A Brief Comparison of Most Prominent Crowdfunding Platforms in Turkey and USA

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Abstract

Emerging and gaining significance due to the widespread use of the Internet and the power of the social media, crowdfunding, via crowdfunding platforms, provides entrepreneurs with creative business ideas with the opportunity to reach extensive masses and to be able to directly access the financial resources that their projects require. Even though the interest in crowdfunding rises, the literature seems to lack enough research about these platforms. Addressing the platforms that bring together the entrepreneurs and the backers, this research aims to compare the reward based crowdfunding platforms operating in Turkey with the international crowdfunding platforms. Containing the categories of technology and movie/video, this research discusses the differences between the most prominent crowdfunding platforms in two countries. The findings of the research constitute importance due to the fact that it shows the way to the entrepreneurs, crowdfunding platforms and backers while making their decisions, encourages the participation to the campaigns and sheds light on other studies about the subject.

Keywords: Crowdfunding, Entrepreneurial Finance, Online Platform, Reward Based Crowdfunding, KIA

1. Introduction

The beginning of the use of Web 2.0 technology applications and the global financial crisis in 2008, are the 2 main factors that caused the rapid rise of crowdfunding (Kirby and Worner, 2014). The Internet, Web 2.0 and social media forms the technical basis of crowdfunding's fast, low-cost transactions and interparty communications. Moreover, since the 2008 financial crisis made it more difficult to the access the financial tools such as bank loans, venture capital and angel investment, crowdfunding became an alternative financing tool for the early-stage entrepreneurs answering their need of financing. Thanks to this new generation investment model, entrepreneurs can directly approach the masses and attain the funding needed to realize their projects in a much easier way compared to the traditional methods of financing (Crosetto and Regner, 2014). Mollick defines crowdfunding as the effort of the entrepreneurs to attain small amounts of funding by avoiding traditional financing methods and by grabbing the attention of masses via the Internet in order to realize their projects (Mollick,2014).

Briefly, the objective of crowdfunding can be defined as using online social networks to attain funding for innovative business ideas (Belleflamme et al. 2014). The three main players in the crowdfunding system are the digital platform, project owner and the backer. Online crowdfunding platforms have the task of being an intermediary that brings together the project owners and the project backers in an online marketplace to encourage the realization of products and projects (Dehling, 2013). As of 2018, it is reported that there are approximately 2000 online crowdfunding platforms worldwide (Gałkiewicz, 2018). The second player is the project owner or in other words the entrepreneur, who tries to attain funding from the masses to realize his/her project. In addition to collecting funding, the entrepreneurs, thanks to the campaigns initiated at crowdfunding platforms, can find the opportunity to measure the demand for their products or services and to get feedback about their products and services (Mollick, 2014). The third player is the risktaker, who expects to be rewarded with variety of returns and who financially backs the projects that he/she is interested in (Ordanini et al., 2011).

There are four types of crowdfunding methods. These are, donation based, reward based, equity-based and lending based. Since donation and reward based crowdfunding models do not promise the investor any financial income such as dividends or interest, these models are totally different from the equity based and lending based models (Kirby and Worner, 2014). Growing worldwide in 2014 by 85%, reward-based crowdfunding is increasingly popular among the project owners and backers (Massolution, 2015). In Turkey, even though it is a new concept, its popularity is increasing since it is an accessible and effective model. In the campaigns of this model, the project owning entrepreneurs, in return to the donations by their backers, give their acknowledgements tangibly via the first of the product, the book or intangibly via a plaque (Kraus et al., 2016, Kunz et al., 2016, Belleflamme, 2014, Castrataro, 2012, Mollick, 2014).

There are two kinds of business models by reward based crowdfunding platforms. One of them is the "all or nothing" (AON) model, in which the funding collected does not sum up to the target amount determined by the project owner; therefore, the campaign is considered unsuccessful, and the collected funding is returned to the backer. The entrepreneur cannot have the funding and the backer cannot have the reward. Differing form the AON model, in the Keep it All (KIA) model, regardless of whether or not the project owner can collect the target amount, in other words whether or not the project successfully achieves the campaign target, the collected sum is transferred to the entrepreneur (Cumming et al., 2015).

With its increasing popularity worldwide, reward-based funding model shows difference with respect to the internal dynamics of the countries. While much academic research focuses on the reasons of the success of the campaigns, it may be stated that the studies about the features of the platforms are insufficient. The entrepreneurs, who would like to collect funding for their projects, must get approval from the platform and thus the campaign should be communicated to the masses, before they convince the investors (Rossi and Vismara, 2017). At this stage, the entrepreneur's decision about in which platform he/she will share his/her project is the important subject. Our research focuses on the regional and international analysis of Turkey's best-known reward based crowdfunding platforms Fongogo, Arıkovanı and the best-known reward-based platforms in the United States, Kickstarter and Indiegogo. In summary, in the recent years, international reward based crowdfunding platforms are on the rise, enjoying great interest and support. Whereas in

Turkey, these platforms have a limited number of followers. In that sense, this study aims to outline the difference between the conditions of the national and the international crowdfunding platforms, while commenting on the reasons of the existing differences in terms of backers, project owners and platforms, so that it can show the way to the entrepreneurs while making decisions among the platforms.

The rest of the study is organized this way: the 2nd section is the Literature Review, the 3rd section is the Research Method and data collection method. The 4th section presents the results deduced. The last section of the study is the Conclusion, limitations, and further research.

2. Literature Review

The literature about crowdfunding, which is a new generation funding model, has increased in the last 10 years. Existing studies generally contain the reasons why the crowdfunding campaigns are successful or not, while focusing on the factors that persuade backers to participate the campaigns and including the research about the regulations. As the task of having the intermediary role that the crowdfunding platforms undertake is considered, the studies on the platforms and on the websites are not sufficient.

On the other hand, in the study in which they compared 50 crowdfunding platforms, Gregorio et all. (2021) reached important findings about the introduction of the entrepreneurs, the establishment of communication, the requirement to be transparent and user-friendly and the significant role that the platforms undertake to achieve reliability. As a result of their research, they have concluded that the platforms must build trust in terms of websites, users, and projects. Cumming and Zhang (2016), in their research, found out that the due diligence of the platforms reduced the information asymmetry and working on low quality projects, has increased the number of successful projects. Kromidha (2015), in his study, on which ours is based, compared crowdfunding platforms from the US, the UK and Asia and advocated that the social capital and the networks, which are required to gain the support of the masses, are generally local and regional, and for that reason a target-oriented approach must be followed. He emphasized that the platforms would serve local and regional masses better if they develop innovative and differentiating strategies. In his study, Kayhan (2017) explained the reasons why the global and local websites are different as technological familiarity,

website recognition and usability problems. In their research, Rossi and Vismara (2017) dwelt on what the crowdfunding platforms are doing and found out that the post-campaign services given by the platforms have increased the number of successful campaigns. In Turkey, there are studies by Çubukçu (2017), who researched national platforms and by Sakarya and Bezirgan (2018), who researched the national and the international platforms with the content analysis method and found out data about the average funding sum and the number of successful projects.

3.   Research Method

The fact that in Turkey there are not enough studies about crowdfunding platforms motivates our research. Based on this motivation, our research compares the actively operating and the most-demanded reward based crowdfunding platforms Arıkovanı and Fongogo websites in Turkey and the biggest and most popular crowdfunding platforms in the United States, Kickstarter and Indiegogo websites, using content analysis model. This comparison is made between the movie and video categories of Fongogo and Kickstarter; and recently completed, both successful and unsuccessful, 20 projects each, that are included in the technology categories of the platforms Arıkovanı and Indiegogo, using accessible variables. Therefore, the analysis is made with the objective to depict both platforms based and category based differences. The fact that Arıkovanı contains only technology-based project and that Indiegogo is a platform that focuses on technology constitutes the basis of the comparison made between the two platforms under this category. Moreover, since the latest projects of Fongogo and Kickstarter platforms include the movie & video category, the analyzed variables are based on the projects in this category. The data is taken form the official websites of the platforms in August 2021.

 Moreover, a semi-structured interview has been made with the founder of Fongogo, Mr. Ali Çebi. The necessary data has been collected and a comparative analysis has been made within 1 month. The variables in the analysis of the study are based on the study that Kromidha (2015) made about crowdfunding dynamics in the literature.

The first analysis in this research is based on each platform's foundation year, categories, business model, platform fee and payment methods. In the second analysis, a comparison has been made between Kickstarter and Fongogo platforms under the movie & video category and Indiegogo and Arıkovanı platforms under the technology category, based on the variables of number of comments, updates, backers, goal amount, pledged amount, average pledged amount, success rate, reward options, reward count, minimum reward, maximum reward, availability of backer names.

Table 1: The definitions of the variables in the study

Number of comments	The sum of the number of comments by backers, project owner and members in the comments section of the website of a project shown in the platform.
Number of updates	The updates about the development of the project that the project owner meakes in the updates section of the website of a project shown in the platform.
Number of backers	The number of backers that financially support a project shown in the platform.
Goal (USD)	The target amount of funding to be collected within the time interval that the realization of a project requires
Pledged (USD)	The actual sum of funding collected from the backers within the time interval that the realization of a project requires.
Average Pledged (USD)	Pledged /Number of Backers
Success %	Pledged*100/Goal
Experience reward	The number of experiences based special-to-project rewards that is offered by the project owner in return for the support by the backers e.g. gala invitation
Material reward	The number of tangible special-to-project rewards that is offered by the project owner in return for the support by the backers e.g. book, CD
Reward Count	The number of reward options that the project owners offer backers
Min Reward (USD)	The lowest price reward option that the project owners offer backers
Max Reward (USD)	The highest price reward option that the project owners offer backers
Dates of backing	The number of days between the first day of funding and the last day of funding by the backers of a project shown in the platform.
Availability of Backer names	Whether or not the names of the backers of a project shown in the platform.
Like count	The number of likes by the backers or the members of the website of a project shown in the platform.
Dislike count	The number of dislikes by the backers or the members of the website of a project shown in the platform.

3.1 **Data Collection**

The data was collected from Kickstarter, Fongogo, Indiegogo and Arikovani by following several steps. Firstly, foundation year, total pledges, successful projects, total backers, categories, business model, platform fee, payment methods, most funded project (related category), most backed (related category), total projects (related category), total successful projects (related category) data were collected from the official websites of the 4 platforms and as the result of the interview with one of the founders of Fongogo, Ali Çebi. As the next step, without any attention paid to the fact that project is successful or not, the Number of comments, number of updates, number of backers, goal USD, pledged (USD), average pledged (USD), success %, experience reward, material reward, reward count, min reward USD, max reward USD, dates of backing, availability of backer data was collected manually from the latest 20 completed projects within the researched categories in the websites of the platforms. After getting the goals, pledges, and rewards variables, in order to be able to make a comparison, all the monetary values are converted to USD. The value of TRY was based on the currency of the Central Bank of the Republic of Turkey on 27.08.2021 and the value of Euro was calculated based on the Central Bank of the Republic of Turkey Euro/USD parity on 27.08.2021.

While getting the data on the experience reward and the material reward variables, a classification of whether the rewards that the project owner provides the backers in return for the funding support are experience rewards or material rewards. For example, the opportunity to have a digital album of the short movie named Kaygı that has been shown on the Fongogo platform was classified as a material reward, while the opportunity to be in the movie as a supporting actor / supporting actress was classified as an experience reward. Another one of the other variables, Dates of Backing, could only be calculated manually for Fongogo platform by taking the difference between the date on which the first backer funds and the date on which the last backer funds; it could not be calculated for the rest of the platforms. By the application of the same method, the variable of Availability of Backer names could only be found in Fongogo platform. Moreover, the backers' funding amounts could be found on the platform's website. The Availability of

Backer names exists in Arıkovanı in addition to the names of some backers, whereas some backers' names are shown to be Anonymous. After obtaining all this data, the Descriptive statistics are calculated. The following section includes the findings and results of these analyses.

4. Analysis and Results

4.1 Analysis

The platforms analyzed in this study are here because Kickstarter and Indiegogo in the United States and Arıkovanı an Fongogo in Turkey show similar features and services in terms of reward-based crowdfunding. Table 1 and Table 2 show the general features of the 4 platforms as of August 2021. Since Kickstarter and Fongogo are researched within the movie & video category and Indiegogo and Arıkovanı are researched within the technology category, the tables are shown separately.

Table 2: The General Features of Kickstarter and Fongogo Platforms

	Kickstarter	Fongogo
Foundation Year	2009	2013
Total pledges (million USD)	6,034	1,2
Successful Projects number	206.000	31.353
Categories	15	13
Business Model	AON	AON+KIA
Fee	5% + 3%	10%+Tax (individual) 5%+ Tax (STK)
Payment methods	Debit+credit card	Debit+credit card
Most Funded Project (USD) (Movie category)	11,385,449	13,297
Backer Count in Most Backed Project (Movie)	91,585	298
Total Projects Number (Movie category)	78,267	428
Total Successful Projects Number (movie category)	29,543	142

Interview with Co-founder of Fongogo, 16 August 2021

As shown above, the first to operate among the national and international crowdfunding platforms in comparison is the Indiegogo, followed by Kickstarter, Fongogo and Arıkovanı.

Kickstarter & Fongogo:

Established in 2009, Kickstarter is the world's biggest reward based crowdfunding platform (Mollick and Nanda, 2016). Fongogo was established in 2013 and it has become one of the most active crowdfunding platforms in Turkey.

While Kickstarter uses the AON funding model, Fongogo uses both AON model and KIA model, but the latter only for the NGOs (kickstarter.com, fongogo.com). In other words, by using AON model for the entrepreneurs, Fongogo either gives the collected sum to the entrepreneur by counting the project successful if the targeted sum is collected at the end of the campaign or returns the collected sum to the backers if the target cannot be achieved at the end of the campaign. In NGO projects however, due to the KIA model, the platform gives the collected sum to the NGO regardless of whether or not the target is achieved at the end of the campaign (Kayhan, 2017)

As shown in Table 2, Kickstarter has achieved a total pledge of 6.034 million USD and a total of 206.000 successful projects. In the movie category, the total number of projects is 78.267 and among those 29.543 are successful. Most funded project sum is 11.385 million USD and the number of backers of the most backed project is 91.585.

In Fongogo, the total pledge is 1,2 million USD and the number of successful projects is 31.353.

In the movie category, the total number of projects is 428 of which 142 are successful. Most funded project sum is 13.297 USD and the number of backers of the most backed project is 298, which is a low figure compared to Kickstarter.

In addition, Kickstarter has 15 categories, while Fongogo has 13 categories.

Moreover, Kickstarter has 5%+3% platform fee, while in Fongogo, this fee is as high as 10% + tax for the Entrepreneurs and 5% + tax for NGOs. Both platforms provide the backers with the payment method option between debit card and credit card.

Table 3: General Features of Indiegogo and Arıkovanı:

	Indiegogo	Arıkovanı
Foundation Year	2008	2015
Total pledges (million USD) *2019 verileri	1,6	0,72
Categories	28	1
Business Model	AON+KIA	AON
Fee	5% + 3%	%0
Payment methods	DEBIT+CREDIT CARD+Apple pay+ Google Pay	Paycell+credit card
Most Funded Project (USD) (Technology category)	51,486,048	196,824
Backer Count in Most Backed Project (Technology category)	68.582	1994

Source: Indiegogo.com Accessed on: 2-16 August 2021

　　　Arikovani.com.tr, 2-16 August 2021

https://webrazzi.com/2020/01/02/2019-yilinda-6-milyon-tl-destek-toplayan-arikovani-nda-one-cikanlar/

Accessed date: 5 August 2021

Indiegogo & Arıkovanı:

Established in 2008 in the United States, Indiegogo is the second biggest crowdfunding platform in the world (Cumming, Douglas J., et al., 2019). As opposed to the other platforms abroad, Indiegogo offers the project owners the option between KIA and AON (Cumming, Douglas J., et al., 2019).

Even though the target sum cannot be reached in some projects, KIA model, in which, collected funds can be used by the entrepreneur, is applied. In some other projects, the AON model is applied, in which the collected sum is returned to the backers when the target cannot be achieve, is applied.

Founded by Turkey's most prominent telecommunications companies Turkcell in 2015 to realize innovative and technology-based ideas, Arıkovanı uses only the AON model.

As shown in Table 3, the total pledge in Indiegogo is 1,6 million USD as of 2019. Most funded project sum up to today is 51,4 million USD in the technology category and the number of backers of the most backed project in the technology category is 68.582. As for Arıkovanı, the total pledge is 0,7 million USD as of 2019. Most funded project sum up to today is 196.824 USD in the technology category and the number of backers of the most backed project in the technology category is1994, which is a considerably low figure compared to Indiegogo.

In addition, Indiegogo has 28 categories, while Fongogo only has the technology category. Moreover,

Moreover, Indiegogo has 5%+3% platform fee, while in Fongogo, there is no platform fee. In both platforms, the payment methods differ from the other platforms, since in addition to debit card and credit card payment options, Indiegogo has Apple Pay and Google Pay options, while Arıkovanı has Paycell payment option.

Table 4: Kickstarter, Fongogo, Indiegogo ve Arıkovanı Platformlarının Summary statistics

	Movie and Video Category Most recent 20 completed projects										Technology Category Most recent 20 completed projects									
	KICKSTARTER					FONGOGO					INDIEGOGO					ARIKOVANI				
	min	Max	Mean	Median	Std dev	min	Max	Mean	Median	Std dev	min	Max	Mean	Median	Std dev	min	Max	Mean	Median	Std dev
Number of comments	0	23	3,74	0	(7,63)	0	45	2,79	0	(10,38)	0	393	64,30	15	(96,28)	0	91	23,84	12	(28,01)
Number of updates	0	4	1,21	0	(1,65)	0	71	6,42	1	(16,17)	0	17	2,90	2	(3,80)	0	17	2,95	1	(4,54)
Number of backers	3	421	101	45	(117)	52	392	185	179	(99,69)	3	3452	459	100	(835,51)	10	467	100	78	(110,64)
Goal (USD)	958	80.000	16.097	7.200	(23.106)	2.389	13.142	5.211	3.584	(2.956)	500	100.000	28.662	20.000	(31.394)	5.974	23.895	13.131	11.947	(5.478)
Pledged (USD)	41	48.887	9.123	6.240	(11.516)	3.901	13.297	6.420	5.018	(3.019)	588	1.877.387	186.346	27.610	(426.148)	346	196.824	21.838	12.153	(43.087)
Average Pledged (USD)	14	375	99	65	(89)	14	90	42	38	(21)	68	3.879	640	202	(965)	27	8.947	696	118	(2.029)
Success Rate (%)	0	242	92	101	(61)	100	187	132	116	(33)	21	5.727	878	169	(1.464)	3	824	128	101	(174)
Reward Count	2	12	7	6	(3)	6	9	8	8	(1)	2	12	5	5	(3)	5	13	9,05	9	(2,20)
Min Reward (USD)	1	50	12	8	(14)	2	12	7	6	(4)	5	3.649	432	94	(889)	1	16	5	6	(3)
Max Reward (USD)	20	8.000	1.735	998	(2.257)	119	23.895	2.339	1.195	(5.305)	129	17.059	1.987	497	(3.916)	179	19.104	4.044	1.195	(5.653)

4.2 Results

Table 4 summarizes the descriptive statistics of the four platforms that constitute the samples of the research. Table 4 is separated into sections, each section showing the data about each platform. Panel 1 of Table 4 reports the min, max, mean, median and standard deviation of the number of comments, number of updates, number of backers, goal, pledged amount, average pledge amount, success rate, reward count, min and max reward amounts for the Kickstarter. Respectively, Panel 2, 3 ve 4 of Table 3 provides the same information for Fongogo, Indiegogo and Arıkovanı.

Based on the data in Table 4, when we compare Fongogo and Kickstarter in the movie and video category, it is obvious that there are differences in terms of main variables. While in both platforms, the number of comments is close (Kickstarter mean: 3,74 and standard deviation: 7,63, Fongogo mean: 2,79 and standard deviation: 10,38), there is a considerable difference among the number of backers and the number of updates. As the number of updates in Fongogo is on average 6,42 (standard deviation: 17,17), in Kickstarter number of updates is on average 1,21 (standard deviation: 1,65). As the number of backers is reviewed, this number is on average 101 persons in Kickstarter (standard deviation: 117), while it is on average 185 persons (standard deviation: 99,69) in Fongogo, which is in the same category. When goal, pledged, average pledged figures are reviewed, the difference is again considerable. In the movie&video category Kickstarter's average goal is 16.097 USD (standard deviation: 23.106), while Fongogo's average goal is 5.211 USD (standard deviation: 2.956). Kickstarter's average pledged is 9.123 USD (standard deviation: 11.516), while Fongogo's average pledged is 6.420 USD (standard deviation: 3.019). These differences continue within Average pledge values (Kickstarter mean: 99, standard deviation: 89; Fongogo mean: 42, standard deviation: 21). In terms of the success rate (%) variable, the difference between Kickstarter (mean: 92, standard deviation: 61) and Fongogo (mean: 132, standard deviation: 33) is negligible.

In terms of the reward count variable, which shows the number of reward options that are offered to the backers, it is possible to observe close figures in both platforms within the movie&video category (Kickstarter mean: 7, standard deviation: 3; Fongogo mean: 8, standard deviation: 1). When a comparison is

made in terms of minimum reward and maximum reward, there is no great difference between Kickstarter (minimum reward mean: 12, standard deviation: 14; maximum reward means: 1.735, standard deviation: 2.257) and Fongogo (minimum reward mean: 7, standard deviation: 4; maximum reward mean: 2.339, standard deviation: 5.305). The update data of Arıkovanı and Indiegogo, which are researched under technology category, are close to each other (Indiegogo mean: 2,9, standard deviation: 3,8, Arıkovanı mean: 2,95, standard deviation: 4,54), while in terms of the number of comments, there is a difference. Arıkovanı's average number of comments under the technology category is 23,84 (standard deviation: 28,01), while under the same category Indiegogo's average number of comments is 64.30 (standard deviation: 96,58).

Indiegogo's average number of backers is 459 (standard deviation: 835,51), while Arıkovanı's average number of backers is 100 (standard deviation: 110,64). Indiegogo's average goal is 28.662 USD (standard deviation: 31.394), while Arıkovanı's average goal is 13.131 USD (standard deviation: 5.478). Indiegogo's average pledged is 186.346 USD (standard deviation: 426.148), while Arıkovanı's averafe pledged is 21.838 USD (standard deviation: 43.087). There is no great difference between these 2 platforms, which we have researched on the basis of technology, in terms of average pledged (Indiegogo mean: 640, standard deviation: 965; Arıkovanı mean: 696, standard deviation: 2.029). It is observed that in terms of success rate (%) variable, there is a considerable difference between Indiegogo (mean:878, standard deviation: 1.464) and Arıkovanı (mean: 128, standard deviation: 174). In terms of the reward count variable, Indiegogo's mean is 5 (standard deviation: 3), while Arıkovanı's mean is 9 (standard deviation: 2,20). Comparing the minimum reward and maximum reward sums of Indiegogo (minimum reward mean: 432, standard deviation: 889; maxiumum reward mean: 1.987, standard deviation: 3.916) and Arıkovanı (minimum reward mean: 5, standard deviation: 3; maxiumum reward mean: 4.044, standard deviation: 5.653) shows a considerable differenc"

5. Discussion

Emerging as a new model of entrepreneurship finance for the successful business ideas and projects, crowdfunding has an increasing popularity and significance in the recent years. In our country, where the number of projects and funding sums are limited, researching the international and local crowdfunding platforms is important to persuade further steps to be taken in this area. This study, based on this opinion, researches the most prominent crowdfunding platforms in the United States and in Turkey, trying to establish a comparison between national and international applications and dwell on the difference. As a result of the analysis performed on the obtained data, it is possible to deduce that based on the researched platforms in Turkey, the sums collected in and the number of backers backing the crowdfunding projects is considerably low compared to the data from the United States, thus the crowdfunding is at its infancy stage in Turkey. The reasons for this condition can be evaluated considering the data in this research as follows:

Primarily, starting from the general features shown in Table 1 and Table 2, the foundation years of Kickstarter and Indiegogo in the United States is much earlier than Arıkovanı and Fongogo in Turkey. This shows that crowdfunding model has started in our country much later and it can be considered a new concept. Looking at the number of categories given in Table 1, it can be deduced that Fongogo has reached the number of categories that the platforms abroad have, but Arıkovanı has a limited campaign variety, since the company only includes technology-based projects. Another difference to be observed is in the platform fees. Commission fees such as 5%+3% in the United States, appear in as even higher. The fact that Arıkovanı does not demand fees is a positive sign.

When we make a more detailed research based on the variables, it is possible to deduce the following points about the number of comments and updates. The number of comments in the platforms that are researched based on technology, is higher than the number of comments in the platforms that are in the movie&video category; therefore, it can be found out that the Backer's comment more on technology projects, ask more

about technology projects and want to make connections with the project owners more in technology projects. In short, they are more participant.

As we research this variable in terms of the distinction between national and international platforms, in the former, the backers have a smaller number of comments, therefore, the backers abroad are more active in the platforms. On the other hand, the fact that the number of updates observed on Fongogo's website is more than the other platforms, shows that the project owners in Fongogo pay more attention to what the funders say via frequent updates in the project and that they have a greater tendency to establish communication with the latter. Consequently, it can be deduced that in Turkey there is a greater effort to establish a community in the movie and video category. The statistics of the number of updates variable do not differ much between national and international aspect. If we look at the number of backers, we see that the average number of backers in Fongogo is 184, in Kickstarter it is 101; in Arıkovanı it is 100 and in Indiegogo it is 458. This is an indication that the number of backers in the United States and in Turkey does not differentiate, instead it is a difference resulting form the platforms and projects. In other words, these data may show that Fongogo and Indiegogo have broader audience. When we consider the average pledge and goal data, the fact that Kickstarter has a greater sum than Fongogo and Indiegogo has a greater sum than Arıkovanı may show that the project owners in the United States are more assertive and ambitious and that the project owners in Turkey do not see the platforms as a medium for raising funds, but as an opportunity to create a community. Consequently, fund raising purposes in Turkey remain secondary plan. On the other hand, in the movie&video category, the fact that Fongogo has a greater number of backers and lower amount of pledge than Kickstarter may show that, in Turkey the community support and engagement is higher in this category. As the success rate variable is considered, even though the project targets of the platforms in Turkey are lower, the money collected is higher than what is aimed. The main reason of this may be keeping the targeted amount low. The backers may be willing to invest in a project that makes money, therefore the project owners in Turkey may want to guarantee that their project makes money. This is an indication that the herd effect is higher in Turkey.

6. Limitations and Future Research

Although this study has a contribution to the academia and broader practice, it has some limitations. The most important of these limitations is that the results driven from the research of the platforms in the United States and Turkey may not be generalized to the other countries. Nevertheless, this research studies the projects in the movie&video and technology categories and its outcomes are based on the data on these categories. Thus, future studies must be developed in more than one country and include different crowdfunding categories.

As the content analysis method in this study helps to deduce the similarities and the differences between the data, future studies may implement different methodologies. Since each researched crowdfunding platform has its own publishing and information sharing policy, it was not possible to reach different data, which could help comparison, form each platform. The findings of this study should be interpreted carefully considering this fact.

7. Conclusion

With an increasing interest in the last 10 years, becoming an important alternative in the entrepreneurial funding, crowdfunding raises curiosity among the academic community. Even though the number of studies that focus on the entrepreneurs and backers is increasing, the research about the platforms is limited. Our study compares the data from the two biggest reward-based platforms in the world with the data from the most active platforms in Turkey, while emphasizing that the herd effect, the social participation and the support aspects are prominent in Turkey and shedding light on the policy makers, entrepreneurs, platform managers and backers. Moreover, our research calls attention to the fact that future studies should focus on crowdfunding platforms and especially on the inter-platform differences.

8.Acknowledgment

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