Spotlight
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Can family connections make or break a migrant's crowdfunding journey?

How family ties fuel crowdfunding success for migrant entrepreneurs

NADIA ARSHAD · ADELE BERNDT

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As crowdfunding becomes an increasingly viable source of financing for entrepreneurs, its importance for migrant entrepreneurs is particularly notable. These individuals often face financial constraints, cultural barriers, and limited access to traditional funding sources. Crowdfunding not only provides an alternative financing pathway but also taps into a broader social network, often crossing national boundaries. This article examines how family social capital—an important yet often overlooked resource—plays a critical role in the success of migrant crowdfunding campaigns. Using a detailed case study, the authors explore how family resources, both financial and non-financial, contribute to the successful launch and growth of a crowdfunded product, showing that the family's role extends beyond mere financial backers to strategic partners in the venture.

WHAT WE STUDIED

The study focused on the crowdfunding campaign of the "Persu Bag," an innovative gym bag developed by a Chinese migrant entrepreneur in the U.S. By adopting a single case study approach, researchers Nadia Arshad and Adele Berndt analyzed multiple sources of data, including in-depth interviews with the founder, social media interactions, and emails, collecting over 150 pages of information. The authors drew from both crowdfunding and social capital literature, providing a theoretical lens for understanding how family networks offer valuable resources. The study highlights both "operand" (tangible) and "operant" (intangible) resources, including financial support, administrative skills, and social networking that the family contributed to the campaign.

KEY INSIGHTS

1. Financial Support as a Foundation for Campaign Success

- Financial backing from family members was instrumental in launching the campaign. The founder received financial support from her parents to fund essential pre-campaign tasks, such as hiring a videographer and creating a high-quality video pitch—critical components in gaining credibility on crowdfunding platforms like Kickstarter. This early financial input from family not only provided the necessary resources but also signaled trust and reliability to potential backers, giving the campaign a head start that can be crucial in crowdfunding success.

2. Strategic Contributions from Family Knowledge and Experience

- The entrepreneur's family provided more than just financial support; they contributed key expertise and guidance essential for navigating production and logistical challenges. For example, the founder's father, with extensive manufacturing knowledge, helped secure reliable suppliers and advised on production logistics. Additionally, the mother, an experienced accountant, managed legal and administrative tasks, including registering the company and setting up necessary documentation. This strategic guidance minimized risks and positioned the founder to focus on the campaign's creative and promotional aspects. Family contributions here exemplify "operant" resources —intangible assets like knowledge and skills—that can significantly enhance campaign success.

3. Family Networks for Expanding Campaign Reach

- In a crowdfunding context, visibility and reach are crucial for attracting backers, and family networks play a unique role in expanding these dimensions. After the campaign's launch, family members in both the U.S. and China shared campaign links on social media platforms, allowing the project to reach a broader audience than the founder could access independently. This cross-border network provided the campaign with international exposure and enabled the founder to tap into a geographically diverse pool of potential backers, critical for migrant entrepreneurs who might lack extensive local networks in their host country.

4. Logistical and Emotional Support Beyond Financial Backing

- The family's involvement extended beyond campaign promotion and financial assistance; they also provided logistical and emotional support. The founder's mother, for instance, stored campaign inventory in her garage and helped with product shipping—a task that required significant time and effort. Additionally, emotional support from family members, including the founder's boyfriend, played a role in maintaining morale and motivation, particularly given the challenges inherent in crowdfunding. This emotional and logistical support illustrates how family members serve as pillars of support, reinforcing the founder's resilience and commitment to the project.

TAKEAWAYS

Harnessing Family Financial and Intellectual Capital

- Migrant entrepreneurs should proactively involve family members not only for financial assistance but also for their intellectual contributions. This study shows that family members often possess relevant skills and knowledge—like supply chain connections or administrative know-how—that can be pivotal in setting up a crowdfunded venture. Encouraging family members to share their expertise, even if informally, can build a stronger foundation for the campaign.

Engaging Cross-Border Family Networks for Greater Campaign Reach

- Expanding the campaign's visibility is crucial in crowdfunding, where success depends on reaching a diverse and broad audience. Family members who reside in different countries can play a vital role in promoting the campaign, sharing it within their local networks, and amplifying its reach on social media. For migrant entrepreneurs, family ties in both home and host countries can help bridge geographical divides and give campaigns the international exposure they may need to reach funding goals.

Utilizing Family for Logistical and Emotional Support

- Family contributions in logistics and emotional support often prove invaluable, especially for solo migrant entrepreneurs. Handling tasks like shipping, storage, and even emotional encouragement relieves the founder's burden, allowing them to focus on other critical campaign components, such as product development and customer engagement. By seeking and accepting such support, migrant entrepreneurs can approach their campaigns with greater confidence and resilience.

IMPACT

This study underscores the significance of family social capital as a strategic asset for migrant entrepreneurs. Family networks offer more than monetary aid; they provide knowledge, logistical resources, and social networks that extend the campaign's reach and sustainability. This research suggests that family support may be a key factor in leveling the playing field for migrant entrepreneurs, who often face limited access to traditional funding sources. It calls attention to the broader implications for both migrant families and crowdfunding platforms, which might consider encouraging family participation as a best practice for prospective entrepreneurs.

RECOMMENDATIONS

To fully leverage family social capital, migrant entrepreneurs should integrate family support in both campaign planning and execution phases. Family members can contribute critical resources, both operant (knowledge, skills, advice) and operand (finances, equipment), that can strengthen the campaign's foundation and help overcome potential funding obstacles. Additionally, crowdfunding platforms may benefit from providing guidance specifically for migrant entrepreneurs on how to activate and involve family networks effectively. Further research could explore crowdfunding campaigns across diverse migrant groups and platforms to broaden understanding of family social capital's impact in various contexts.

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CEFEO AUTHORS



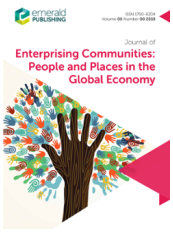
Adele Berndt

Associate Professor

Jönköping International Business School

adele.berndt@ju.se

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