

Abstract

Crowdfunding has been rising rapidly as a new entrepreneurial finance channel. Research on crowdfunding has also been on the rise recently, with social capital theory as one of the most promising theories for understanding crowdfunding. Research on the relationship between social capital and crowdfunding includes many different perspectives and uses a large variety of classifications of social capital. This paper aims to provide a comprehensive review of how social capital affects crowdfunding. This paper classifies social capital into structural, relational and cognitive dimensions and describes elements of each dimension of social capital based on social capital research. Based on this classification, this paper expands the scope of social capital crowdfunding research to studies involving facets of social capital such as trust and identity. This paper conceptually analyses how each facet of social capital affects crowdfunding. Based on this review of research, a synthetic model is built to explain how different facets of social capital develop in virtual communities and how they interplay with each other and finally affect crowdfunding success. We finish this paper with directions for future research.