

Do I Make Sense? Linguistic Sensegiving and Equity Crowdfunding

Koushikee Dutta, Department of Management, College of Business and Economics,
Towson University.

J. Kirk Ring, Department of Management, College of Business,
Louisiana Tech University.

Abstract: Social ventures often face challenges in securing funding from traditional sources. As an alternative, many social ventures turn to crowdfunding to raise funds. Equity crowdfunding differs from other forms of crowdfunding as it involves clear expectations of financial returns for the funds provided. Drawing on sensegiving theory and temporal orientation literature, this conceptual paper develops a set of testable propositions that explain how linguistic cues shape crowdfunding outcomes for social ventures. Specifically, we theorize how social process language cues and economic process language cues influence the likelihood of equity crowdfunding success for social ventures, and how these relationships are moderated by a venture's long-term orientation. By articulating a language-based framework for understanding investor sensemaking in equity crowdfunding, this study advances theory on social venture finance and provides a foundation for future empirical testing.

Keywords: Equity Crowdfunding, Sensegiving, Long Term Orientation, Language Cues, Social Process, Economic Process.

Introduction

By blending a market-based logic with a social welfare logic, social ventures face unique challenges. Owing to its hybridity and ambiguous market category, resource acquisition via traditional methods (banks, angels, or venture capitalists) poses a unique challenge for social ventures (Zhao and Lounsbury, 2016). As a reaction to this challenge, social ventures are increasingly turning towards crowdfunding as a source of resource acquisition and initial market validation (Allison *et al.*, 2015; Kuppusawmy and Bayus, 2017; Short *et al.*, 2017). Crowdfunding refers to the “efforts by entrepreneurial individuals and groups—cultural, social, and for-profit—to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries” (Mollick, 2014, p. 2). The crowd's diversity makes crowdfunding distinct from traditional fundraising methods, where profit maximization is the primary motivation. Thus, crowdfunding calls forth the power and wisdom of the collective formed by diverse individuals, brought together to achieve a common goal, which is to fund an idea/venture. However, crowdfunding is a noisy environment where, at the same time, numerous campaigns are vying for the attention of the crowd. In such a situation, we are interested to understand how social ventures raise funds from a diverse crowd of investors, where some may find the social impact of the venture attractive, while others may have a profit maximization goal.

A growing number of studies have explored the nuances of crowdfunding and its various online platforms (Block *et al.*, 2018; Cumming *et al.*, 2021), there has been limited exploration regarding social ventures in the context of equity crowdfunding (Calic and Mosakowski, 2016). Social ventures are typically classified as hybrid organizations, spanning different categories, with each category having its own values, norms, stakeholders, and demands (Wry and York, 2017). With multiple logics battling for attention, social ventures may have greater difficulty in articulating their mission and, in turn, garnering resources from outsiders as compared to ventures that fit cleanly into established categories. Outsiders may find it difficult and confusing to make sense of the venture and its purpose and are more likely to view it as less appealing (Moss *et al.*, 2017). Consequently, giving a sense of its purpose by correctly responding to the expectations of the audiences found in crowdfunding

platforms, and formulating the messages that will resonate with the right audience or audiences, can signify success in raising funds from the crowd.

A key part of any crowdfunding proposal is a description of the venture, that may include snippets from the life and business of the entrepreneur along with details of the venture, its aims, and goals. While crowdfunding scholars have explored the importance of storytelling and entrepreneurial narratives (Cappa *et al.*, 2020; Gafni *et al.*, 2019), there is a call for more research exploring crowdfunding that adopts the dual strategy of financial and non-financial motivations (Berns *et al.*, 2020). Concurrently, there are calls within the field to explore the unfolding nature of early-stage entrepreneurship in a revelatory setting such as crowdfunding (Fisher *et al.*, 2017). We answer these calls in our paper by conceptually exploring the role of language in sensegiving for social ventures in equity crowdfunding settings.

Sensegiving refers to the deliberate attempt to shape the interpretations of others (Gioia and Chittipeddi, 1991). As such, entrepreneurs use language to influence the way others understand and find a sense of the venture idea (Gioia and Chittipeddi, 1991). Entrepreneurial gestures, metaphors, rhetoric, and narratives (Cornelissen *et al.*, 2012; Holt and Macpherson, 2010) may portray attempts at entrepreneurial sensegiving. In the context of social ventures, perpetuating a purpose by situating its understanding in a wider social environment, and evoking acceptance and approval to garner support is supremely important because these ventures are operating under significant ambiguity (Hill and Levenhegen, 1995). One such mechanism through which social ventures express their mission is through entrepreneurial narratives. Yet little is known about linguistic representation embedded within entrepreneurial narratives for social ventures in equity crowdfunding settings. The best entrepreneurial narratives are those that strike positive emotional chords with investors, thereby motivating their actions and support (Boje *et al.*, 2004; Rindova *et al.*, 2004). Similarly, creating resonance with the right crowd may drive them to act by funding the social venture.

Our paper provides an understanding of crowdfunding investors' evaluations of social ventures' narratives by adopting language as a sensegiving perspective. The remainder of the paper is structured as follows. In the next section, we provide the theoretical framework for the study and develop testable propositions. In the concluding section, we discuss the implications of the present study and highlight the contributions of the study.

Theoretical Development and Propositions

Equity Crowdfunding

In recent years, crowdfunding has become a mainstream source of funding for early-stage firms (Vismara, 2018). Crowdfunding draws inspiration from concepts like micro-finance and crowdsourcing but it represents a unique category of fundraising facilitated by drawing on the power of the crowd. Although crowdfunding acts as a source of finance for early-stage ventures, it is diametrically opposed to traditional sources of entrepreneurial finance. First, it enables entrepreneurs to solicit financial resources from many geographically dispersed professional and non-professional funders, often in exchange for presales of a (future) product and/or service (Mollick and Nanda 2016). In contrast, entrepreneurs in traditional settings mostly solicit equity investments from a few professional and/or angel investors seeking financial returns. Second, in crowdfunding campaigns, interactions between entrepreneurs and funders occur in public and are easily observed by (prospective) funders in real-time and in retrospect. In contrast, professional and angel investors often rely on private, in-person, and dyadic exchanges with entrepreneurs when making their funding decisions (Murray *et al.*, 2020). Additionally, crowdfunding offers an opportunity to delve into the minds of the investors and their decision-making process for several reasons. First, it allows access to the full pitch, which in non-crowdfunding settings is kept classified. Second, mostly early-stage ventures seek crowdfunding, which is usually the stage least exposed to outsiders. Third, there is a clear definition of success, where funding goals must be met, otherwise the entrepreneur(s) receive no funding. Finally, funders access many funding opportunities at the same time and over a short period (Gafni *et al.*, 2019).

According to Mollick (2014), there are four main models of crowdfunding. First, the patronage model places funders in the position of philanthropists who expect no direct return on their donations. Second, the lending model offers loans with the expectations of some rate of return on capital

invested. Third, is reward-based crowdfunding, which treats funders as early customers, with the expectation that the venture provides the finished product to the funders as rewards in exchange for their funds. Fourth is equity crowdfunding, which is a new form of entrepreneurial finance in which investors do not receive perks or engage in the pre-purchase of the product but rather participate in the future cashflows/returns of a venture (Hornuf and Schwienbacher, 2018). Formally stated, equity crowdfunding refers to the type of early-stage funding in which a multitude of investors contribute a small fraction of the requested capital in exchange for company ownership (Vulkan *et al.*, 2016). In short, new ventures issue financial securities to acquire capital from crowdfunders.

Equity crowdfunding provides new opportunities for entrepreneurs, who can now target a broader group of external equity investors (e.g., Cumming and Vismara, 2017; Drover *et al.*, 2018; Short *et al.*, 2017; Vismara, 2016, 2018). Although the objective of different forms of crowdfunding may be similar, which is to raise funds, some aspects of equity crowdfunding are categorically different from other types of crowdfunding. First, equity crowdfunders pledge a higher average amount of capital. Secondly, the goal amount of equity crowdfunding campaigns is, on average, higher, which may steadily increase over time. Thirdly, each project provides a pre-money valuation that helps a funder decide on the potential future quality of the venture. And finally, funders have a clear goal of obtaining a positive return on their investment monetarily (Vulkan *et al.*, 2016).

Previous research on equity crowdfunding has explored success factors in raising equity crowdfunding (e.g., Ralcheva and Roosenboom, 2016; Kleinert *et al.*, 2018) and outcomes of equity crowdfunding campaigns (e.g., Signori and Vismara, 2018) as well as has explored lending-based crowdfunding models (e.g., Calic and Mosakowski, 2016; Moss *et al.*, 2018) and reward-based crowdfunding (e.g., Parhankangas and Renko, 2017) for social venture. However, there is limited research exploring equity crowdfunding for social ventures. Scholars have called for more research exploring social crowdfunding in different crowdfunding settings (Calic and Mosakowski, 2016, p. 762) as well as equity investments in crowdfunding (Parhankangas and Renko, 2017, p. 13). Acknowledging this call for research, we explore equity crowdfunding for social ventures through the lens of sensegiving. Specifically, we explore how social ventures in an equity crowdfunding setting give a sense of their dual purpose – as an opportunity to help others and/or an opportunity to acquire financial gain. Thus, we ask, “What linguistic cues might social ventures deploy to affect the underlying motivations of a diverse crowd?”

Sensegiving and Linguistics

Venture finance research aims to interpret the process by which investors assess the future potential value of a venture, motivating their investment decisions. While substantial research on venture finance has explored investors' assessment of commercial, for-profit ventures (Balachandra *et al.*, 2019), there has been limited focus on social ventures. While we know that investors for for-profit ventures pay attention to a wide variety of factors such as personality and experience (Higgins and Gulati, 2006), environmental conditions (Eisenhardt and Schoonhoven, 1990), gender (Balanchandra *et al.*, 2019), expertise-based intuition (Huang and Pearce, 2015) and product and market category (Lockett *et al.*, 2002). In addition, this body of literature alludes that investors are not always copiously rational, and at times, their decisions are often shaped by how new ventures announce information (Moss *et al.*, 2018). In other words, new ventures possess the ability to influence investor assessments through sensegiving strategies. Accordingly, Clark and Geppert (2011, p. 399) state that through the “sensegiving process, actors use power and other resources to enact their subsidiary identity, to respond meaningfully to and thereby influence the behaviour of others.”

Firms give sense to gain legitimacy (Petkova *et al.*, 2013) and use sensegiving strategies to influence a broad stakeholder audience from a distance. Sensegiving strategies involve narratives and stories that enable new ventures to describe their resources, offerings, activities, and growth strategies (Lounsbury and Glynn, 2001, Martens, *et al.*, 2007). Such sensegiving strategies contribute to the acceptance and approval from the stakeholder’s constituting legitimacy and support (Hallen and Eisenhardt, 2012). Similarly strategic change research suggests that leaders garner support for organizational changes through sensegiving (Maitlis and Christianson, 2014; Day *et al.*, 2023). In addition, there is support for sensegiving strategies from sociocognitive research which suggests that firms utilize sensegiving to draw attention to gain acceptance and approval (Petkova *et al.*, 2013). Information cues embedded in firm messaging and communications draw the attention of stakeholders. Attention is drawn by the overall salience and availability of a stimulus, while acceptance and approval follow from the presence and levels of specific attributes (Pollack *et al.*,

2012). In other words, the success and failure of sensegiving is dependent on the correct stimulus and the correct levels of attributes being present.

Sensegiving is an expression aimed at others (Tetlock and Manstead, 1985) characterized by symbolic processes of influence and impression management, largely conditioned, and bounded by the discursive fields or communities in which entrepreneurs operate (Cornelissen and Clark, 2010). Entrepreneurs often gain feedback and support by giving a sense of their vision for the future (Lounsbury and Glynn, 2001) to the extent that language is closely connected to where entrepreneurs verbalize their venture in the context of speaking to others. Entrepreneurs create opportunities for sensegiving when expressing details of their business and life (Dodd, 2002). Therefore, the role of language, communication, and articulation is significant in entrepreneurship and entrepreneurial finance.

In this paper, we consider sensegiving through linguistic representations, which refers to verbal or written means used to communicate a concept to guide individual and collective action (Siedel and O'Mahonay, 2014). Linguistic representations consist of content words (what is said), adjectives, nouns, and verbs which convey meaning. Linguistic representations are also style words (how it is said) that use verb tense, articles, prepositions, negations, as well as the use of emotion words (affective tone of communication), words describing cognitive processes (such as use of causation words, self-discrepancies), relativity-related words (e.g., time, verb tense, motion, space), and sensory-related words (see, hear, feel) (Chung and Pennebaker, 2012; Parkahangas and Renko, 2017; Toma and D'Angelo, 2015). Linguistic representations can occur in multiple forms, including face-to-face interactive discussions and one-sided written texts (Grant *et al.*, 2004). Research suggests that entrepreneurs use linguistic representations to acquire legitimacy or resources (Lounsbury and Glynn, 2001) as appropriate representations help orient individuals around a common effort that may lack precise definition, and linguistics may offer such representations (Simon, 1996). As documented within the entrepreneurship literature, by generating and communicating “insight into how things are” (de Koning and Dodd, 2002, p. 2) through linguistics and language, entrepreneurs increase the likelihood of securing investment capital (Martens *et al.*, 2007).

Sensegiving strategies, such as linguistics, rely on approaches to communication that either seek to legitimize or align an internalized entrepreneurial ideal of consistent collaboration (Kimmitt and Munoz, 2018). Articulating a new vision for how a social problem can be solved and how it should be communicated to others (Hill and Levenhagen, 1995) may result in garnering support for the venture in a crowdfunding context. Language has formative effects on thought processes (Nicholson and Anderson, 2005). However, for entrepreneurs who aim to effectively convey messages to prospective investors and attract resources, crowdfunding represents an especially noisy environment in which copious amounts of information vie for investors' attention (Steigenberger and Wilhelm, 2018). Favourable impression formation through linguistic representation by displaying its social objective and investment potential is bound to make a difference in its level of attractiveness to the crowd.

The crowdfunding pitch contains pseudo-personal communication in the forms of videos, venture stories, the founder's personal experience, product offerings, and social media messaging (Moritz *et al.*, 2015), becoming linguistics representations employed to convince a diverse crowd (Allison *et al.*, 2015). Linguistic representations such as positive narrative style (Allison *et al.*, 2017) and pitches narrated in different styles —such as ‘ongoing journeys’ or ‘results-in-progress’— convey project value and help secure funding from investors (Manning and Bejarano, 2017). Gafni *et al.* (2019) found that the higher the incidence of referring to self, highlighting entrepreneurial ability, the better the chances are in securing crowdfunding. Clarke *et al.* (2019) showed that entrepreneurs' use of different combinations of verbal tactics, such as literal and figurative language, to frame a venture conveys their passion and preparedness during an idea pitch, enhancing the perception of investment potential for investors. Collectively, prior research demonstrates that effective communication is vital to crowdfunding success, as funding decisions are based on very limited amounts of digitally conveyed information. Sensegiving processes, linguistic cues operate as general cognitive and interpretive mechanisms that are applicable across equity crowdfunding platforms globally, irrespective of national or institutional context. To that effect, giving sense through meaningful communication methods is an important aspect of how new ventures gain support (Cornelissen and Clarke, 2010), especially in the case of ventures with social objectives (Jones *et al.*, 2008). To identify a social problem and envisage a business solution, social entrepreneurs must make and give sense of

the status quo and ways in which the business opportunity can create solutions to grand societal challenges. Appropriate linguistic cues may illustrate the legitimacy of the business idea and their ability to not only envision a better future but to also co-create such a future with the multitude of funders.

Social Process Language Cues

In the context of crowdfunding, research suggests that engaging the community is important to foster social identification among existing resource providers (Murray *et al.*, 2020). Social ventures utilize market-based business practices to mitigate social issues (Grimes *et al.*, 2013), where the goal is to create a business solution to benefit the disenfranchised (George *et al.*, 2012). Social objectives, therefore, involve a process that fosters the social and economic well-being of communities (Mair and Marti, 2009) that requires social entrepreneurs to alter how others perceive and understand the world (with its deficiencies) and to help them envision the proposed alternative (Maitlis and Lawrence 2007). To that effect, the achievement of a crowdfunding goal requires social entrepreneurs to communicate their thoughts and vision to seek “buy-in” from others to gain their support. Engaging the crowd is essential, both as an objective to envision social purpose and to obtain the necessary financial capital to propel the vision into reality.

Crowdfunding research has found that crowdfunding pitches that highlight the venture as an opportunity to help others can achieve crowdfunding success (Allison *et al.*, 2015). Research suggests that those funders are willing to fund a social venture because of their desire for social participation and interaction, i.e., participating in something that helps others and to whom they can relate to through a social and/or a personal cause. Parhankangas and Renko (2017) suggest that linguistic styles that connect entrepreneurs to their audiences on a personal level boost the success of social crowdfunding campaigns.

We argue that aligning the crowdfunding campaign with the social objective by describing the venture as a social process of enacting change for the betterment of others may lead to crowdfunding success. As new organizations are enacted, critical stakeholders (such as funders) change their behaviours in ways that allow the organization to emerge (Low and Abrahamson, 1997). Employing linguistic cues and situating the venture’s goals and objectives as the unit of understanding of enacting good may empower funders to “act” by funding the venture. Similarly, the responsiveness of the crowd may depend on describing the social impact of the funds sought and creating an environment of shared empathy, solidarity, and hope (Farhoud *et al.*, 2021). Belleflamme *et al.* (2016) suggest that calling forth the power of the crowd to enact changes is possible when they are solicited and made to feel empowered enough to do so. Therefore, if co-creation, empowerment, and participation are both a process and a resource for social entrepreneurs, we expect that an emphasis on social process language cues may lead to drawing the attention of a diverse crowd of investors, resulting in subsequent crowdfunding success for social ventures.

Proposition 1: Emphasizing social process language cues in social venture equity crowdfunding pitches will positively relate to crowdfunding success.

Economic Process Language Cues

Social ventures are essentially “the offspring of two different species,” (Doherty *et al.*, 2014, p. 418), characterized by a mixing of social and economic elements (Battilana and Dorado, 2010). As it requires the achievement of social goals through commercial activity (Moizer and Tracey, 2010), the social and economic aspects of the venture can be held at varying levels of intensity and are symbiotic (Shepherd *et al.*, 2019). The process of achieving social objectives runs its course by recognizing and exploiting opportunities to create social value, employing innovation, tolerating risk, and declining to accept limitations in the availability of resources (Peredo and McLean, 2006). The ability to leverage financial resources that address social problems is central (Dacin *et al.*, 2010), and the process to acquire it can have both differences and similarities with commercial entrepreneurship (Austin *et al.*, 2006). Research suggests that apart from managing dual performance objectives (social and economic), social organizations must also remain accountable to stakeholders, including shareholders (Battilana and Dorado, 2010).

For social ventures seeking financing, crowdfunding provides an opportunity to understand the market and test out interest in the proposed product or service (Colombo *et al.*, 2015). In such early stages, as the company, its product, and its marketing choices are articulated, investors realize that they can assess the goals, the values, and the overall ideology associated with entrepreneurial ideas, and can make decisions that are meaningful and influential (Calic and Mosakowski, 2016). To that effect, social entrepreneurs exhibit both utilitarian (i.e., entrepreneurial, opportunistic, pragmatic) and normative identity traits (i.e., social, people orientation) (Moss *et al.*, 2011; Stevens *et al.*, 2014). The former is governed by economic rationality, revenue maximization, and cost minimization, whereas the latter is governed by an ideological commitment toward the betterment of others and solving grand social issues. Moss *et al.* (2011) found that social ventures display utilitarian identities that are similar to commercial ventures, indicative of attention to economic performance. Moreover, Stevens *et al.* (2014) showed that for social ventures, social and economic missions are related to each other, with one informing the other and vice versa.

We contend that the language used by social entrepreneurs to describe the venture, its goals, and its objectives during the equity crowdfunding pitch may consciously reflect, along with its social mission, its economic potential as a viable opportunity for investment for funders. In a crowdfunding setting, funders are diverse and represent a wide variety of funding logic (Moss *et al.*, 2018), therefore describing the social mission as a marketable opportunity with words related to money (such as cash, revenue, sell), numbers (example: thousands) and quantifiers (example: much, many) may help formulate the opinion of the crowd. Using economic terms during the campaign pitch may make its social objective less ambiguous and more actionable, thus making it easier for funders to grasp the venture's purpose and attracting the crowd that is still forming its opinion to invest in the venture.

Proposition 2: Emphasizing economic process language cues in social venture equity crowdfunding pitches will positively relate to crowdfunding success.

Long Term Orientation

Butler (1995, p. 946) claims that “time, as we experience it in the present, can only have meaning in relation to our understanding of the past and our vision of the future.” Social changes take time (Bacq and Limpkin, 2014), and combining social change with liabilities of newness (Stinchcomb, 1965) in prosocial venturing may further conflate their ability to gain access to resources. However, Wang and Bansal (2012) have shown that the impact of newness is lessened when new ventures adopt a temporal orientation which is a subjective perspective of time reflected in the temporal depth of its strategic decisions (Ancona *et al.* 2001; Fiegenbaum *et al.*, 1996; Lee and Liebenau, 1999). A firm's temporal orientation can range from being short to being long. Strategic decisions with a short-term orientation emphasize efficiency, whereas decisions with a long-term orientation emphasize effectiveness (Covin and Slevin, 1989; Venkatraman, 1989). According to Miller and Le Breton-Miller (2005), “the only way to sustain good performance is to act in the long-run interests of the company and all of its stakeholders” (p. 232).

Long Term orientation (LTO) is the tendency to prioritize long-range implications and impact decisions and actions that come to fruition after an extended period (Le Breton-Miller and Miller, 2006; Lumpkin and Brigham, 2011, Brigham *et al.*, 2014). Certain organizational forms have long-term orientations. For example, the economic activities of family firms are often aimed at creating and preserving wealth for future generations (Zellweger, 2007). Like prosocial ventures, family firms exist with dual objectives. Indeed, the pursuit of noneconomic goals is a distinguishing feature of many family businesses (Chrisman *et al.*, 2010). Noneconomic goals such as succession within the family (Handler, 1994), the creation and preservation of socioemotional wealth (Gomez-Mejia *et al.*, 2007), developing and protecting the family reputation (Miller and Le Breton-Miller, 2005), and transgenerational value creation (Zellweger *et al.*, 2012) have all been discussed in association with an extended frame of LTO. Strategy scholars have shown that firm value increases when they adopt a long-term perspective, such as innovation and stakeholder relationships, thereby mitigating the “time-based” agency conflict between shareholders and managers (Flammer and Bansal, 2017).

Research has also shown that language affects the degree to which people judge events with different degrees of goal orientation (Athanasopoulos and Bylund, 2013; Flecken *et al.*, 2014) and whether they describe ongoing actions by mentioning endpoints (Athanasopoulos *et al.*, 2015). Research has

emphasized that organizationally driven social change is an intertemporal trade-off for business sustainability (Bansal and DesJardine, 2014), a strategy to engage non-financial stakeholders over the long term (e.g. Marquis *et al.*, 2007), and an insurance mechanism against future risks (e.g., Koh *et al.*, 2014). Additionally, Liang, Marquis, Rennebog, and Sun (2018) found that future time orientation can impact organizational social activities.

Therefore, LTO has two aspects. First, social goals need time. Thus, prosocial firms depicting such an outlook will be attractive to investors who are attracted by the ideology that prosocial ventures will effectively create societal change (Bacq and Lumpkin, 2014; Siqueira *et al.*, 2018). Firms utilizing social process terms successfully to attain equity financing from crowdfunding sources would benefit from also espousing their long-term societal goals of the venture. Second, the strategy literature explains that adopting an LTO perspective gives a positive outlook to investors. Again, firms utilizing economic terms successfully to attain equity financing from crowdfunding sources would benefit from also espousing their long-term societal goals of the venture.

Proposition 3a: Long-term orientation will moderate the relationship between social process language cues and crowdfunding success.

Proposition 3b: Long-term orientation will moderate the relationship between economic process language cues and crowdfunding success.

Discussion and Conclusion

For social ventures resource orchestrations may depend on how effectively they can give sense to others by articulating “who we are” and “what we intend to do” to potential resource providers. Our conceptual paper offers insights into the hybridity of social ventures and how financial resource acquisition is affected by this hybridity. The social and economic perspectives are important factors when seeking financial resources from the crowd. The paper explores sensegiving literature and its relevance to crowdfunding. It is necessary to understand that the external audience (crowd) may perhaps be unaware of how the venture is creating social good while at the same time generating wealth. Through language cues the crowd can gain a sense, draw inferences, and make decisions about the social venture. For social ventures operating under significant ambiguity, situating an understanding of its social mission and financial goals within a diverse audience can lead to acceptance, approval, and resource acquisition. Linguistic representations may create a pathway to legitimacy, propelling subsequent action from the crowd aiming to collaborate and co-create social change by funding the social venture. Therefore, words matter in entrepreneurship, not only for the stories and narratives made by entrepreneurs but also as sets of prototypical linguistic features that allow any outsiders to act in reference to the venture (Moss *et al.*, 2018).

One of the key differences between other types of crowdfunding and equity crowdfunding is that equity funders have a clear goal of obtaining a positive return on their investment monetarily (Vulkan *et al.*, 2016). So instead of pre-purchasing the product (as rewards-based crowdfunding), equity crowdfunders participate in the future cashflows of a firm. To that effect, the social and economic aspects of the venture can be held at varying levels of intensity (Shepherd *et al.*, 2019). Research suggests that apart from managing dual performance objectives (social and economic), social organizations must also remain accountable to stakeholders, including shareholders (Battilana and Dorado, 2010). Therefore, the process of acquiring financial resources can have both differences and similarities with commercial ventures (Austin *et al.*, 2006). Social ventures utilizing equity crowdfunding represent a diverse funding logic (Moss *et al.*, 2018), one that is rooted in remaining accountable to stakeholders (crowdfunding investors), fulfilling economic rationality, revenue maximization, and cost minimization. Thus, the economic emphasis in the crowdfunding pitches for social ventures that offer a glimpse of future returns aligns with the commercial purpose of the social venture. Consequently, during the early stages of the social venture, its product, and its marketing choices are articulated, and crowdfunding investors realize that they can assess the goals, the values, and the overall ideology associated with entrepreneurial ideas and can make decisions that are meaningful and influential (Calic and Mosakowski, 2016). Crowdfunding campaign alludes to the future potential of the social venture in meeting its purpose of social betterment. The investors attracted by the prosocial motivations are willing to see the social change or betterment that the venture aims to fulfil. Similarly, investors motivated by the positive financial outcome may identify with the future economic return and cash flow and provide the funds that the social ventures seek.

We contribute to the extant social entrepreneurship literature by theorizing equity crowdfunding as an alternative source of early-stage venture finance which can complement traditional forms of financing. We extend sensegiving literature to the context of crowdfunding. Social ventures can affect the interpretation of a diverse crowd by employing sensegiving strategies through linguistics. We extend research on the temporality in equity crowdfunding settings where information asymmetries abound. By theorizing linguistics representing a social venture's long-term orientation may heighten the investor's ability to resolve uncertainty and envision a future.

Future research opportunities concerning how social ventures raise funds are abundant. Balancing social and economic interests is paramount to success in reaching the dual goals of social ventures. Firms that over-emphasize social impact may not maintain economic viability. This balance is also paramount to the fundraising period for these firms. Thus, future research should test the degree to which a focus on social interests affects fundraising. A possible research question might be, 'How much emphasis should a social venture place on social process language within crowdfunding narratives?' Additionally, moderators of the focal relationships outlined in our work other than LTO should be considered. In the commercial venture literature on crowdfunding, scholars have found that the characteristics of the campaign (duration, funding goal, etc.) and the platform characteristics (platform features, community norms, etc.) are of consequence (Mochkabadi and Volkmann, 2018). While these potential moderators are not found within the narratives provided by entrepreneurs seeking funding, they may alter the ability of the entrepreneurs to successfully provide sense to investors about the duality of their social ventures. Also, the ability to build trust with the crowd has been shown to affect crowdfunding success (Moysidou and Hausberg, 2020). Trust is a socially mediated phenomenon that relies on the intrinsic trust people place in shared connections in social interactions and community affinities. The group behaviour of trusting others based on presented information and social signals is possible when social association is fostered over time. Compared to the campaign and platform characteristics, trust building can be found within the narratives provided by entrepreneurs. Future research should consider how trust might be reflected within the linguistic representations found in crowdfunding narratives and how this could affect the relationships between crowdfunding success and social and economic process languages.

In conclusion, the hybridity of social ventures creates additional difficulties for entrepreneurs when attempting to launch. One such area of particular concern is the ability to raise funds from a wide array of investors who are socially focused, profit focused, or both. Our work highlights this problem by reflecting upon how entrepreneurs utilize crowdfunding campaigns to raise funds. We are most interested in equity crowdfunding because it requires investors to take an ownership stake. We contend that entrepreneurs face an even more significant challenge to convince these types of investors because they must truly believe in the viability of a firm with a dual focus on social impact and economic growth.

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