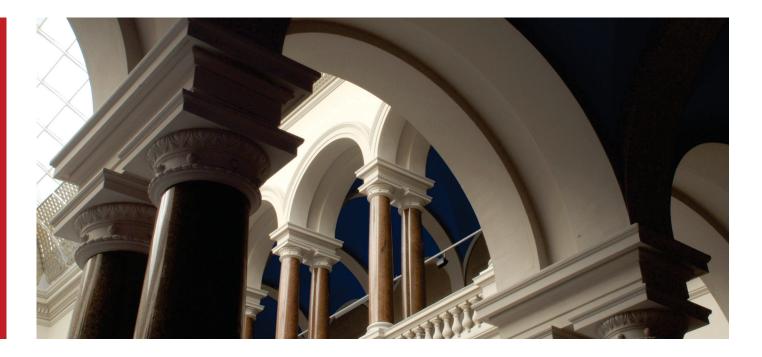Felix Pinkow, Philip Emmerich

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CROWDFUNDING: THE MODERATING ROLE OF THE FUNDING GOAL ON FACTORS INFLUENCING PROJECT SUCCESS

Felix Pinkow – Philip Emmerich

Abstract

Purpose: The factors determining the success of crowdfunding projects is one of the central aspects for crowdfunding researchers. Most quantitative approaches recognize the amount of funds targeted as an important control. However, little is known about the impact of the funding goal on other factors that impact crowdfunding success. We hypothesize that the effect of crowdfunding success factors might vary dependent on funding goal level.

Design/methodology/approach: A dataset of 338 crowdfunding projects on the German crowdfunding platform StartNext, with a vast majority of projects founded in Germany and a few projects from international European founders, in the years 2015 to 2016 is analysed by conducting regression analyses controlling for varying funding goal sizes. We use the dependent variables success, the degree of success, number of project supporters and the average contribution per supporter and control whether the effect of independent variables such as comments, updates and social media depend on different funding goals.

Findings: Our study indicates that the impact of the investigated success factors in fact strongly depends on the goal sizes of crowdfunding projects. By grouping projects into clusters of varying funding goal sizes, we find that the impact of individual success factors changes and that the funding goal plays a moderating role for factors impacting project success.

Research/practical implications: These results help both researchers and future entrepreneurs to better understand supporter behaviour. First, we suggest researchers to include the projects' funding goals as moderators in most cases especially when assessing success factors for crowdfunding projects. Second, future entrepreneurs should be aware that factors influencing the success of a crowdfunding project strongly depend on the set funding goal. Depending on funding goal, some factors become less relevant whilst other factors' importance is increasing.

Originality/value: The funding goal of a crowdfunding project determines whether instruments used by project founders have an impact on their project's success. Although the funding goal is a central issue in crowdfunding research, it is often used as independent variable, in contrast we suggest incorporating it as a moderator for other success factors.

Keywords: crowdfunding, success factors, reward-based, start-up, entrepreneurial financing

JEL Codes: M13, L26, G24

Introduction

The right choice among the numerous opportunities of financing new businesses is central to the future development of nascent entrepreneurs' ideas. Whilst traditional financing forms such as bank loans or funding by venture capitalists are well-established, crowdfunding emerged in the last decade as a new possibility to finance ideas on new products, services or technologies. Among the many forms of crowdfunding, such as equity-based, pure donation-based, or profit-sharing crowdfunding, this study focuses on *reward-based* crowdfunding, which refers to finance 'a project or a venture by a group of individuals instead of professional parties' (Schwienbacher & Larralde, 2010, p. 4) who in turn receive 'some form of reward' (Mollick, 2014, p. 2) varying from acknowledgments to pre-ordering the final product.

Platforms such as Kickstarter, Indiegogo or StartNext offer a variety of instruments to promote crowdfunding initiatives, for example the integration of social media platforms, embedding promotional and illustrative videos from YouTube, and the possibility to interact with the crowd, the potential contributors (also referred to as *backers, funders* or *supporters*). In this context, crowdfunding platforms act as two-sided markets, connecting project founders to a potential crowd that can provide the required funding (Belleflamme, Lambert, & Schwienbacher, 2014). The question how to design such a crowdfunding project, how much funding is required, and which factors drive the success of a crowdfunding initiative are the key questions for every entrepreneur considering crowdfunding an option to finance their ideas.

The funding goal determines the amount of funding from the crowd required for a project to be considered successful and can be set by the project founders. The project founders, however, only receive the pledged money if the funding goal was reached during the crowdfunding campaign, otherwise the funding is paid back to the crowd. Factors that impact the probability of reaching the funding goal are called 'success factors', which are central to crowdfunding research and widely investigated (Beier & Wagner, 2015; Cordova, Dolci, & Gianfrate, 2015; Kuppuswamy & Bayus, 2018). Thereby, especially the funding goal set by the project founders was identified to be relevant for success (ibid.), with an increasing funding level having a negative impact on success probability. However, the question whether and how the impact of individual success factors varies for projects with different funding goals is often neglected. Therefore, this study seeks to answer the question which success factors are moderated by the level of the targeted funding goal and how the impact of success factors varies for different levels of the targeted funding.

1. Literature Review

1.1 Crowdfunding Success Factors

Crowdfunding received great research attention during the past years and most studies that investigate some form of impact on crowdfunding success, regardless of the specific topic, include factors established by previous research as control variables. Relevant factors which were assessed for a positive contribution to crowdfunding success in current literature are the inclusion of pictures and videos on a crowdfunding website (Koch & Siering, 2015), the number of posted updates and comments from supporters (Beier & Wagner, 2015; Kuppuswamy & Bayus, 2017), the number of founders of a crowdfunding project (Beier & Wagner, 2015), the offered rewards (Du, Li, & Wang, 2019; Zhang & Chen, 2019), and the role of social media (Datta, Sahaym, & Brooks, 2018; Thies, Wessel, & Benlian, 2014). Although the above-mentioned factors are well-researched, there is no established consensus on their effect. Some studies for example find that pictures, videos or updates are not relevant for project success (Cordova et al., 2015; Joenssen, Michaelis, & Müllerleile, 2014), and even the effect of social media is not yet fully understood and the positive effect on project success is not consistent across studies (Belleflamme, Lambert, & Schwienbacher, 2013; Koch & Siering, 2015).

1.2 Hypotheses

Previous studies often included the funding goal as independent variable in regression analyses to assess the impact of different funding levels on success. For example, Cordova et al. (2015) and Kuppuswamy and Bayus (2017) considered different levels of funding goals, but did not further elaborate differences or significance levels for projects with different funding goals with respect to individual success factors. We believe that some ambiguity of the mentioned results can be explained by controlling for different funding goal levels. While for projects with high funding goals the use of social media or videos explaining the project idea in addition to the written project description on a crowdfunding platform may be helpful, it might be different for projects with very low funding goals. Therefore, H1 is stated as follows:

> **H1:** *The funding goal size of crowdfunding projects moderates the impact of success factors on project success.*

H1 will be tested with two different dependent variables: First, projects are separated in successful and unsuccessful projects. Second, we assess the degree of success, measured by dividing the total amount of funding by the initial funding goal.

Another aspect of success is the average contribution per backer and the total amount of backers. Since attracting a sufficiently large crowd and a high contribution per backer can be

crucial for any project, we test whether success factors also differ between different funding goal sizes concerning the backers per project and the average contribution per backer. Thus, H2 and H3 are stated as follows:

H2: *The funding goal size of crowdfunding projects moderates the impact of success factors on the backers per project.*

H3: *The funding goal size of crowdfunding projects moderates the impact of success factors on the average contribution per backer.*

2. Data and Methodology

Data was collected from 338 crowdfunding projects on the German crowdfunding platform StartNext. Success factors comprise the number of updates, comments, the availability of social media (Facebook and Twitter), availability of pictures and videos, the number of offered rewards to backers, the length of the project description and the amount of project founders.

Table 1: Variable Description

Variable Name	Variable Description
Cat1	Category 1: Product-related projects, includes following subcategories: Design, Invention, Technology, Science
Cat2	Category 2: Artistical Projects, includes the following subcategories: Film, Photography, Journalism, Art, Literature, Fashion, Music, Theatre
Cat3	Category 3: Social projects, includes the following subcategories: Education, Community, Event, Social Business, Environment
PIC	Availability of Picture(s) (1=yes, 0=no)
VID	Availability of Video(s) (1=yes, 0=no)
NrUpd	Number of updates on the crowdfunding page
NrCmt	Number of comments on the crowdfunding page
NrRewards	Number of rewards offered to backers on the crowdfunding page
PrjDetail	Number of words used to describe the project, indicating the level of how detailed the project is described *(Note: The number of words is divided by 100 in the regression tables for illustration)*
Goal	Targeted funding goal in €
Success	Project success (1=yes, 0=no)
Raised	Amount of total funds raised in €
DegrSucc	Degree of success = Raised / Goal
Backers	Number of backers of a crowdfunding project
AvrgContr	Average contribution per backer in €
FB	Availability of a dedicated Facebook page for the project (1=yes, 0=no)
TW	Availability of a dedicated Twitter profile for the project (1=yes, 0=no)
Founders	Number of founders of the crowdfunding project as stated on the crowdfunding page

All factors are considered instruments the project founders can determine or influence during a crowdfunding campaign. The effect of different funding goal levels was tested for the

probability of success, the degree of success and the backers per project as well as the average contribution per backer. We employ regression analyses, including robust logit- and linear OLS-regression and separate four levels of funding goals. Table 1 illustrates the variables used in this study.

The project categories were included as a control, as explained in Table 1. All conducted regressions were robust, thereby for *Success* we used a robust logit-regression and for *Degree of Success*, *Backers* and *Average contribution per backer* we used robust linear regressions. The assessed projects were assigned to four categories determined by three different funding goal thresholds: The 25%-percentile of the funding goal in our dataset at 4000€, the 50%-percentile at around 7000€, and the 75%-percentile at 15,000€. To compare our results for the different goal levels to the overall dataset, a regression without separating projects with respect to goal levels was executed.

3.   Results and Analysis

From the 338 examined projects 51.78% were successful with an average funding goal of 13,364.53€ and an average of 7,999.16€ raised per project. Each project posted around 5 updates, had around 11 comments on their crowdfunding page, offered an average of 11 different rewards to the crowd and was supported by 102 backers. 82.54% of all projects integrated at least one social media platform on their crowdfunding page, 85.80% provided at least one picture and 97.34% provided at least one video. Table 2 provides the summary statistics for the investigated projects and Table 3 provides the pair-wise correlations.

Since only 8 projects neither had a video nor any pictures and both variables proved insignificant with p-values ranging from 0.1 to 0.9, we excluded videos and pictures from the subsequent analyses. The availability of videos and pictures rather seems to have established as basic standard for a vast majority of projects and for our case cannot be used to explain crowdfunding success. The regression results are summarized in Tables 4 to 6, whereby the first project category (*Cat1*) is omitted and serves as the comparison group for the other project categories. The regressions conducted for the *average contribution per backer* suffered from low R-squared values ranging from 0.0308 to 0.1538 and F-tests showed a low regression model fit. Thus, the results indicate that the average contribution per backer cannot be explained by the examined factors and is not further considered in this study and H3 is rejected.

Table 2: Summary Statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
Success	338	0.517752	0.500426	0	1
DegrSucc	338	0.762214	0.894979	0	9.68
Goal	338	13,364.53	23,652.52	100	280,000
Cat1	338	0.295858	0.457104	0	1
Cat2	338	0.405325	0.491683	0	1
Cat3	338	0.298817	0.458418	0	1
PIC	338	0.857988	0.34958	0	1
VID	338	0.973373	0.16123	0	1
NrUpd	338	4.976331	5.353335	0	36
NrCmt	338	10.53846	15.799	0	109
Keywords	338	4.630178	0.909515	0	5
NrReward	338	11.38462	7.690219	0	101
PrjDetail	338	555.6479	280.6267	79	1,426
AvrgContr	338	89.14154	141.0363	0	1,918.25
Raised	338	7,999.163	20,320.32	0	321,226
DegrSucc	338	0.762214	0.894979	0	9.68
Backers	338	101.9112	189.7285	0	1,902
FB	338	0.772189	0.420042	0	1
TW	338	0.284024	0.451617	0	1
Founders	338	2.467456	2.382018	1	21

Table 3: Correlation Matrix

	Success	DegrSucc	Goal	Cat1	Cat2	Cat3	PIC	VID	NrUpd	NrCmt	NrRewards	PrjDetail	Backers	FB	TW	Founders
Success	1															
DegrSucc	0.6819*	1														
Goal	-0.0963	-0.1036	1													
Cat1	-0.023	-0.0541	0.1078	1												
Cat2	-0.0595	-0.0509	-0.0522	-0.5351*	1											
Cat3	0.0868	0.1086	-0.0516	-0.4232*	-0.5390*	1										
PIC	0.1841*	0.1565*	0.0094	0.0594	-0.0957	0.0434	1									
VID	0.1346	0.1019	0.0082	-0.0538	-0.0132	0.0678	0.3539*	1								
NrUpd	0.4864*	0.3508*	0.2219*	0.0502	-0.0786	0.0343	0.1980*	0.0852	1							
NrCmt	0.3917*	0.3555*	0.1285	0.0806	-0.0904	0.0166	0.0982	0.079	0.4635*	1						
NrRewards	0.2365*	0.1688*	0.1255	-0.1329	0.114	0.0102	0.1484*	0.025	0.3065*	0.2591*	1					
PrjDetail	0.2027*	0.1611*	0.1529*	0.0546	-0.1085	0.0619	0.1229	-0.0401	0.3193*	0.1951*	0.1532*	1				
Backers	0.4263*	0.4294*	0.3944*	-0.1464*	0.1151	0.0226	0.1377	0.0722	0.5026*	0.5753*	0.3076*	0.2219*	1			
FB	0.2663*	0.2143*	0.0464	-0.0652	-0.0257	0.0926	0.2236*	0.1292	0.1982*	0.099	0.1457*	0.1972*	0.1694*	1		
TW	0.2665*	0.2620*	0.0745	-0.0345	-0.0122	0.0475	0.0119	-0.0588	0.2974*	0.2351*	0.0872	0.1789*	0.2291*	0.2170*	1	
Founders	0.2868*	0.2422*	0.0386	-0.0756	0.0151	0.0592	0.1726*	0.0557	0.1910*	0.1623*	0.1431*	0.2906*	0.2654*	0.1423*	0.1576*	1

Note: * indicates a p-value < 0.01

Table 4 illustrates regression results for the distinction of successful and unsuccessful projects. Considering the project categories, artistical and social projects appear to be more successful than product-related projects for the highest level of funding goals above 15,000€, and artistical projects less likely to be successful for projects below 4,000€. Both factors the number of updates and comments are highly significant for the overall model, indicating a positive impact on project success. Considering the regression models separated by different funding goals, the number of updates display an unclear pattern with high significance for projects below 4,000€, no significant impact on success for projects between 4,000€ and 7,000€ and significance for projects above 7,000€. The significance levels of number of comments increase with a higher funding goal and are not significant on the lowest level for projects below 4,000€. Both variables indicate that keeping the crowd informed about the project by updates and interacting with the crowd through the comment section on a crowdfunding platform is central to project success, but results vary for different funding goals. The number of offered rewards is not significant for the overall model, but highly significant for the projects below 4,000€. Offering a variety of rewards thus might influence project success for projects with a low funding goal but becomes less relevant with an increasing funding goal.

Both social media and the number of founders indicate the access to a larger network around the crowdfunding projects. A dedicated Facebook project page is significant for the overall model, but not significant for any of the models for the different funding goal ranges. The number of founders is highly significant in the overall model and for projects between 4,000€ and 15,000€, but not significant for projects below or above this range. A higher number of founders can be understood as access to a larger personal network, offering to promote the project to a larger audience. Thus, projects with a low funding goal may not depend on a very large network or might not require a broad Social Media promotion. In contrast, the number of founders is relevant with an increase of the funding goal, such that a broader network may contribute to a project's success. For projects with relatively high funding goals, the pure number of founders may not be sufficient anymore to explain the network effect on project success, but other factors such as innovativeness, attractiveness of rewards or more subjective factors may have a larger impact.

Table 4: Robust Logit Regression Results for Project Success

Dep. Variable Project Success	All Data (1)	< 4000 € (2)	4000 € - 7000€ (3)	7000 € - 15000€ (4)	> 15000 € (5)
Cat2	0.142	-2.105**	-0.319	1.144	1.998**
	(0.42)	(-0.42)	(-0.36)	(1.53)	(2.20)
Cat3	0.449	0.768	0.149	1.607**	1.626*
	(1.18)	(0.42)	(0.15)	(1.96)	(1.87)
NrUpd	0.207***	0.623***	0.162	0.209**	0.191***
	(4.11)	(3.49)	(1.20)	(2.14)	(3.46)
NrCmt	0.0615***	0.135	0.123**	0.128**	0.0809***
	(3.39)	(1.35)	(2.09)	(2.41)	(2.88)
NrRewards	0.0133	0.260***	0.181*	0.0236	-0.0292
	(0.71)	(2.74)	(1.67)	(0.89)	(-0.76)
PrjDetail	-0.0409	0.134	0.00627	0.141	-0.0868
	(-0.74)	(-0.65)	(0.03)	(1.24)	(-0.69)
FB	1.017***	0.496	1.134	1.356	0.633
	(2.75)	(0.51)	(1.59)	(1.33)	(0.63)
TW	0.521	1.304	0.558	0.923	0.0807
	(1.55)	(1.40)	(0.73)	(1.20)	(0.09)
Founders	0.216***	0.207	0.428**	0.270**	0.241
	(3.35)	(1.40)	(2.32)	(2.28)	(1.40)
_cons	-2.876***	-3.472***	-5.098***	-6.332***	-4.048***
	(-5.96)	(-2.60)	(-4.64)	(-3.98)	(-3.04)
N	338	82	73	92	91
R-sq	0.327	0.533	0.439	0.456	0.484

t statistics in parentheses: * $p<0.10$, ** $p<0.05$, *** $p<0.01$

The results for regression analysis on the degree of success are illustrated in Table 5. While the project categories for the previous logit-regression revealed several significant differences for projects, the results for the linear regression on degree of success reveal significant differences only for projects between 7,000€ and 15,000€. For the number of comments and updates a comparable pattern as shown in Table 4 could be observed: A tendency of more significant results for projects with an increasing funding goal can be observed. While both factors are significant for the overall model, neither the number of updates nor the number of comments for projects in the lowest funding goal range are significant. However, as the funding goal increases, both factors become significant at the 1%-level, indicating a moderation effect of the funding goal.

Concerning the social media factors, the availability of both a Facebook project page and a dedicated Twitter profile are significant for the overall model but turn insignificant for the remaining models with the exception of a slight significance at the 10%-level of a Facebook

page for projects below 7,000€. The pattern for the number of founders is the comparable to the results from Table 4, with the exception that this factor remains significant for projects above 15,000€. Since a logit regression only separates between successful and unsuccessful projects, the information on the individual degree of success is lost, thus the underlying distributions of the included variables differ between the two regression approaches and differences in significance levels could be due to these distribution differences. A common result, however, is that some clear patterns are observable for both regression approaches, indicating a strong support for the claim of this study that different funding goals determine the impact of the investigated factors on success probability and thus H1 is supported.

Table 5: Robust Linear Regression Results for Degree of Success

Dep. Variable **Degree of Success**	**All Data** (1)	**< 4000 €** (2)	**4000 € - 7000€** (3)	**7000 € - 15000€** (4)	**> 15000 €** (5)
Cat2	0.0555	-0.284	-0.0605	0.346**	0.183
	(0.75)	(1.42)	(-0.36)	(2.59)	(1.62)
Cat3	0.182	0.419	-0.129	0.321**	0.107
	(1.43)	(0.88)	(-0.73)	(2.57)	(0.98)
NrUpd	0.0284**	0.0528	0.00166	0.0258*	0.0242***
	(2.54)	(0.97)	(0.08)	(1.68)	(2.92)
NrCmt	0.0124***	0.028	0.0357***	0.0242***	0.0125***
	(2.96)	(0.83)	(2.94)	(3.80)	(5.15)
NrRewards	0.00155	0.041	0.0276*	0.00182	-0.000156
	(0.33)	(0.84)	(1.68)	(0.61)	(-0.03)
PrjDetail	-0.00722	-0.0361	-0.00465	0.0339*	-0.0100
	(-0.49)	(-1.05)	(-0.13)	(1.72)	(-0.51)
FB	0.233***	0.341*	0.242*	0.185	0.0885
	(3.61)	(1.96)	(1.85)	(1.43)	(0.74)
TW	0.224*	0.398	0.0997	0.0821	0.0584
	(1.69)	(1.49)	(0.63)	(0.65)	(0.44)
Founders	0.0524***	-0.00236	0.149***	0.0426**	0.0622**
	(3.34)	(-0.06)	(3.99)	(2.27)	(2.18)
_cons	0.0631	0.0298	-0.259	-0.429**	-0.049
	(0.72)	(0.05)	(-1.40)	(-2.56)	(-0.31)
N	338	82	73	92	91
R-sq	0.2314	0.2633	0.5951	0.4971	0.5949

t statistics in parentheses: * p<0.10, ** p<0.05, *** p<0.01

The regression results for the number of backers per project can be found in Table 6. Whilst the number of updates was a highly significant variable for the previous dependent variables on success, there is only one significance at the 10%-level for projects above 15,000€. However, the number of comments demonstrates a much stronger effect in this case and

throughout all regression models, except for the group with the lowest goals. This finding indicates, that for attracting backers a higher interaction with the crowd seems to be more relevant for attracting more supporters than posting more updates. However, comments are highly correlated with the number of backers (r=.58) and we rather assume a reciprocal effect of an increasing number of backers that leads to an increase in comments, rather than the fact that a high number of comments leads to the attraction of more backers in the first place. Nonetheless, for projects below 7,000€ the number of comments is not or only slightly relevant, which indicates that the interaction of backers with the founding team through comments gets more significant for projects with higher funding goal levels, partially supporting the claim of H2. Concerning social media integration, no strong effect could be found for the average number of backers per project. However, the number of founders reveals an interesting pattern: For projects above the 7,000€ funding goal threshold, the number of founders is not significant, but highly significant for projects below 7,000€, further supporting the claim of a moderating role of funding goal levels and supporting H2. This finding strengthens the idea that projects with a rather high funding goal do not significantly benefit from a larger founding team, indicating that at some point the personal network of founders becomes less relevant and other factors become more important for project success. Projects with lower funding goals may benefit more from close friends or family members supporting a project, but the higher the funding goal the more backers outside the founders' networks might have to be attracted.

The number of offered rewards and the number of words used for a project description is not significant in almost all regression models, and thus not considered a good instruments that impact success in our examined crowdfunding projects. Since we only assessed the total number of rewards, and not the nature, attractiveness or price levels of rewards, we can merely state that increasing the number of offered rewards does not increase success probability substantially nor attract more backers for the assessed projects. Following this logic, the same holds true for the length of project descriptions, which we only assessed by the number of words used. A more detailed assessment of rewards and specific components of a project description could potentially yield different results.

Comparing the two assessed social media networks Facebook and Twitter, Facebook played a slightly more significant role than Twitter. Although both social media platforms and the number of project founders are indications for the accessible network size of a project, the number of project founders proved to be much more significant in almost all regression models.

Table 6: Robust Linear Regression Results for Backers

Dep. Variable Number of Backers	All Data (1)	< 4000 € (2)	4000 € - 7000€ (3)	7000 € - 15000€ (4)	> 15000 € ()
Cat2	89.93***	1.549	19.19	127.0***	145.7***
	(4.27)	(0.13)	(0.79)	(3.36)	(2.65)
Cat3	49.41***	5.852	-17.96	81.01***	70.00*
	(3.44)	(0.32)	(-0.73)	(3.34)	(1.83)
NrUpd	9.175	2.079	-6.311	0.444	17.95*
	(1.51)	(1.30)	(-1.57)	(0.17)	(1.77)
NrCmt	5.148***	1.544	5.690*	6.065***	3.884**
	(4.86)	(1.06)	(1.83)	(3.29)	(2.10)
NrRewards	1.560	1.605	0.409	-0.248	5.185
	(1.01)	(0.87)	(0.16)	(-0.41)	(1.43)
PrjDetail	1.425	-1.782	1.193	10.91**	-3.517
	(0.42)	(-1.23)	(0.16)	(2.06)	(-0.34)
FB	17.30	14.48	37.68*	-5.280	-12.14
	(1.18)	(1.63)	(1.68)	(-0.21)	(-0.27)
TW	5.497	8.612	73.54*	9.039	25.06-
	(0.32)	(0.91)	(1.94)	(0.39)	(0.48)
Founders	9.011***	5.579***	27.38***	6.253	5.100
	(2.77)	(2.68)	(2.67)	(1.25)	(0.54)
_cons	-112.0***	-10.61	-68.07**	-124.9**	-126.8
	(-3.73)	(-0.46)	(-2.02)	(-2.57)	(-1.45)
N	338	82	73	92	91
R-sq	0.4966	0.2853	0.5263	0.3976	0.5829

t statistics in parentheses: * $p<0.10$, ** $p<0.05$, *** $p<0.01$

Conclusion

The conducted regression analyses provide insights into the role of different funding goal levels for the effect of success factors on crowdfunding projects. We find clear indications that some success factors impact the success probability of a crowdfunding project differently when varying funding goal levels are taken into account. We find strong indications for the overall claim of this study, that the funding goal of crowdfunding projects should be incorporated as moderating variable in quantitative analyses aiming at investigating crowdfunding success.

However, this study is also subject to some limitations that future studies should address. First, we only assessed the availability of pictures, videos and social media and the total number of updates and comments. Previous studies indicate that also the quality or content is a decisive factor that explains why backers provide funds. For example, Hu, Li, and Shi (2015) found that the differences in rewards provided to backers for different funding levels shapes people's intention to spend money on a crowdfunding project. Likewise, also the quality and specific content of the provided videos or posted updates (see Kuppuswamy & Bayus, 2017) should be

considered. Nonetheless, this study did not seek to comprehensively explain crowdfunding success. Some of the common factors that are usually assessed in crowdfunding research were included in this study to confirm that the funding goal should not only be considered a factor that directly impacts project success, but also strongly moderates the effects of other factors on project success.

We assessed factors which can be understood as instruments influenced by project founders directly on the websites of their projects on crowdfunding platforms. Thus, our results constitute important information for nascent entrepreneurs who choose to run a crowdfunding campaign to finance their idea: the relevance of individual factors must be considered differently depending on the required funding. In particular, we found that the interaction with the crowd through posting updates and encourage an active comment section becomes more important with an increasing funding goal. Other factors like providing pictures or videos were found to be significant success factors by previous research, however, our findings indicate that pictures and videos became rather basic requirements for a crowdfunding project and cannot help to explain success. The decision of which instruments to use in order to be successful is significantly moderated by the chosen funding goal, and project founders are encouraged to carefully think about the interplay of different funding goals and the effect of the employed instruments. A strong factor we found was the number of founders, thus we encourage future project founders to start a project in a team rather than creating a project with only one representative. Future studies are required to investigate more detailed effects of different funding goal level, and to determine which factors are more relevant for projects with lower goals and which factors become increasingly important for projects targeting high funding goals. We especially emphasize the need to develop an approach to assess ,newness' or ,innovativeness' of projects, since many studies do not consider the nature of individual projects. A more detailed investigation of the interplay of different funding goal levels and success factors could be carried out considering the quality, innovativeness and specific type of project. Our study provides first indications in this direction and thereby contributes to the general understanding of the dynamics of the innovative financing alternative that rearranged the venture capital environment – reward-based crowdfunding.

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