Crowdfunding as a tool to increase stakeholder involvement -
From a financial mechanism for start-ups to a multifunctional tool for any company

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Abstract

During the last years, the financial mechanism of crowdfunding has gone through remarkable changes. Crowdfunding has developed from being a mostly donation-based concept mainly used for artistic and creative purposes, into a serious way of financing profit oriented start-up ventures. Besides being used to raise money, several non-financial motivations for crowdfunding were identified by researchers, many of these connected to the idea of stakeholder involvement. In times of an increased demand for organizations to take on a social responsibility, the non-financial motivations are highly attractive for other organisations than only start-up companies. Therefore, the case of the Swedish multinational utility provider Vattenfall was chosen to study their pilot project of crowdfunding a renewable energy project in the Netherlands. In the study, non-financial crowdfunding motivations were examined and connected to different levels of stakeholder involvement. The results showed that Vattenfall was well aware of the fact that crowdfunding can be used as a tool to increase stakeholder involvement. More specifically, we found that crowdfunding within Vattenfall is mainly being used as a tool to engage on lower and middle levels. Drawing from these findings, we propose that crowdfunding can be seen as a multifunctional tool for financial and stakeholder involvement reasons.

Keywords: Crowdfunding, stakeholder involvement, community engagement, community acceptance, established companies
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**APPENDIX 1 – INTERVIEW GUIDE**
1 Introduction

Crowdfunding is a financial mechanism that has grown rapidly during the last few years. The most recent industry report even shows that crowdfunding might have outnumbered traditional venture capital by funding volume in 2016 (Barnett, 2015). In only five years, crowdfunding has developed from a rather unknown and experimental way of raising capital with an estimated volume of $880 million to a $34 billion business in 2015 (Barnett, 2015). By comparison the venture capital industry scored around a rather constant $30 billion per year. During this rapid growth pursuit, crowdfunding developed from being a mostly donation or reward-based funding model used mostly for social and artistic purposes to a real financial mechanism with debt and equity investment models, to finance more business-focused entrepreneurial ventures (Roodink and Kleverlaan, 2016). This development was highly influenced by more and more legal amendments all over the world that focus on enabling financial crowdfunding. The most prominent one is probably the “Jumpstart our Business Startups” (JOBS) act of the United States from 2012, but also most of the EU countries changed their legislation to promote financial crowdfunding (Roodink and Kleverlaan, 2016). Through the JOBS act, unaccredited investors are now allowed to make limited equity investment without an intermediary, which was illegal before. As a consequence equity crowdfunding was limited significantly (Bullard, 2012).

Before the recent surge of financial crowdfunding, non-financial models were most prominent, in which the investors were unable to receive a monetary return on their funds. Platforms like Kickstarter and Indiegogo made the non-financial crowdfunding popular (Barnett, 2015). On these websites, backers for example funded their favourite rock band or social organization with donations or in return for a pre-sale music album. This form of crowdfunding stands in sharp contrast to the financial form of crowdfunding, where investors expect fixed returns (debt model) or ownership and the corresponding profit participation (equity model) (Roodink and Kleverlaan, 2016).

Besides the fact that crowdfunding is used as a tool to raise funds for ventures that would otherwise not be able to obtain funding, crowdfunding is also performed for various non-financial reasons (Gajda and Mason, 2013). For the investors, crowdfunding poses an opportunity to select and promote projects and causes they care about and to actively participate in the development of the project or venture through feedback. Alongside the project or venture,
Crowdfunding can also be seen as an efficient tool to test market acceptance and to involve stakeholders more closely in the organization differently from only serving them as customers (Gajda and Mason, 2013). This benefit of stakeholder involvement can be very interesting for organizations, as the need to comply with societal norms is crucial for the success and survival of organisations (Pfeffer and Salancik, 2003). The field of corporate social responsibility, which is one of the most prevailing topics in business research at the moment, is built on the belief that organisations do not only have to satisfy the needs of their shareholders, but also their stakeholders (Pfeffer and Salancik, 2003). Therefore, it is very interesting to study whether crowdfunding can be used as a tool to primarily engage stakeholders in organisations.

1.1 Problem area and research gap

While there have been studies concerning the various motives of crowdfunding, very little research has been conducted on whether crowdfunding can be actively used as a tool to engage stakeholders on a deeper level. Existing studies have noticed stakeholder involvement through crowdfunding as a side-effect, while focusing on financial reasons, but they have not examined to which extent this involvement is achieved. This study is designed to do exactly this. To achieve this, the fairly recent literature on crowdfunding, especially on the non-financial motivations, is connected to the literature of stakeholder involvement.

The concept of stakeholder involvement stems from the broader concept of legitimacy. In the literature about legitimacy it is claimed, that organizations depend on their perception of the general public (Pfeffer and Salancik, 2003). In order to achieve the state of legitimacy, organisations can perform activities of stakeholder involvement, which means that stakeholders are seen as more than passive customers. This involvement can happen on different levels. On the lowest level, stakeholders are only informed about decisions that are already made, whereas on the highest level, stakeholders are actively involved in the decision-making process (Friedman and Miles, 2006).

Crowdfunding has developed into a tool for financing start-up companies, as they have limited access to traditional sources of capital. An interesting aspect of crowdfunding is how it can be used outside of its natural environment of start-up companies. Start-ups are very different from more established, mature companies. Very few established companies have applied crowdfunding schemes so far and even less research has been conducted to study crowdfunding in non-start-up organisations. While access to capital might not be the biggest problem for
established companies, the stakeholder involvement aspect of crowdfunding might be even more interesting.

1.2 Aim and research question

The aim of this study is to examine how crowdfunding can be used as a tool to increase stakeholder involvement in the specific case of the Swedish multinational utility provider Vattenfall. The case is particularly interesting, as Vattenfall is testing a crowdfunding scheme for a new wind and solar park project in the Netherlands as a pilot project. As the project is still in a very initial and experimental phase, the expected outcomes by the organization will be studied rather than the actual outcomes. Thereby, we are able to study crowdfunding from a stakeholder involvement aspect as well as examining crowdfunding’s use outside of start-up companies. This leads to the following research question:

*How can crowdfunding be used as a tool to increase stakeholder involvement in established companies?*

The study unfolds as following: First, the current state of the research on crowdfunding will be illustrated. After a general overview of crowdfunding, literature on non-financial motivations for applying crowdfunding will be examined, as these motivations are important for understanding how crowdfunding can be utilized as a tool to increase stakeholder engagement. Thereafter, we will move to the illustration of the research on stakeholder involvement. After a general overview of stakeholder involvement, we will present that involvement approaches can be classified on three different levels: the lower, medium and higher level of involvement. To conclude with the literature review, we will combine the two core elements of each literature stream, namely non-financial crowdfunding motivations and the different stakeholder involvement levels into a theoretical model. In the following methods section, we will elaborate on our qualitative research design. The choice of the single case study strategy and the semi structured interview approach will be discussed. We will present our coding table, which is based on our theoretical model created in the theory section. In the results section, we will present our findings in the structure of the three levels of involvement. Thereafter we will analyse these findings in the perspective of our theoretical model. We will show that our case

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1 With “established companies” we mean companies that have emerged from the start-up phase and possess a proven business model (Blank, 2010). This includes companies of any size and maturity that cannot be considered as start-ups anymore.
company Vattenfall is using crowdfunding to engage stakeholders mostly on the lower and medium level of involvement, but only rarely on the higher level. In the discussion, the findings and results will be evaluated from a broader perspective. We try to answer our research question by showing that crowdfunding can be used as a tool to increase stakeholder engagement in established companies, but also present limitations within our study design and our theoretical findings.

2 Theoretical Framework

2.1 Crowdfunding

Crowdfunding is a rather new tool used to finance projects or ventures with the contribution of a large number of individuals rather than institutional investors like banks, venture capitalists or business angels. This is mostly done through online platforms. By this, intermediaries such as banks are replaced and the individual funder is in direct interaction with the project or venture (Mollick, 2014). The concept of crowdfunding has become popular in the last years especially as an alternative way for start-up companies to raise capital, as these companies often fail to obtain financing from traditional lenders like banks or even specialized venture capital funds (Belleflamme et al., 2014). Despite the fact that several billion dollar of investments were made by millions of individual funders through numerous platforms, the field of crowdfunding is still fairly understudied (Mollick, 2014). Schwienbacher and Larralde (2010) were one of the first ones to write about crowdfunding and describe it as follows: “an open call, essentially through the internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes” (p. 4). Only very recently, the field of crowdfunding attracted increased attention of scholars (Gleasure and Feller, 2016). This is due to the financial amendments enabling financial crowdfunding in most western countries in the last couple of years (Roodink and Kleverlaan, 2016).

The idea of many individuals pooling money to realize a bigger investment existed before the emergence of the internet based crowdfunding. Cooperatives can be seen as a predecessor of financial crowdfunding. The legal form of a cooperative has many similarities to crowdfunding (Chiang, 2015). In both cases, several individuals pool money to make an investment. Nonetheless, there are some significant differences between the two. A cooperative is a legal form, which is specifically defined in the corporate law of the respective country and is
regulated by governmental authorities, whereas crowdfunding is only a concept of how to raise money for any kind of legal structure or even for a private person. In cooperatives, all investors have to be part of the community surrounding the project, whereas crowdfunding is usually open to anyone who has access to the underlying crowdfunding platform.

According to Mollick (2014), the concept of crowdfunding can be broken down into four broad types, depending on the goals the individual investors are pursuing. The first group of funders invest for philanthropic reasons, as they want to support the project or venture. They do not expect and receive a return for their donations. This model is called donation-based crowdfunding. Similarly, in the second model, which is called reward-based crowdfunding, investors are compensated not directly with money, but with rewards connected to the project or venture they back. These rewards could include an earlier access to products or services, better prices or contribution to the development process. The third model is structured as a loan, so that the investor expects at least the pay back of their investments, but often with an interest rate. Even so, often they are also interested in promoting the project or venture, so that they accept lower returns than ordinary market rates. This form is called debt-based crowdfunding. The fourth form of crowdfunding is the equity-based model. Here, the investors become shareholders of the venture and can participate in future profits. This form is by far the most challenging option from a legal standpoint, but regulations are increasingly opening up to equity crowdfunding (Roodink and Kleverlaan, 2016).

In general, these four forms of crowdfunding can be broken down in two very distinct categories. On the one hand, there is the financial crowdfunding, which is comprised of equity and debt crowdfunding. On the other hand is the non-financial crowdfunding, which consists of reward- and donation-based crowdfunding. While only the financial crowdfunding allows financial returns on the investments of entrepreneurs, it also requires much more legal considerations than non-financial crowdfunding. Therefore, financial crowdfunding is often seen as a real form of investment, while non-financial crowdfunding can be seen as a philanthropic contribution. Chiang (2015) even refers to non-financial crowdfunding as “pseudo-crowdfunding”.

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### Table 1. Classification of financial and non-financial crowdfunding

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<th>Financial crowdfunding</th>
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The degree of adoption of financial crowdfunding schemes per country is highly dependent on the national legislations. In fact, equity crowdfunding was impossible in most countries only until very recently. As financial crowdfunding is a fairly new and different form of financing, the current financial regulations in most western countries are not suitable for its characteristics. Most regulations emphasize the protection of retail investors, while crowdfunding specifically aims on developing these retail investments (Gajda and Mason, 2013). Therefore, an overhaul of the current legislations has to take place to enable the development of financial crowdfunding. The first countries, especially the USA and some major countries in Europe, have already changed their framework and others are planning to do the same (Cumming and Johan, 2013).

#### 2.1.1 Non-financial motivations to apply crowdfunding models

The rise of crowdfunding can not only be explained by its financial benefits, but especially by the positive non-financial outcomes that all four crowdfunding models grant. The open and inclusive nature of crowdfunding schemes through online platforms create many positive side effects, which other forms of financing do not offer. Belleflamme et al. (2014) refer to these additional motivations as “community benefits” as the process of crowdfunding is recognized as a shared experience of the funders. The author even argues that these additional motivations are crucial for the entrepreneur when selecting the right funding model. According to this study, crowdfunding can be superior to traditional investments like bank loans, when the entrepreneur manages to build a strong community of funders, which support the venture with more than just financing. While the non-financial motivations might differ between the four different crowdfunding models to some extent, they still share some general benefits which are created by the open nature of any crowdfunding model. These motivations can be evaluated from the perspective of the organizations, which are seeking financing and the individual backers providing funds.
2.1.2 Non-financial motivations for organisations

Raising awareness
One non-financial motivation for organizations is raising public awareness for the products or services it is offering. Previous research claims that crowdfunding can be used as a tool to promote new products or services (Belleflamme et al., 2014), as the projects get a lot of exposure on the public crowdfunding platforms. Interesting or popular projects even get shared on social media or covered by journalists, which causes even greater public exposure. The advantage of crowdfunding as a communication tool over traditional means as posts on social media or ads is seen in the more direct and personal communication with the public, as interested investors have a much stronger personal connection to the project they are evaluating (Schwienbacher and Larralde, 2010). Ordanini et al. (2011) support this notion and describes communication in crowdfunding as more proactive and participatory than normal social networks.

Market testing
Another reason for organizations to apply crowdfunding models is to test the market appreciation of the planned product or service (Belleflamme et al., 2014). Entrepreneurial ventures are always characterized by a high degree of risk. It is uncertain whether the new product or service will succeed or fail in the market. Crowdfunding can reduce the risk of producing a product or service that is not demanded to some extent. By putting the idea out on a public crowdfunding website, the concept is tested with a wide range of people who might also be potential customers. When a large number of people invest in the venture, it can be concluded that there is a market for the product or service. In contrast to venture capitalists or angel investors, where very few and highly homogenous people assess the viability of a business idea, the crowd is comprised of a large and diverse sample of people. In this way, the founders of companies can assess the possible market adoption of their venture before committing large investments (Fleming and Sorenson, 2016).

Engage a wide range of people
As crowdfunding is open to any individual, other than only accredited investors and professional investment firms in traditional forms of financing, organizations can engage a wider and more diverse group of investors. A broader range of possible investors inevitably creates better opportunities to successfully raise funds (Fleming and Sorenson, 2016). Mollick and Robb (2016) illustrate how crowdfunding can democratize access to capital. By that,
formerly often underrepresented groups like women are promoted as investors in organizations (Mollick and Robb, 2016). Agrawal et al. (2015) found, even though local affiliations are still relevant, that crowdfunding has the possibility to connect founders and funders in very distant locations. This is especially interesting for organizations outside of start-up clusters like the Silicon Valley, as these hubs usually have superior access to a venture capital ecosystem (Fleming and Sorenson, 2016). Fleming and Sorenson (2016) also illustrate, that institutional investors like venture capital funds are much more diligent in their investment selection process and want to be closely integrated in the decision-making which can come with the cost of increased bureaucracy and decreased independence for organizations.

2.1.3 Non-financial motivations for funders

Influence decision-making
Through crowdfunding schemes, the crowd can have various influences on decision-making within the funded organization. As funders are very important for organizations, their voices are considered in the organizational decision-making. Especially the strategic decision-making in the early stages of the business development process can be highly influenced by an actively engaged crowd of funders (Belleflamme et al., 2014). Gleasure and Feller (2016) found that individuals actively chose crowdfunding to be part of an organization. According to this study, a motivation for crowdfunding is “paying to participate”. Formally, the right to active participation in the governance depends on the structure of the crowdfunding approach (Lam and Law, 2016). In donation- or reward-based crowdfunding, no legal claim to participation right is granted. In debt-based models, the loans are mostly short term focused, whereby they are subordinate to longer term bank loans. Therefore, legal rights are very limited here too. In the case of equity crowdfunding instead, the funders become shareholders and by that are usually entitled to participate in decision-making. Nonetheless, the nature of crowdfunding often creates large amounts of small shareholders, which makes the participation of the individual complicated. Schwienbacher and Larralde (2010) propose that the internet can be a helpful tool to address this issue. The numerous individual shareholders could vote on very specific decisions via internet, considering their individual voting right according to their equity share. Belleflamme et al. (2014) support this claim and argue that social media platforms should be integrated into the managerial decision-making process of crowdfunded ventures. However, this solution does not grant the same voting rights as traditional shareholders have. This can especially be a problem for big companies, as the increased size correlates with an increased number of shareholders a crowdfunding scheme would cause. Therefore, larger companies are
less likely to profit from crowdfunding than small companies according to Schwienbacher and Larralde (2010). Despite these difficulties of formal participation in decision-making, a large crowd of funders will always be able to influence within the more informal decision-making. Bocken et al. (2014) claim that crowdfunding has the potential to radically change the way goods and services are produced and consumed by actively engaging the crowd enabled through the internet.

**Promoting a cause**

As crowdfunding is seen as a tool to democratize capital, individual investors can increasingly select and promote causes and projects they want to see succeeding. Mollick and Robb (2016) claim that the most successful crowdfunding campaigns are those with a highly committed and closely involved crowd. Funders can therefore participate in the rise of their favourite ideas in a way that was not that easy before the emergence of crowdfunding. Ordanini et al. (2011) identified that members of the crowd feel at least partly responsible for the success of the funded organization or project. This is referred to as a “desire to patronage”. Furthermore, funders feel the need to be part of a social community, which the author calls “desire for social participation”. Thereby, crowdfunders become agents of the product, as they engage in help offering, selecting and promoting a project of their trust (Ordanini et al., 2011). Lehner (2013) even found that crowdfunding models can create legitimacy for the cause of the project.

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*Table 2. Classification of non-financial motivations of crowdfunding*

2.2 Stakeholder involvement

It is becoming increasingly important for organizations to be perceived as legitimate (Pfeffer and Salancik, 2003). One way for organisations to attain legitimacy is to involve stakeholders into their organization. According to DiMaggio and Powell (1983) organizations strive towards becoming homogeneous. As organisations are often forced to conform with the direction of other organizations and society as a whole it becomes a natural requirement for organizations to involve stakeholders to some degree. Stakeholder involvement has become more prevalent
in international business circles in the last decade, especially when it comes to social and environmental performance (Jeffrey, 2009). According to Jeffrey (2009) involvement is important when it comes to running an organization responsibly and is in line with the concept of corporate responsibility. Stakeholder involvement encourages corporate responsibility so that it minimizes negative and maximizes positive environmental and social impacts. By doing so the organization creates a moral legitimacy. Organizations that do not actively involve stakeholders may have to employ crisis management and be forced into a defensive dialogue with stakeholders (Suchman, 1995).

During the last years there has been an increase on the emphasis management places on stakeholders. There is even a new management function; the stakeholder manager. It is essentially the stakeholder relationship that is managed and not the stakeholder groups. The relationships are emphasized since poor relations can lead to declining productivity, creativity and loyalty. The relationships can lead to valuable information, technological advances, consumer trends etc. It also helps organizations respond and anticipate change (Friedman and Miles, 2006). The first step of involvement is for organizations to define which stakeholders they should involve since the stakeholders could include a very wide range of people. Freeman (2010, p. 6) defines stakeholders broadly “as any group or individual who can affect or is affected by the achievement of a corporation's purpose”. Sheehan et al. (2007) claim that support of all stakeholder groups is key for the continued prosperity of the organization. The stakeholder participation is vital, since they can influence and affect the organization, even if they are not engaged in transactions. Other researchers argue that not all groups of stakeholders should be considered. The organization must prioritize its stakeholders. When the organization has identified the stakeholders that are a priority for the businesses survival, the organization can begin to develop strategies necessary for engaging the stakeholders (Sheehan et al., 2007).

Pfeffer and Salancik (2003) argue that organizations may have to change their strategy due to the environment’s effect on organizations. According to the researchers, much more external control is being placed on organizations. They go on to say that it is interesting to look at how the decision-making and strategies are related to organizations resource dependency. The dependency on stakeholder interests due to governmental laws is one reason why involving stakeholders has become prominent. Involving stakeholders can be used for the organization's own survival and growth for example by collaborating and negotiation with stakeholders. In this way, organizations would learn and grow from stakeholder participation, which would
eliminate the organization's dependency on stakeholders (Pfeffer and Salancik, 2003). Friedman and Miles (2006) address that management's duty and strategy is to emphasize to what degree the organization chooses to involve stakeholders. The involvement is classified as the lower, middle and higher levels of involvement. In line with Friedman and Miles (2006) levels of involvement model, Grunig and Hunt (1984) have also developed three involvement steps of how management can work strategically with communication involvement. The steps include information strategy, response strategy and stakeholder involvement strategy.

2.2.1 Lower levels of involvement

According to Friedman and Miles (2006), the lower levels include how organizations inform stakeholders about decisions that have already been made. It is strictly autocratic and does not include stakeholder participation; it could instead be seen as mere PR attempts to alter stakeholder attitudes. Pfeffer and Salancik (2003) point out that stakeholders can participate only partially. There really is no requirement for the participants to invest interests or goals with the organization. Anything that could be seen as involvement is sufficient enough from an organization's point of view. For example, March and Simon (1958) bring up involvement in the form of inducement-contribution. In this way, the customer-stakeholder can only participate when it comes to money. However, Pfeffer and Salancik (2003) argue that inducement payments are still participant involvement. The partial participation could also be when "a person does not invest all his behaviour in a single group; commitments and interlockings are dispersed among several groups" (Weick, 1979, p. 95). The partial inclusion of stakeholders in many groups makes it difficult for organizations to be consistent when it comes to their behaviour towards stakeholders. The stakeholders inter roles could give power to participants in determining the organization's activities. There is a constant struggle of balancing stakeholder participation without giving them too much power over organizational activities (Pfeffer and Salancik, 2003). This means that deciding to what extent stakeholders get to participate in organizations can be seen as a strategy. This has to do with that participants may develop power over decision-making that could become critical for the organization's survival. Pfeffer and Salancik (2003) bring up how problematic it can be for organization's when they become dependent on stakeholders and lose too much power and autonomy over decision-making. This is why it may be tactical to include stakeholders only partially. The lower level of involvement reflects the communication step called information strategy, which includes a one-way communication. This means the organization influences stakeholders and the
stakeholder respond by supporting or opposing the organization. The organization informs stakeholders about favourable corporate decisions and actions.

2.2.2 Middle levels of involvement

In the middle levels, management takes direct action to the wants of stakeholder concern. Management educates stakeholders by using a two-way process, for example using workshops. Stakeholders have a chance of making themselves heard. They have a chance of questioning material and criticizing. Management deals with criticism through bargaining, for example exiting projects that are criticized. Negotiation could also be made by consultation through stakeholder surveys (Friedman and Miles, 2006). This two-way process could be likened to Grunig and Hunt's (1984) second step, response strategy, which includes a two-way asymmetrical communication. This means that stakeholders respond to corporate actions.

The two-way process entails that stakeholders have a voice. The concept of a stakeholder voice was first introduced in the 1960s when the dynamics of the business environment changed so that it empowered consumers and other activists' voice (Andriof, 2002). According to Andriof (2002) there is a new focus on empowering stakeholders’ voice due to an emerging conception of organizational relationships as an unfolding network of conversations. This means that we can see the state of and how organizations focus on engagement by its network of conversations. Within the management and stakeholder relationship Friedman and Miles (2006) illuminate the importance of stakeholder participation when it comes to voicing protest when they feel that they are not being heard. Stakeholder withdrawal or exit can also be seen as voice as it is a direct way of expressing one's unfavourable views of an organization. Is this way stakeholder's non-participation becomes a way of expressing themselves (Hirschman, 1970). As a result organizations could be eliminated due to the pressures of stakeholders searching for better solutions, this has got to do with the illusion that “the grass is always greener on the other side of the fence.” (Hirschman, 1970, p. 27). Voice is usually seen as a form of protest. Rather than stakeholder exiting, they try to change organizational practices. This is also known as “interest articulation.” Hirschman (1970) argues that this form of voice could be a substitute for exit and usually takes place at an early stage. When stakeholders exit they can no longer voice their opinion, but not vice versa. Therefore, exit may be a last solution after voice has failed.
Hirschman goes on to say that the best would be a mixture of alert and inert citizens. This means that there would be an alternation and balance between involvement and withdrawal (Hirschman, 1970).

### 2.2.3 Higher levels of involvement

At the highest levels of stakeholder involvement, organizations actively respond and empower stakeholders by incorporating their decision-making, which means that there must exist trust within the management – stakeholder relationship. Even though the stakeholder has some degree of power over decision-making, the ultimate power lies within the organization (Friedman and Miles, 2006). As mentioned above, including stakeholders only partially may be tactical for organizations. However, sometimes, laws, policies and governments make it impossible for organizations not to include stakeholders on higher levels of decision-making. The participation on higher levels could include coalition and mergers with stakeholders. In this way stakeholders are subject to successful influence (Pfeffer and Salancik, 2003). Similar to Pfeffer and Salancik (2003), Andriof (2002) develops theories on how organizations make stakeholders participate on higher levels. Instead of using terms such as mergers and coalitions, Andriof (2002) talks about organizations creating a mutual dynamic responsibility towards stakeholders as a strategy.

Stakeholder participation on higher levels could for instance include collaborating more intensely on social and environmental issues (Googins and Rochlin, 2000). Organisations could be interested in collaborating with stakeholders from a strategical standpoint since incorporating stakeholder perspectives through a partnership could help them manage change better (Freeman, 2010). Usually partnerships that focus on relationships need trust between the two parties to exist. Organizations and stakeholders can learn from each other within the partnerships to overcome distrust. Within the trustful relationships there is less risk and more efficiency from the organization's point of view. Andriof (2002) emphasizes that through the collaboration there is an establishment of legitimacy, development and maintenance of trust. Through the relationship the organization can learn valuable information about the stakeholder and also motivate stakeholders and pursue similar goals. The stakeholders should be able to be free to criticize, challenge and be objective in their collaboration with the company (Andriof, 2002).
According to Timur and Getz (2008), involvement can be increased by enhancing the communication between stakeholders, which is seen as valuable in establishing long-term mutual relationships between organizations and stakeholders. Andriof (2002) stresses the importance of focusing on the mutual relationships instead of immediate profits. This is an example of balancing the ability to stay profitable while meeting stakeholder consensus. One way of doing this is the highest-level of communications; involvement strategy. This includes the steps of informing strategy and response strategy. It involves stakeholders by them participating and suggesting corporate actions. Management negotiates and interacts with stakeholders. The involvement strategy also focuses on building relationships through a proactive dialogue. Through the proactive dialogue, stakeholders are involved in order to develop and promote positive support so that the company can comprehend and adapt to their concerns (Grunig and Hunt, 1984). According to Andriof (2002), organizations generate interest and applications by multi-stakeholder dialogue. Through dialogue, stakeholders participate directly in making and implementing organizational decisions and organizations can bring about important and emotional issues to stakeholders.

The highest level of stakeholder involvement can be connected to loyalty, which is according to Hirschman (1970) most functional when it looks most irrational. This is evident in for example football team and clubs. Loyalty can be likened to a barrier to exit and it neutralizes the tendency of stakeholders to exit. This means that some stakeholders will exit but this will be balanced out by the loyal stakeholders that choose to stay (Hirschman, 1970). Stakeholders could choose not to exit because they care about the activity of the organization and could not bear to see that the organization that they belong would go from bad to worse if they left (Hirschman, 1970). Even unsatisfied members can remain loyal without being influential themselves, but they may still have the expectation that someone else may act. Management is always scared of losing influential stakeholders to competitors. This is due to that loyalty has a positive influence that if the organization is heading in the wrong way, members will begin attempts to their influence to alter processes that may be detrimental for the organization (Hirschman, 1970).
2.3 Connecting stakeholder involvement to non-financial crowdfunding motivations

Only very limited research has been conducted with the focus on how crowdfunding can be used as a tool to increase stakeholder involvement. In fact, no study has directly focused on this aspect individually, previous researchers have only reported non-financial motivations for crowdfunding as being side effects. Therefore, this study presented the streams of research on non-financial crowdfunding motivations and on stakeholder involvement individually at first. In order to assess the extent to which crowdfunding can be used as a tool to increase stakeholder involvement, the theory of crowdfunding motivations and stakeholder involvement have to be connected. Different non-financial motivations of crowdfunding can be assigned to different levels of involvement, comparing the characteristics of high-, medium- and low level involvement to the characteristics of non-financial crowdfunding motivations.

The motivation of funders to influence decision-making can be connected to the higher level of involvement. The most convincing argument for this is the fact, that researchers on crowdfunding motivations found that some funders actively chose crowdfunding to be part of an organization (Gleasure and Feller, 2016). This is connected to the notion that higher level stakeholder involvement occurs when stakeholders are incorporated in the decision-making of the funded organization (Friedman and Miles, 2006).
Promoting a cause the funders want to see succeed is another motivation that can be connected to the higher level involvement. Crowdfunding enables investors to choose and promote projects and ventures they want to succeed (Mollick and Robb, 2016). Therefore, they can be seen as much more committed to their investments as if they would only invest for financial reasons. This higher commitment and personal interest in the project or venture will undoubtedly lead to more long-term relationships. As we have shown through the literature on stakeholder involvement, long-term relationships are a core aspect of higher level involvement (Andriof, 2002). Ultimately, this close emotional connection of funders and the project, which is characterised by “a desire to patronage” and “a desire to social participation” (Ordanini et al., 2011) can lead to a sense of trust and loyalty. Loyalty can be seen as the highest form of stakeholder involvement (Hirschman, 1970).

Organizations are motivated to apply crowdfunding schemes in order to engage a diverse set of investors (Mollick and Robb, 2016). This motivation could be connected to the mid-level of stakeholder involvement. The mid-level of involvement is especially characterised by the fact, that a two-way communication is enabled (Grunig and Hunt, 1984). This is connectable to the fact that crowdfunding is engaging a more diverse and larger set of investors than traditional means of financing. As more and especially previously underrepresented people are involved, stakeholders ultimately have a larger influence than a small number of institutional investors would have. While Fleming and Sorenson (2016) claim that institutional investors are more diligent from a financial perspective, the more diverse set of private investors can be assumed to be more criticizing and questioning from a societal perspective.

Another motivation that could be connected to the mid-level of involvement is market testing. Market testing is probably one of the purest form of customer feedback. By putting the project out on a public crowdfunding platform, entrepreneurs can get real feedback from possible future customers. Unless these future customers have no personal relationship to the entrepreneurs, they should not have any incentive of investing other than believing in the project's success. This direct customer feedback can be seen as a form of two-way communication, which is a very important characteristic of mid-level involvement (Grunig and Hunt, 1984). Hirschmans (1970) concept of exit, which is also a characteristic of the mid-level of involvement, describes this concept of direct stakeholder feedback very well. If a stakeholder or investor is not satisfied with the product or service offered by the organization, he does not demand it anymore.
The offering organization’s ability to raise awareness for a product or service can be seen as stakeholder involvement on the lower level. In this motivation, the crowdfunding platform is mainly leveraged for its abundant exposure with the general public (Belleflamme et al., 2014). Even if this form of communication is seen as more personal and direct than other means of communication like social media, the relationship is more like a one-way communication. One-way communication is one key characteristic of the lower level of involvement. When the blanc promotion of the product or service is the major motivation to apply crowdfunding, the attempt can be seen as a PR activity, which is another aspect of the lower level of involvement.

This model makes visible how the identified motivations for funders both happen on the higher level of involvement while the three motivations for organizations happen on the mid-level or lower level of involvement. While there is no clear indication of this in the existing literature, it can be assumed that this is due to the fact, that outside stakeholders (in this case investors) have a greater interest in being involved in organizations on the highest level than organizations have to involve them. On the other hand, it can be assumed that organizations might be willing to involve stakeholders for all the positive reasons explained in the section about stakeholder involvement while trying to keep their sovereignty on the highest level of involvement. As Pfeffer and Salancik (2003) identified, organizations have to balance involvement with retaining independence. Nonetheless, this does not mean that the identified motivations can only benefit the identified groups (funders or organizations). Organizations can for example use the funders motivation to influence decision-making by enabling the funders to influence

Figure 2. Model of levels of involvement with connected non-financial motivations for crowdfunding
decisions. This could be connected to Pfeffer and Salanciks (2003) concept of involving stakeholders as a strategy.

Another interesting aspect of our model is the question of interconnectedness of the three different levels of involvement. We assume that the different levels do not work cumulative, but yet can be used in connection. Organizations that focus specifically on stakeholder involvement could design tools to mostly involve stakeholders on the highest level though e.g. focus on long-term relationships and loyalty. Therefore, they would try to avoid participation on the lower level like mere PR attempts, as they value high level involvement. Nonetheless, there will possibly always be some aspects in any organisations that speak for each of the levels. This tool can be used to examine which level is the dominant one while it can be possible that more than one level of involvement can be equally important. If more than one is dominant, it will probably be a mix of the mid-level with either the lower or the higher, as the two ends of the scale polarize significantly.

3 Methods

3.1 A single case study at Vattenfall

Our research design has been based on the single case of the Swedish multinational utility provider Vattenfall AB (Bryman and Bell, 2015). The company is among Europe’s biggest producers and retailers of heat and electricity and is producing its utilities from the sources hydro, wind, solar, biomass, nuclear, coal and gas (Vattenfall AB, 2017). Vattenfall was in particular suited for the single case study approach, as it is one of the first established companies to apply a crowdfunding scheme. Vattenfall sees themselves as a pioneer in their way of funding and even though crowdfunding has been done many times by smaller companies and entrepreneurs, Vattenfall is unique in the way that it is a large, established and multinational organization that uses crowdfunding (Bryman and Bell, 2015). To capture this current state of the development of crowdfunding at the innovative company of Vattenfall, a cross sectional approach was well suited to study such a timely phenomenon (Saunders et al., 2015). Saunders et al. (2015) argue that single case studies are in particular suitable if the case possesses a unique nature. Furthermore, they plan to use crowdfunding in order to finance projects but at the same time promote renewable energy in a way that is favourable to stakeholders.
3.2 The case of crowdfunding a wind and solar park in the Netherlands as a pilot project

The specific case studied in this thesis is a new renewable energy project in the Netherlands, where Vattenfall is applying a crowdfunding scheme for the first time and is consciously using the project as an experiment. The company sees itself under pressure of a rapidly changing energy industry and aims to be on the edge of innovation. Therefore, the crowdfunding project within this unique renewable energy project as described below is designed as an initial, small scale pilot project to assess the benefits and drawbacks of crowdfunding. In case the company is achieving its expected outcomes, especially in terms of stakeholder involvement but also financing, Vattenfall plans to expand the use of crowdfunding into other projects, areas and countries of the group.

The project is not only innovative because of the initial use of crowdfunding. Nuon, Vattenfall’s subsidiary in the Netherlands, is also combining an existing wind park with a new solar park in the Netherlands for the first time. By that, the company tries to leverage the fact that on less windy days, the sun is usually strong and on days with less sun, it tends to be windier. Furthermore, this enables the company to use the existing grid more efficiently while also utilising existing infrastructure like roads to the wind park. Thereby, Nuon attempts to utilize all the needed resources for the existing wind park through the new solar park project (Noun, 2016). 105,000 solar panels are planned to produce 27,5 megawatt, which is sufficient to power 10,000 households (Oneplanetcrowd, 2017).

As the company is not legally allowed to offer financial products or services, Nuon is partnering with Oneplanetcrowd, a Dutch crowdfunding platform, which is specifically focussing on sustainable business and energy projects. Currently, the project is still in the planning stage and interested people can only leave their contact details on the Oneplanetcrowd website for Nuon’s project to get contacted when the project starts. The installation of solar panels is planned to be initiated in late 2018.

Nuon is also referring to the project in a press release on their website. As the company is also not allowed to promote financial products, only very basic information is given. For more details, the link to the Oneplanetcrowd web page is posted. In the press release, the company specifically states that the support of the local communities is vital for the success of the project on the website (Noun, 2016). On the Oneplanetcrowd page, a newspaper article of the public
news organisation NOS (Nederlandse Omroep Stichting) is linked with an associated short video of NOS about the project (Hofs, 2017). In the article, the project is presented in a short and neutral way.

3.3 A qualitative study

A qualitative study was chosen in order to comprehend how Vattenfall works with crowdfunding in order to engage stakeholders. The method was a semi structured interview approach with questions about the two themes stakeholder involvement and crowdfunding. We encouraged the informants to discuss their ideas freely and openly, as the topic is a fairly new phenomenon and different respondents had different levels of knowledge about crowdfunding (Saunders et al., 2015). The length of the interviews varied from 40-55 minutes. We analyzed 7 interviews from the organization Vattenfall. The number of respondents was limited due to the fact that the crowdfunding scheme was a small scale pilot project in the Netherlands. All managers involved in the crowdfunding scheme in the Netherlands where interviewed. For this particular case of an experimental crowdfunding scheme, the amount of 7 respondents was regarded as sufficient. Empirical findings were found at different management levels in the organization. The interview was done face-to-face or by conference calls to the different divisions within Vattenfall Sweden, UK and the Netherlands. We also emailed the informants with follow up questions. The reason why we chose respondents from these three Vattenfall country subunits is because they were the only ones that used crowdfunding already (Netherlands) or considered using it (UK and Sweden).

3.3.1 Respondents

The respondents were chosen based on their position and the corresponding responsibility for actual or planned crowdfunding models or stakeholder involvement. First of all, we wanted to interview the responsible managers for the crowdfunding pilot project in the Netherlands. Therefore, we chose respondents 1 and 2, which were the business developers for the project. Furthermore, we intended to speak to managers who work with communications and stakeholder involvement. In the Netherlands, this was crucial to understand how Vattenfall is seeing the crowdfunding scheme in terms of external communications. In the UK and Sweden, where crowdfunding was not applied yet, respondents were chosen to examine how managers that focus on stakeholder involvement understand crowdfunding and in order to examine which
involvement measures they perform outside of crowdfunding. Our responsible contact person at the company (Respondent 7) referred us to relevant people and enabled us to contact them.

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Role</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>Nuon (Vattenfall subsidiary in the Netherlands)</td>
<td>Business Development Manager</td>
<td>Financing</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>Nuon (Vattenfall subsidiary in the Netherlands)</td>
<td>Business Development and Team Leader Solar</td>
<td>Stakeholder engagement and financing</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>Nuon (Vattenfall subsidiary in the Netherlands)</td>
<td>Community Engagement Manager</td>
<td>Stakeholder engagement</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>Vattenfall United Kingdom</td>
<td>Business Communication Manager</td>
<td>Stakeholder engagement</td>
</tr>
<tr>
<td>Respondent 5</td>
<td>Solar Energy Association of Sweden</td>
<td>Spokesperson</td>
<td>Promoting renewable energy</td>
</tr>
<tr>
<td>Respondent 6</td>
<td>Vattenfall Sweden</td>
<td>Product Manager Solar PV</td>
<td>Promoting renewable energy</td>
</tr>
<tr>
<td>Respondent 7</td>
<td>Vattenfall Sweden</td>
<td>Senior Advisor Public and Regulatory Affairs</td>
<td>Stakeholder engagement and promoting renewable energy</td>
</tr>
</tbody>
</table>

Table 3. Interview respondents

3.3.2 The interview guide

Our interview guide was structured into two broad schemes: stakeholder involvement and crowdfunding (see Appendix 1 – Interview Guide). This was important for us, as only the Netherlands subunit Nuon applied crowdfunding yet while Sweden and the UK were only considering it until now. Therefore, we also kept the interviews rather open and flexible. Depending on the country and the position of the respondent, we focused our questions on either stakeholder involvement or crowdfunding. Nonetheless, we asked all the questions of both themes to all respondents and encouraged them to brainstorm freely about how they understand crowdfunding if they do not do yet, as they were all interested in it. We consider this rather open approach of semi-interviews since reasonable as our case is a very timely and individual phenomenon at a rather small scale pilot project.

3.4 Collecting Data

We analyzed the interviews from one organization, Vattenfall. We used a qualitative method based on face-to-face and telephone, semi-structured interviews. The interviews were facilitated by follow-up questions, when the initial responses did not give us sufficient insight (Trost, 2010). Since the interviewees at the organization were all managers operating on
different levels, it was easy to compare results and point out similarities and differences. The different managers may work in different ways due to their varying duties. The manager for business development would be much more focused on financing than for example the head of CSR, who would be more interested on stakeholder issues. The respondents were working in three different areas, namely CSR and communications, business development and product management for renewable energy. The different areas made it interesting to compare and contrast the varying ways the managers worked with stakeholder engagement. The manager’s’ goals with stakeholder involvement may also differ even though there may be overarching missions and visions within Vattenfall, which all of the managers must follow. The managers may also have varying opinions of defining which stakeholder group they are focusing on.

3.5 Secondary Data

In order to get a better understanding of the actual crowdfunding project in the Netherlands, we consulted secondary data in form of websites and videos about the solar and wind park. This information as in particular valuable, as the project is still in an initial planning stage, which limited the information on the project. The secondary data was used to support our understanding of the interviews rather than use it as empirical material in the analysis itself. The data was created by three different sources: Nuon (Vattenfall’s subsidiary in the Netherlands), Oneplanetcrowd (the crowdfunding platform) and NOS (a Dutch major public broadcast organization). As Nuon and Oneplanetcrowd collaborate, the information of NOS can be seen as a valuable and neutral perspective on the topic.
3.6 A template analysis

We used a template analysis, which we considered as appropriate since it is a form of analysis that is used on transcripts from individuals or group interviews. According to King (2004) template analysis is the development of conceptual themes and their clustering into broader groups. This type of analysis suited us since we could tailor it to our specific study, analyzing themes that we connected to crowdfunding and stakeholder engagement (King, 2004). Template analysis could also be seen as more practical, as we could actually gain a sufficient understanding of how the different managers truly worked with stakeholder...
engagement by using crowdfunding (Strauss and Corbin, 1991). It is a highly flexible approach that fits well for an experimental study. It is also suitable for studying the different groups within an organization, and an organization that is under organizational change. In our case, Vattenfall works with changing its financing tools so that the financing takes into consideration the stakeholders concerns. Template analysis includes thematic coding. This means that we looked for codes that were related to a theme or issue (King, 1998). By working with template analysis, we developed the three themes of how Vattenfall worked with crowdfunding to engage stakeholders on different levels.

The main themes were inspired out of Friedman and Miles (2006) model of different engagement levels, Grunig and Hunt (1984) three step communication model and Pfeffer and Salancik (2003) participation theory. The themes were then connected to parts of crowdfunding theory in order to develop further sub-themes that made it easy to connect codes to later on. Our three main themes are lower level of involvement, mid-level of involvement and highest levels of involvement. Within each main theme we developed subthemes. Within lower levels of involvement, we developed the subthemes raising awareness, financial participation and one-way communication. Within the middle level of involvement, we developed the subthemes two-way communication, engaging diversity and market testing. Within the higher level of engagement, we developed the subthemes influence decision-making, stakeholder relationships and promote a cause.

3.6.1 Implementing Coding

We used codes that were relevant in order to understand how managers worked with motivating employees to reach their goals. The codes were connected to the respective theory concerning stakeholder engagement. We grouped our theory into themes of level of engagement and connected codes to each level of engagement. The codes: Informing, financial participation, PR and inducement payments were highlighted and then linked to how the way managers worked with crowdfunding in order to engage stakeholder on the lower levels. The codes: Stakeholder concern, communication, community, workshops, educating, criticize and question, voice and negotiation was linked to the mid-levels of engagement. The codes: Loyalty, CSR role, empowering, dialogue persuasion, stakeholder decisions, image, relationships and trust were linked to the higher levels of engagement. The codes made it simpler to comprehend, which empirical answers were related to each other (Aspers, 2011). During the coding process we
added relevant codes and deleted irrelevant ones (King, 1998). All the codes from each transcript were listed. In order to support the comprehension of the presented empirics and the analysis, we ordered the sub-chapters according to the order in the sub-themes in table 5 below.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Subthemes</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower level of involvement</td>
<td>Financial participation</td>
<td>Informing, financial participation, PR, inducement payments</td>
</tr>
<tr>
<td></td>
<td>One-way communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Raising awareness</td>
<td></td>
</tr>
<tr>
<td>Mid-level of involvement</td>
<td>Market testing</td>
<td>Stakeholder concern, communication, community, workshops, educating, criticize, question, voice, negotiation</td>
</tr>
<tr>
<td></td>
<td>Engaging diversity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Two-way communication</td>
<td></td>
</tr>
<tr>
<td>Higher level of Involvement</td>
<td>Promoting a cause</td>
<td>Loyalty, CSR, empowering, dialogue, persuasion, stakeholder decisions, image, relationships, trust</td>
</tr>
<tr>
<td></td>
<td>Influence decision making</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stakeholder relationship</td>
<td></td>
</tr>
</tbody>
</table>

*Table 5. Coding scheme in connection to levels of involvement and non-financial motivations for crowdfunding*

### 3.6.2 Challenges of thematic analysis

Judging which themes were most important and defining which codes that belong with each theme was difficult. Another difficulty was balancing the need to be open about data and the need to impose structure and shape on the analytical process (King, 2004). Another disadvantage is that it makes the researcher unsure about the analytical decision due to the lack of literature on thematic analysis. Thematic analysis is yet not a grounded theory. According to King (2004) the template could have a tendency of becoming too simple. Also, participants’ voices might be lost due to the overarching themes that may give a stronger voice to some of the participants concerns than others.

### 3.7 Ethics

Before we conducted the interviews, we were careful about the clear ethical guidelines when conducting the interviews. Therefore, we examined the research council's guidelines for good research. In accordance with the Research Council's information requirements we emailed the respondents an outline to all of the respondents before the interviews took place. They were informed about the theme of the interview approach, how long it was estimated to take, and the purpose of the study (Vetenskapsrådet, 2002).
We followed the consent requirement, which means that each respondent could choose to cancel the interview at any point and that they did not have to answer all the questions (Vetenskapsrådet, 2002). In accordance with the confidentiality, we have not spread the interview material to anyone other than members of Vattenfall. None of the material has been used for any purpose other than this study, which agrees with the user requirement (Vetenskapsrådet, 2002).

3.8 Our Role

Our role was to study crowdfunding as a tool to increase stakeholder involvement in established entrepreneurial companies at the specific case of Vattenfall. We were external researchers that were granted access to conduct interviews with relevant employees of the company through our responsible contact person respondent 7. Vattenfall was interested in studying the topic crowdfunding, but might have had a different focus than academic research has. Therefore, we had to balance the different expectations of both parties, namely the university and the company, while recognising that the aim of this project is to conduct academic research. In this process, the main topic of this paper, stakeholder involvement got prioritised over more practical topics like regulations or the particular case of renewable energy that may have been more relevant for the company Vattenfall.

3.9 Limitations of methods

The biggest limitation is that crowdfunding is still in its initial phases within Vattenfall and only being done within the Netherlands at the moment. Even this project of the Dutch subsidiary Nuon was still at a very initial phase. This means that the respondents, especially in the UK and Sweden, where crowdfunding has not yet been implemented, could only state how they understand crowdfunding as a tool to engage stakeholders. Respondents who worked specifically with crowdfunding within Vattenfall were scarce. So finding respondents who worked with and could explain crowdfunding within this new and specific context was not easy.

Interviewing respondents within different divisions within the company was good in order to gain a greater understanding of the different ways crowdfunding could be used. However, it was also challenging to fathom the way some respondents talked indirectly about engaging stakeholders, since many times it was not their main field of responsibility. Some did not have
the vocabulary to express stakeholder engagement in the same way as respondents working with communications, community and stakeholder involvement specifically. Nonetheless, all respondents were aware of the importance of stakeholders for the company, but articulated it differently.

4 Empirics

4.1 Crowdfunding used as a tool to engage on lower levels

4.1.1 Financial participation

The first respondent working as a business developer saw crowdfunding mostly as a financial tool. It could be a substitute for banks, and along with a better return on investments, crowdfunding seems to be ideal for the organization and its customers. This has a lot to do with the fact that green projects show good profit. The first respondent wants to turn its customers into investors. This is done by utilizing the money that exists in the accounts of so many private investors instead of going to banks. The crowdfunding would be debt-based. Banks can offer an interest rate of 4% while by using crowdfunding Vattenfall could offer customers an interest rate of 7%.

“What we think is interesting is that we can combine business to business (B2B) customers with B2B projects and with B2C clients so we want to mobilize the savings amount of our individual customers and have them invest in the projects of our business customers. We call that customers for customers”

Respondent 1 states that it is becoming more difficult to get loans from banks, and his job is to find new innovative ways of financing projects. Crowdfunding fits perfectly, since the Netherlands has laws favouring crowdfunding over other financing methods. However Respondent 1 claims that crowdfunders are mostly in it for the financial gain and not so much for the actual engagement. There might be a difference in the sense that the investors only care about their return whereas the regular customer might want to invest in green energy because it feels morally correct. That is why crowdfunding works well for solar projects. Since stakeholders view solar projects as positive and environmental. Before deciding on crowdfunding, respondent 1 gathered people to a questionnaire by offering free coffee and asking questions about how interested they would be in crowdfunding and why.
Crowdfunding is an experiment and being tried for the first time by Vattenfall. If it is successful it may be used for other projects than solar energy. Respondent 1 wants to be a pioneer in business development, finding new ways of financing in order to get an edge over competitors. Crowdfunding is a tool to get a competitive advantage.

“\textit{It is a lot cheaper to go to a crowdfunding platform to get your loan so it's not just about stakeholder perception, it's also about being competitive}”

4.1.2 One-way communication

Respondent 2 states that a problem however is that Nuon cannot market the crowdfunding directly through the company, but must use a third party. This is tough, since Nuon has to act like a middleman, trusting that this third party will attract stakeholders to invest. The third party is troublesome in the way that it hinders a direct dialogue with crowdfunders. Luckily, people engaged in crowdfunding are usually positive toward the projects as well as positive towards crowdfunding as a whole. According to respondent 2, a reason why crowdfunders will not be entitled to an opinion on the platform is because there will be so many of them. Crowdfunders have less involvement than stakeholders in a cooperative, whose opinions could be influential for decisions.

Respondent 3 sees crowdfunding as a communication tool. The respondent elaborates by saying that crowdfunding is in the initial phase of communicating with financial authorities that there is a big interest in financing projects, specifically solar projects with crowdfunding. Once financial institutes see that there is a great deal of interest to invest in crowdfunding, the next stage of actually utilizing crowdfunding as a financial tool will be reached.

“\textit{At the moment crowdfunding is a communications tool, even though it's not a concrete product yet. So from a financial perspective it is still in its early stages. First we need to make sure that we can build a solar park and then we need to know that we can offer a financial product, which is done through a third party, one-planet-crowd.”}
4.1.3 Raising awareness

Respondent 1 goes on to say that it is important to promote the idea of green energy for the reasons of getting municipality and local community to agree to crowdfunding as a viable means of financing. So in part, Nuon works with marketing the idea of crowdfunding to government agencies in order to get the acceptance to use it as a financing tool but Nuon also works with promoting crowdfunding green energy to the public. So that the public can understand how crowdfunding green projects can be financially attractive.

"We were in contact with activists and locals within municipalities who wanted green energy. We then combined forces making an interesting proposition for the customers that were influenced by input from the municipalities and activists."

The focus is on green projects because they have the best return on investments. Nuon markets the green projects that crowdfunding will be used for by posting information on a Facebook page, by actively involving the local newspapers and doing interviews on the radio. They also have meetings where locals could attend and learn about the projects. The point of this type of marketing is to change public opinion.

The second respondent at Nuon who was currently the team leader within solar energy mentioned that he had a different perspective concerning what crowdfunding should be used for than respondent 1.

“Crowdfunding should be used for financial purposes but also as a tool to engage stakeholders.”

Respondent 2 is aware of the importance of generating a financial return from the project, which is one of the main purposes along with promoting green energy. Respondent 2 expresses that there may be as many as 20,000 individual crowdfunders, and they are mainly in it for the return on investment as well as supporting green energy.

“The crowdfunders will not provide feedback on the projects but they will be initiating a new type of renewable energy and hopefully the crowdfunders will have a better understanding and take a liking to the projects, which is good for Nuon’s image.”
Respondent 5 talks about how crowdfunding would be perfect for financing solar-projects. One of the main reasons for this is that there is a profound interest in solar energy at the moment so it is an investment that people would like to be in on, since it is interesting both from a financial and environmental perspective.

“I think the fact that customers can make money from crowdfunding will always interest people.”

The respondent continues to say that crowdfunding in connection with solar energy is interesting since Vattenfall can avoid the green washing discussions. People are already pro solar energy, in contrast to for example starting a new power plant like Forsmark.

Vattenfall is also spending money on the community and wants to give back to the crowdfunders. Respondent 6 emphasizes how important the act of giving back to the community is, since Vattenfall is interested in the financial gain from crowdfunding, but wants to aid the community at the same time.

4.2 Crowdfunding used as a tool to engage on middle levels

4.2.1 Market Testing

Respondent 6 talks about how Vattenfall needs to adapt to business models of the future. Crowdfunding is the way of the future.

“Businesses are decentralizing and giving more power to the individual. Crowdfunding gives people the opportunity to be independent by giving them the chance to finance individually”

According to respondent 6, the biggest problem with crowdfunding at the moment is that the laws are not really in favour of crowdfunding. However, municipalities and politicians should have some interest when it comes to new ways of financing renewable energy. The good thing about using crowdfunding for solar projects is that you could start small. Investing in a small project of for example 50 panels at first and then expanding it. For now, it is more like experimenting with crowdfunding since it is a new concept that people are not so familiar with yet.
Nuon has dealt with the problem of people complaining about wind power, since it causes disturbances in their neighbourhood. Respondent 2 states that testing to crowdfund combined solar and wind projects could eliminate something of the negative feedback of wind power. This is because people are pro crowdfunding and solar power, so hopefully if wind power is included in the crowdfunding project, it may alter stakeholder opinions about the negative sides of wind parks. Crowdfunding is in its initial phases and can be experimented with, for example with the hypothetical situation of crowdfund a combined solar and wind projects.

“I’m a business developer within solar energy and I am used to locals’ extreme opposition towards wind projects. When it comes to wind power, the stakeholders do not approve of the way the windmills look and the disturbances with the noise that they create. It is the: Not in my backyard! group who will always be there. I have tried to create a solution for how to deal with these stakeholders in the best way and one way to do that is by using crowdfunding”

Respondent 2 goes on to say that another solution is to involve unruly stakeholders by first involving them in crowdfunding and then showing them the design of projects. Respondent 2, who is a business developer, wants to find solutions to please the stakeholders. For example, within the solar fields there is natural gas passing through the field and Nuon is not allowed to build on top of that so instead the solution is to divide the field into parts. Nuon has dealt with a lot of resistance from locals not wanting the company to build projects on the western side since it blocks the views from people living in the neighbourhood. So respondent 2 explains, that he had to make the project a bit smaller on the western side in order to adapt to the locals wishes. In this, Nuon met with local demands and was still able to build new energy projects.

4.2.2 Engaging Diversity

According to respondent 3, involving stakeholders by using crowdfunding might be absolutely essential to keep up with the way society is heading. It is becoming more important for organizations to take on social responsibility. This is partly due to the fact that there is external pressure on companies to make sure that the local community benefits from the projects. Respondent 2 states that the company chose between several engagement tools that coincided with local government requirement and crowdfunding was the most attractive.
“We at Nuon believed that crowdfunding was the right tool to use in order for the community to benefit from the project. In order to do this, focusing on customer relations is key.”

According to respondent 2 the customers need to be informed about the projects that will be crowdfunded. This could be done by for example local media. Nuon also approaches people who live in the area so that the locals can raise concerns, and after that Nuon can adapt the plans of the project to meet their concerns.

“The stakeholder opinions are extremely vital. We would like to inform all of our stakeholders at the same time, but we are forced to follow regulations when it comes to who gets informed first. The government usually comes first, then the local municipalities and then finally the stakeholders.”

Respondent 3 works directly with stakeholder communication at Nuon in the Netherlands. According to respondent 3, Nuon gets subsidized by the government in order to give back to the local community.

“Together with other companies we agree on spending a specific amount of the profits with the community.”

Respondent 3 works diligently towards engaging the community and focuses on getting acceptance from the community on a number of causes. This is because the government is asking organizations to involve stakeholders to a greater extent. So Nuon has collaborated with other corporations and created a fund, in which money is saved to aid the community. Also, in order to get financial participation in for example crowdfunding, Nuon has created a referral group. This means that even if the crowdfunders do not voice their opinions on the platform, they can discuss and voice opinions in the referral group. Crowdfunding is also great in the sense that it lets everyone participate, rather independent of their financial situation.

“The best part about crowdfunding is that rich people can contribute, which really helps with financing projects but it is also possible for people with less money to contribute as well.”

According to respondent 3, it is very important that the local population in the area of the projects invests in crowdfunding and Nuon also tries to find ways to work together with the
local players. For example, if they are building a wind farm it is important that a part will be owned by local cooperatives. A challenge for Nuon in their crowdfunding aspirations is working together with the third party Oneplanetcrowd, that is in charge of administrating the crowdfunding. Nuon cannot offer a financial crowdfunding project, which is a law that is making it hard for Nuon to get crowdfunding-investors. Even though Oneplanetcrowd gets people committed by informing and creating an interest, Nuon cannot directly ask customers to involve in crowdfunding.

Respondent 4 is motivated by the idea of getting different people involved in the projects. That is why her role of communication to all sorts of people through for example workshops open-house days can target all sorts of people and ages. Respondent 4 explicitly identifies the big advantage crowdfunding has when it comes to engaging a diverse set of people.

“The good thing about crowdfunding is that everyone can invest in the project and we could target stakeholders that are motivated by the financial gain. It is also a good example of when people go together to invest in community benefits.”

Respondent 4 goes on to say that people could for example have shared ownership in a local project. Also once crowdfunding is up and running, it may be altered so that it could engage more stakeholders. At the moment Vattenfall UK is mostly interested in using the mere principles of crowdfunding. For instance, they are looking into community benefits such as product payments, shared ownership or local groups buying stakes of a project. But in contrast to crowdfunding, the focus has been more on groups or teams buying into projects. Vattenfall has also offered an opportunity for people to submit their ideas on an online platform.

“It is most important to get people interested and motivated by projects. Crowdfunding might reach out to certain people. But it will not reach out to people who feel negatively about projects.”

Respondent 4 wants to reach out to everyone and make them see that renewable energy is the future. There is no such thing as a perfect model or solution, which is why it is best to adapt projects to the needs of stakeholders. Therefore, crowdfunding could be used for certain projects and enhance participation to a certain degree. But for other projects designed to involve
participants on deeper levels, where they can influence decision-making, crowdfunding might not be the right solution.

“It's like a big cauldron and we're trying to find the right solution for this project and balance all the issues.”

Respondent 7 is also concerned about involving a diverse set of people and wants to reach out to as many people as possible about the benefits of crowdfunding. Reaching out to different people could be done by creating projects in different countries and then letting stakeholders participate in the projects independently if the projects are local or in other countries.

4.2.3 Two-way communication

Respondent 4 emphasizes how important it is to find solutions within projects that are in the best interest of the stakeholders. This could for example be to make stakeholders comfortable with the projects by prioritizing their opinions. This is made possible by first educating the stakeholders about projects and then letting them provide feedback. Finally, the feedback is evaluated. Within the feedback, certain topics emerge and respondents 4’s team looks in more detail at the patterns of why certain people are expressing a certain concern. Local policies are also considered in order to make sure that the stakeholder concerns could be acted upon legally.

“Together with stakeholders we shape and ship our project design, we consider stakeholder feedback topics in the decisions for improving our projects”

According to respondent 4, some institutional stakeholders are prioritized. These are the National Organization for Responsible Services. They might for example be responsible for archaeology and care for environmental impacts. These stakeholders make Vattenfall focus on local sites and local projects. For example, Vattenfall arranges local workshops and keeps developing communications around the area by local advertisement or letter send-outs. The company creates a very open forum for discussion. The point is to get local stakeholders to have conversations with questions where the participants get direct feedback from Vattenfall. There are these types of workshops mixed with drop-ins where people can come in and chat for each project, which is ideal for getting feedback on each individual project. At constructions, Vattenfall UK wants people to see for themselves how Vattenfall works with the projects. So Vattenfall has open days when for example school classes come to see the projects take shape.
4.3 Crowdfunding used as a tool to engage on higher levels

4.3.1 Promoting a cause

Respondent 5 is keen on implementing crowdfunding in Sweden and sees an opportunity for crowdfunding to be used as a CSR project for customers to feel that they can contribute to something good.

“We would be doing the work when it comes to the projects but the stakeholders are the ones making the project possible by financing it.”

Respondent 7 says that a future plan is to be able to invest not only in local communities but also in other countries. In this way stakeholders will not only be able to invest in their local communities but also in other communities. At the moment, the goal is for stakeholders to make a difference in their community, but a vision is to aid other communities, for example Africa, in need of renewable energy.

“Crowdfunding could be done in Africa. For example, if a solar park is set up in a small African suburban village, it could be good for the image and reputation. Stakeholders could invest in solar energy in Africa and feel that they are contributing and taking on a CSR role.”

Respondent 7 says that crowdfunders could take on a CSR role when it comes to projects in the neighbourhood. Respondent 5 elaborates on this by saying that if a stakeholder is interested in renewable energy, but for example cannot find a suitable place for solar panels, they could collectively invest in putting solar panels on a multi-storage building somewhere else in the neighbourhood instead. The whole point is that you could take part of and be a customer of renewable energy at the same time as you are funding it.

“We want the customers to become members. Meaning that the same people who crowdfund are the ones who invest and put up solar panels on the roofs of their houses.”

Respondent 6 put an emphasize on the promotion of green energy. The way that green energy is marketed will have a big impact on the people who will invest in their products. People need to be aware of Vattenfall’s products in order to participate in it.
“Companies will have to market energy differently in the future. I am currently working on selling solar energy in the form of comfort. For example, marketing a package of comfort associated with solar energy sounds more appealing than only selling solar panels.”

According to respondent 5, another example of marketing is that they for example put up solar panels on the side of the road so that drivers can take notice of them. People put their names on the panels. The point is that people want to be associated with doing good things for the environment. Crowdfunding would be associated with people’s images. Especially solar energy that is seen as the cleanest type of energy different from for example dams that kill the fish or wind farms that kill birds etc. Crowdfunding could help build long-term relationships if it means that the stakeholders need to endorse environmental projects that take long to build.

“It's in human nature to want to show off that you are a good person! It is an image thing!”

“The goal is to offer a new type of renewable energy project that people like and are inspired by. This will hopefully lead to that people in general will have a better image of the company and consequently customers will like us better.”

4.3.2 Stakeholder relationship and their influence on decision-making

Respondent 2 states that the crowdfunders are merely partners in the project but do not really voice their opinions on the platforms. Instead there are events for the crowdfunders during which they participate in projects. For example, respondent 2 wants the crowdfunders to clear a whole area of frogs in a construction area. In this way the crowdfunders are conscientiously helping both Vattenfall and the frogs.

Respondent 4 works for Vattenfall UK in Cardiff and works within communications and stakeholder involvement. Together with special teams and interest groups, the respondent works with involving stakeholders. Respondent 4 emphasizes that she is required by the UK government to show how the stakeholders influence projects. This is because involving stakeholders especially within the community is imperative and is much appreciated by the UK local governments and municipalities. So genuinely involving stakeholders goes along with the company's strategy because it meets government requirements.
“There is a big difference when it comes to involvement through PR communications and involvement activities that genuinely involve stakeholders on a more practical level. Then it becomes important to understand the people, to put yourself in their shoes.”

Respondent 4 sees difficulties in using crowdfunding as a tool to involve stakeholders when it comes to decision-making.

“Crowdfunding does not really coincide with the stakeholder participation Vattenfall UK would like to involve. Since crowdfunding is mainly used for financial participation it is difficult to get the crowdfunders to be part of the decision-making and feedback part of the participation that I am working hard to promote.”

But since all projects are different and require different participation methods, crowdfunding could definitely be considered for some of the projects. These projects would be more focused on formal relationships.

5 Analysis

In the following analysis, we will examine the above presented empirical findings through the perspective of our theoretical model (figure 2). Firstly, we will analyse the content on the three individual levels of involvement, the lower, medium and higher levels in order to draw more general inferences of how Vattenfall is using crowdfunding as a tool to increase stakeholder involvement.

5.1 Crowdfunding used for lower levels of engagement

5.1.1 Crowdfunding as a financial tool

One of the main purposes is to use crowdfunding as a financial tool. From the interviews with the business developers it was made clear that one of the respondents only wanted to use it instead of using banks to grant loans. Crowdfunding could generate a better return on investment. Therefore, Vattenfall is using crowdfunding to a large extent for financial motivations rather than focusing on the non-financial motivations presented in this study. At Vattenfall the crowdfunding model is structured as a loan, so that the investor expects the pay
back of their investments with an interest rate, as suggested in the theory on debt-based crowdfunding (Mollick, 2014). Another respondent emphasized that crowdfunding is a safe way of financing projects since people will always be motivated by the financial gain. This is connected to the lower levels of engagement since in this way people are not merely engaged by the money. The business developers at Vattenfall initial thoughts of crowdfunding where in line with March and Simon’s (1958) lower level of involvement theory, which means that the involvement is restricted to financial participation, such as inducement payments. Vattenfall’s emphasis on the fact that crowdfunding is merely used for financial participation at the moment and that it would be more suitable for projects focused on formal relationships is also connected to lower levels of involvement. This is because a formal relationship only includes stakeholders when it comes to finances (Pfeffer and Salancik, 2003).

5.1.2 Crowdfunding as a one-way communication and a tool to raise awareness

One of the respondents in the Netherlands worked with mere PR attempts as a one-way communication to get financing for projects and did not consider the opinions or voices of the stakeholders. This could be connected to Friedman and Miles' (2006) theory of that lower levels of involvement are autocratic, as management chooses merely to inform and do not include stakeholder participation. A one-way-communication is also typical for lower level involvement as it is solely an information strategy which is the first of Grunig and Hunt’s (1984) three step communication model. The PR attempts are also connected to Pfeffer and Salancik (2003) theory of organizations taking an autocratic approach, not letting the stakeholders participate and instead trying to alter stakeholder attitudes. However, all of the respondents were keen on using crowdfunding to promote renewable energy. Raising awareness for the idea of green energy was used for the reasons of getting the municipality and local community to see that there is an interest in crowdfunding, which could in turn make them agree to crowdfunding as a viable means of financing. This could be connected to Belleflamme's et al. (2014) theory of raising awareness since there is interest in certain crowdfunding projects. Also crowdfunding can simultaneously promote new products and services. According to Belleflamme et al. (2014) it is the interesting or popular projects that get public exposure through social media, which leads to a personal connection with the public and also a stronger connection to the project. Vattenfall does exactly this by focusing on green energy that people are positive towards. They raise awareness about green energy projects through Facebook, local newspapers and the radio. By doing so they also have a chance of
changing the public opinion about their projects, since many stakeholders may not be aware of green energy.

5.2 Crowdfunding used for middle levels of engagement

5.2.1 Crowdfunding as a tool for market testing

Crowdfunding is also less risky due to the fact that it is mostly used in projects that people have a positive association towards. The fact that Vattenfall uses crowdfunding for their solar projects is less risky in the sense that they can start small, testing it on a few grids and then expanding. Vattenfall could test crowdfunding on combined solar and wind energy projects in order to check that the project is something people would be interested in. This can be connected to Belleflamme's et al. (2014) market testing theory where it is emphasized that crowdfunding can help reduce the risk of producing a product or service that is not demanded to some extent. Thereby, Vattenfall is involving stakeholders by asking for their direct market feedback. In case no one would be interested in the crowdfunding model, stakeholders would because of that have a strong influence on the further development of the organization.

5.2.2 Crowdfunding as a tool to engage a diverse set of people

All of the respondents are in consensus that crowdfunding should be used to involve as many people from different social backgrounds as possible. This could be connected to the theory of engaging a diverse set of people (Mollick, 2014). Respondent 3 emphasized that crowdfunding is something that everyone can take part in no matter how much money you choose to invest. Consequently, they want to open the field of investment to a new group of people.

5.2.3 Crowdfunding as a tool to increase two-way communication

Within the middle levels of engagement, a two-way communication is emphasized. Respondent 3 was clear about that crowdfunders cannot voice their opinions directly on the crowdfunding platform. However, there is a referral group where the crowdfunders can address their concerns about projects. Respondent 4 works hard to make stakeholders voice opinions and ask questions. They have several workshops where the local population can ask questions and discuss their concerns about projects. This can be connected to Friedman and Miles' (2006) middle-level involvement theory where a two-way process is emphasized, resulting in that management educates stakeholders by for example using workshops. Respondent 4 does not
work with crowdfunding at the moment due to being restricted by laws, but if they would it would alter the current debt-based model that does not really give voice to stakeholders and make sure that stakeholders could participate on higher levels. Respondent 4’s way of using principles of crowdfunding in order to address stakeholder feedback could be connected to Grunig and Hunt's (1984) response model, which takes into consideration the two-way communication between the organization and stakeholder. Grunig & Hunt’s (1984) communication model is closely linked to Friedman and Miles’ (2006) two-way process within stakeholder involvement. This similarity is why Grunig and Hunt’s (1984) three step communication model could be implemented into the levels of involvement. Respondent 4 way of using principles of crowdfunding in order to address stakeholder feedback could be connected to Grunig and Hunt's (1984) response model. The model takes into consideration the two-way communication between the organization and stakeholder. Respondent 4 is interested in educating their stakeholder by creating drop-ins, letter information and open days were schools can see it happen. These ways of working could also be connected to Andriofs' (2002) two way-process that entails empowering stakeholder voice.

5.3 Crowdfunding used for higher levels of engagement

5.3.1 Crowdfunding as a tool to promote a cause

The point with crowdfunding is that the stakeholders invest in renewable energy, which is something that they believe in. Mollick and Robb (2016) state that crowdfunding is seen as a tool to democratize capital where investors can increasingly select and promote causes and projects they want to see succeeding. It was also clear that Vattenfall used crowdfunding to empower stakeholders by the ability to promote a legitimate organization that they would like to help fund. This could be related to Andriofs (2002) theory of legitimacy that argues that the stakeholders must trust that the organization is going to find a serious way of engaging stakeholders. Respondent 3 stated that companies are externally pressured to give back to the community but they are also compensated to benefit the community and the respondent believed that crowdfunding is the right way to do that. This could be connected to Belleflamme's et al. (2014) theory of additional motivations such as “community benefits” which increases the motivation for organizations to use crowdfunding. Respondent 7 believed that crowdfunding can take on a CSR role by for example benefitting communities in Africa by putting up solar parks in villages that can be built by the help of crowdfunding. The CSR role can be implemented on a local level by for example implementing solar panels on the multi-
storage building that stakeholders live in. This type of crowdfunding can be connected to Mollick and Robbs (2016) view of promoting a cause in the way that crowdfunding is not merely used for the financial gain but also has a philanthropic purpose of for example benefitting the local community.

5.3.2 Crowdfunding as a tool to involve stakeholders in decision-making

According to Friedman and Miles (2006), the higher level of engagement includes that stakeholders take part of the decision-making process. According to respondent 4 it was important to genuinely involve stakeholders and to put yourself in their shoes. This means prioritizing their opinions and creating an open forum for dialogue. Respondent 4 worked with different ways generating feedback for example through workshops and open days. The latter could be seen as ways of creating a multi-stakeholder dialogue, which lets stakeholders participate in decision-making (Andriof, 2002). Respondent 4 worked diligently with stakeholder feedback and continually adapts their business models and projects to stakeholder opinions. These are features that are part of Grunig and Hunts (1984) involvement strategy, which is focused on building relationships through a proactive dialogue which means the stakeholders have a chance of persuading and influencing and changing the company itself. The different ways of generating feedback are ways in which respondent 4 wants to work with stakeholder involvement but unfortunately does not let stakeholders participate in the decision-making at the moment. It is something that can hopefully be done in the future. Even though crowdfunding is only being initiated, the respondents see potential in that it will give autonomy to stakeholders to invest in projects and effect the decision-making of projects by their participation. According to respondent 6, the future is heading towards giving people more independence and autonomy over businesses. Crowdfunding supports this view in the way that it benefits the private investor part of crowdfunding and the organization which thrives financially from the crowdfunding. This correlates to Belleflamme's et al. (2014) theory of that stakeholders’ voice is being implemented in the decision-making process. The stakeholders’ voices and active engagement could be highly influential within strategic decision-making specifically in the early stages of the business development. The fact that the respondents at Vattenfall are aware of the stakeholders influence in decision-making means that once initiated crowdfunding could be adapted to higher levels of stakeholder involvement.
5.3.3 Crowdfunding as a tool to create long-term stakeholder relationships

Most of the respondents have multiple ways of reaching out to stakeholders and creating a dialogue with them. For example, through social media, referral groups, newsletters etc. The stakeholder dialogue could be one way of strengthening the stakeholder-customer relationship but Vattenfall has other ways of strengthening the stakeholder relationship as well. For example, making crowdfunders clear a potential solar park from endangered frogs could be seen as a way of making crowdfunders feel part of Vattenfall. This could be connected to Andriof’s (2002) theory of establishing long-term relationships, where the importance of focusing on the mutual relationship is prioritized instead of immediate profits. With the frog exercise at Vattenfall the crowdfunders would feel that their relationship tie goes deeper than merely being a funder. This is also connected to Hirschman’s (1970) theory of creating loyal customers. If the crowdfunders feel that they have a strong bond to Vattenfall they are more likely to stay loyal and there is a slimmer chance that they will leave and pick another company. The way that Vattenfall works with creating an image based on selling comfort is another way that crowdfunding works with creating loyalty. Respondent 5 wants stakeholders to buy an image of renewable energy for example by letting stakeholders put their name on solar panels by the side of the road. According to respondent 5, people will always want to have a good image. The concept of keeping up appearances and investing in a green image seems like something that will persist and make customers loyal, which could be connected to Hirschman’s (1970) loyalty theory. This is because loyalty could be motivated in unconventional ways. Stakeholders could choose to stay with an organization because they care about their activities and could not see the organization that they belong to go from bad to worse if the left (Hirschman, 1970). The stakeholder loyalty towards the image of green-energy within Vattenfall could also lead to more long-term relationships if stakeholders grow attached and invest in projects that take a long time to build.

5.4 Summary of how crowdfunding is used as a strategic tool to increase stakeholder engagement at Vattenfall

To sum up the findings on the individual levels up, it became clear that the role of the respondent would influence how much the respondent would be aware and work with crowdfunding as a tool to engage stakeholders. Crowdfunding that is being implemented in the Netherlands for the first time is used as a strategic tool to engage stakeholders on different levels. At the moment it is mainly being used to engage stakeholders on lower and middle
levels. One reason why crowdfunding is used on the lower and mid-levels seems to be that a consensus is being met by the business developers who are more interested in engaging on lower levels and the communications and engagement managers who are interested in engaging on higher levels. The business developers argue that crowdfunding needs to be used as a financial tool and that the crowdfunders are interested in their return on investment. It also raises awareness about the way Vattenfall works with promoting green energy (Belleflamme et al., 2014). On the other hand, after talking to other managers within the same company who worked within engagement, it became evident that crowdfunding needed to be used as a financial tool but also as a tool to engage stakeholders on higher levels such as providing a two-way communication with stakeholders and trying to adapt their projects to stakeholder opinions (Grunig and Hunt, 1984). This multifunctional tool is what makes crowdfunding so appealing since it can both benefit the company, who can avoid taking loans from the bank, and benefit stakeholders by giving back to the community. According to respondents working with engagement, benefiting the community is a requirement and something organizations get subsidized for in the Netherlands. The way that crowdfunding works as a multifunctional tool works well in the way it motivates a wide range of people to participate in it. Crowdfunding will motivate stakeholders who are interested in a financial gain and it will also motivate people who want to take on a CSR-role. For example, investing in green energy projects in Africa or in the local community. Another positive is that anyone no matter how much they choose to invest with, can participate (Mollick and Robb, 2016).

From the respondents working mainly with stakeholder involvement it became clear that the crowdfunding scheme planned in the Netherlands lacks aspects of involvement on the higher levels to some extent. Crowdfunding does not let stakeholders voice their opinions directly on the platform and the stakeholders do not influence the decision-making (Friedman and Miles, 2006). This is due to that there would be too many people investing and there would not be room for them to participate and voice opinions directly on the crowdfunding platform. Also, none of the respondents worked with creating trust within the stakeholder relationship, which is vital in order to create long-term relationships (Andriof, 2002). However, there were some exercises being done by the crowdfunders in order to build a stakeholder-organization relationship. There was also a referral group where stakeholders could voice opinions but this was outside of the crowdfunding platform. However, it was evident that there was interest in involving crowdfunders on higher levels from most of the respondents. Many respondents wanted to involve stakeholders in order to generate loyal customers and create long-term
relationships (Hirschman, 1970). This means that crowdfunding might have a chance of reaching higher levels of engagement in the future. The way in which Vattenfall engages people on the highest level in their crowdfunding scheme in the Netherlands has more of a passive effect. For example, they let people promote the cause of renewable energy, which is a motivation for funders on the highest level. This can ultimately lead to the creation of loyalty, as funders will connect the positive emotions of the renewable energy project they participate in with Vattenfall.

6 Discussion

What the concept of crowdfunding is experiencing at the moment can be seen as a real “hype”. Since outnumbering venture capital by funding volume in 2016, crowdfunding cannot be deemed as a small-scale financial mechanism for artistic purposes anymore. Corresponding with the recent changes in the legislations of most major western companies, crowdfunding as a tool is changing significantly as well. It became more professional and financially focussed. These dynamics of change and innovation were matching the experimental crowdfunding scheme applied by Vattenfall, that was studied in this research paper. It was found that even the respondents designing the crowdfunding scheme in the Netherlands were not sure what to expect from it. Some were merely financially focused; some saw great potential in crowdfunding being used as a tool to increase stakeholder involvement. No definite conclusions could be drawn from the specific case, as the actual crowdfunding in the Netherlands has not even started yet. Nonetheless, it is very insightful to examine how such an established and mature company like the Swedish multinational utility provider Vattenfall is understanding crowdfunding as a new tool to address contemporary, complex and multisided problems they face.

6.1 Crowdfunding as a tool to increase stakeholder involvement

The aim of this study was to examine how crowdfunding can be a tool to increase stakeholder involvement in established companies. Our specific case of Vattenfall showed that crowdfunding is well suited to involve stakeholders, especially on the lower and mid-level of involvement. This finding can under certain considerations be adapted to organisations in general, independent of the specific case and outside of the renewable energy business. To do this, consultation of the theoretical model (figure 2) provided fruitful. Our specific context of
the Vattenfall case study supported all the proposed connections between non-financial motivations for crowdfunding and the three levels of stakeholder involvement to some extent. This does not mean that crowdfunding is always used as a tool to engage on the highest level of involvement, but it proposes that it could. It depends on the individual focus and on the design the organization chooses to apply. With the right intentions, strategy and execution, crowdfunding can be a tool to increase stakeholder involvement even on the highest level.

6.2 Cost-Benefit analysis of crowdfunding as a tool to increase stakeholder involvement

After concluding that crowdfunding can be used as a tool to increase stakeholder involvement, even on the highest level, it has to be discussed if it is reasonable to do it. Setting up a crowdfunding scheme is by no means an easy endeavour. Only the setup of a crowdfunding model is connected to a lot of administrative effort. Firstly, organisations have to consult a third party crowdfunding platform and by that give away a large extent of independence and control. Then they have to rely to a large extent on the marketing efforts of the platform and hope to achieve their expected number of funders and funds. Even if it was successful, they have to handle all the crowdfunders afterwards, which represents the stakeholder involvement itself. This causes a lot of friction and can come at a high cost. There is a reason why established companies usually turn to traditional sources of financing instead of crowdfunding and start-ups often use it as it is their only possibility to receive any funding. The big question is whether these significant costs get outweighed by the benefits of stakeholder involvement on the other side. Especially after comparing it with other forms of stakeholder involvement. The answer to this question will always be dependent on the individual company. In our case of Vattenfall, this assessment was not yet done, as the pilot project was still in a very early stage. However, it was clear that not all respondents were as optimistic about the outcomes in terms of stakeholder involvement.

These cost-benefit evaluations become even more critical when considering the number of stakeholders involved within crowdfunding. While the stakeholders that decide to become part of the crowdfunding might be closely involved in the organisations, the ones that do not decide to be part of it do not benefit from it at all. Therefore, organisations would have to make use of other means of stakeholder involvement to reach out to these stakeholders and then deal with the fact that different forms of involvement will lead to different levels of involvement. Even
though it will in reality be nearly impossible to involve all of the stakeholders in any stakeholder involvement model, crowdfunding possesses a pretty high barrier of entry compared to other means that do not require a payment of the stakeholders. As Gleasure and Feller (2016) stated it, crowdfundingers are “paying to participate”.

Finally, the scope of crowdfunding is limiting its possible use for stakeholder involvement as well. By nature, crowdfunding is rather project based. Even though start-up companies sometimes use it to finance their entire venture, rather than single projects or products, this will be problematic in large and complex established companies (Gajda and Mason, 2013). Financing these in general is more likely done through shares, which are different from crowdfunding. When established companies apply crowdfunding for single projects, like Vattenfall in our case, the scope of the financed project in comparison to the overall company will be nearly insignificant. The question here is to which extent the benefits of stakeholder involvement in the specific project spill over to organisation in general according to the stakeholders.

6.3 Crowdfunding: a modern multifunctional tool

Independent of the different levels of engagement, this study confirmed the notion that crowdfunding can be used as a new way of financing projects or ventures, but that it also grants many other positive benefits. In times of increasing focus on stakeholders needs and corporate social responsibility (Pfeffer and Salancik, 2003), this can be a valuable finding not only for our specific case company, but for organizations in general. The case of Vattenfall shows how organizations usually want their projects to expand into different divisions and countries within the same organization but also want to influence other organizations. Vattenfall wants to be a pioneer in finding business models that are suitable for the way society is heading. Most of the respondents are aware of that society is promoting stakeholder engagement by for example subsidizing countries to aid the community. Laws are also putting pressure on organizations to engage stakeholders. By using crowdfunding, Vattenfall is finding a creative solution to adapting to the way society is heading. It got clear that crowdfunding is a modern multifunctional tool that is beneficial for financial as well as non-financial reasons.
6.4 Crowdfunding within established companies

Crowdfunding is being done for the first time at Vattenfall and is one of the first examples of crowdfunding being done within an established company. This study contributes to the existing literature by examining that crowdfunding can be applied in established companies in a similar fashion to its original context of start-up ventures. From the study it became evident that the novelty of crowdfunding that is done in a new context made the respondents unsure of what to expect. The business developer in the Netherlands who initiated crowdfunding was clear about that crowdfunding is an experiment and if it works out it will be expanded into other projects, divisions and countries. In the initial phases crowdfunding will be used on renewable projects, which is something that the public is very positive towards at the moment. So in a sense even if crowdfunding is done within an established company it is similar to the crowdfunding done by entrepreneurs and start-ups in the sense that people fund projects that they are a fan of. This means Vattenfall is taking a smaller risk than if they would use crowdfunding on projects that they are unsure of if they have a fan-base towards.

What we found is that the project of Vattenfall was only reaching the highest level to a small extent. Especially the aspect of involving stakeholders into the decision-making was problematic. This can be due to the nature of Vattenfall being an established company. In contrast to start-up companies, established companies are often more complex. This increased complexity can make it very hard to involve stakeholders when it comes to decision-making, as decisions are most likely more complicated and integrated into other areas than in rather simple and small scale start-up companies.

Another important aspect for established companies connected to this can be sovereignty. Large and established companies might not want to be directly dependent on the decisions of their stakeholders. After all, big corporations also have a large responsibility towards their shareholders and, as stated above, their decisions are often highly complex. Trained managers, managing large teams might be more interested in their decision sovereignty then entrepreneurs in very lean start-ups.
6.5 Crowdfunding as a digitalized form of cooperatives

In the theory chapter of this study, we illustrated how crowdfunding can be seen as a progression of cooperatives. While cooperatives are always legally bound to involve local citizens as members, crowdfunding achieves a pretty similar effect of grouping individuals to achieve a greater good while doing this locally independently through the help of the internet. Our empirical findings supported the similarities of crowdfunding and cooperatives as some respondents considered the two models of financing alternatives. Depending on the national context of laws, some preferred crowdfunding and others cooperatives. More interestingly, it was specifically stated that crowdfunding can be seen as a tool to involve stakeholders even in very distant locations. One respondent even brainstormed about using crowdfunding to finance a solar park in Africa with the help of the Swedish customers of Vattenfall. This is an adept indication that crowdfunding could be seen as a form of natural progression of cooperatives in the age of digitalization.

6.6 Limitations & recommendations

Renewable energy is seen as a very positive subject in society and by that ideal for crowdfunding. In our case study, crowdfunding was merely used in connection with solar projects. But could it be used in connection with more mundane projects like for example selling a new soap or even unpopular topics like a new nuclear power station as well? If established companies want to work with crowdfunding in the future, the projects they work with will not always be favoured by the public. In our study we have limited our research to favourable projects but it would have been interesting to see if unfavourable projects could be crowdfunded as well, since it may be that stakeholders are only interested in the financial participation. More specifically, many of the non-financial motivations for crowdfunding presented in the theory section were identified in connection with non-financial crowdfunding models by the researchers. Benefits as promoting a cause that funders care about will most likely not work for mundane or unfavourable projects.

Our empirical findings illustrate that different managers in different countries have diverging understandings of crowdfunding and its use for the organisation. In the Netherlands, the business developer did not emphasis stakeholder involvement as much as financial benefits of
crowdfunding. Even though the respondents have different roles and need to make sure that their side of the business comes through, it would be better if their ideas were more in-sync with each other. Also, different managers within different Vattenfall countries seemed to have various ways of using crowdfunding to work with stakeholder involvement. A better dialogue between the countries might help the different countries implement crowdfunding since they could learn from different ways that the countries work. This might also hold true for organisations in general. As we have shown, crowdfunding can be seen as a multifunctional tool for financing, stakeholder involvement and even other aspects. In order to make the most out of it in terms of stakeholder involvement, managers should be aligned in their objectives in order to design a crowdfunding model, that actually achieves the proposed outcomes.
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Appendix 1 – Interview Guide

**Theme: Stakeholder Involvement**
- How important are stakeholder opinions for your organisation?
- How dependent are you on stakeholder opinion?
- How do you work with transparency and stakeholder involvement?
- What activities do you perform in order to create stakeholder involvement?
- How do you coordinate your stakeholder involvement efforts in the group?
- What type of technology do you use to be transparent? Are you up to date on technology?
- Do you see negative implications of Vattenfall being open to stakeholders?

**Theme: Crowdfunding**
- Describe crowdfunding? Why did you choose/ not choose to implement it?
- Where did you get the idea of using crowdfunding from, especially in the context of stakeholder involvement?
- Do you see crowdfunding as a way of funding your projects or has it other motivations than financing?
- How do you perceive that crowdfunding engages stakeholders?
- Are there conflicts when it comes to stakeholder and shareholder interests? Does crowdfunding help?
- Is crowdfunding communicated publicly? If not, why?
- How do you manage stakeholder involvement with the numerous, individual investors?
- Crowdfunding is usually used by small company, as they don’t have access to traditional capital and as they need smaller amounts of money. Which implications has crowdfunding on Vattenfall as a big company?
- How do you connect crowdfunding to your strategy of engaging stakeholders?
  - For example, do you see Crowdfunding as a fad or the future? Is it part of your strategy?
- How where the first results of the project? Did you evaluate it already?