

Abstract

Crowdfunding is a new and popular way to fund startups, projects, or ideas by collecting small investments from a large pool of people. There are four types of crowdfunding, including the recently emerged hybrid crowdfunding. Hybrid crowdfunding is an up-and-coming model that blends features of different types of crowdfunding and has an opportunity to provide a mix of benefits in the form of mixed returns. The thesis analyses the potential of hybrid crowdfunding, combining equity-based and reward-based crowdfunding, to deliver clear informative signals from contributors to project creators in the art industry. Using a baseline model and its extension, based on an incentive-aligned truth-telling mechanism and the Becker-DeGroot-Marschak (BDM) method in conjoint analysis, the research shows that pre-buying and financial return incentives can be designed to accurately reflect contributors' willingness to pay (WTP) and ensure that the contributors are willing to join the mixed crowdfunding mechanism. This study provides a unique exploration of hybrid crowdfunding and paves the way for researchers to explore the phenomenon further.

JEL Classification D26, G23, L26, M31

Keywords Innovation, Crowdfunding, Creative work, Entrepreneurial finance, Marketing

Title Hybrid Crowdfunding in Art Industry in Europe