

Information Quality in Crowdfunding

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DESCRIPTION

Crowdfunding (CF) describes the collective effort of people who network and pool their resources, usually via the Internet, to finance efforts initiated by other people or organizations. CF is typically discussed in terms of one or more of the following categories: reward-based (funds are given in exchange for a non-monetary reward), donation, lending (person-to-person, person-to-business, and social), and equity-based. The interest in CF—mostly in equity-based CF—has surged since the passing of the Jumpstart Our Business Startups or JOBS Act in the U.S. in April 2012. The JOBS Act is expected to have a profound effect on the growth of CF in the U.S. It is anticipated that this law will make funding more accessible for startups and early stage businesses by allowing non-accredited investors to participate in the funding rounds.

According to a recent industry report by Crowdsourcing.org, a research and advisory firm specializing in crowdsourcing and CF solutions, as of April 2011 there were 452 CF platforms active worldwide, and CF platforms had raised almost \$1.5 billion and successfully funded more than one million campaigns in 2011. This study forecasts that total funds raised will nearly double in 2012 [1]. However, despite the impressive growth of the CF industry, as well as heated debates over the potential risks and benefits of CF, academic studies of CF are still very rare.

This minitrack aims to draw researchers' interest to CF from the angle of information quality. Information can play a critical role in clarifying and mitigating the risks of CF to stakeholders. Some of these risks include fraud, failure of incompetent entrepreneurs to deliver on their promises, and risks resulting from CF platform weaknesses. Clearly, there is a need to study and define the requirement for information and, subsequently, the requirements for information quality in the different CF settings. These definitions can then be used in information quality assessments and improvement efforts. These challenges and others raise numerous issues, some of which are listed below.

- ❖ Information quality requirements, assessment and improvement:
 - Concepts
 - Dimensions
 - Methods
 - Measures
 - Algorithms
 - Tools
- ❖ Impact of information quality (e.g., economic consequences)
- ❖ Information quality and funders' trust
- ❖ Education and training to improve information quality and trust
- ❖ Variations across CF categories and platforms
- ❖ Pre-funding vs. post-funding information quality

We welcome original research or research-in-progress papers regardless of research methodology.

References

1. Esposti, C. (May 2012). Crowdfunding Industry Report (Abridged Version): Market Trends, Composition and Crowdfunding Platforms. Crowdsourcing.org: The Industry Website. From <http://www.crowdsourcing.org/document/crowdfunding-industry-report-abridged-version-market-trends-composition-and-crowdfunding-platforms/14277>