the public. From a micro perspective, individual funders already account for 86% of ECF in China and they are highly Internet-savvy and growing fast (Zhang, Deer, et al., 2016).

In terms of technology, Chiu, Ip, and Silverman (2012) found that many Chinese social media platforms are more advanced (e.g., in containing many more interactive features and having them earlier than their counterparts elsewhere). Renren and Sina Weibo are excellent examples of social media networks with such features (Crampton, 2011). In terms of online behaviour, Chinese participants prefer to access not only company information, but also non-brand-related posts or activities that help increase socialization between company and users, and among users (Men & Tsai, 2012). In short, Chinese crowdfunding platforms are ideally positioned to take advantage of their communities' immersion in social networks for information. In addition, their willingness to share information and help each other already feature strongly in their collectivistic culture (Chu & Choi, 2011; Men & Tsai, 2012, 2013). Moreover, Li (2016) found that because ECF in China is mostly done through syndication (i.e., investment groups with the leading investors), communities of investors already exist formally. Platforms, through their financial public relations efforts, could activate these communities to encourage members to discuss risks and risk management, and to increase their knowledge of investment terms and processes, and, therefore, further their participation in financial activities (Song, 2015; Van Rooij, Lusardi, & Alessie, 2011).

Crowdfunding, financial public relations and reputational capital

As the cases above suggest, the potential for more equitable finance has survived the GFC. To maintain it at the global scale will require education and communication (Shiller, 2012). Financial public relations could undertake that task, and by doing so, contribute to increasing the overall reputational capital of public relations in general. Financial public relations, as a public relations specialisation, fits with Sriramesh and Verčič's (2009a) comprehensive conceptual framework but, as a general framework for global public relations, it did not cover issues specific to financial public relations and crowdfunding. Accordingly, to explore these specifics, we augment it with the World Bank's (2013) crowdfunding investing ecology. While all four elements of this ecology – economic regulations, entrepreneurial culture, community engagement and technology – feature in the Sriramesh and Verčič model, three important issues, for financial public relations in the age of global finance, are absent.

First, as an interdisciplinary field joined by communication, finance, marketing, and securities law compliance (NIRI, 2003), financial public relations is also subjected directly to strict laws and regulations imposed by financial market authorities. These laws and regulations are specific and beyond the legal structure and national boundary Sriramesh and Verčič (2009a) mentioned (e.g., the participation of overseas investors discussed above). Contemporary financial public relations, while adhering to these requirements, also needs to advocate for the internationalization of capital regulations to keep up with the rapid socialization of global finance (Terry et al., 2015).

Second, to make finance more accessible to everyone – whether it be wholesale/accredited or first-time investors, start-ups or not-for-profit organizations – participants need to understand both the benefits and risks. This is especially true for such innovative products as crowdfunding. Traditionally, international efforts in increasing financial literacy have had

limited impact (OECD, 2016), but crowdfunding platforms have the capacity to make financial education more collaborative. Already, forward-looking and competitive platforms exceed the minimum legal requirements of checking an ECF investor's understanding of basic terms and risks, and minimal legal requirements (e.g., displaying risk warning statements). They also mobilize interactive communication functions to encourage dialogue and discussion (Wroldsen, 2013).

With these functions, members could draw from what Surowiecki (2004) calls the wisdom of the crowd to spot suspicious information and/or to simply share relevant general knowledge and investment knowledge, and/or to learn from each other. Crowdfunding platforms that foster such initiatives already exist. In the U.K., the platforms Crowdcube and Seedrs have discussion forums and buttons to connect directly with fundraisers; and in New Zealand, Snowball Effect provided a series of offline investment talks around the country. Because the majority of equity crowdfunders are first time investors (Baeck et al., 2014), such support can build confidence and increase competence in assessing investment opportunities and risks.

The third issue that financial public relations could influence concerns technology. Our examples illustrated how crowdfunding as a fintech initiative drove society towards being more inclusive, and achieving more egalitarian goals. As people increasingly experience the impacts of big data, artificial intelligence, and the internet-of-things, fintech public relations can help them to be aware “of fundamental information about the workings of the system” (Shiller, 2012, p. 235) to fully participate. Financial public relations could explain the underlying mechanisms of fintech, or foreground power plays among participants, or advocate for greater platform transparency.

Conclusion

The chapter situated financial public relations as an important area in its own right in many areas of the world. It also identified a gap between

financial public relations and public relations in general as a divide restricting democratic and prosocial moves to increase equality nationally and internationally. It used two campaigns to illustrate situations where some of the democratizing potential can be realized. It also highlighted the importance of technology and the macro environment in boosting the impact of fintech in ECF. The chapter ended by highlighting the following three areas for financial public relations futures: promoting cross-border capital flow through international laws and regulations; increasing financial literacy through collaborative education; and examining technologies underpinning fintech.

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CHAPTER FIVE
DEVELOPING INVESTOR RELATIONS AND
STRATEGIC FINANCIAL COMMUNICATION:

Contemporary opportunities, risks, and tensions⁴

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Abstract

Researchers investigating investor relations (IR) in general and the growth of alternative finance in particular are popularising the term strategic financial communication to cover a broader remit than traditional IR territories. Despite their efforts, IR and public relations (PR) research in this area remains limited. In increasing that research, we examine five diverse equity crowdfunding (ECF) platforms in different nations to evaluate what is involved in opening up financial practices through engaging strategically with diverse communities, and through balancing risk communication. We found that despite the potential for enlarging the egalitarianism by extending participation more widely, major disparities and tensions remain. Platform businesses, caught between limited internal resources and external legal restrictions, tend to limit the investor pool; withdraw from responsibilities; perform mostly one-way communication; restrict community discussions; and bias their risk communication. These, in turn, can adversely influence risk management, especially for new and inexperienced investors and investment communities. Accordingly, we suggest how academics and professionals in IR and PR can better realise the rare combination of enlarging both economic equality and organisational profitability. We end by arguing that strategically developing financial communication through ECF in prosocial ways can enable IR and PR to contribute to the fully functioning society.

Key words: investor relations; equity crowdfunding; risk communication; community; platform businesses

Introduction

Investor relations (IR) is often considered as the strategic management function that integrates “finance, communication, marketing and securities law compliance” by the American National Investor Relations Institute (NIRI) (NIRI, 2003). IR and financial communication tend to be used interchangeably in literature (Doan & McKie, 2017). In our view, financial communication implies a broader coverage in terms of public as well as scope of work of the IR function within an organisation. The strategic approach to financial communication, however, remains neglected in academia despite the increasing traction gained by strategic communication in general (Laskin, 2014b). In his recent *Handbook for Financial Communication and Investor Relations*, Laskin (2017c) continued to call for synergy between communication and financial elements of IR.

With the emergence and wider application of social media to business and social practices, this article suggests that IR, as a field within public relations (PR), has the potential to expand its strategic financial communication role. This is particularly evident when IR engages in discussions around online investor community and risk communication in equity crowdfunding (ECF). Lawton and Marom (2012) consider ECF as the marriage between social media and finance, and the two areas fall within the realm of IR. ECF happens when a company makes a call to the public over the Internet, through a licensed website or platform, to invest in it for the promise of an exchange of financial rewards in later stage (Ahlers et al., 2015). ECF enables a much larger and dispersed investor base. Communicating with this base, through accessible and participation-friendly technology, strategic financial communicators could help form online communities and coordinate resources to significantly influence a company’s development and increase investor returns. At present, how much, or how little, these potential communities form and communicate depends primarily on the infrastructure of the centralised ECF platforms (Choudary, 2015).

In addition to the global spread, ECF has opened democratic possibilities by how it can allow some people with as little as £10 in capital to invest (Crowdcube, 2016). Not only does ECF open up the potential participation for everyday small investors, it also unfreezes a capital source previously less accessible, or sometimes even inaccessible, to start-ups or early stage, or small and medium-sized enterprises. Not surprisingly, ECF has been hailed by governments, entrepreneurs and scholars as having the potential to democratize capital, widen entrepreneurship (World Bank, 2013), create more jobs, and increase GDP (De Buysere, Gajda, Kleverlaan, & Marom, 2012).

While researchers from business and finance fields are increasingly confirming the importance of ECF in opening up capital, communication scholars have been slower to undertake research in ECF. To date, for example, there has been only one IR study (Moritz, Block, & Lutz, 2015) investigating IR in ECF, and even its focus was on communication channels and information asymmetries. We argue that by focusing understanding on ECF communities, and the management of risks on the platforms, PR and IR could make significant contributions to the much-needed conversations about strategic financial communication. These are especially relevant in the age of debates about the sharing economy, or what Botsman and Rogers (2010) call “collaborative consumption” for technology-enabled peer communities where people share rather than own (e.g., Airbnb, Zipcar), versus critiques of the overcentralisation of power that see Google as an “ad platform that commands, in some markets, a 90 percent share of the most lucrative sector in media, yet avoids anticompetitive regulation through aggressive litigation and lobbyists” (Galloway, 2017, p. 2).

Literature review

Equity crowdfunding and the online investor community

Ahlers, Cumming, Guther, and Schwizer’s (2012) definition of ECF highlights three key players: the entrepreneurs (or founders/ issuers/

fundraisers), the investors (or funders), and the crowdfunding platform itself. Zhang, Baeck, et al. (2016) note that founders in ECF are usually entrepreneurs of start-ups and early stage companies. Investors in ECF tend to be small investors without much financial background (Ahlers et al., 2015). Platform businesses act as intermediaries between the funders and the entrepreneurs. Their primary function is to make money by promoting an investment project to the crowd and so bringing money from the crowd to the entrepreneur. In this paper, we focus on the way ECF platform businesses recruit and interact with investors through the former's existing features to examine the level of engagement and risk communication in the investor community.

The ECF investor community consists of people who, with or without financial expertise, take the opportunity to invest in equity offerings open on the Internet. Many are first time investors, with limited relevant financial knowledge or experience (Baeck et al., 2014). Nor, because their investment is often small, does it make economic sense for them to put much time and effort into investigating the deal (Ahlers et al., 2015). As a result, they run the risk of systematic inattention to due diligence (Agrawal et al., 2013). According to Hu (2015) and Wilson and Testoni (2014), other implications of being minority shareholders dispersed over different locations are that, because they invest independently, they do not have the power to negotiate terms for any deal, nor can they monitor the ongoing operations of the businesses. A further possible disadvantage is that they differ from traditional stock investors of listed companies in that they cannot sell their shares so freely but have to hold on to their investment till the day the company chooses to make an exit (Freedman & Nutting, 2015).

ECF investors resemble angel investors because of their direct investment in start-ups. However, unlike angel investors, who have all the investment information to hand, crowd investors gather material about the business over the Internet through a centralized ECF platform and quasi-personal communication (Moritz et al., 2015) to make investment decisions. Lack of

face to face communication can lead investors to interpret, and perhaps over-interpret, all the signals on the platforms (Ahlers et al., 2015). Equally, by using others' responses as a cue to participate, investors can more easily partake in groupthink or herding behaviour. In ECF, however, the very newness and lack of experience of investors not only increase the likelihood of this behaviour happening, but can, as with the subprime mortgage investors, be over-optimistic about future outcomes (Wilson & Testoni, 2014).

In addition, members of the crowdfunding communities are often involved in screening, sharing, and discussing potential offers, and, therefore, in promoting democratic participation in crowdfunding (Heminway, 2014; Ibrahim, 2014; Wroldsen, 2013). According to Heminway (2014), the investors "may have had no physical contact with the issuer or each other apart from Internet solicitations and communications. But crowd members are connected" (p. 833). For Belleflamme et al. (2014), "crowdfunding is most often associated with community-based experiences generating 'community benefits' for participants" (p. 586). In the case of ECF, community benefits involve investment experience on such matters as control rights and voting power aimed at generating profit for members. The ties among them, and between them and fundraisers, can help achieve more positive results than traditional financing (Belleflamme et al., 2014). Wroldsen (2013) argued that crowd investors are diverse and decentralized enough to take on the role of market analysts in assessing the value of an offer.

This characteristic highlights the importance of creating investor communities and maintaining good relationships with their members. Community building has featured in theoretical PR literature, and as part of the practice, for a long time. Kruckeberg and Starck (1988), for example, presented a theoretical framework to organise and build up communities through PR. Combining community-building theory with the changing context of globalisation and technology expansion, Valentini et al. (2012)

argue for a more public-centric community shifting the power balance away from organisations and more towards members of community. Nevertheless, despite their strategic potential, none of the community-building ideas, or capacities, find takers in IR and financial communication although the current online environment of ECF offers a particularly fertile setting for such applications.

Equity crowdfunding and risk management on the platform

The changes in investment setting, investor characteristics and so on, make ECF risky. Compared to other types of crowdfunding, ECF has tighter regulations. In Hu's (2015) summary, ECF risks can come from key participants and processes. For investors, as discussed above, the general low level of financial literacy, the lack of adequate shareholder protection, and the inability to monitor company performance after funding could lead to systemic failure. They are also driven by the desire to seek additional income and more profitable venues because of the prevalent uncertainties of current daily life (Srnicek, 2016). For entrepreneurs, despite their best intentions, things might not go their way. In fact, Hu (2015) puts the failure rate among start-ups as high as 70% over the first year. This is in addition to other problems. One is asymmetry of information (at its extreme, this is illegal insider trading and, legally, just as in the real estate market, the seller knows more than the potential buyer, so in start-ups, a cashed-up venture capital firm may get better data from an organisation than an individual ECF investor). Another problem is moral hazard (e.g., where entrepreneurs knowingly do not reveal necessary information with the aim of deliberately misleading investors). Evans and Dunkley (2015) also identify such other risks as improper due diligence, or deliberately displaying only successful deals to give investors the idea of an all-rosy future.

In the light of such risks, the lack of the discussion feature on many platforms – discussed below – needs immediate attention because platforms play a crucial role in communicating and managing ECF risks. All

communication and interactions have to happen online and are centralised on licensed platforms (Moritz et al., 2015; Viotto, 2015). Platforms are the first point of contact between crowdfunding companies and their investors. Significantly, at the same time, they are tasked with such other roles as information intermediary, educator, fraud controller, and financial conduit (Heminway, 2013; Securities and Exchange Commission, 2015). Accordingly, they have considerable power to increase or decrease the participation of the crowd investors, and to improve their financial literacy and awareness of risks.

In addition, ECF platforms serve two distinct user groups that provide each other with network benefits: entrepreneurs and investors. Their success depends on platforms creating positive network effects (Parker et al., 2016). In this case, the more entrepreneurs that are on a platform, the more investors are likely to be drawn to it for more investment opportunities. On the other side, the bigger the platform investor database, the more appealing it is for entrepreneurs as it increases their funding opportunities. Platform businesses need to maximise the interaction between these two sides by pulling them in through quick registration, promotion and incentives, matching their needs through data and algorithms, and facilitating interactions among them through function and features (Parker et al., 2016). These activities, in turn, depend on what Choudary (2015) identified as three platform operational layers: the network-market place-community layer is where members connect with each other, either implicitly or explicitly; the infrastructure is where tools and functions are; and the data layer collecting data from both sides. These three layers vary in “thickness” depending on business type and strategy. For ECF, the current platforms seem to emphasise the network-market place-community layer as investors exchange information about offerings to reduce imminent risks. ECF platforms, in this situation, operate like a “social amplification station” (Anthony & Venette, 2017, p. 34) to either attenuate or increase risks.

Financial risk communication becomes an essential task for IR. Risk communication, defined as a tool for communicating values, identities, awareness, attitudes and behaviours related to risks, has been addressed extensively among PR scholars (Palenchar & Heath, 2007), but less so in IR. Perhaps because of the lack of attention to finance, let alone alternative finance, neither the PR literature nor the IR literature has research on the role of ECF platforms in organising and building investor communities and handling risks. We hope this study stimulates more communication and IR research into how to increase participation in alternative finance.

Based on the literature, we set out to answer the following research questions:

RQ1: What is the process of registering investors on ECF platforms?

RQ2: What is the level of engagement with investors on these platforms?

RQ3: What risk education and communication do the platforms provide?

Sources and methods

In order to ground our platform research in current practices, we selected for investigation the five leading countries in ECF: the U.K., Australia, New Zealand, the U.S., and Canada. The U.K. is considered the forerunner in ECF (Sehra, 2015) with favourable, including tax relief schemes, regulations (Agrawal et al., 2013; Ahlers et al., 2015). Australia hosts the world's first ECF platform, ASSOBS, which was opened in 2007 (World Bank, 2013). New Zealand did not have ECF regulations until 2013 but passed what may be "the first national law that has no specific investor cap" (Dehner & Kong, 2014, p. 437). Meanwhile, in the U.S., before May 16, 2016, ECF could only be offered to accredited investors (Securities and Exchange Commission, 2016) and in Canada, ECF is only legal in some jurisdictions (National Crowdfunding Association of Canada, 2016). Despite this, the North American market accounts for 60 per cent of global crowdfunding (Terry et al., 2015).

Established in 2011, the U.K.'s largest ECF platform Crowdcube "operates as an open forum where investors can view projects, idea pitches, and engage with others in its ecosystem" (Dehner & Kong, 2014, p. 424). ASSOBS, on the other hand, is organised more like a stock market for unlisted companies with support services for the investment community (ASSOB, 2016a). According to Australian regulations, ASSOBS can neither market investment opportunities nor advise investors. Similarly, New Zealand's Snowball Effect platform operates as an intermediary facilitating interaction between entrepreneurs and investors and providing feedback to the national financial authorities (Snowball Effect, 2016). We include the American Crowdfunder platform because it is one of the leading ECF platforms and because its owners and advisors have been actively promoting ECF with legislators (Crowdfunder, 2016a). Finally, SeedUps, which started as an Irish platform (Dehner & Kong, 2014), now has a presence in Ireland, the U.K., the U.S., and Canada (SeedUps, 2016), and is one of the five biggest ECF platforms in terms of volume (Ahlers et al., 2015). The inclusion of the Canadian version of SeedUps was designed to provide geographic and legal diversity.

In such a fast-moving arena, the study chose to bias samples towards recency rather than primacy. We collected information from the five platforms in the first half of 2016. We excluded all deal offers and company-related information on the platforms to focus instead on the non-commercial sections that provide general investment knowledge and risk information to investors. These sections served as our context units.

We imported and coded data in NVivo, the qualitative analysis software. Based on Bogdan and Biklen's (2007) categorisation of coding categories, we applied two categories, process and activity coding. The process-coding category consisted of registration steps and investment process to cover the process of recruiting and guiding investors through online investment. The activity-coding category focused on the activities platforms undertook in interacting and communicating with investors and included general

investment knowledge, risk warning statements, Frequently Asked Questions (FAQs), types of risks, communication tools, and dialogue. We compiled these codes into one coding sheet, used one for each of the five platforms, and then cross-compared for similarities and differences between platforms. Finally, we proceeded to analysis and interpretation.

Findings

Registration processes, educational intent, and self-certification

Financial authorities require platforms to educate the public about this new form of investment. The educational orientation starts early with the registration process where potential investors have to provide their basic personal details. Out of the five platforms, three, ASSOB, Crowdcube and Crowdfunder, also allow investors to sign up through a third party (LinkedIn or Facebook). This makes it even quicker for people to join since investors can simply tick the boxes verifying that they have read and understood such basic legal documents as Investor Warning Statements, and Terms and Conditions. For platforms serving various investor types, investors also self-certify the investment category to which they belong (see Table 1).

The whole registration process is consistently fast with Crowdcube (2015) claiming that “it takes less than 60 seconds.” In sharp contrast, however, the time needed to read, let alone understand these documents is considerably longer, especially since many are more than one page long and contain numerous financial and legal terms. We suggest this first encounter between an everyday investor and their chosen platform frames the overall experience. It surfaces inherent tensions as the platforms focus on getting people to sign up quickly even if this entails discouraging, or failing to encourage, investors to fully inform themselves. In concert, the condensed information, the connection with social media platforms, and the hassle-free steps to swift registration, all demonstrate the platforms’ willingness to create easy access for a wide public. At the same time, the platforms’ various links to full legal documents serve to comply with

regulatory requirements. As a result, the educational element for investors during the registration is designed to be brief and so is likely to be minimal.

Platform businesses also attend to different restrictions in different legal jurisdictions. Apart from SeedUps, the other four platforms limit investors from certain countries. The three non-U.S. platforms clearly state that all offers are unavailable for U.S. citizens. The U.S. Crowdfunder platform, on the other hand, prohibits non-U.S. residents from investing due to “complexities of complying with securities laws” (Crowdfunder, 2016b). This incompatibility continues even after May 16, 2016 when the U.S. legally permitted everyday investors to participate in ECF (Clifford, 2016). Accordingly, the ECF’s capability to expand communities across geographic boundaries continues to be inhibited – not just by differing legal regulations in different nations – but by the platforms’ practice of leaving this up to individual investors to verify. The one exception is Crowdfunder, which requires investors’ consent for checking their accredited status. No other platforms express any intention to follow up on the information provided by investors.

Table 1: Registration information and process

	Crowdfunder	Snowball Effect	Crowdcube	ASSOB	SeedUps
Registration option	On-site; Facebook; LinkedIn	On-site	On-site; LinkedIn	On-site; Facebook; LinkedIn	On-site
Registration information	Self-verify investor status, legal name, DOB, country of residence, phone number	First and last name, email, interested in being an investor or entrepreneur or both, if one is a US citizen or resident	First and last name, email address, nickname	First and last name, country, email, phone number, stakeholder type, where first heard about ASSOB	First and last name, email, address, phone number, funds available to invest, investor profile
Boxes to tick to indicate agreement, acknowledgement, and understanding of:	(1) Terms of Use; (2) Risk of losing all money; (3) Doing own due diligence; (4) Allowing Crowdfunder to verify accredited status	Disclosure Statement, and Warning Statement	Crowdcube Terms and Conditions; Privacy Policy; Investor Description; and Investor Statement	Investor Warning, and Privacy Statement	Investor types and risks of investing in private company securities
Self-verify investor types	(Currently serving accredited investors and brokers only)	N/A	(1) Everyday; (2) Advised; (3) Self-certified sophisticated; (4) High net worth	N/A	(1) Accredited; (2) Eligible; (3) Ordinary

Asymmetric communication and distancing responsibilities

All platforms provide various channels for investors to contact them. The most popular ones are generic email address, Facebook, Twitter, LinkedIn, telephone numbers, and postal address. All but SeedUps invite investors to sign up for regular email newsletters with the latest fundraising company offerings or updates. In addition, ASSOBS builds in RSS feeds, Crowdfunder lets investors share information from the Tools and Resources section via various social media channels, and Crowdcube has its own application in the Apple Store. All of these aim at keeping individual investors abreast of investment news. Snowball Effect personalizes the content with a few video clips featuring individual testimonials from company managers and investors. The platforms provide limited links to external sources. Existing links mostly take investors externally to relevant regulations on the website of local financial authority or internally to the platform's legal documents.

In general, the ECF platforms attempt to engage with investors but the information on their non-commercial section is often one-directional and relatively static. Even a FAQs section, where basic knowledge takes the form of a conversation between an average crowd investor and the platform, would be more interactive. Nevertheless, while FAQs are an effective way of breaking down large amount of information into easy-to-read pieces, they are still one-way communication with content written and provided by the platform businesses with limited input from investors. Crowdcube investors, however, can rate a certain question in FAQs by thumb up or down, and so have a vote of sorts in helping guide the platform to display the most useful ones.

Despite obvious educational advantages, no platform offers facilities for group discussion of general ECF investment knowledge although feasible options exist. For example, potential investors could share a particular Q&A on their own social media account to further discuss within their personal network (as in Crowdcube); or they could discuss it with the platform or

company in public mode. Currently, no place or space exists for investors to co-explore the basics of ECF investment or the complicated language of legal documents (e.g., Terms of Use, Disclosure statements). The absence is striking since investors are asked to possess such knowledge when they register; the absence is telling in exemplifying unidirectional communication without any encouragement for crowd-based approaches or interaction.

In terms of language, platforms are straightforward with their (limited) responsibility (e.g., for the accuracy of third party documents; the fundraising company's performance). As per local financial authority requirements, platforms are obliged to perform basic due diligence based on publicly available information. Because they do not even want to be held liable for that, platforms state unequivocally that investors invest at their own risk and/or suggest that investors undertake their own research or seek external advice. Although self-serving, that guidance is sound if not very practical for many because of the small amount each investor puts in as previously pointed out by Ahlers et al. (2015).

The platforms also distance themselves from any fraud-controlling role: "We simply provide the tools for companies and funders to communicate more efficiently and manage what is needed for a successful transaction" (ASSOB, 2016b). Crowdfunder (2016b) similarly states they "cannot guarantee the authenticity of any data or information that Users provide about themselves or their Raise, and Companies." Given that no platform offers an open group discussion board to exchange investment knowledge, this distancing, on top of what the OECD (2016) considers the lower level of financial sophistication of everyday investors, further exposes everyday ECF investors to risks that are already high.

Risk communication

The amount of risk communication varies across platforms with SeedUps on the lowest end of the scale and Snowball Effect on the highest end. Crowdfunder did not have a specific section discussing risks, while

Snowball Effect embraced risk warnings from both the Financial Markets Authority and their own. While ASSOBS had a risk tab, it was short and did not specify the risks but instead asked investors to go to the business risk management section of each individual offering. Across almost all platforms, the amount of information about offers overshadows risk communication material. The platform homepages, except for Crowdcube's inclusion of a prominent risk warning on every page, foreground current offers with risk warning statements located less conspicuously at the bottom of the page.

While it is the platforms' business to feature deals and offers, we contend that this first impression frames investor attention in terms of opportunities at the cost of minimizing risks. This framing of (positive) attribute (Hallahan, 1999) by platform businesses highlights the over-optimism and dims the inherent investment risks. The quantity of risk information available is disproportionately tiny in the proportion of space and the prominence allocated to offers. Discussions of risks are also less accessible because they are scattered across various documents. ASSOBS, for example, foregrounded its business legitimacy – and therefore reduced the opportunities for it to be seen as untrustworthy – in three different pages. Similarly, investors of Crowdcube would need to navigate through a disclaimer, a full risk warning statement, and a terms-of-use section to put together an understanding of the inherent risks. Crowdfunder is the only platform that collects all risks, albeit with highly legalistic language, into one (Terms of use) document.

The platforms were unanimous in warning investors about two issues: the potential loss of money when investing in start-ups and early stage companies; and about the limited opportunities to cash in their equities. They also informed investors of the unaudited or unverified materials published on the websites and advised them to seek independent advice from other sources. Nevertheless, the types of risks discussed by the platforms were a fraction of all potential risks contained in the literature (See Table 2). Notable by their omission were accounts of investment risks

relating to unsophisticated investors, inadequate knowledge and experience, participation in groupthink, and facing the collective action problem. None featured on any of the platforms, nor were any linked to the possibility of more systemic collapse.

Table 2: Types of risk across platforms

Types of risk	Crowdfunder	Snowball Effect	Crowdcube	ASSOB	SeedUps
Investing in new businesses	Terms of use	Disclosure statement	Disclaimer; Full risk warning statement	Investor warning statement	Online agreement
Lack of control or involvement	N/A	Warning statement	N/A	N/A	N/A
Collective action problem	N/A	N/A	N/A	N/A	N/A
Investors lack of knowledge and experience	N/A	N/A	N/A	N/A	N/A
Limited disclosure	N/A	Disclosure statement; Warning statement	N/A	N/A	N/A
Limited information sources	N/A	Warning statement	Disclaimer	Investor warning statement	N/A
No third party validation of published documents	Terms of use	Disclosure statement	Disclaimer; Terms of use	Investor warning statement	Online agreement
Potential fraudulent businesses	Terms of use	Disclosure statement	N/A	N/A	N/A
Technological issues	Terms of use	N/A	Disclaimer	N/A	N/A

Platform legitimacy/ responsibility	Terms of use	Disclosure statement	Disclaimer, Terms of use	Overview page; 'How does ASSO B work?' page; Investor FAQ's page	N/A
Third party endorsement	N/A	Disclosure statement	N/A	N/A	N/A
Illiquidity	Terms of use	Disclosure statement	Disclaimer	Investor warning statement	Online agreement
Dilution	N/A	Disclosure statement; Warning statement	Disclaimer	N/A	N/A
Geographic boundary	Terms of use	Disclosure statement	Disclaimer	Jurisdictional disclaimer	N/A

Discussion and recommendations

In summary, although the analyses confirmed that ECF platforms have the potential to further democratize crowdfunding participation by taking on designated roles facilitating community engagement and reducing risks through two-way communication, we found these were not realized in practice. Firstly, this is because the educational content that platforms provide, including risk communication, remains peripheral and designed to meet the minimum regulatory requirements rather than serve any other function. As platforms are the only centralized space for integrated communication between companies and investors (and among investors), they are crucial areas for change. They could easily extend their existing, but narrowly functional, practices (e.g., doing the bare minimum to meet legal requirements). Glimpses of liberating potential exist in a few platform examples of going beyond regulations requirements to harness the power of the crowd such as Snowball Effect providing a series of investment talks to crowd investors in New Zealand. Crowdcube similarly opened up various channels for the crowd to interact and such initiatives encourage participation by, and conversations among, the crowd in relation to financial knowledge and risk education.

ECF platforms could take the lead in making ECF platforms more interactive for investors. We recommend that the platforms open up their spaces for more active exchanges of information, ideas, investment practices, and communal support. It is through exchange, openness and a certain lack of control that dialogic communication happens (Zerfaß, 2010, cited in Koehler, 2014). Platforms can initiate this simply by leveraging already available interactive features (e.g., instant messaging, group formation, video sharing) on social media, or include more audio-visuals, success stories, and online investment classes, or by building in group discussion features that allow instant communication between company owner and investors and among investors. This is also in line with Valentini et al.'s (2012) call for better inclusion of technology into community building to help shift power towards members.

Secondly, after having integrated this interaction, ECF platforms need to operate “as an independent social network community” (Zheng, Li, Wu, & Xu, 2014, p. 494) to encourage and enhance further engagement. Many crowd investors take part in ECF because they are interested in the business and share similar social visions to its owners (Belleflamme, Lambert, & Schwienbacher, 2013). Platforms could leverage this resource and open up ways for crowd investors to share their different kinds of financial and non-financial resources to help companies grow and to improve the balance sheet. Some platforms have started to apply the syndicate model where an experienced person acts as a lead investor (Agrawal et al., 2016). Apart from having financial capacity and investment experience, the lead investor will need resources to help develop the project if necessary and be able to bring in more investors (Li, 2016). This model is not without issues (e.g., conflict of interests), but encourages greater democracy, more informed actions, and wider and less risky investment.

Thirdly, as previously discussed, ECF investors are particularly vulnerable to risks. To address that vulnerability, and to build a more sustainable ECF investor base, the researchers recommend better coordination of emerging online investment communities. Platforms could use such communities to encourage members to discuss risks and risk management, to increase their knowledge of investment terms and processes, and, thereby furthering their ongoing participation in financial activities (Song, 2015; Van Rooij et al., 2011).

On the scholarly side, more researchers need to look into risk communication in financial technologies. Risk is inherent in any investment, but the lack of risk communication literature on the topic is alarming. In addition, most financial communication literature focuses on the daily operation of IR departments in the traditional finance contexts. As crowdfunding continues to expand, there is a pressing need for scholarly IR and PR expertise to help shape the emerging territory. For example, despite its restriction to website analysis, Koehler’s (2014) corporate-investor dialogue framework establishes a possible starting framework for future

research. Following other scholars (Kim and Hann (2015) Lehner (2013), we also call for more studies into the democratic potential of crowdfunding in general. More specifically, we advocate for the deployment of IR and PR (e.g., through social media) to democratise investor opportunities and to harness the economic and knowledge power of the crowd for the benefit of businesses.

Conclusion

In contributing to scant research on strategic financial communication in general, and IR and ECF in particular, we built on preliminary evaluations of the level of online community openness, engagement, and risk education on five leading ECF platforms. Our research found that, while existing platforms have the potential to encourage further participation through active communities, they have, in practice, barely scratched the surface of that potential. We also found that platforms marginalize risk communication in ways that can expose investors, especially inexperienced ones, to specific ECF-related risks that could hurt them, especially in the long term. We concluded with strategic suggestions for improving ECF platforms from both a practitioner and a researcher perspective. As well as contributing to this expanding arena, such interventions could better realise its democratic and economic potential, and, in so doing, enhance the social reputation of IR and PR.

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CHAPTER SIX

IN SEARCH OF FINTECH:

A chapter on methodologies that is not a methodology chapter but a narrative of a journey

As the thesis moved deeper into the fast-changing context of fintech, finding a method fit for purpose proved challenging. I started with thematic analysis of literature on investor relations and financial communication, moved to netnography and thematic analysis in the first empirical research, continued with thematic analysis for the global financial communication project and the equity crowdfunding platforms empirical project. For the final project, I also set out to apply critical discourse analysis (CDA) which examined the discourse of four equity crowdfunding platform homepages to evaluate how the platforms construct their identity and present risks to investors. Despite all the plans and good intentions, after more than a year, I could not find discourse-related evidence that answered the research question and were more than obvious observations. Indeed, the search for appropriate methods is still ongoing as I continue with future research and corpus-assisted discourse studies (CADS) holds promise as a suitable option to investigate the identities of equity crowdfunding investors. Table 2 summarises the research methods used.

The rest of the chapter provides a brief overview of the five studies undertaken to examine investor relations literature, civic crowdfunding and equity crowdfunding. For each study, I will discuss the rationale, research design and sample, as well as the contribution to theory and publication status of each. I will use this chapter to elaborate on the research design section as there is not enough space to discuss this in detail in the final publications.

Table 2: Research projects and methods

No.	Projects	Methods
1.	Literature review of investor relations and financial communication	Thematic analysis
2.	Civic crowdfunding a beach	Netnography Thematic analysis
3.	Global financial communication post-GFC	Case studies
4.	Risk communication on equity crowdfunding platforms	Thematic analysis
5.	Discourse of equity crowdfunding platform homepages and beyond	Critical discourse analysis, then corpus-assisted discourse studies

Study One: Literature review of investor relations and financial communication

This opening study into the literature led me into a deeper understanding of the area I wanted to study, began to distinguish between my major and minor main interests, mapped the terrain for my overall topic, and set the direction for other studies that followed. It examined the topics, theoretical frameworks, research methods and implications of academic articles about investor relations and financial communication and identified distinctions and similarities in communication-centered and business-centered journals.

The following section overviews the study's rationale and design. It also summarises the contribution to literature and key findings, and concludes with the study's current publication status.

Rationale

The initial purpose of the study was to examine the current literature on investor relations and financial communication to identify research gaps.

Investor relations is a relatively specialised and small area within public relations; financial communication occupies a similar space within the communication discipline. In identifying the relatively small sizes of the two bodies of work, I realised the feasibility of reviewing the literature over a significant two-decade period. Since scholars seemed to use the terms investor relations and financial communication interchangeably, both terms were included in the literature search. What emerged was two almost separate streams of research, one housed in communication journals and the other within areas of business studies. Each stream has its own distinct approach to investor relations/financial communication depending on discipline focus and how it perceives the investor relations/financial communication function. Some scholars (Laskin and Koehler (2012) Bassen et al. (2010)) did review a big body of literature but, even then, often either focused on their own field or included articles from the other streams without critical analysis of their approach. As a result, their findings tended to be either inward-looking or unsystematic.

This study made two original contributions: (1) for the first time, it examined the investor relations/financial communication literature across communication and business disciplines for an integrated look into the body of knowledge; and (2) it used the results of that examination to provide research-informed directions for scholarly and industry collaboration in the field.

Research design

In this study, I used three key search words - *investor relations*, *financial communication*, *financial public relations* - to find relevant articles from 1994 to 2016. I selected these three terms because the scholarship offered neither agreement on a unified definition nor a common purpose of the function and I wanted to do justice to the research diversity. As such, I ran a search on these terms on three of the largest relevant databases: Emerald, EBSCOHost, and ProQuest Central. In addition, I searched on the website of the journal of *Management Communication Quarterly*, which is hosted by the Sage database, but is an important source for

communication-centered articles on financial communication. The search started with the year 1994 as this was the year that the first article on investor relations appeared on a communication-centered journal.

The search yielded a corpus of 72 communication articles and 199 business articles on investor relations/financial communication. I coded each article for year of publication, journal title, research topic, theoretical framework, research method, market location data, and findings. I then used thematic analysis because of its flexible use within different theoretical frameworks (Braun & Clarke, 2006). The chosen thematic analysis lent itself more to the “contextualist” method (Braun & Clarke, 2006), in that, while each article contributed to the shaping of the investor relations/financial communication body of knowledge, each was also influenced by the broader scholarly development of the fields in which they were located. For example, Koehler’s (2014) investigation of the use of social media by companies in five stock exchanges contributed to the much needed discussion of technological application in investor relations. The study used dialogue theory from public relations as the overall theoretical framework, therefore situating itself in the normative approach of symmetrical communication. Meanwhile, Bagnoli et al. (2014) research concentrated more on the level of disclosure on websites and the number of analysts following. As business scholars, they continued a common view of the field by treating investor relations/financial communication as a disclosure function.

The flexibility of thematic analysis allowed me to take an inductive approach starting with themes clearly rooted in the collected data. I first identified the themes from patterned topics in the literature of both communication and business streams and then compared the respective epistemologies and ontologies of each stream. The study aimed to answer the following three research questions: (1) Are there areas of synergy between business investor relations and communication investor relations? (2) Are there distinctive points of difference between the two streams? (3) Can investor relations research from the two streams better support practice?

Contribution to the literature

In reviewing the literature, I found silo patterns in the study of investor relations/financial communication. The communication and business scholars investigating the topic differ remarkably in their methodologies, units of analysis, and theoretical frameworks. More important, I found that the two literatures rarely built on each other's work, and so left a fragmented field. This might arise because of the clearly different views of the investor relations function within an organisation: communication scholars saw investor relations as a relationship building function; business researchers treat it mostly as an information disclosure function. As a result, communication and business streams walked parallel lines in relation to strategic direction, target audience, scholarly and industry priorities as well to research approaches.

From the communication point of view, this study proposed five pathways for the study and practice of investor relations/financial communication. The first one was that communication should take the lead in identifying the long-term values of investor relations/financial communication around relationship and reputation building. The second was the need for more research into information-seeking behaviours of various investor relations/financial communication publics. The third recommended route was that research should move away from financial analysis and embrace more non-financial information to balance, or even highlight, narratives. The fourth was that, technology trends and application are increasingly inescapable and should be among the research priorities. The fifth and final recommendation was that communication scholars diversify their research methods and scope.

Publication status

The following article was published as follows:

Doan, M. A., & McKie, D. (2017). Financial investigations: Auditing research accounts of communication in business, investor relations, and

public relations (1994-2016). *Public Relations Review*, 43(2), 306-313. [ABDC list ranked A]

In addition, an earlier version of this paper (full paper and peer reviewed) was accepted for presentation at the following conference:

Doan, M.A., & McKie, D. (2017, May). *PR beyond silos: Improving financial communication through integrating disciplines*. International Communication Association Conference, 25-29 May, San Diego, U.S.A.

Study Two: Civic crowdfunding goes to the beach

This study started in March 2016, immediately after the success of a civic crowdfunding campaign to buy a then-private beach in Abel Tasman at the north end of New Zealand's South Island and gift it back to the public. What attracted my research interests were how the campaign might illustrate the power of crowdfunding for prosocial purposes. In this case, although crowdfunding is a fintech innovation, it enabled the achievement of pragmatic community goals and harnessed altruism goals, at the same time as demonstrating how it could take public relations beyond its traditional organisation-centered concerns.

The following section overviews the study's rationale, design and sample. It also summarises the contribution to literature and the key findings, and concludes with the study's current publication status.

Rationale

Having identified the limited and late discussions about technology in investor relations/financial communication in the literature review, this article changed direction to focus on the fintech innovation of crowdfunding. Since contemporary crowdfunding is often seen as the marriage between finance and social media (Lawton & Marom, 2012), this particular instance seemed to offer an ideal space to investigate financial communication and technological applications.

With this Awaroa beach campaign case study, I sought to understand the intersection of civic crowdfunding, collective action, and online activism. Separately, each of these areas has not been well-researched, or has been researched under a different light in public relations. To the extent of my knowledge, there has been no study of civic crowdfunding in public relations and communication. Outside of the field, civic crowdfunding is an area “yet to be defined by academic researchers” (Davies, 2015, p. 343). In contrast, collective action theory has an extensive track record in the social sciences and humanities (e.g., for example Bennett et al. (2014); Fulk et al. (2004); Marwell and Oliver (1993); Olsen (1971)) but rarely appeared in public relations studies. Online activism studies occur more frequently in the public relations literature. Activism, however, is often portrayed as oppositional to organisational interests (McKie & Munshi, 2007) and according to Lovejoy et al. (2012) and Schumann (2015), activists mostly use websites to disseminate information, not to mobilise resources or build relationships.

By bringing three areas together, the study overcame part of the academic insularity identified in the previous literature review. It also looked to discover success factors for a civic crowdfunding campaign to mobilise financial and non-financial resources. In addition, it introduced a new and effective tool to public relations practitioners to extend beyond their traditional organisational focus and towards a more fully functioning society.

Research design

The study employed netnography, a research method proposed by Kozinets (2015) that integrates “archival and online communication work, participation and observation with new forms of digital network data collection, analysis and research representation” (p.1). Because crowdfunding takes place online, the thesis used this method to analyse the case and answer two research questions:

RQ1: What are the factors that enable a civic crowdfunding campaign to organize crowds for collective action and to mobilise resources for a social cause?

RQ2: Is civic crowdfunding an appropriate platform for public relations practitioners and activists to advance their position beyond organisational boundaries and to contribute more to a fully functioning society?

I collected data from both online and offline sources. The online source included 127 messages posted by the campaign organisers and 1,435 comments posted by the public during the campaign. The study also used 372 sample comments from the campaign page of the crowdfunding platform Givealittle.co.nz; 51 archival media articles from two of New Zealand's most popular news sites, stuff.co.nz and nzherald.co.nz; and three blog posts from one protagonist in the campaign. The offline sources contained five interviews with campaign organisers, with the head of the Givealittle platform, with a media representative, and with the tender lawyer. These sources provided a rich collection of print and audio-visual materials across a wide range of publics, allowing cross-tabulation analysis using thematic analysis. Again, I used thematic analysis because previously there had neither been any empirical research investigating civic crowdfunding, nor any theoretical framework for researching it. In addition, in moving into a relatively unusual case, I mobilised ideas from collective action theory to enable a more exploratory approach, although it had not made its mark in public relations' body of knowledge.

To manage the data, I imported it into NVivo, a qualitative analysis software, and then coded it according to Bogdan and Biklen's (2007) coding categories. Synthesising the quantity of data with the research questions, I selected the following categories: setting/context, definition of situation, activity, process, and strategy. The 'setting/context' category provides the bigger context of the topic under investigation (Bogdan & Biklen, 2007). As applied to this study, this category described the overall socio-political picture of New Zealand and the values New Zealanders hold, especially when it came to land ownership and natural beauty. Bogdan and Biklen (2007) described the 'definition of situation' category to include codes about how different groups or individuals view and feel about a certain topic. There were various stakeholders involved in this campaign, who provided diverse perspectives

on their participation (or lack of it). The 'activity' and 'process' categories somewhat overlapped in this study as they both described the crowdfunding activities and phases from the beginning to completion. Finally, the 'strategy' category, referred to "the tactics, methods, techniques, manoeuvres, ploys, and other conscious ways people accomplish various things" (Bogdan & Biklen, 2007, p. 177), included communication channels, and messages that key stakeholders used in the campaign.

Contribution to the literature

To the extent of my knowledge, this is the first study examining civic crowdfunding in public relations. It outlined success factors for a civic crowdfunding campaign where the government, institutions, and individuals came together to contribute to common good. Throughout the five identified factors – 1) high consensus on a community cause based on shared values and concerns; 2) positive and inclusive discourse running consistently throughout the campaign; 3) combination of social and traditional media to maintain campaign momentum; 4) close collaboration between campaign organisers and civic crowdfunding platform; and 5) people focus – communication ran as the underlying theme connecting people and resources in the community.

A second contribution of the study to the literature is the identification of crowdfunding platforms as an effective and efficient tool for public relations practitioners and activists in gathering material support that goes beyond organisational and geographical boundaries to serve a fully functioning society. Crowdfunding platforms extend the traditional information dissemination function of websites and include capabilities for mobilising both financial and non-financial resources. This opens the way for public relations practitioners and grassroots activists to use this form of alternative finance to shift power towards greater economic and political democracy, and therefore enhance the reputation of the public relations.

Publication status

The following article was published as follows:

Doan, M.A. & Toledano, M. (2018). Beyond organization-centered public relations: Collective action through a civic crowdfunding campaign. *Public Relations Review*, 44(1),37- 46. [ABDC list ranked A]

An earlier version of this paper (full paper and peer reviewed) was presented at the following conference:

Doan, M.A. (2017). Buying a beach together: Lessons for PR from a civic crowdfunding campaign in New Zealand. *International Communication Association Conference*, 25-29 May, San Diego, U.S.A.

Study Three: Global financial communication after the Global Financial Crisis (GFC)

This study built on previous frameworks of public relations and crowdfunding to propose research directions for investor relations and financial communication.

The following section overviews the study's rationale, design and sample. It also summarises the contribution to the literature and key findings, and concludes with the study's current publication status.

Rationale

The study is an attempt to bring clearer direction to financial communication in the context of global financialisation, uses crowdfunding as a fintech innovation to argue for better pathways to economic egalitarianism and increased reputational capital for public relations. This study, as a chapter called "Crowdfunding: From global financial crisis to global financial communication", has been accepted for publication in the third edition of *The Global Handbook of Public Relations* (Sriramesh & Verčič, forthcoming). It used materials from two case studies and one overview of equity crowdfunding in China, and highlights the following three issues for

financial communication: advocating for international capital regulations; educating the investment public; and better embracing technology.

Research design

The study was underpinned by two frameworks – Sriramesh and Verčič (2009b) global public relations framework; and the World Bank (2013) crowdfunding investing ecosystem. Although Sriramesh and Verčič (2009b) set out a substantial conceptual framework for global public relations, they left out a large space for legal and technological implications. In addition, as a general framework, it could only serve as a foundation for the development of more specific issues related to financial public relations and crowdfunding. The World Bank (2013) crowdfunding investing ecosystem, on the other hand, focuses on four elements of crowdfunding - economic regulations, entrepreneurial culture, community engagement and technology. But the latter did not intend to cover the communication perspective.

The study bridged the two frameworks with examples and analysis from the Awaroa beach civic crowdfunding campaign, the Dunedin chocolate factory equity crowdfunding campaign, and China's equity crowdfunding status. While the Awaroa beach analysis used primary data, the other two relied on secondary data from the media and academic literature due to resource constraints. The study did not follow the rigorous case study research design as proposed by Yin (2003) or Gibbert, Ruigrok, and Wicki (2008) but rather used them as anecdotal evidence of the increasing power of crowdfunding over the world and the advocate role that financial communication plays in it.

Contribution to the literature

The study outlined three issues that need further investigation from investor relations/financial communication scholars. First, investor relations/financial communication needs to advocate for the internationalisation of capital regulations to keep up with the rapid socialisation of global finance.

Secondly, they need to take a more active and collaborative role in increasing the financial literacy of the investment public and, especially of those with little or no investing experience who are seeking to become investors. Finally, there should be more studies on the underlying mechanisms of fintech, the power plays among participants, and platform transparency to continue the discussion about financial democracy.

Publication status

My publication status in relation to this study is that the chapter has been accepted for publication and is forthcoming as follows:

Doan, M.A., & McKie, D. (forthcoming). Crowdfunding: From global financial crisis to global financial communication. In K. Sriramesh & D. Verčič (Eds.), *The global public relations handbook: Theory, research and practice* (3rd ed.). London, UK: Taylor & Francis.

Study Four: Risk communication on equity crowdfunding platforms

This study analysed the process of recruiting, educating and communicating with equity crowdfunding investors on five selected platforms. The following section overviews the study's rationale, design and sample. It also summarises the contribution to literature and key findings, and concludes with the study's current publication status.

Rationale

Investment involves risks. Accordingly, at a number of different levels and for different potential and actual investors, a key question is: How do equity crowdfunding platforms present the risks to investors? Focussing on the process of recruiting, informing and educating, this study looked at five equity crowdfunding platforms to find out how risks were communicated to everyday investors. Previously, risks and risk communication have been discussed extensively in business literature and, in public relations, through crisis communication in particular (Palenchar & Heath, 2007). Financial risk communication, however, is surprisingly rare in investor relations, and even

scarcer in fintech. This study was the first to explore risk communication on equity crowdfunding platforms with the aim of seeking to increase participation as an equalising strategy in alternative finance.

Research design

For this part of the research, I began to collect data from five world leading equity crowdfunding platforms in early 2016 and frequently updated it throughout the year. In order to clearly address the question, this part of the research excluded all deal information and focused on the non-commercial section of the platforms that provide general investment knowledge and risk information to investors. I again used thematic analysis for the corpus because it provides flexibility and accessibility for analysis (Braun & Clarke, 2006). This adaptability was particularly important for a new topic like risks and equity crowdfunding. I imported this data into NVivo for analysis. Again, using Bogdan and Biklen's suggestive (2007) coding categorisation, I identified two categories, process and activity, with the following eight themes: registration steps, investment process (both under the 'process' category), general investment knowledge, risk warning statements, Frequently Asked Questions, types of risks, communication tools, and dialogue (these six themes were under the 'activity' category). I compiled these themes into one coding sheet, used one for each of the five platforms, and then cross-compared for patterned similarities and differences between platforms around the topics of registration, engagement through communication and risk communication. Finally, I proceeded to analysis and interpretation to answer the following three research questions:

RQ1: What is the process of registering investors on equity crowdfunding platforms?

RQ2: What is the level of engagement with investors on these platforms?

RQ3: What risk education and communication do the platforms provide?

Contribution to the literature

As the first study examining risk communication on equity crowdfunding platforms, this research provided benchmarking insights into the recruitment, information and education process of the platforms. It found that the educational content that platforms provide, including risk communication, remained peripheral. That is to say, that it was designed to meet the minimum regulatory requirements rather than serve any other function, and, therefore, put crowd investors at a disadvantage. In addition, platforms had not leveraged the interactive functions of social media and/or the communal spirit of crowd investors to build a strong and supportive community. The article argued that such a community is an essential foundation on which to build gradually increasing knowledge about investment and risks for small and inexperienced investors of equity crowdfunding. From a theoretical perspective, the study contributed to community building theory in contemporary conditions shaped by the two forces of digitalisation and global financialisation and addressed the third key force of inequality by highlighting ways to harness the economic and political democracy of equity crowdfunding.

Publication status

This study has been accepted for publication and is accessible as follows:

Doan, M.A., & McKie, D. (2018). Developing investor relations and strategic financial communication: Contemporary opportunities, risks, and tensions. *Asia-Pacific Public Relations Journal*, v.19, pp.1-15. [ABDC list rank B]

An earlier version of this paper (peer reviewed) was presented at the following conferences:

Doan, M. A., & McKie, D. (2017). Communicating risks to crowd investors: Are equity crowdfunding platforms up to it? Paper presented at the *Conference on Discourse Approaches to Financial Communication*, 3-6 July 2017, Lugano, Switzerland.

Doan, M. A., & McKie, D. (2016). Exploring equity: Dynamic tensions and emergent territories in investor relations, *International PR 2016 Conference*, 29-30 June 2016, Barcelona, Spain.

Study Five: Discourse of equity crowdfunding platform homepages and beyond

Rationale

This study is a continuation of the previous work to discover the communication dynamics between equity crowdfunding platforms and investors. Informed by the previous findings from the thematic analysis, this study attempted to analyse the power of equity crowdfunding platforms through the use of Critical Discourse Analysis (CDA).

The number of research studies on crowdfunding is still limited and most of them approach the topic from the functional aspect of business studies. While some emerging studies do pay attention to the use of language in crowdfunding, few attempted discourse analysis and practically no one used CDA. Gorbatai and Nelson (2015), for instance, used topic modelling and other quantitative tools to understand the effect of language on the success of crowdfunding campaigns, and to establish relationship between linguistic elements and gender. More critically, Kedves (2016) applied CDA to investigate discursive strategies that crowdfunding campaign organisers used to legitimise their call for public support for human right issues. There is, however, no critical study on equity crowdfunding platforms, despite growing literature in-and outside of the communication discipline discussing the increasing influence of platform businesses (Galloway (2017); Slee (2015); Srnicek (2016); Taylor (2014); Van Dijck (2013)).

Research design

The study used the homepage of four equity crowdfunding platforms and their immediate hyperlinked page to analyse. This was important because the homepage is the starting point for further navigation and the place where visitors form their first impression of the webpage or platform. Most of the

hyperlinks led to detailed risk warning statements, terms and conditions and other platform regulatory documents. In order to study relevant communication strategies, my corpus selection included platform slogan, platform introduction, offer extracts, company news, platform blog posts, frequently asked questions, platform regulations, and external links.

With high expectations, I started this study by using Fairclough's (2003) three dimensional CDA framework to examine the text, discourse practices, and social and cultural practices of equity crowdfunding platforms. My aim was to find out how they construct their identity and present risks to investors. The texts I analysed were in the corpus mentioned above. The focus was on discourse practices of text production, distribution and consumption and took into consideration the online setting of equity crowdfunding and the participation of relatively inexperienced investors. The social and cultural practices included the ongoing financialisation of everyday life, development in fintech, and the ubiquity of platform businesses.

For the construction of legitimisation, I drew from van Leeuwen's (2008) discursive theory and its four legitimation strategies: (1) authorisation was the use of institutional and individual authority to cultivate belief; (2) moral evaluation acted to embody value system; (3) rationalisation used knowledge and institutional social action; and (4) mythopoesis provided narratives or stories to legitimate or de-legitimate certain actions. Rationalisation, which often overlaps with other categories (Fairclough, 2003), acts as the most obvious type of legitimation. My analysis drew on these four strategies as themes.

Initial findings and methodological issues

Even initial examinations were clearly able to see that platforms employed an over-exuberant promotional discourse on their homepage. This stood out in the form of positive adjectives and nouns and/or impressive statistics about themselves and the successfully funded companies. The discourse tallied with the function of persuading investors to join. The platforms used

authorisation and rationalisation to present themselves with a mixed identity: selfless, authorised, credible, and powerful, but, at the same time neutral even to the degree of sounding distant and disinterested. The assumed identity of equity crowdfunding investors constructed by platforms took shape along the lines of everyday investing subjects with autonomy and relevant knowledge and experience to partake in an activity that was within their control. The platforms foregrounded the primary reason for investor involvement as emotional, in terms of lending support to businesses who resonated with their beliefs and values, rather than financial rewards as found by Macht and Weatherston (2015); Schwenbacher and Larralde (2012). At the same time, investors were not given agency by platform discourse and appeared as passive recipients of what was being offered by platforms or fundraising companies.

Despite these findings and their potential contribution to platform studies, I did not think that my research did justice to Fairclough's approach to CDA. It fell short of my hopes of pointing out the power plays expressed in language, discursive and social practices. I found that the failure to find critical linguistic elements in the texts, combined with limited research on user interaction and financialisation in the online context of equity crowdfunding, made the results obvious, lacking in critical weight in discourse terms, and not serving to provide a deeper explanation of social aspects of equity crowdfunding platforms.

This led me to look elsewhere and I consider that what might be more methodologically relevant would be corpus assisted discourse studies (CADS). This was because CADS is "the investigation and comparison of features of particular discourse types, integrating into the analysis, where appropriate, techniques and tools developed within corpus linguistics" (Partington, 2010, p. 88). In other words, CADS is a combination of quantitative and qualitative approaches to the corpus with a statistical overview of linguistic elements of various discourses; and detailed qualitative analysis of part(s) of a particular discourse. According to

Partington (2010), the comparative nature of CADS allows the identification of, and highlighting of, certain characteristics of a discourse type.

Unfortunately, it was late in the thesis before I reached this conclusion and it was not feasible to follow through on it in terms of logistics and time. For this project, to explore the specifics of the equity crowdfunding platform discourse and its power, I would have had to go beyond the various discourse types on the platform homepages and include, among others, mainstream media coverage of equity crowdfunding, which is still very rare, government reports, popular business books, and discourse of previous financialisation initiatives in the corpus. This would have had to go far beyond my practice of using them indirectly as context. Furthermore, the quantitative analysis of the corpus would need to include the statistics of positive adjectives and adverbs, or co-text around objects and subjects; and the qualitative analysis would involve such massive fieldwork as detailed examination of the representation of groups of such social actors as platforms, investors, and governments.

I did make a start by merging other materials into the platform homepage data and analysing them. Preliminary results suggested that for example, the equity crowdfunding platforms were creating an interpretive context for investor decisions, just as the mainstream media did for initial public offerings of public companies (Pollock & Rindova, 2003). This finding indicated that the informative role of platforms could amplify beyond the immediate target investors. Another finding suggested that in equity crowdfunding risk, there was a discourse of encouragement rather than a discourse of diligence across various discourse types. This finding paralleled Nguyen's (2016) discovery of a discourse of conformity rather than a discourse of values in ethics. This encouragement would need to factor in the ubiquity of instant online investment opportunities as well as the level of financial literacy of crowd investors to avoid disadvantaging them and/or creating another bubble.

These initial findings gained after the adjustment of method seem to be more relevant for such a new research area as equity crowdfunding and

platform businesses. I am still working on this project and hope to complete it after my PhD submission.

CHAPTER SEVEN

CONCLUSION, LIMITATIONS AND FUTURE STUDIES

General conclusion

Finance is becoming increasingly ubiquitous. van der Zwan (2014) evidences its influence in the following three manifestations of financialisation trends: new ways of saving; focus on shareholder value; and financialisation of everyday life. As it converges with technologies to become financial technologies (fintech), finance matters to more and more people. This thesis has navigated this context by arguing for a central role for communication, and advocated for the benefits to go beyond a few financial powerhouses or a few wealthy individuals. It calls for more stakeholders and suggested some pathways for stakeholders, not just for the benefits of the elite, but for the good of the society. The aim would be to contribute to tackling the massive challenges posed by national and global inequalities.

The opening paragraphs of this thesis stated that one of the primary goals of this study was to examine the role of financial communication in the context of fintech. The subsequent research discussed in chapter two through to chapter five examined how financial communication could take on the role of an advocate for financial democracy and inclusiveness for individuals and for the greater good of the society. The findings of these exploratory studies indicate that financial communication may also be able to advance the position and reputation of public relations, the broader communication discipline in which it is often positioned. In order for this to happen, the findings suggest that financial communication scholars would first need to import theories, knowledge and practices from other disciplines to augment their research; and secondly they would need to stay abreast with fintech developments and to broaden their scope beyond traditional organisational boundaries.

In this conclusion, I will address the two overall research questions outlined in chapter one and provide more detailed and global answers to each of them. This chapter concludes with the limitations of this study and suggestion for future research areas for financial communication.

Specific thesis conclusions

At this stage, I will reiterate the two overall research questions:

- (1) What is the current state of academic research on investor relations and financial communication?*
- (2) In what ways could investor relations and financial communication integrate crowdfunding to their practice and research to further democratise finance and contribute to a fully functioning society?*

In answering each of these research questions, the following section will take a broader view rather than just revisiting the findings from each chapter.

What is the current state of academic research on investor relations and financial communication?

Chapter two departed from the practice of previous literature reviews in the field whereby scholars either focused on their own discipline or mixed articles from various fields without explicitly notifying the readers. Instead, chapter two's literature review clearly positioned the two streams – communication and business studies – in its data collection and analysis process. It did not set out to do so from the beginning. The distinction emerged during the initial analysis, and prompted the researcher to re-consider her approach in reviewing the literature. Once the two streams were clearly identified, I could begin to identify significant themes and issues that could be used to survey and shape the layout of the emerging fields.

Overall, the literature review found a clear lack of interdisciplinary interactions between communication and business studies. Differing in their

epistemology and ontology, scholars in the two streams followed different research agenda, including separate theoretical approaches, methods, research scope (topic, unit of analysis, target publics), and even definitions. As a result, they diverged on other four specific areas: (1) long-term goals; (2) identification of target publics and their communication need; (3) value of non-financial data; and (4) technological development. These areas have been examined and discussed in detail in chapter two. Here I would like to make the link between financial communication and the overall development of public relations to lay the ground for the future research directions section that follows.

When reviewing the status of the public relations field almost 15 years ago, Botan and Taylor (2004) suggested a move away from the functional perspective to a co-creational one. In this, the focus would be on community and relationship building. Eight years later, Edwards (2012) analysed the underlying assumptions of the field and advocated for the co-existence of various paradigms in public relations, and, accordingly, for increasing interdisciplinarity. This would involve the development of an alternative public relations that moves beyond the organisational context.

These broad views fit well with what is happening in financial communication and could serve as guiding directions for narrowing gaps, especially in the context of fintech, in this sector. Contemporary financial communication should not be limited to providing tangible results for businesses but should expand to re-focus on building communities where organisations are just one of many stakeholders who initiate and interact with each other. The online environment of many financial activities and fintech has required researchers to re-examine the nature, characteristics, scope and impact of communication in this space. In addition, the lack of other research paradigms in current financial communication scholarship is a matter of academic and social concern. As Forslund and Bay (2009) argue, it hinders the voice of alternatives such as critical finance, an interdisciplinary research branch that critically examines the growing prevalence of finance in our everyday life.

In what ways could investor relations and financial communication integrate crowdfunding to their practice and research to further democratise finance and contribute to a fully functioning society?

Rather unexpectedly, I found myself using crowdfunding as a fintech innovation that could help answer this question and chapters three, four and five examined two types of crowdfunding, civic and equity. This was situated in the contexts of New Zealand and other developed nations in relation to investor relations and financial communication. The articles in each chapter discussed the findings. The following section connects those findings to the larger context of the financial communication sector and public relations discipline.

Bringing, in Menat's (2016) words, power to the people, fintech and crowdfunding hold the potential to democratise finance by optimising access to capital for fundraisers and fundseekers across the globe. Chapter three's study of the Awaroa beach case and chapter four's consideration of the Dunedin Manufacturing Holdings chocolate factory in New Zealand demonstrated the power of civic and equity crowdfunding to quickly and efficiently mobilise financial and non-financial resources for social good. Another point of importance is that fintech and crowdfunding are not restricted to traditional advanced economies. The World Bank (2013) observe how they allow developing countries to leapfrog older economies, as witnessed in chapter four's brief review of equity crowdfunding in China. Given these conditions, financial communication can no longer confine itself within the traditional boundary of publicly listed companies, investment analysts, institutional investors, and so on. Given the exponential growth of fintech on the one hand and lack of empirical and theoretical research about the topic on the other, it is a matter of urgency both economically and socially for the financial communication sector to embrace fintech as an area of research and to investigate the position and impact of communication in this space.

Chapter three's findings initially helped define what successful communication would look like for a crowdfunding campaign. While basic

tenets of effective communication, such as being timely, inclusive, transparent, positive, hold, the focus is no longer on benefitting organisations but rather communities. While social media works best when combining with traditional media, communication for crowdfunding has to start with, and be supported by, platforms. Crowdfunding platforms, with their licenced role as information intermediaries, fraud controllers, financial conduits and educators (Heminway, 2013), are an effective tool and partner in identifying members with common interests, communicating with them, and building up communities and encouraging interaction.

Financial communication for fintech starts with platforms but has to grow multi-directionally with investors, and potential investors, in the centre. Various features of equity crowdfunding differ from stock market investment (e.g., less disclosure, limited involvement of third party verification, longer term commitment and require crowd investors to have certain kinds of knowledge about this new form of investment). As a result, the role of financial communication in educating crowd investors becomes ever more crucial. This communication and education process does not necessarily need to be initiated and orchestrated by platforms or financial authorities. It could be organised by and for community members under the auspices of offering advice or explanation or questions and answers in discussion fora. The task of financial communicators then becomes more akin to community facilitators to leverage the crowd's power and knowledge. This aligns well with Kelly's (2016) practical advice that "the sharing of the crowd will often take you further than you think, and it is almost always the best place to start" (p. 161).

Chapter three also brought in collective action theory – referring "to actions undertaken by individuals or groups for a collective purpose" (Postmes & Brunsting, 2002, p. 290) – to financial communication and crowdfunding. Although this theory has been widely used in economics, political studies, sociology, it was the first time it has been used to examine a public relations campaign. The three communicative functions of collective action theory: identifying people with common interests in public good; communicating

among them; and coordinating, integrating and synchronising them (Bimber et al., 2005), somewhat overlapped with Hallahan's (2013) three dimensions of community building. However, the communicative functions have a stronger focus in an online environment where private and public domains can intersect and boundaries can become blurred or porous. It is therefore crucial that financial communicators are aware of the potentially porous boundary not just between the communication of private and public interests but between the capabilities of organisations and individuals in raising issues. The Awaroa beach campaign clearly demonstrated the ability of individuals in applying online collective action to surpass organisational barriers in service of a greater social good.

The opportunities fintech and crowdfunding bring across the globe also mean challenges for regulations, financial education and risk management. Global financialisation requires not only that financial communicators pay attention to country-specific requirements as suggested in Sriramesh and Verčič's (2009b) theoretical framework for global public relations. Equally important, for the newly emerged fintech to grow sustainably, is the need, along the lines suggested by Shiller (2012), for communicators to promote fair and consistent internationalisation of capital regulations and a deeper understanding of the underlying mechanism of the financial system. A large part of this understanding involves increasing financial literacy through online, offline, and diversified education activities and the communication of financial risks. Chapter five's findings and initial insights from the CADS project point towards the need for accountability, transparency, and inclusiveness on equity crowdfunding platforms, from the promotional language used on their website through their investor recruitment process, to the discourse of risk communication that they use.

Another contribution of this study was its identification of crowdfunding platforms as sources of power in their own right. Previous research has largely focused on the two sides of the market, the fundraisers and fundseekers, and paid less attention to the middlemen platforms. This study draws attention to how, in designing certain features and encouraging some

layers over others, platforms can wield enormous influence. I therefore disagree with authors (e.g., Kelly (2016); Kim and De Moor (2017)) who overvalue the new fintech's ability to disintermediate. I situate this as more of a re-intermediation process in which platforms gain considerable amount of power. If crowdfunding platforms are positioned in this way, we can establish the link between crowdfunding platforms with other types of platform businesses, and this is an area that is gaining both practical and critical traction (see, for example, Galloway (2017); Langley and Leyshon (2016); Srnicek (2016)).

In summary, this study strongly suggests that through combining theories and approaches from finance and other disciplines, and catching up on fintech, contemporary financial communication could become a leader in two key ways. The first is increasing the range and number of employment opportunities for practitioners; and the second is improving reputational capital for itself and for public relations. In a relatively rare win-win situation, my research indicates that financial communication could (a) bring about measurable and tangible outcomes for businesses by creating more efficient processes and enlarging the available amount of investment monies through crowdfunding; and could (b) operate in ways that contribute, particularly by improving financial literacy and increasing social inclusiveness, to the greater good of their societies. In addition, the studies presented in this thesis show the potential for contemporary financial communication to reach out and serve broader and more diverse – even across national boundaries – communities online and offline. They also explored and positioned the communicative power of crowdfunding platforms in the contemporary context of rising “platform capitalism” (Langley & Leyshon, 2016; Srnicek, 2016)

Limitations

Overall, while the study has made a strong case for financial communication to be a leader in improving the reputational capital of the field and contributing to financial democracy, limitations remain. These include questions of methodology deployment. For example, the literature review of

investor relations/financial communication article focused only on articles from key communication and business journals and did not include books in the field. The use of thematic analysis in this literature review, and in the subsequent projects, ran the risk of considering all content as equal contributors, and raised the question of representativeness (Botan & Taylor, 2004). In acknowledging that, however, I sought to minimise the effect by referring to books, media articles and trade journals while conducting analysis for better triangulation. I also paid attention to the citation frequency of an article as an indicator of its importance. In addition, with regard to representativeness, financial communication as an academic sector is (un)fortunately small in public relations and this did allow me to revisit it many times to ensure that key patterns were included in the analysis and interpretation of data.

I also acknowledge that the use of case study as a research method in chapters three and four can often raise concerns about rigour and generalisation (Yin, 2003). To tackle these, I conducted both primary and secondary research and within each type, I diversified information sources to include interviewing people with different roles and input in the project, alongside social media data, news articles, print and audio-visual materials. Nevertheless, there are limitations with regard to generalisation of findings. I addressed this to an extent, either by using multiple cases (chapter four) or pointing out the specifics of the context that would need to be considered prior to making any generalising claims. Moreover, the purpose of case studies is to generalise theoretical propositions, not to cover the whole population (Yin, 2003). Accordingly, this study's cases were intended to illustrate the power of crowdfunding across various domains and to inspire more research into the area.

A third limitation arose because fintech and crowdfunding are such relatively new areas of academic interest. This had two implications for my study. To start with, on top of there being few existing studies about them overall, there were even fewer in the communication field. As a result, there is a limited literature to draw on and no agreed theoretical framework. As

compensation, I attempted to bring in theories from such adjacent fields as collective action theory, or import critical discourse thinking into equity platform analysis. As illustrated in my pending project using CADS in equity crowdfunding platforms, the jury is still out on some of those attempts. Another limitation is the sheer speed and size of the sector. It is growing so fast and in such diverse directions that it is difficult to keep up with and identify essences in the extreme fluidity. While I often revisited the platform pages and subscribed to newsfeeds about crowdfunding, there remains a chance of missing out on some developments.

Finally, the study recognises limitations arising from the availability and accessibility – or the lack of it – of relevant data. Like most crowdfunding research to date, some of the projects in this study only had the same access to information that was available to the public (i.e., open access platform websites). How this information interacts with users (investors) is important in understanding the power play and evaluating crowdfunding's impacts. In addition, this project did not seek access to user databases, which could be an area for future research in order to discern user perspectives. Furthermore, this study could only analyse English language platforms which leaves out platforms in countries where English is not the primary language but where fintech and crowdfunding could bring about significant changes. However, this falls outside of the scope of this study but is a useful area to widen future research.

Future research directions

Future research suggestions have been made while discussing the limitations of this study, as well as in individual research projects in chapters two to five. This section focuses on linking them together in broader terms. The first one is for the financial communication sector within the public relations discipline in general. Chapter two discussed the need for financial communication scholars to expand their research approaches and targets to, for example, include more mixed methods and broader geographical areas outside of the U.S.-Europe nexus. Reflecting back at this stage, I also see a need for more diverse research paradigms. For example, critical

finance (and communication activities that accompany it) has only started to appear in communication with the works of Bourne (2013); Bourne and Edwards (2012) or gender studies with the work of Gorbatai and Nelson (2015). Similar studies would help diversify our understanding and address other neglected issues in the field.

The second concerns communication for fintech and crowdfunding. As discussed above, the evolving nature of fintech requires financial communication scholars to take up the area urgently and to make their distinctive contributions. These will involve such topics as investor-platform-fundraiser interactions, platform design, especially concerning the improvement of interactive features for maximum engagement, algorithm setups for investor inclusion and exclusion, and use of big data for financial decision-making processes. In addition, studies in this direction should not be limited to crowdfunding platforms in developed countries but expand to developing ones. The move will be necessary to begin to comprehensively reflect the growth and power of fintech and crowdfunding.

Thirdly, community and community engagement deserve to be stand-alone topics in fintech communication. Members of crowdfunding communities are diverse in their demographics and psychologies but, overall, they: share certain interests; have varying levels of financial literacy; and interact completely online primarily through platform built-in features towards achieving certain goals (Burtch, Ghose, & Wattal, 2013; Hui, Greenberg, & Gerber, 2014; Moritz et al., 2015). These common interests are likely to prompt researchers to explore and examine the community dynamics with broader and more integrated theories and perspectives.

Finally, crowdfunding, and to some extent, other fintech applications, are platform businesses and should be positioned and treated as such (Langley & Leyshon, 2016). Like other platform businesses, they make money by enabling others to make money (Lobo, 2014). They are therefore not mere intermediaries but “a particular combination of socio-technical and capitalist business practices” (Langley & Leyshon, 2016, p. 3). Indeed, Galloway (2017) went so far as to claim that “governments, laws, and smaller firms

appear helpless to stop [them]" (p. 8) when he discussed the power of the four biggest platform businesses: Amazon, Apple, Facebook and Google. Financial communicators do not need to wait for fintech companies to grow into these behemoths but could profitably learn about their growth pattern to find ways to help develop finance and financialisation sustainably and in prosocial ways.

Overall, financial communication is well-positioned to advance the reputation of the sector and of the public relations discipline. It can only do so by giving up its insularity and keeping abreast with developments in finance and other related fields. The thesis has found that communication for a specific fintech innovation, crowdfunding, can help the sector to achieve this improved position by facilitating the financial democratisation process and contributing to the greater societal good.

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APPENDICES

Declaration

For all publications, my supervisors and I discussed the overall direction. I collected data and conducted the analysis. I wrote the first full draft of the paper. My supervisors commented and edited the drafts and we continued discussing and editing until we agreed on the final version to be submitted to journals/book editor. The published articles and chapter have been reviewed and edited by journal reviewers and editors, and by the book editor.



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Chapter 2: Financial investigations: Auditing research accounts of communication in business, investor relations, and public relations (1994-2016)

Nature of contribution by PhD candidate: Collected data, analysed data, wrote drafts and final

Extent of contribution by PhD candidate (%): 60%

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Name	Nature of Contribution
DAVID MCKIE	DISCUSSED DIRECTION, EDITED DRAFTS AND REVISED FOR PUBLICATION

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The undersigned hereby certify that:

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Doan, M.A. & Toledano, M. (2018). Beyond organization-centered public relations: Collective action through a civic crowdfunding campaign. *Public Relations Review*, 44(1),37- 46.

Nature of contribution by PhD candidate

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Extent of contribution by PhD candidate (%)

70%

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Margalit Toledano	Suggested the outlet, discussed theoretical framework, edited drafts

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Crowdfunding: From global financial crisis to global financial communication – Chapter for the *Handbook of Global Public Relations*. Submission date: December 15, 2017. Under review.

Nature of contribution by PhD candidate	Collected data, analysed data, wrote drafts and final
Extent of contribution by PhD candidate (%)	60%

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David McKie	Suggested the outlet, discussed direction, edited drafts, contacted the editor

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Nature of contribution by PhD candidate	Collected data, analysed data, wrote drafts and final
Extent of contribution by PhD candidate (%)	60%

CO-AUTHORS

Name	Nature of Contribution
David McKie	Discussed direction, edited drafts, suggested publication

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