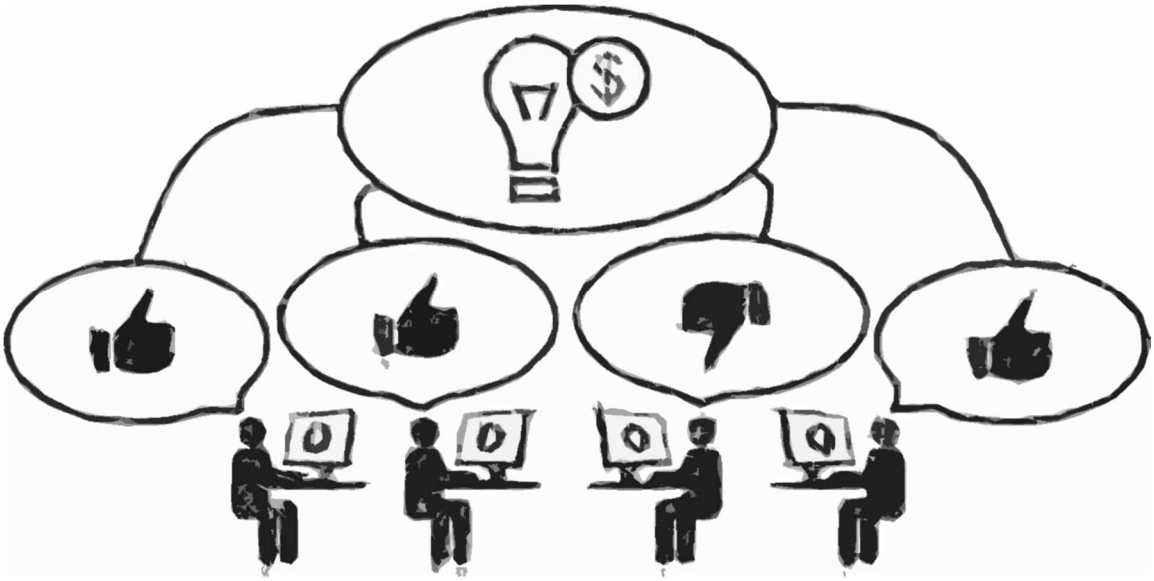
Crowdfunding campaigns: Perceived quality and success.

A pitch video assessment.



Master's Thesis

Student: João Maria Duarte Silva de Sousa de Macedo

Study Program: MSc Double Degree in Management

ID Maastricht University School of Business and Economics: i6104269

ID Nova School of Business and Economics: 1998

Maastricht Supervisor: Prof. Dr. Martin Carree

Nova Supervisor: António Miguel, MSc

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Abstract

Research in Crowdfunding is an emerging priority within the field of Entrepreneurship. Hundreds of platforms provide nowadays multiple Crowdfunding schemes which are intended to make it easier for entrepreneurs and others to collect money from the crowd. However, only a few campaigns become successful as others don't reach the pre-established funding goal. It is thus necessary to keep on understanding the dynamics of these platforms and the factors which justify success. The asymmetry of information has been shown to be a delicate issue as people perceive quality in different manners. As so, this research aims to understand which components of perceived quality mostly influence investments decisions. Mainly Entrepreneurship and Marketing theories were explored along the way. This is research follows a causal approach where nineteen hypotheses are tested. An experimental survey was conducted and data was collected from 127 people who were asked to evaluate one of the most important pieces of any Crowdfunding campaign – the pitch video – and consequently invest on the presented products.

Key words: *Crowdfunding, Startups, Pitch Video, Investment Decision, Perceived Quality, Brand Image, Utility, Ease of Use, Product Composition, Reliability.*

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1 - Introduction

Almost all entrepreneurs have to follow a challenging journey before they eventually get the chance to become successful. They usually have to invest a lot of their time and effort to turn a project into reality. *No pain, no gain*. It all starts with an idea which is either intended to solve an existing problem or to create a new concept, paradigm or opportunity. Then, in order to satisfy the initial goal, a new product or service is carefully designed and a new venture is created to market it. However, this process tends to require more money than the entrepreneurs themselves possess. *No money, no funny*. As so, they normally have to find someone who is willing to borrow, donate or invest money on their project or else they have to apply their own savings (Schwienbacher, 2007). Indeed, when entrepreneurs don't have enough money to finance their idea and cannot resort to friends and family to help them, they might have to convince a business angel or a venture capitalist to invest on them or even try to borrow money from a bank.

More recently, an old scheme of collecting money from individuals has assumed different forms and is gaining more and more importance. The so called Crowdfunding is a funding method through which an individual or a team asks the "Crowd" (i.e. people in general) for money to finance a project in exchange for a counterpart. This process usually occurs in specific public platforms where project owners create campaigns which are intended to explain their ideas to the Crowd. As highlighted by many Crowdfunding platforms, one of the key points of any campaign is a pitch video where project owners have just a few minutes to convince the public about the potential of the idea. If they succeed in doing so, the Crowd invests money and, if the campaigns collect enough money to reach a pre-defined goal, they are classified as successful. However, one of the main issues of this "convincing process" has to do with the asymmetry of information, because project owners are naturally much more aware of the real quality of the product than project backers (Schwienbacher & Larralde, 2010;

Lehner, 2013; Bellefamme et al., 2014; Agrawal, Catalini & Goldfarb, 2015; Ahlers et al., 2015). This leads to different perceptions within the Crowd as some people might see value where others don't. Due to the recent nature of the phenomenon, research studies slightly approached what the main reasons for the success of Crowdfunding campaigns are and therefore there is a lot of room to do so. Indeed, as pointed out by Belleflamme et al. (2010, 2014) it is crucial to keep on understanding the dynamics of Crowdfunding platforms and consequently figure out why some campaigns, ideas or projects succeed and others do not.

Bearing all this in mind, the current research follows one of the first explanatory approaches to explore why different individuals perceive quality of Crowdfunding campaigns in different manners and if they are consistent with their evaluation when they have to make an investment decision. Therefore, this research aims to dissect the following problem:

To what extent does the perceived quality of the presented products on a pitch video of a Crowdfunding campaign have an effect on its success?

The research starts with an analysis of the existent theory on the field of entrepreneurship, more specifically on the most traditional funding methods for startups. Then, it deepens into the recent phenomenon of Crowdfunding, with a special emphasis on its history and definition, the different types of models, projects and also on the importance of the pitch video. Afterwards, the construct of perceived quality is cleared up as well as the components which compose it. Proceeding the theoretical background and the formulation hypotheses, a chapter with the methodology is also included as well as the explanation of the results and their discussion. The paper finalizes with a brief conclusion of the generated outcomes.

2 - Theory and Hypotheses

2.1 – Financing a startup: most traditional funding methods

One of the biggest issues an entrepreneur has to deal with after having developed an idea concerns the way he or she is going to finance it. According to the classic entrepreneurial literature (Stolze, 1989) there are three main funding methods for a startup: self-funding - when the entrepreneur uses his or her own resources (Lahm, Little & Hall, 2005; Ebben and Johnson, 2006); bank loan - when the entrepreneur borrows money from the bank at an interest rate and pays it back later on (Buttner & Rosen, 1989; Robb & Robinson, 2012); and venture capital funds – special funds which invest in emerging companies in exchange for equity (Davila, Foster & Gupta, 2003). Moreover, Zider (1998), on a piece for Harvard Business Review, highlighted the existence of Angel Investors (also known as Business Angels) who are basically "wealthy individuals who typically contribute seed capital, advice, and support for businesses in which they themselves are experienced" (p.138) in exchange of equity as well.

Schwienbacher (2007) approached different strategies for capital-constrained entrepreneurs to finance their businesses and distinguished the conservative entrepreneurs from the more adventurous ones. While the first group includes the entrepreneurs who wait until they have raised the amount of money necessary for completing their project, the second takes a more risky posture by using the limited resources before getting in contact with outside investors. Indeed, it is often very difficult or even impossible to convince traditional lenders such as venture capitalists, business angels and banks, to finance a project (Schwienbacher, 2007) and thus the elaboration of a solid business plan is a crucial part for any entrepreneur who is trying to persuade them to invest in his idea (Chen, Yao & Kotha, 2009). However, as Mason and Stark (2004) highlighted, each of these groups of investors focuses on different aspects of a business plan: while bankers almost only pay special attention to the financial part of the document, ventures capitalists and business angels give also a lot emphasis to the market

issues. The authors mention that a huge problem for entrepreneurs to attract funding is that, at the end, they try to please everyone ("one size fits all", p.2) and tend to forget the different investment criteria of the investors. Carruth, Dickerson and Henley (1998), also elaborated on how uncertainty blocks investors from betting their money on a project. The authors argue that future conditions regarding prices, the market situation and rates of return are not clear and therefore need to be taken into account when an investment decision takes place.

2.2 - Crowdfunding: a growing alternative as a funding method

2.2.1 - History and Definition

Lehner (2013) stated that most scholars, such as Brabham (2008) and Kleemann et al. (2008), believe that Crowdfunding has its roots on the phenomenon of Crowdsourcing. As a matter of fact, as the name indicates, both concepts involve using the "Crowd" either as a funder or source (Schwienbacher & Larralde, 2010). More specifically, the first consists in collecting small amounts of money from many people to finance a project, and the latter focuses on gathering small inputs to generate ideas, obtaining feedback and discovering new solutions to problems (Lehner, 2013). Even though the model of Crowdfunding has a long history in the dimensions of charity and social cooperation (Ordanini, Miceli, Pizzetti & Parasuraman, 2011), it is undeniable that it only became more noted as a funding method more recently. Verily, only after the boost of Web 2.0 with all the user-generated content and the emergence of social networks, this phenomenon started to gain more importance (Ordanini et al., 2011; Belleflamme, Lambert & Schwienbacher, 2014).

Crowdfunding has emerged as one of the most preferred ways not only for entrepreneurs but also for artists, nonprofits and musicians to finance their projects (Burkett, 2011). Burkett (2011) defined Crowdfunding as a process that involves many people's affinity for the ideas these groups present through an open call, essentially through the Internet (Hemer, 2011; Belleflame et al, 2014). Furthermore, Bradford (2012) shed light on the fact that the backers or investors of these projects should be small by nature and so do the amounts invested.

Nevertheless, after visiting one Crowdfunding platform on the web, one can rapidly notice that even Business Angels and Venture Capitalists already pledge money for certain projects. In the end, this is also an opportunity for them to spot new and more investment opportunities, which somehow translates the way the "Crowdfunding boom" is interconnecting entrepreneurs to all types of investors.

2.2.2 - Crowdfunding Platforms & Types of Crowdfunding

Hundreds of websites apply different Crowdfunding schemes, either on a local or global basis. Yet, there is some lack of clarity and consistence of the existence literature in defining the different types of Crowdfunding efforts. Burkett (2011) suggested that they can be divided into two main categories: Patronage Crowdfunding and Investment Crowdfunding. Patronage Crowdfunding happens when the funder donates money in exchange for a non-financial return such as a "thank-you gift" or a sample of the ideated product. Contrariwise, Investment Crowdfunding includes all the situations where the backers of a project are rewarded with financial interests, equity shares in the project itself or a share of the net receipts.

According to Bradford (2012), Mollick (2014) and Ahlers, Cumming, Günther and Schweizer (2015), the categorization of the types of Crowdfunding should be slightly different from the one Burkett (2011) suggested and goes along with the definitions offered by the *Framework for European Crowdfunding* (De Buysere, Gajda, Kleverlaan, Marom & Klaes, 2012), a structured analysis by many contributors regarding the application of the phenomenon in Europe. For them, in patronage or donation schemes, funders are basically giving up money in exchange for no direct return and for that reasons might be considered as philanthropists. In fact, they are not really expecting any financial returns but rather some kind of peace of mind by contributing to a valuable cause (Mollick, 2014). Secondly, the reward-based models (the most common ones) include the schemes where the funder indeed gets a certain reward depending on the contribution amount given. Then, the lending models or Debt-based

Crowdfunding can be compared to bank loans once they comprise the situations where the project owners borrow money from the entrepreneurs at an interest rate. Finally, there are equity-based models which are pretty much the same as the Investment Crowdfunding highlighted by Burkett (2011).

2.2.3 - Crowdfunding projects & Video Pitch

The great majority of the platforms, independently of the type of Crowdfunding applied, advise entrepreneurs to explain their ideas through a video. Even though it is not guaranteed that people will watch it (Bradford, 2012), a video can be a very transparent way to communicate directly with the possible investors. For instance, Kickstarter (*www.kickstarter.com*), the most popular reward-based Crowdfunding platform, provides its users with a "Creator Handbook" to help them "telling their story". The website suggests that whoever is uploading a project on the platform shall not forget for instance to present him or herself, the plans to make (sketches, samples, prototypes are advised), to set the budget or to pick a fine project image. After that, the platform highlights that *the best way* to do that is by making a "compelling video". On the official blog of the website, it further develops on this idea and gives a special motivation for entrepreneurs:

"(…) you don't have to be a video expert to make a good one. Simply be personable and talk about your project. Put yourself in front of the camera for at least a moment so that people know who you are; making that personal connection is key. Show people examples of your work and use any fun visuals you can think of" (www.kickstarter.com/blog, 2011).

Although these tricks and tips sound useful, they seemed not to be enough for Neil Clair on an article for the Forbes online Magazine in 2014, because they are lacking the specifics. The author analysed the success of a few Crowdfunding projects and ended up providing his own suggestions such as making sure that the tape is short; highlighting the rewards of the campaign; finding a hook to attract people from the beginning; identifying the brand or even

using music. Likewise, in order to help people creating a video pitch, several authors worked on a book called “Innofun: Creating and Piloting Digital Pith Video Concept” edited by Antii Haase and Minttu Merivirta (2014). They found that having a video on a Crowdfunding campaign is of a great value once it increases the probability of success in thirty percent by arguing that having an audiovisual format may turn complex or abstract things into something more concrete. More than eighty percent of the projects are actually using a pitch video to explicate the idea and those are in fact the ones which are more likely to succeed (Kuppuswamy & Bayus, 2014). On their research, they concluded that the videos should be made with the market focus, not forgetting to address the problem that the idea is solving and why the solution is feasible. Also, Wheat, Wang, Byrnes and Ranganathan (2013) highlighted the importance of maintaining the jargon on the video as low as possible at the same time that the speech should be transmit with creativity and passion.

2.3 – Asymmetry of information, quality uncertainty and the investment decision

As the article of Neil Clair (2014) for Forbes online Magazine refers,

“Video is only part of the equation. The other parts include your own marketing efforts, rewards, and the project itself. But, the video is the first thing most people will see before they decide to back your project.”

As a matter of fact, as we’ve seen, it is of extreme value to be as clear as possible when producing a Crowdfunding video in order to convince people to further explore the idea and to invest on it. One can easily compare a pitch video of a Crowdfunding campaign with a simple commercial of a product on TV. Both have to somehow highlight all the benefits that the product or service offers through an appealing way in order to catch people’s attention. Sometimes, when they cannot do so, it is just a matter of seconds before people leave the webpage to see another campaign (or change TV channel, in the case of a commercial).

Obviously, there is a significant amount of information asymmetry between the project owner and the possible backers (Schwienbacher & Larralde, 2010; Lehner, 2013; Bellefamme et al., 2014; Agrawal, Catalini & Goldfarb, 2015; Ahlers et al., 2015). In fact, it is quite normal that entrepreneurs know much better what the real quality of the idea is just because they were the ones who created it. The crowd, instead, it limited to watch the pitch video and read the product explanation on the platform. Furthermore, Bradford (2012) shed light to the "potential agency costs and problems of opportunism" (p.106) that might emerge once investors do not know the quality of the management team. Agrawal, Catalini and Goldfarb (2013) mentioned, however, that investors are only concerned with the quality of the team when it comes down to equity Crowdfunding where project owners are expected to create a company by generating equity value. Contrariwise, the crowd of a non-equity Crowdfunding platform is mostly focused on the quality of the deliverable product or service as people often pre-order the product in return for the investment.

While many research focuses on aspects regarding the preparedness and passion of the entrepreneurs to develop a new venture (Kanniainen & Keuschnigg, 2001; Chen et al., 2009) or even the ideal profile one must have to do so (Zider, 1998), only a few preferred to elaborate on the specifications of the new product or service. Mason et al. (2004) built on investors' evaluation criteria and indeed included the product itself as a crucial aspect as it is the basis of any startup project. The distinctiveness, value-addition, uniqueness and innovativeness of an idea should be all taken in mind, as well as its style, quality, appearance, performance or aesthetics.

Given the nature of the different Crowdfunding platforms, I assume as a major principle that in all of them people always opt to watch the video of the campaigns before everything else. Then, they create an impression of the true quality of the team and product and, mainly based on this, they decide to invest. There are a lot of psychological aspects which might

persuade people to like a certain product. Marketing theory, for instance, shows us that the perception that people have of the money spent on advertising a product is positively correlated to its quality (Linnemer, 2002; Moorthy & Hawkins, 2005). Probably, for this reason some authors suggest that crowdfunders should try to make projects look fancy (let's say, somehow expensive) in order to attract and retain people (Schwienbacher & Larralde, 2010). For the purpose of this analysis, I decided to focus on more concrete and easier-to-measure indicators of perceived quality of physical products suggested by previous literature, as no evidence applied to Crowdfunding exists so far. For this, I bear in mind that there are always distinct perceptions within the crowd as people have different sensitivity levels.

2.3.1 - Perceived Quality: Brand Image, Utility, Ease of Use, Composition and Reliability

As mentioned, the design of the pitch video of a Crowdfunding campaign has clearly an effect on the way people in the crowd perceive the quality of the new product or service being presented. Research suggests that there are tangible and intangible ways to measure quality. First, the brand associated to the idea is definitely a factor to consider as indicated by Jacoby, Olson and Haddock (1971) and Low and Lamb (2000). The latter shed light to the importance of this construct and defined it as the "subjective, emotional cluster of meaning and symbols that the consumer attributes to particular brands" (p.571). For them and Dawar and Parker (1994), the brand name is most of the times enough to disclose the brand image. Moreover, it can also be often confounded with Brand Personality (Meenaghan, 1995) as it translates the identity of the brand through elements such as images or the logotype (Batra & Homer, 2004). As so, Brand Image somehow reflects one's affinity or empathy towards the brand, in the sense that the person shares the emotions the brand translates.

Secondly, even though some authors suggested that perceived price is a measure of perceived quality because a higher price is associated with higher quality (Jacoby et al., 1971; Dawar and Parker, 1994; Linnemer, 2002; Tsiotsou, 2006), there seems to be evidence on a

more complete indicator which is the perceived utility. As defined by Balasubramanian, Raghunathan and Mahajan (2005), this construct influences the purchasing decision once it measures the difference between the perceived benefits derived from the product and the cost of obtaining it (i.e. the price). These benefits might be translated into the usefulness of the product in the sense that it will help people to perform a certain task better (Davis, 1989; Gefen, Karahanna & Straub, 2003; Yang, Jun & Peterson, 2004).

According to the existent literature (Dabholkar, 1996; Jun, Yang & Kim, 2003; Moorthy and Hawkins, 2005), another important measure of perceived quality is the ease of use. Dabhokar (1996) defined it as the "effort required to use" the product (p.32) which can be related to the level of complexity it offers. Davis (1989) and Adams, Nelson and Todd (1992) indeed highlighted the distinction between ease of use and usefulness of a product and the terms are often confused.

In addition, the composition of a product is one of the first things which consumers take into consideration when evaluating the value of a product (Jacoby et al., 1971; Dawar and Parker, 1994). Product composition may also be defined as the physical attributes which characterize an object as of the aesthetical design, durability of the materials, size, style, (Garvin, 1984; Jacoby et al., 1971) or intrinsic cues like taste, freshness, presentation, texture, colour or aroma (Zeithalm, 1988; Jang and Namkung, 2009).

Finally, another factor which is quite crucial for people to believe in the quality of a product is its reliability, also known as credibility. This construct has been approached by many researchers (Garvin, 1984; Chebat, Filiatrault, Gelinas-Chebat & Vaninsky, 1995; Dabholkar, 1996; Jun et al., 2004) who described it as the extent to which people believe that the product is able to perform the promised. Adding to this, one can also take as important insights the contributions of the marketing theory which built upon the signals of credibility which attribute quality to a product on an advertisement (Rao, Qu & Ruekert, 1999).

Overall, by applying all the constructs mentioned above to the Crowdfunding reality, I posit that the better people evaluate each of them in a product, the more money they are willing invest in the corresponding campaign (Belleflamme et al, 2014). For instance, people should rather prefer investing in a credible, easy to use and understandable idea than in a project which does not seem to be trustable and transparent at all (Yang et al., 2004). Likewise, if they see a clear utility in a product and identify with the respective brand, they will probably be inclined to pledge for it. Being all these indicators of perceived quality and for all that has been mentioned, knowing that apparently people seem to search for products higher in quality (Garvin, 1984), I want to test the following hypotheses under the scope of the phenomenon of online Crowdfunding and taking the pitch video as the main "instrument" for evaluating an idea,

- *Hypothesis 1 - Perceived Brand Image positively influences the Pledged Amount.*
- *Hypothesis 2 - Perceived Utility positively influences the Pledged Amount.*
- *Hypothesis 3 - Perceived Ease of Use positively influences the Pledged Amount.*
- *Hypothesis 4 - Perceived Product Composition positively influence the Pledged Amount.*
- *Hypothesis 5 - Perceived Reliability positively influences the Pledged Amount.*

And a more generic one which is used to analyse the overall impression of the quality,

- *Hypothesis 6 - Perceived Quality positively influences the Pledged Amount.*

2.3.2 - Trust in the campaign success

If an entrepreneur chooses to try to raise money from the crowd on a Crowdfunding platform to finance an idea, he or she has to set a funding goal, regardless of the type of platform and model applied. Then, the different "believers" within the crowd pledge money if they expect a good return out of their investment and the funding success of the campaign is measured in a simple ratio: *Pledged Amount / Funding Goal*. For instance, one of the most successful projects of all time on Kickstarter, *Coolest Cooler,* raised $13.285.226 when the

funding goal of the campaign was only $50.000 which translated into a funding success of approximately 26570%. However, if a campaign doesn't reach the funding goal and, hence, the funding success is below 100% at the end of the pledging period (up to 60 days on Kickstarter but preferably 30 days according to the staff), it means that the money is not going to be debited from investors' bank account. This is basically the all-or-nothing model (Hemer, 2011) which Kickstarter and Equity-based platforms themselves believe to be less risky and more motivating for both parties involved (project owner and backer). Bradford (2012) distinguished this model from the one alternative practiced by Indiegogo, another Crowdfunding platform. Indeed, while Kickstarter charges owners with a 0% or 5% fee if projects are respectively non-successful and successful, Indiegogo allows entrepreneurs to charge their money immediately, charging 9% if they do not reach their funding goal and only 4% if they do so.

From the investor perspective, if the model applied by the platform is the all-or-nothing, I admit that one only pledges money for a campaign when he or she somehow trusts in its success because otherwise it would be just a waste of time. Likewise, in platforms like Indiegogo, investors might not want to put money on a project they do not believe to have good chances to be successful as the risk of losing the money is much higher. I finally posit that the more investors perceive quality in a project or any component which measure it, the more they will trust in its success once they will tend to think that everyone else made the same judgement. Therefore, I hypothesize:

- *Hypothesis 7.1 - Trust in the campaign success mediates the relation between the Perceived Brand Image and the Pledged Amount.*
- *Hypothesis 7.2 - Trust in the campaign success mediates the relation between the Perceived Utility and the Pledged Amount.*
- *Hypothesis 7.3 - Trust in the campaign success mediates the relation between the Perceived Ease of Use and the Pledged Amount.*

- *Hypothesis 7.4 - Trust in the campaign success mediates the relation between the Perceived Product Composition and the Pledged Amount.*
- *Hypothesis 7.5 - Trust in the campaign success mediates the relation between the Perceived Reliability and the Pledged Amount.*

And the overall hypothesis which refers to the generic concept of perceived quality:

- *Hypothesis 7.6 - Trust in the campaign success mediates the relation between the Perceived Quality and the Pledged Amount.*

2.3.3 - Risk-profile

Lastly, I assume that the profile of the investor also influences the amount of the pledge as research show us that the fear of losing money affect people's behaviour (Lejuez et al, 2002). Inclusively, Hemer (2011) suggested that there is a lack of literature on this. For the extent of this research, I will then take the risk profile of each individual into consideration as I presume that the more averse to risk investors are, the less money they tend to bet on the new product, service or venture. For example, the risk of fraud approached by Burkett (2011), i.e. the possibility that the project owners deliberately fail to deliver the promises they made, might be a factor to repel those who don't like risk. Furthermore, when the return of the investment are shares of the company, as of the case of Equity-based Crowdfunding, the likelihood that the company fails is relatively high and subject to the market conditions (*Framework for European Crowdfunding*, 2012) which, once again, is not appealing for those who don't like to put their money in risk. As also shown by Kuppuswamy and Bayus (2014), the ones who want to reduce the risk in the face of information uncertainty tend to adopt a herding behaviour by contributing to campaigns that already have a lot of support from the community. Bearing all this in mind, I posit:

- *Hypothesis 8.1 - Risk Profile (measured by Risk Aversion) negatively moderates the relation between the Perceived Brand Image and the Pledged Amount.*

- *Hypothesis 8.2 - Risk Profile (measured by Risk Aversion) negatively moderates the relation between the Perceived Utility and the Pledged Amount.*
- *Hypothesis 8.3 - Risk Profile (measured by Risk Aversion) negatively moderates the relation between the Perceived Ease of Use and the Pledged Amount.*
- *Hypothesis 8.4 - Risk Profile (measured by Risk Aversion) negatively moderates the relation between the Perceived Product Composition and the Pledged Amount.*
- *Hypothesis 8.5 - Risk Profile (measured by Risk Aversion) negatively moderates the relation between the Perceived Reliability and the Pledged Amount.*

Also, following the same reasoning as before, a more generic hypothesis:

- *Hypothesis 8.6 - Risk Profile (measured by Risk Aversion) negatively moderates the relation between the Perceived Quality and the Pledged Amount.*

Finally, another hypothesis which refers to the interaction between the mediating variable and the dependent variable:

- *Hypothesis 8.7 - Risk Profile (measured by Risk Aversion) negatively moderates the mediating effect of the Trust in the Campaign Success on the Pledged Amount.*

The conceptual model can be divided into two parts and might be observed below:

Figure 1 – *Conceptual Model Part 1*

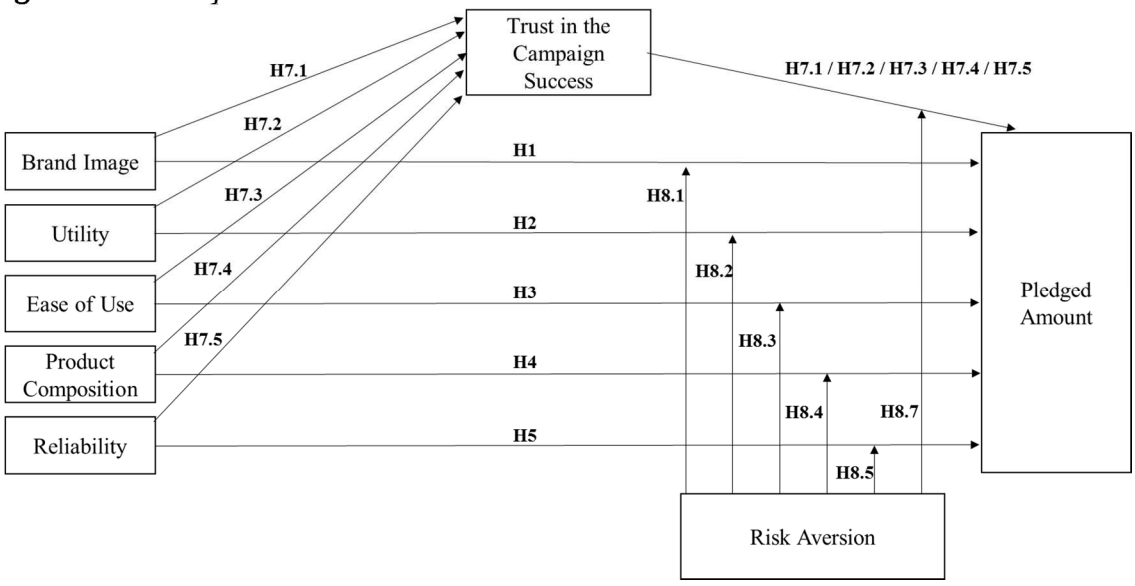
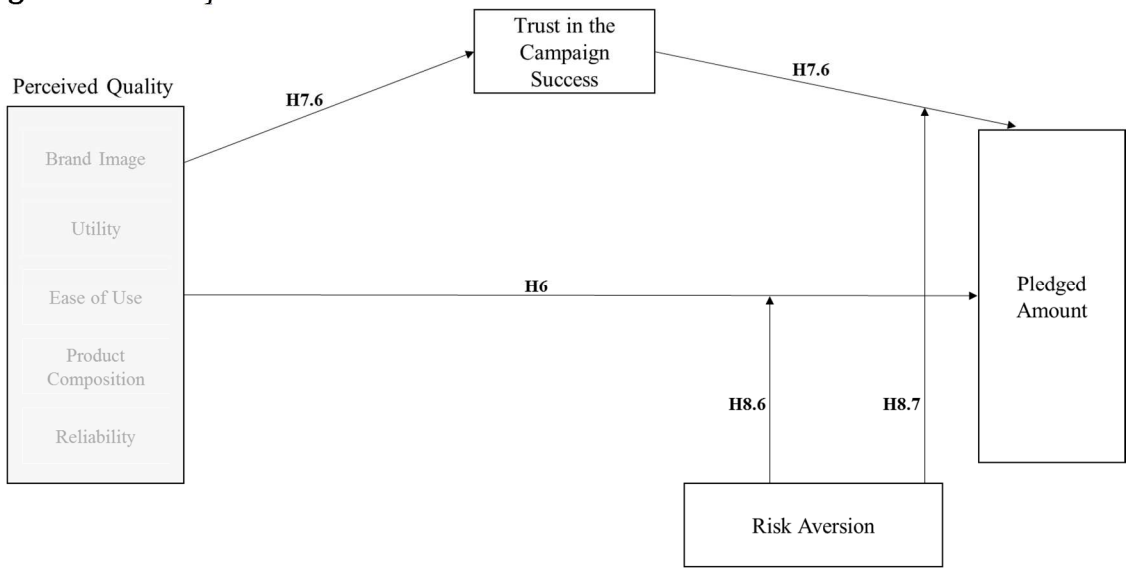


Figure 2 – *Conceptual Model Part 2*



3 - Methodology

3.1 - Context

According to Mollick (2014), most of the new studies on the field of Entrepreneurship tend to adopt an explorative approach and, indeed, research on Crowdfunding reveals to be consistent with this tendency (Giudici, Guerini and Lamastra, 2013). However, while these studies seem to be more qualitative by seeking to develop the concepts and definitions related to the topic, Mollick (2014) proposed the first qualitative study through an analytical approach over the dynamics of this phenomenon, more specifically on the likelihood of success of a new form to raise money.

Contrarily to what has been done, this research in particular follows the causal or explanatory approach suggested by Blumberg, Cooper and Schindler (2014) by empirically testing hypotheses which might help filling the gap identified by Belleflamme et al. (2010, 2014) regarding the understanding of the roles of Crowdfunding platforms. Indeed, it aims to provide an explanation for the success of Crowdfunding campaigns based on the effect of the

perception of the pitch video. As Blumberg et al. (2014) refer, it will try to hunt up the "why" of the question.

3.2 - Sample and Procedures

For the extent of this analysis, primary data was collected through a web-based survey with an experimental design spread mainly through social media. The main advantages of this were that it allowed to save money and time in collecting responses, protect anonymity, attract large quantities of participants and also enabled the inclusion of videos and other interactive features. In fact, for the purpose of the experimental manipulation, Crowdfunding pitch videos needed to be uploaded so that people could evaluate a few characteristics of the presented ideas on the videos and, lastly, play a short investing game where they had to allocate virtual money among these ideas. This would lately allow to test the hypotheses mentioned in the previous section.

Given the fact that the participants permitted on Crowdfunding platforms are people who are online and who are at least 18 years-old, it also made sense to assume a similar target. The survey was partially self-selected and partially targeted, both by email and through social media. It was assumed that every possible respondent over-18 could be a backer of a Crowdfunding campaign. As a matter of fact, this age threshold was the only discrimination made (highlighted on the spread post and email text), with the aim to replicate as much as possible the reality of the platforms under analysis and get an accurate approximation to the whole population's behaviour.

The experimental survey was firstly spread on the 4rd November 2015 by the researcher all over his social network on Facebook and Linkedin. While many of his friends and "friends of friends" also shared themselves the survey on their own networks, a reminder was sent twice until the survey was closed after being active for roughly 10 days. At the same time, it was emailed to approximately 100 people more including friends, family, employees of Portuguese

firms and the teaching staff of a top university in Portugal. At the end, the number of responses collected surpassed the initial goal of N=100 in 27 units.

Due to the limitations of sampling on the internet, the exact number of the people who were confronted with the survey is almost impossible to know. However, it was evidently assumed that all the target members – online users – were present, even though there was a limitation that they did not have all the same chance of being included (Blumberg et al., 2014). One can also argument for convenience sampling and snowball sampling as it included both informal pools of friends and others who got to know the survey by word-of-mouth (Blumberg et al., 2014).

3.3 – Web-survey experimental design and measures

A web-survey was developed in order to collect data to be used as input to test the hypotheses. As previously mentioned, this kind of surveys has been shown to be quite useful for realizing experiments (Fricker, 2008), which was indeed the case of this approach. The survey was divided into four distinguishable parts: demographics of the participants; risk-profile assessment; Crowdfunding reality - visualization and evaluation of Crowdfunding videos; and, finally, an investing game:

a) In the demographics, participants were asked about their age, country, gender and current occupation in multiple-choice-single-response-scales.
b) In the following part, a risk test was adopted from Nicholson et al. (2005) to assess the risk profile of the participants, more specifically, the Risk Taking Index (p.160). Participants were asked to evaluate the frequency with which they had been exposed to situations under six risk domains (recreational, health, career, financial, safety and social). To do this, a side by side graph was used for participants to distinguish their present behaviour from the past one in a 5-item Likert scale (never; rarely; quite often; often; very often). The Risk Profile was measured in terms of the risk aversion which is basically inverted Risk Taking Index.

c) The most extensive part was the third one. First of all, participants were asked in a 5-item Likert scale three questions about their knowledge about Crowdfunding and the frequency of visits and participation in Crowdfunding platforms. If their knowledge was poor, they were shown a short description of the phenomenon so that they could do the rest of the survey with greater precision. Then, participants were asked to evaluate in 5-stars scale (with half-step interaction) four different products presented on Crowdfunding videos in terms of the perceived brand image, utility, ease of use, product composition and reliability. Even though the measurement of the constructs could have been dived into different sub-concepts, a single and generic question was asked in order to avoid further extension of the survey and consequently discourage people to answer it. Then, in order to measure the trust in the campaign success, participants were asked to rank the videos to assess which ones they believed people in general were more interest in.

d) The final part consisted of an investing game aimed to replicate the Crowdfunding dynamics. Participants were firstly informed that the products they had evaluated before existed for real on a Crowdfunding website and that the funding goal had been the same for all of them. Then, they were asked to allocate 1000 units of money among the campaigns as they wished, knowing that if they invested in the project that had been most successful (i.e. the one which had raised more money) their money would multiply by 3; the second one would double the money; the third one would multiply the investment by 1 and the least successful would make them lose the money. Furthermore, in order to recreate what happens in real life, they could also have kept the money for themselves which would give them 1.5 times the money they had before.

3.3.1 - Note: Criteria to pick the video pitches

The criteria to pick the pitch videos was carefully chosen by the researcher. The main goal was to ensure that people could not see an obvious discrepancy in quality between the

videos. In order to somehow guarantee this, only campaigns with a funding success above 100% were chosen – participants did not know that initially – and all had exactly the same funding goal (100.000€) so that bias on the decisions in the investment game could be avoided. Secondly, the ideas presented should have been somehow comparable and easily evaluated. The distinction made by advertising theory between search and experience goods (Nelson, 1970; Moorthy and Hawkins, 2005) was crucial to take into consideration as the former refer to the products which consumers can accurately verify their quality before purchasing (e.g. clothing; furniture) and the latter to the ones whose quality cannot be completely predicted before purchasing (e.g. food). Therefore, all the chosen products were single search physical products under the category of product design on Kickstarter and all related to technology (see table 5 of appendix 1).

Out of approximately fifty videos visualized on Kickstarter four were picked (appendix 1): BeOn, a lightbulb; Galileo, a gadget defined by their founders as a "motion platform" for iOS devices; Melon, a headband to measure focus levels; and Tinitell, a wearable mobile phone for kids.

3.4 - Analytical Strategy

3.4.1 - Single-Factor Analysis

The very first step of the analytical strategy was to create a new variable which could not be measured directly through the web-based experimental survey – Perceived Quality. Based on the evidence found that all the constructs evaluated on the videos (Brand Image, Utility, Ease of Use, Product Composition and Reliability) are measures of Perceived Quality, it would have been an option to calculate the arithmetic average of all the constructs. Instead, aiming for greater precision, a Factor Analysis with a one single factor was computed to predict a new component.

3.4.2 – Multiple Regression Analysis

In order to test all the hypotheses visualized on the conceptual model in figures 1 and 2, multiple linear regressions were made. Nine main regressions were developed in order to explain the pledged amount on the videos and two more complementary regressions were also computed to test the effect of the "trust in the campaign success" as a mediator. All the variables included can be summarized in table 10 of appendix 5.

4 - Results

4.1 Data preparation

The web-based experimental survey was designed and conducted on Qualtrics. In total, for an experiment which was supposed to take about 20 minutes, 300 people opened the survey and 269 replied to one question at least. However, only 139 valid responses were counted (~54% dropout rate) and out of these 12 more were considered invalid as the participants took less than 8 minutes to finish the survey – this threshold was defined by the researcher as the corresponding data could bias the final results. At the end, 127 responses were considered valid as input for the regressions. Most of the participants who replied to the survey were Portuguese (~81,9%), whereas the 23 remaining respondents were distributed more or less equally among 12 other countries (Belarus, Canada, Finland, France, Germany, Guatemala, Italy, Netherlands, Republic of Moldova, Spain, Turkey and United Kingdom and Northern Ireland). Moreover, the majority of valid surveys came from man (~59.1%) as woman only accounted for 40.9% of the responses. Also, the age of participants ranged from 18 to 73, covering thirty five different birth years, and about 60% were between 22 and 26 years-old. Regarding their current occupation, 56 accounted for being solely working, 47 declared to be students, 20 did both things and only 4 didn't fit in any of these categories.

The results were extracted from Qualtrics to IBM SPSS Statistics for computing the regressions to test the hypotheses. On SPSS data was organized as follows. Each participant

was divided into four different observations: one for each of the pitch videos with the correspondent evaluations of the constructs, trust in the campaign success and pledged amount. At the end, the dataset had 508 observations. Some variables were transformed so that hypotheses could be accurately tested. For instance, the trust in the campaign success was reflected as the higher the number the more they trust (i.e. $x \rightarrow (K+1) - x$), where K is the largest possible number of the previous scale) while risk aversion was calculated by reciprocally inverting the Risk Taking Index, i.e. $x \rightarrow 1/x$ (Pallant, 2013). Furthermore, as people have different evaluation criteria once some tend to be pickier than others, a new standardized variable was computed for the evaluation of each construct so that results could be compared in percent values. It was calculated weighting the score of a specific construct in one product over the sum of all evaluations of the same construct in all the products. For instance, if one person evaluated the construct brand image of Beon, Galileo, Melon and Tinitell, respectively with 2, 3, 3 and 4 stars, the sum would be 12 and the new variable values would be ~0.166, 0.25, 0.25 and ~0.33.

4.2 - Descriptive Statistics

4.2.1 – The Average Participant

If one analyses the responses of the average participant, i.e. the mean of all the answers of the 127 participants whose surveys were considered valid for testing the hypotheses, it is possible to verify that his knowledge about Crowdfunding is between fair and good (μ=2.69). Also, he rarely visits Crowdfunding platforms (μ=2.02) and it is even more rare that he ends up participating in any way (μ=1.48). However, an interesting fact which goes along with the hypotheses formulated in this research (further on tested) is that the average valid participant was more or less coherent when he evaluated the pitch videos, when he expressed his belief on the success of each product presented and also when he allocated the money among the different campaigns. In fact, as highlighted in the appendix 2, both Galileo and Tinitell tended to score higher in the evaluation of the constructs, trust in the campaign success and also on the final

investment (pledged amount). Beon followed in third place, whereas Melon was the least preferred product for the average participant.

4.2.2 - Mean, Standard Deviations and Correlations

As previously mentioned, in order to standardize all participant's evaluations of each of the constructs related to each product, a new variable was computed so that results could be compared. This variable was measured in percentage terms and indeed was the one which was considered for hypothesis testing instead of the normal evaluations on the 5-stars scale. Naturally, as each participant is responsible for four observations of the final data set (127 x 4), the sum of the percentages corresponding to each product is equal to 1 as shown by the example at the end of section 4.1. Thus, the mean of the new variables for brand image, utility, ease of use, product composition and reliability is irremediably 0.25 (127 ÷ 508). Likewise, the mean of the trust in the campaign success, which was measured through a rank from 1 to 4 and later on inverted, was calculated by dividing the total number of participants (508) into the sum of the rankings for everyone (1 + 2 + 3 + 4 = 10) times the number of participants (10 x 127 ÷ 508) which ended up in 2.5.

As previously mentioned, a factor analysis using the orthogonal technique Varimax rotation was computed on SPSS in order to calculate a new single factor "perceived quality". This computation included all the items previously indicated to measure it, which were basically the standardized constructs evaluated on the pitch videos during the survey: brand image, utility, ease of use, product composition and reliability. After analysing the factorability of the correlation matrix (table 7, appendix 3) it was possible to verify that all the variables were considered suitable for the analysis as they all registered significant correlations greater than r=0.3 without having multicollinearity problems (Pallant, 2013). Furthermore, the Barlett's test of sphericity also demonstrated a very good significance at $p < 0.01$ level and the Kaiser-Meyer-Olkin measure of sampling adequacy also registered a very good value (0.823 > 0.6). Finally,

by looking at the Component Matrix (table 8, appendix 3) it is visible that all the high loadings suggested a consistent one-factor.

Apart from the correlations mentioned above, the relationship between the other continuous variables included in the model can be visible in the table 9 of appendix 4 (Pearson's correlations) as well as the means and standard deviations. Before testing the hypotheses, one could in fact notice that, apart from the main constructs of perceived quality evaluated on the videos (variables 6 to 10 in table 10, appendix 4) and the overall component itself (variable 11 in table 10, appendix 4), also the mediating variable trust in the campaign success had a very significant and positive relation with the pledged amount on the videos, which revealed to be a reasonable harbinger for further on confirming some of the hypotheses. Indeed, for instance the variable perceived utility correlated at a $p < 0.01$ significance level with a great factor ($r = 0.583$) with the pledged amount, whereas the trust in the campaign success also registered a very strong indicator $r=0.705$. Contrariwise, the moderator risk profile (measured by risk aversion), registered no correlation at all with any of the items besides two control variables, gender and Crowdfunding knowledge, as the values were negative and significant.

4.3 – Inferential Statistics - Hypotheses Testing / Manipulation Check

After preparing the dataset, multiple linear regressions were run in order to test the hypotheses and somehow measure the impact of the manipulation of the web-based experimental survey. According to Blumberg et al. (2014), this was feasible as all the variables were interval or ratios and the only dummy variable was the gender (0 = female; 1 = male). In total, eleven regressions were computed on SPSS in a somehow hierarchical approach. Regressions 1, 2, 3, 4, 5, 6, 7, 8 and 9 had the pledged amount as the dependent variable, while regressions 5.1 and 6.1 were separately used to further test the hypothesized mediating effect of the trust in the campaign success. The variables included in each regression can be visualized in table 10 of the appendix 5 as well as the hypotheses they suggested to test.

The main regressions (1-9) and the complementary ones (5.1 and 6.1) can be visualized in the following tables:

Table 1 – *Regressions Results (Dep. Variable – Pledged Amount)*

	Regressions								
	1	2	3	4	5	6	7	8	9
Brand Image (BI)		-11,508			18,859		-643,247		
		(116,37)			(100,36)		(516,40)		
Utility (U)		1206,215***			506,647***		692,442		
		(115,85)			(113,18)		(572,09)		
Ease of Use (EU)		277,284			17,480		477,200		
		(171,56)			(149,23)		(783,80)		
Product Composition (PC)		353,267**			159,286		417,194		
		(151,30)			(131,28)		(722,26)		
Reliability (R)		52,522			-103,577		228,884		
		(135,26)			(117,22)		(593,06)		
Trust in the Campaign Success (TCS)				136,005***	108,119***	118,132***			103,612***
				(6,09)	(8,23)	(7,78)			(26,92)
Risk Profile - Risk Aversion (RA)							-3457,982	617,455	-1285,927
							(4104,40)	(882,70)	(1709,78)
Perceived Quality (PQ)			115,304***			31,587***		63,164*	
			(8,14)			(8,71)		(33,53)	
BI*RP							14535,324		
							(11845,68)		
U*RP							12410,450		
							(13723,28)		
EU*RP							-4589,154		
							(18729,28)		
PC*RP							-1568,289		
							(17030,29)		
R*RP							-4487,661		
							(14822,50)		
PQ*RP								1236,240	
								(771,24)	
T*RP									761,426
									(616,46)
Control Variables									
Age	0,314	0,312	0,313	0,314	0,313	0,314	0,304	0,305	0,305
	(0,86)	(0,69)	(0,72)	(0,61)	(0,59)	(0,60)	(0,69)	(0,72)	(0,61)
Gender	-2,386	-2,407	-2,392	-2,386	-2,394	-2,387	1,184	1,201	1,208
	(20,43)	(16,42)	(17,28)	(14,48)	(14,16)	(14,31)	(17,16)	(18,01)	(15,11)
Crowdfunding_Knowledge	-6,023	-6,045	-6,030	-6,023	-6,032	-6,025	-4,809	-4,792	-4,785
	(12,84)	(10,32)	(10,86)	(9,10)	(8,90)	(8,99)	(10,47)	(10,99)	(9,22)
Crowdfunding_Visit	-4,175	-4,180	-4,176	-4,175	-4,177	-4,175	-5,064	-5,061	-5,060
	(14,89)	(11,96)	(12,59)	(10,55)	(10,32)	(10,43)	(12,04)	(12,64)	(10,60)
Crowdfunding_Participation	-3,377	-3,373	-3,376	-3,377	-3,375	-3,377	-3,007	-3,010	-3,011
	(15,35)	(12,34)	(12,98)	(10,88)	(10,64)	(10,75)	(12,37)	(12,98)	(10,89)
R-square	.003	0.362	0.288	0.5	0.527	0.513	0.368	0.292	0.502
Adjusted R-square	- 0.007	0.349	0.280	0.494	0.516	0.506	0.348	0.281	0.494
F-statistic	.286	28.236***	33.799***	83.498***	50.229***	75.188***	17.891***	25.785***	62.929***

n = 508; unstanderdized coefficients and standard errors (in parenthesis) are reported.

*p < 0.10 ; **p < 0.05; ***p < 0.01

Table 2 – *Regressions Results (Dep. Variable – Trust)*

Regression Results (Dep.variable - Trust)

	Regressions	
	5.1	6.1
Brand Image (BI)	-0,281	
	(0,55)	
Utility (U)	6,470***	
	(0,54)	
Ease of Use (EU)	2,403***	
	(0,81)	
Product Composition (PC)	1,794***	
	(0,71)	
Reliability (R)	1,444***	
	(0,64)	
Perceived Quality (PQ)		0,709***
		(0,04)
Control Variables		
Age	0,000	0,000
	(0,00)	(0,00)
Gender	0,000	0,000
	(0.08)	(0.08)
Crowdfunding_Knowledge	0,000	0,000
	(0,05)	(0,05)
Crowdfunding_Visit	0,000	0,000
	(0,06)	(0,06)
Crowdfunding_Participation	0,000	0,000
	(0,06)	(0,06)
R-squared	0.476	0.401
Adjusted R-squared	0.465	0.394
F-significance	45.136***	55.896***

n = 508; unstanderdized coefficients and standard errors (in parenthesis)
*p < 0.10 ; **p < 0.05; ***p < 0.01

As seen above, in the very first regression only the control variables were tested. None of these – age, gender, Crowdfunding knowledge, Crowdfunding visits and Crowdfunding participation – revealed to be significant and remained in all the other models for controlling purposes. In the regression 2, hypotheses from 1 to 5 were tested and almost all the betas were positive as predicted. However, only the variables perceived utility and perceived product composition showed to be significant predictors of the pledged amount. Then, regression 3 tested only hypothesis 6 (visible on the second part of the conceptual model in figure 2) and verified that perceived quality of a video has a very significant positive effect on the pledged amount. As so, an increase in one unit of perceived quality had a positive impact of 115.304 units on the amount pledged for a product.

In order to start measuring the effect of the mediating variable "trust in the success of the campaign" in the model and therefore testing hypotheses 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7, regression 4 was computed where this variable was the only one included besides control variables. As showed above, the beta revealed to be positive (136.005) at a significance level of $p < 0.01$ meaning that the more people trusted the success of the campaign the more money they usually invested on it. Following steps aimed to measure the impact of the mediator in the first and second parts of the conceptual model (figure 2). Indeed, regressions 5 and 5.1 tested the hypotheses related to the constructs perceived brand image, utility, ease of use, product composition and reliability, whereas regressions 6 and 6.1 tested the hypotheses regarding the variable perceived quality itself. As the analysis of the main or direct effects just confirmed significant outcomes for hypotheses 2, 4 and 6, only hypotheses 7.2, 7.4 and 7.6 could be checked. As so, albeit all perceived utility, product composition and quality, significantly and positively affected the trust in the campaign success, they all lost power (beta decreased) and inclusively the variable perceived composition lost significance. On one hand this means that, for both perceived utility and quality, the trust in the success of the product presented on the pitch videos partially mediated the relation with the pledged amount. On the other hand, the mediator assumes a fully mediation effect on the relationship between the perceived product composition and the pledged amount.

Finally, regressions 7, 8, and 9 were run in order to test hypotheses from 8.1 to 8.7 which reflect the effect of the risk profile of the participant (measure by risk aversion) as a moderator of the effect that all the other variables have on the depended variable. As so, regression 7 included the variables perceived quality, utility, ease of use, product composition and risk profile; regression 8 included the variable perceived quality and risk profile; and regression 9 contained the mediator trust in the campaign success and the moderator as well. Though, after computing the regressions, the basic condition that the moderator should have a significant

effect on the depended variable was not verified and therefore all these hypotheses could not be confirmed. Indeed, this had been kind of predicted by the absence of any type of correlation involving the risk profile.

Overall, the hypotheses testing outcome can be summarized in the following table:

Table 3 – *Hypotheses Testing*

Final Hypothesis		
		Supported
H1	BI positively influences the PA.	no
H2	U positively influences the PA.	**yes**
H3	EU positively influences the PA.	no
H4	PC positively influences the PA.	**yes**
H5	R positively influences the PA.	no
H6	PQ positively influences the PA.	**yes**
H7.1	TCS mediates the relation between the BI and the PA.	no
H7.2	TCS mediates the relation between the U and the PA.	**yes (partially)**
H7.3	TCS mediates the relation between the EU and the PA.	no
H7.4	TCS mediates the relation between the PC and the PA.	**yes (fully)**
H7.5	TCS mediates the relation between the R and the PA.	no
H7.6	TCS mediates the relation between the PQ and the PA.	**yes (partially)**
H8.1	RA negatively moderates the relation between the BI and the PA.	no
H8.2	RA negatively moderates the relation between the U and the PA.	no
H8.3	RA negatively moderates the relation between the EU and the PA.	no
H8.4	RA negatively moderates the relation between the PC and the PA.	no
H8.5	RA negatively moderates the relation between the R and the PA.	no
H8.6	RA negatively moderates the relation between the PQ and the PA.	no
H8.7	RA negatively moderates the mediating effect of the TCS on the PA.	no

Concluding, another interesting and relevant analysis of these regressions regards the evolution of the adjusted r-squares as they indicate a real estimation of the population value for the explained variance in the depended variable caused by the different models (Pallant, 2013). These values ranged from really close to 0 in the first regression model where only the controls were tested, up to 0.527 in regression 5 where the variable trust in the campaign success was tested to mediate the relation between the constructs of perceived quality and the pledged amount. The latter value, for instance, indicates that regression 5 explains around 53% of the variance in the pledged amount.

5 - Discussion

All the hypotheses of the current study were formulated in order to address the research problem mentioned in the introduction chapter of this research: *"To what extent does the perceived quality of the presented products on a pitch video of a Crowdfunding campaign have an effect on its success?"*. As a matter of fact, these hypotheses tested the success of the manipulation applied by the researcher on a web-based experiment which aims to analyse if participants were coherent when evaluating the quality of the products presented on the videos and further investing money in them.

After analysing the statistical results demonstrated in the previous section, although it is possible to verify that not all the assumed hypotheses could be confirmed, some variables revealed to be good predictors of the pledged amount of a Crowdfunding campaign and, hence, of its success as well. Within the elements of perceived quality that participants were asked to measure in the pitched products on the videos – brand image, utility, ease of use, product composition and reliability – only the utility of the ideas and their physical composition demonstrated to be significant determinants of the amount invested. Although perceived brand image, ease of use and reliability didn't register significant coefficients in the model with all the constructs involved (see regression 2 in table 1) and, thus, could not be defined as predictors of the pledged amount, it has been shown by the positive Person's correlations (table 9) that all these variables tended to move in the same direction at a great significance level. This means that there is indeed positive relationship between these variables when they work individually.

Perceived utility, which was described in the survey as the "benefits derived from the product less the perceived costs of obtaining it" and the "number of useful features" (Davis, 1989; Gefen, 2003; Yang et al., 2004; Balasubramanian et al., 2005), was the construct with the highest and most obvious impact on the pledged amount which is explained by the great beta coefficient and a very low *p*-value in the outcome of the regression. Then, participants'

perception of the composition of the product, which referred to its “aesthetics, design, style, colours, materials and size” (Jacoby et al., 1971; Garvin, 1984), also indicated to have an impact on the amount invested in the correspondent campaign, albeit it was not as strong and significant as the perception of utility.

After testing the individual elements of product quality, the researcher also assessed if the overall construct had itself an impact on the pledged amount of the campaign. Consequently, a valid and consistent measure of the overall perceived quality was successfully calculated with all the elements already mentioned, and further on computed in a regression. At the end, this was also found to have a significant impact on the amount pledged by a backer in a Crowdfunding project, corroborating the relevance of the research problem.

As hypothesized in section 2.3.2, for a campaign to be successful it should have enough backers who trust and invest on it so that the funding goal previously set by the owners is achieved. Therefore, it was also tested and significantly confirmed that the parameter construct “trust” (measured by the conviction that other people like the product), assumes a mediating role in the relation between perceived utility, product composition, and product quality and the amount pledged. Hence, a regular participant of this study who would attribute a relatively high score to a product in both utility and composition parameters, would consequently believe more in the success of the product and, in the end, would also make him pledge more money for it comparing to other alternative products. In the case of the perceived product composition, the full mediation role of the trust in the campaign success indicates that it completely accounts for the relationship between the independent and dependent variable, which does not happen to be the case with the partial role of the mediator between perceived utility or the overall perceived quality with the pledged amount (Rucker et al., 2011).

Contrarily to what has been predicted, though, the risk profile of the participants did not have any kind of influence in the models as those who were more risk averse did not restrict

themselves from investing. Two main reasons might explain this: first, the Risk Taking Index measured by the test of Nicholson et al. (2005) is a self-assessment which weights the past and present behaviour in an equal manner which could have biased the results; secondly, because some variables could not be included in the model due to the nature of the experiment, such as the risk of fraud by the project owners (Burkett, 2011) or even the information of how many people from the community already supported the projects (Hemer, 2011; Kuppuswamy and Bayus, 2014).

5.1 - Contributions

5.1.1 - Scientific implications

This research is consistent with what has been done in the field of entrepreneurship and more specifically in the evaluation of the new recent phenomenon of Crowdfunding. As Belleflamme et al. (2014) highlighted, it is of extreme importance to keep on grasping on what the roles of Crowdfunding platforms are as well as to collect better understandings of the dynamics involved (Burtch, Ghose and Wattal, 2013; Mollick, 2014). Furthermore, Giudici et al. (2013) also suggested that future research should seek to explain what motivates people to take part in Crowdfunding initiatives and the results of this study responds to this as well. This research contributes to all this in the sense that it focuses on one of the most important aspects which characterize campaigns: the pitch video (Kuppuswamy and Bayus, 2014; Wheat et al, 2013; Clair, 2014). Contrarily to the exploratory tendency of existent evidence, this study uses an explanatory approach to understand why some projects are successful and others not (Hui, Gerber & Greenberg, 2012). As a result, it followed an innovative experiment which replicated the dynamics of a Crowdfunding platform and evaluated the effect of the perception of the pitch video - more particularly the visible elements of product quality – in the investing decisions.

Apart from the mentioned contributions for entrepreneurship theory and for the stream of Crowdfunding in specific, this research should be also useful for consumer-behaviour theory as it draws some important conclusions regarding the elements of quality that mostly influence

a decision to purchase a product (Moorthy and Hawkins, 2005). Furthermore, despite the relatively homogeneous characteristics of the sample in terms of geography, marketing theory can also take advantage of this as it also elaborates on some quality signals which might be adapted to the study of marketing universals (Dawar and Parker, 1994). Also, advertising studies might see useful implications regarding the assessment of the most effective elements in persuading people to favourably decide towards a product.

5.1.2 - Entrepreneurial and Managerial implications

The outcome of this study may also helpful for entrepreneurs and innovators themselves. Indeed, those who aim to attract funding for their new concepts or ideas should clearly highlight the benefits which they offer in contrast to the costs of acquiring those (Balasubramanian et al., 2005). As so, it has been shown that the perceived utility is one of the most important aspects that project backers take into consideration when making an investment decision. Likewise, this research indicated that the composition of the product in terms of its design, aesthetics, colours and materials, is also of great significance for investors who seek to support new projects in exchange for huge returns. In Crowdfunding platforms, more specifically, it has been shown that everyone else's opinion of a product matters for an individual's investment decision (Kuppuswamy and Bayus, 2014), which was somehow proved with the mediation role of the trust in the campaign success.

Following a different perspective from Chen et al. (2009), who elaborated on the importance of entrepreneurs' preparedness over their passion in order to persuade venture capitalists or business angels, this research focuses on the characteristics of the products presented and elucidates for the perception of quality in those rather than on the quality of the business plan.

5.2 - Limitations and future research

As any other research, this one has a few limitations which are important to refer. First of all, the characteristics of the sample are not ideal in terms of geographic distribution as 82 percent of the participants were Portuguese. Also, the knowledge about Crowdfunding of the sample was below "good" (mean = 2.69) and the frequency of visits and participation in Crowdfunding platforms was even worse. Most likely, it would have been a better proxy to have a more realistic set of respondents as, for instance, people from the 10 countries – USA, UK, Canada, Australia, Germany, France, Sweden, Japan, Netherlands and Singapore – which account for 85% of the pledges on Kickstarter (*Statista, www.statista.com*). Second of all, the experiment based on the web-based survey could not reproduce in total (albeit inevitably) other very important aspects of a Crowdfunding platforms such as the types of rewards involved, the current status of the funding levels or even the already mentioned number of backers (Hemer, 2011; Kuppuswamy and Bayus, 2014). Also, as stated before, the risk of fraud (Burkett, 2011) could not be replicated and hence the evaluation of the risk profile of the participants may transpire some dimness. In addition, given the diversity of the project categories presented throughout Crowdfunding platforms, it may also be considered a limitation the restricted choice of the pitch videos for the intention of the experiment, as it obeyed to a very specific criteria. While Beon, Galileo, Melon and Tinitell were all search goods (Nelson's theory, 1970) within the product design category whose quality could be easily assessed, it would be interesting if future research elaborates similar experimental studies with services or experience goods whose quality may not be that easy to assess through a pitch video.

Finally, this research suggests that future research should keep trying to understand the dynamics around Crowdfunding platforms as suggested by Belleflamme et al. (2014), more specifically in assessing the factors which lead some campaigns to succeed and others not. In fact there a lot of opportunities to do this. However, as demonstrated by this research, once the pitch video is one of the most important aspects of any Crowdfunding campaign, future research

may start by evaluating the characteristics of this tool in the sense that they may have an effect on success. As suggestions, authors may take advantage of the advanced evidence in the fields of advertising or psychology to study, for instance, the roles of perceived emotions or even the effect of other aspects such as the identification of the project founders on the pitch, the gender of the speaker, the soundtrack choice, the length of the video and much more.

6 - Conclusion

The outcome of the current research may be of superior interest of the Academia in general but, in particular, it builds up on what has been developed by others authors in the field of Entrepreneurship and, more precisely, in the expansion of the phenomenon of Crowdfunding. Indeed, it provides valuable insights towards the need of identifying the reasons which might explain success of some Crowdfunding campaigns compared to the failure of most of them.

After having elaborated on the importance of the pitch video as one of the most crucial tools to promote campaigns and attract investors, it has been shown through an experiment that the perception of quality by project backers of the presented products is generally coherent with their investment decision. Moreover, characteristics of the products like utility and composition are pretty good indicators of a positive investment by the crowd. For these reasons, future project owners should perhaps design pitch videos with special emphasis not only on how their products would benefit the end consumer (in contrast to the costs involved in acquiring it), but also guaranteeing that the design, shape and materials used would gratify possible backers. If the crowd happens to like these two factors, the perception of quality will very likely increase and so will the trust that others will also like the product. In this sense, campaigns success may be an easier goal.

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Appendices

Appendix 1 – Pitch Videos

Table 4 – *Visualized videos on Kickstarter.com*

Name	Video Time	Funding Goal	Amount Pledged	Backers	Funding Success	Pledged per	Category	Description
360 Knife Block	1,1	6.720	12.152	58	181%	209,5	Product Design	Knivesholder
Agent	3,46	100.000	1.012.742	5.685	1013%	178,1	Product Design	Smartwatch
BeON	1,2	100.000	106.306	424	106%	250,7	Product Design	Preventive Bulb
Bia	3,17	400.000	408.160	2.118	102%	192,7	Product Design	GPS Sports Watch
C&C the Bottle Cutter	1,38	6.000	106.856	3.327	1781%	32,1	Product Design	Bottle Cutter
ChargeLight	3,35	100.000	121.329	1.165	121%	104,1	Product Design	USB Dock Light Power
ChopTainer	2,45	10.000	27.819	784	278%	35,5	Product Design	Kitchen
Chuester UpCup	1	6.000	6.161	39	103%	158,0	Product Design	CoffeeCup
CST-01	1,43	200.000	1.026.292	7.658	513%	134,0	Product Design	Smartwatch
Cubii	3,56	80.000	293.712	1.070	367%	274,5	Product Design	Underdesk Trainer
Double O	2,13	75.000	75.554	453	101%	166,8	Product Design	Bike Lights
Even more awesome wood toys	1,37	30.000	118.781	1.177	396%	100,9	Product Design	Wood toy
Flyte	1,27	80.000	617.258	2.085	772%	296,0	Product Design	Levitating Light
Galileo	2,34	100.000	702.427	5.227	702%	134,4	Product Design	iOS in motion
Gramovox	3,15	100.000	241.173	927	241%	260,2	Product Design	Gramophone
Hackaball	3,13	100.000	241.122	2.312	241%	104,3	Product Design	Toy for children
Hobie	2,01	10.000	26.155	773	262%	33,8	Product Design	Photo
Hue Squared	2,03	5.000	5.175	24	104%	215,6	Product Design	Tiles
Impossible Instant Lab	3,29	250.000	559.232	2.509	224%	222,9	Product Design	Instaphotos
Instacube	3,19	250.000	621.049	3.434	248%	180,9	Product Design	Instaphotos
Instaprint	3,02	500.000	222.177	862	44%	257,7	Product Design	Print Instagram
JuiceTank	1,45	125.000	130.148	979	104%	132,9	Product Design	iPhone Charger
Kano	3,27	100.000	1.522.160	13.387	1522%	113,7	Product Design	Computer
Kick	2,12	115.000	210.597	1.154	183%	182,5	Product Design	Lightning Studio
Leoth	3,54	100.000	160.398	967	160%	165,9	Product Design	Handbags
Leveraxe	2,42	150.000	222.229	1.784	148%	124,6	Product Design	Axe
LUMOback	3,05	100.000	200.503	1.614	201%	124,2	Product Design	Posture
Marbel	3,13	90.000	365.966	542	407%	675,2	Product Design	Electric Board
MARTIAN	2,46	200.000	221.298	1.212	111%	182,6	Product Design	Smart Watch
Melon	2,59	100.000	290.941	2.723	291%	106,8	Product Design	Measure Focus
Me-mover	1,48	100.000	301.551	366	302%	823,9	Product Design	Vehicle
Miito	2,21	150.000	818.098	6.052	545%	135,2	Product Design	Electric Kettle
Moment Case	3,26	100.000	693.435	4.833	693%	143,5	Product Design	iPhone Case
Noke	3,32	100.000	400.166	2.912	400%	137,4	Product Design	Bike lock
ollclip Studio	4,1	100.000	154.087	1.041	154%	148,0	Product Design	Mobile Photo
Onewheel	3,11	100.000	630.862	1.015	631%	621,5	Product Design	Skateboard Vehicle
Petcube	3,04	100.000	251.225	1.758	251%	142,9	Product Design	Pet Controller
Phorce	3,35	150.000	199.950	799	133%	250,3	Product Design	Smart Bag
PocketScan	2,16	50.000	542.732	4.586	1085%	118,3	Product Design	Live Scan
Radian	3,42	178.750	292.848	1.620	164%	180,8	Product Design	Smartwatch
Ringbow	3,32	100.000	135.002	2.279	135%	59,2	Product Design	Ring Controller
Scrooser	3,32	120.000	186.545	224	155%	832,8	Product Design	Vehicle
Seatylock	3	40.000	137.190	1.377	343%	99,6	Product Design	Bike benchlock
Sentri	2,01	200.000	391.166	1.239	196%	315,7	Product Design	Home Controller
SipaBoards	4,25	150.000	344.638	284	230%	1213,5	Product Design	Water Board
Smartplate	2,3	100.000	110.872	576	111%	192,5	Product Design	Plate
Stone & Cloth	2,4	10.000	44.993	300	450%	150,0	Product Design	Bags
Sync Bycicles	2,14	10.000	10.281	22	103%	467,3	Product Design	Bike
Tado Cooling	3,18	150.000	204.287	1.601	136%	127,6	Product Design	AC
Taktik	4,01	150.000	680.568	4.597	454%	148,0	Product Design	iPhone Protection
The Digital Bolex	3,04	100.000	262.661	440	263%	597,0	Product Design	Camera
The Everyday Messenger	3,59	100.000	4.869.472	17.029	4869%	286,0	Product Design	Bags
Tinitell	2,33	100.000	147.933	1.102	148%	134,2	Product Design	Mobile phone
TOC Go Bag	2,38	100.000	122.230	529	122%	231,1	Product Design	Emergency Bag
WaxOn - Leave no Trace	2,13	20.000	2.458	48	12%	51,2	Product Design	Handball

Table 5 – *Pitch Video Choice and Campaigns Descriptions*

Name	Kickstarter description	*Image*
BeON Url	"Looks like you're home even when you're not. Packed with safety features. All hidden inside LED bulbs that provide beautiful light." *https://www.kickstarter.com/projects/1939377437/beon-stress-free-home-security/description*	
Galileo Url	"Galileo is an iOS-controlled, robotic motion platform for iPhones and iPod Touches." *https://www.kickstarter.com/projects/449163977/galileo-your-ios-in-motion?ref=nav_search*	
Melon Url	"Gain insight into how your mind works by tracking your focus during any activity you choose. Understand yourself. Learn differently." *https://www.kickstarter.com/projects/806146824/melon-a-headband-and-mobile-app-to-measure-your-fo?ref=nav_search*	
Tinitell Url	"Tinitell is a wearable mobile phone for kids. A wristphone that enables peace of mind for parents, and lets kids be kids." *https://www.kickstarter.com/projects/960748838/tinitell-introducing-a-wristphone-for-kids?ref=nav_search*	

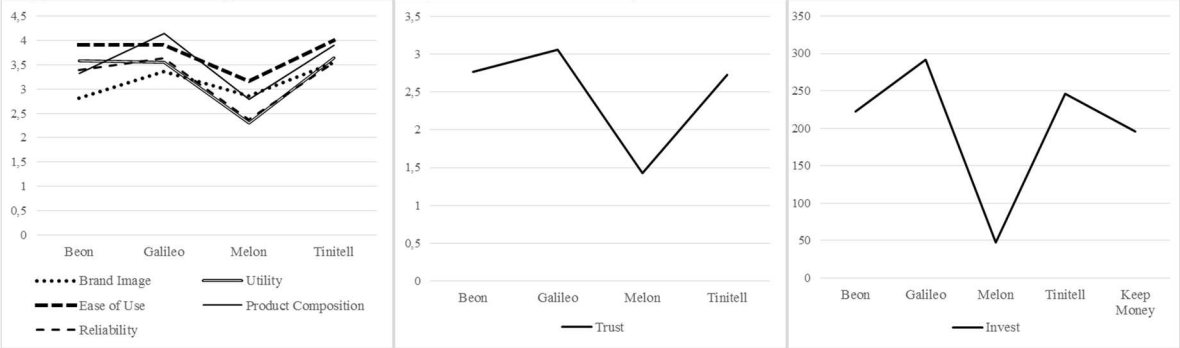
Appendix 2 – Experiment Survey Descriptives

Table 6 – *Average Scores (Product Evaluations, Trust and Investments)*

Average Scores

	Beon	Galileo	Melon	Tinitell	Keep Money
Brand Image	2,81	3,36	2,86	3,54	
Utility	3,58	3,56	2,31	3,65	
Ease of Use	3,91	3,91	3,17	4	
Product Composition	3,32	4,15	2,79	3,91	
Reliability	3,39	3,63	2,38	3,54	
Trust survey	2,23	1,94	3,57	2,27	
Trust	2,77	3,06	1,43	2,73	
Invest	222,92	291,24	47,63	246,01	195,87

Figure 3 – *Average Scores Survey Visualization (Product Evaluations, Trust and Investments)*



Appendix 3 – Factor Analysis

Table 7 – *KMO and Bartlett's Test*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,823
Bartlett's Test of Sphericity	Approx. Chi-Square	757,754
	df	10
	Sig.	,000

Table 8 – *Component Matrix*

Component Matrix[a]	
	Component 1
Brand Image	,658
Utility	,785
Ease of Use	,736
Product Composition	,792
Reliability	,787

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Appendix 4 – Descriptives

Table 9 - *Correlations and Descriptive Statistics*

Correlations and Descriptive Statistics

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	Mean	Std. Deviation
1. Age	1																					29,7087	11,44413
2. Gender	,010	1																				,59	,492
3. Crowdfunding Knowledge	-,101*	,289**	1																			2,69	,979
4. Crowdfunding Visit	-,129**	,172**	,614**	1																		2,02	,914
5. Crowdfunding Participation	,040	,106*	,367**	,540**	1																	1,48	,752
6. Brand Image (%)	,000	,000	,000	,000	,000	1																,2500	,076809
7. Utility (%)	,000	,000	,000	,000	,000	,429**	1															,2500	,087004
8. Ease of Use (%)	,000	,000	,000	,000	,000	,324**	,514**	1														,2500	,055984
9. Product Composition (%)	,000	,000	,000	,000	,000	,411**	,474**	,488**	1													,2500	,067791
10. Reliability (%)	,000	,000	,000	0,000	,000	,391**	,516**	,443**	,577**	1												,2500	,075370
11. Factor: Perceived Quality	,000	,000	,000	,000	,000	,658**	,785**	,736**	,792**	,787**	1											,0000	1,00000000
12. Trust in the campaign success	,000	0,000	0,000	0,000	,000	,318**	,658**	,469**	,454**	,465**	,633**	1										2,5000	1,119
13. Risk Profile - Aversion (Moderator)	,014	-,329**	-,219**	-,065	-,076	,000	,000	,000	,000	,000	,000	0,000	1									,0425	,00989239
14. Amount Invested (Pledged Amount)	,021	-,017	-,046	-,044	-,031	,280**	,583**	,383**	,385**	,363**	,534**	,705**	,035	1								201,4173	215,869
15. Moderator*Brand Image	,008	-,193**	-,129**	-,038	-,045	,786**	,339**	,246**	,327**	,301**	,514**	,266**	,588**	,254**	1							,0106	,00420294
16. Moderator*Utility	,008	-,181**	-,120**	-,036	-,042	,359**	,814**	,424**	,388**	,428**	,645**	,554**	,550**	,505**	,624**	1						,0106	,00449327
17. Moderator*Ease of Use	,010	-,236**	-,157**	-,047	-,055	,219**	,357**	,676**	,337**	,303**	,503**	,324**	,720**	,292**	,598**	,707**	1					,0106	,00343719
18. Moderator*Product Composition	,009	-,211**	-,140**	-,042	-,049	,315**	,353**	,365**	,743**	,425**	,591**	,347**	,643**	,316**	,648**	,664**	,730**	1				,0106	,00384906
19. Moderator*Reliability	,009	-,204**	-,136**	-,041	-,047	,312**	,417**	,351**	,456**	,761**	,617**	,381**	,620**	,318**	,620**	,708**	,699**	,759**	1			,0106	,00398709
20. Moderator*Perceived Quality	,000	,000	,000	,000	,000	,648**	,766**	,711**	,771**	,751**	,970**	,634**	,000	,533**	,538**	,668**	,513**	,615**	,627**	1		,0000	,04347325
21. Moderator*Trust	,006	-,148**	-,099*	-,030	-,034	,297**	,585**	,406**	,403**	,412**	,563**	,869**	,451**	,636**	,530**	,767**	,621**	,619**	,637**	,597**	1	,1064	,05477884

Note: *. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

Appendix 5 – Regression Analysis

Table 10 – *Variables included in each regression*

Regression	Test	Independent Variables																			Dependent Variable
		Age	Gender	Know.	Visit	Partic.	BI	U	EU	PC	R	PQ	TCS	RP	BI * RP	U * RP	EU * Risk	PC * Risk	R * Risk	PQ * Risk	T * Risk	
1	Only Control Variables	x	x	x	x	x																Pledged Amount
2	H1; H2; H3; H4; H5	x	x	x	x	x	x	x	x	x	x											Pledged Amount
3	H6	x	x	x	x	x						x										Pledged Amount
4	H7.1; H7.2; H7.3; H7.4; H7.5; H7.6	x	x	x	x	x							x									Pledged Amount
5	H7.1; H7.2; H7.3; H7.4; H7.5	x	x	x	x	x	x	x	x	x	x		x									Pledged Amount
5.1	H7.1; H7.2; H7.3; H7.4; H7.5	x	x	x	x	x	x	x	x	x	x											Trust
6	H7.6	x	x	x	x	x						x	x									Pledged Amount
6.1	H7.6	x	x	x	x	x						x										Trust
7	H8.1; H8.2; H8.3; H8.4; H8.5	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x			Pledged Amount
8	H8.6	x	x	x	x	x						x		x						x		Pledged Amount
9	H8.7	x	x	x	x	x							x	x							x	Pledged Amount

x: variable included in the regression

Table 11 – *Regression 1 results*

Regression 1

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	223,092	40,805		5,467	,000
Age	,314	,856	,017	,366	,714
Gender	-2,386	20,432	-,005	-,117	,907
Crowdfunding Knowledge	-6,023	12,842	-,027	-,469	,639
Crowdfunding Visit	-4,175	14,886	-,018	-,280	,779
Crowdfunding Participation	-3,377	15,353	-,012	-,220	,826

a. Dependent Variable: Amount invested

Table 12 – *Regression 2 results*

Regression 2

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-246,221	50,959		-4,832	,000
Age	,312	,688	,017	,454	,650
Gender	-2,407	16,422	-,005	-,147	,884
Crowdfunding Knowledge	-6,045	10,321	-,027	-,586	,558
Crowdfunding Visit	-4,180	11,964	-,018	-,349	,727
Crowdfunding Participation	-3,373	12,339	-,012	-,273	,785
Brand Image	-11,508	116,372	-,004	-,099	,921
Utility	1206,215	115,846	,486	10,412	,000
Ease of Use	277,284	171,564	,072	1,616	,107
Product Composition	353,267	151,301	,111	2,335	,020
Reliability	52,522	135,259	,018	,388	,698

a. Dependent Variable: Amount invested

Table 13 – *Regression 3 results*

Regression 3

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	223,128	34,511		6,465	,000
Age	,313	,724	,017	,433	,666
Gender	-2,392	17,281	-,005	-,138	,890
Crowdfunding Knowledge	-6,030	10,861	-,027	-,555	,579
Crowdfunding Visit	-4,176	12,590	-,018	-,332	,740
Crowdfunding Participation	-3,376	12,985	-,012	-,260	,795
Factor: Perceived Quality	115,304	8,137	,534	14,170	,000

a. Dependent Variable: Amount invested

Table 14 – *Regression 4 results*

Regression 4

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-116,920	32,690		-3,577	,000
Age	,314	,607	,017	,517	,606
Gender	-2,386	14,483	-,005	-,165	,869
Crowdfunding Knowledge	-6,023	9,103	-,027	-,662	,508
Crowdfunding Visit	-4,175	10,552	-,018	-,396	,693
Crowdfunding Participation	-3,377	10,883	-,012	-,310	,756
Trust in the campaign success	136,005	6,094	,705	22,319	,000

a. Dependent Variable: Amount invested

Table 15 – *Regression 5 results*

Regression 5

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-196,824	44,095		-4,464	,000
Age	,313	,593	,017	,528	,598
Gender	-2,394	14,158	-,005	-,169	,866
Crowdfunding Knowledge	-6,032	8,899	-,027	-,678	,498
Crowdfunding Visit	-4,177	10,315	-,018	-,405	,686
Crowdfunding Participation	-3,375	10,638	-,012	-,317	,751
Brand Image	18,859	100,356	,007	,188	,851
Utility	506,647	113,181	,204	4,476	,000
Ease of Use	17,480	149,229	,005	,117	,907
Product Composition	159,286	131,276	,050	1,213	,226
Reliability	-103,577	117,216	-,036	-,884	,377
Trust in the campaign success	108,119	8,229	,561	13,139	,000

a. Dependent Variable: Amount invested

Table 16 – *Regression 5.1 results*

Regression 5.1

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-,457	,239		-1,908	,057
Age	-7,569E-06	,003	,000	-,002	,998
Gender	,000	,077	,000	-,001	,999
Crowdfunding Knowledge	,000	,049	,000	-,002	,998
Crowdfunding Visit	-2,677E-05	,056	,000	,000	1,000
Crowdfunding Participation	2,127E-05	,058	,000	,000	1,000
Brand Image	-,281	,547	-,019	-,514	,608
Utility	6,470	,544	,503	11,884	,000
Ease of Use	2,403	,806	,120	2,980	,003
Product Composition	1,794	,711	,109	2,523	,012
Reliability	1,444	,636	,097	2,271	,024

a. Dependent Variable: Trust in the campaign success

Table 17 – *Regression 6 results*

Regression 6

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-72,229	34,570		-2,089	,037
Age	,314	,600	,017	,523	,601
Gender	-2,387	14,310	-,005	-,167	,868
Crowdfunding Knowledge	-6,025	8,994	-,027	-,670	,503
Crowdfunding Visit	-4,175	10,426	-,018	-,400	,689
Crowdfunding Participation	-3,377	10,753	-,012	-,314	,754
Factor: Perceived Quality	31,587	8,706	,146	3,628	,000
Trust in the campaign success	118,132	7,779	,612	15,185	,000

a. Dependent Variable: Amount invested

Table 18 – *Regression 6.1 results*

Regression 6.1

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,500	,164		15,234	,000
Age	-2,635E-06	,003	,000	-,001	,999
Gender	-3,904E-05	,082	,000	,000	1,000
Crowdfunding Knowledge	-4,110E-05	,052	,000	-,001	,999
Crowdfunding Visit	-9,321E-06	,060	,000	,000	1,000
Crowdfunding Participation	7,406E-06	,062	,000	,000	1,000
Factor: Perceived Quality	,709	,039	,633	18,313	,000

a. Dependent Variable: Trust in the campaign success

Table 19 – *Regression 7 results*

Regression 7

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-100,101	179,609		-,557	,578
age	,304	,689	,016	,441	,659
Gender	1,184	17,156	,003	,069	,945
Crowdfunding Knowledge	-4,809	10,472	-,022	-,459	,646
Crowdfunding Visit	-5,064	12,041	-,021	-,421	,674
Crowdfunding Participation	-3,007	12,366	-,010	-,243	,808
Brand Image	-643,247	516,400	-,229	-1,246	,213
Utility	692,442	572,094	,279	1,210	,227
Ease of Use	477,200	783,797	,124	,609	,543
Product Composition	417,194	722,258	,131	,578	,564
Reliability	228,884	593,064	,080	,386	,700
Risk Aversion	-3457,982	4104,401	-,158	-,843	,400
Moderator Brand Image	14535,324	11845,678	,283	1,227	,220
Moderator Utility	12410,450	13723,279	,258	,904	,366
Moderator Ease of Use	-4589,154	18729,282	-,073	-,245	,807
Moderator Product Composition	-1568,289	17030,288	-,028	-,092	,927
Moderator Reliability	-4487,661	14822,501	-,083	-,303	,762

a. Dependent Variable: Amount invested

Table 20– *Regression 8 results*

Regression 8

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	192,903	55,277		3,490	,001
age	,305	,724	,016	,422	,674
Gender	1,201	18,010	,003	,067	,947
Crowdfunding Knowledge	-4,792	10,993	-,022	-,436	,663
Crowdfunding Visit	-5,061	12,641	-,021	-,400	,689
Crowdfunding Participation	-3,010	12,982	-,010	-,232	,817
Factor: Perceived Quality	63,164	33,528	,293	1,884	,060
Risk Aversion	617,455	882,701	,028	,700	,485
Moderator Perceived Quality	1236,240	771,243	,249	1,603	,110

a. Dependent Variable: Amount invested

Table 21 – *Regression 9 results*

Regression 9

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-66,172	81,734		-,810	,419
age	,305	,607	,016	,503	,615
Gender	1,208	15,107	,003	,080	,936
Crowdfunding Knowledge	-4,785	9,221	-,022	-,519	,604
Crowdfunding Visit	-5,060	10,603	-,021	-,477	,633
Crowdfunding Participation	-3,011	10,889	-,010	-,277	,782
Trust in the campaign success	103,612	26,924	,537	3,848	,000
Risk Aversion	-1285,927	1709,783	-,059	-,752	,452
Moderator Trust	761,426	616,463	,193	1,235	,217

a. Dependent Variable: Amount invested